

from its aggregate subsidy calculation those benefits found not to have been passed through.

(c) Allocation.

i) Allocation over time. DOC's general practice in this area has remained stable. The test for deciding which subsidies to amortize and which to expense has not changed, and neither have its long-standing approaches to selecting an amortization period (i.e. based on the average useful life of production assets), selecting a discount rate to account for the time value of money, and focusing generally on facts relating to the original bestowal of an amortizable subsidy rather than on facts emerging during the amortization period. However, the above-described change in practice related to changes in ownership (privatization) may have opened the door to a subtle increase in consideration by DOC of post-bestowal events.

As a matter of principle, there is nothing unique about a change in ownership; if such an event can justify revisiting an established benefit stream, then perhaps other events can do so as well. DOC has maintained an adherence to strict *ex ante* subsidy analysis and has been therefore unwilling to trace the "use" of subsidies or the "competitive effects" of subsidies during their amortization period. There is some evidence, however, that certain types of findings may be made with some level of awareness of what transpired after a given subsidy was bestowed (e.g. creditworthiness). It remains to be seen, however, whether this slight evolution will continue and will be acknowledged in some official fashion.

ii) Allocation across products. The general approach here has also remained steady. DOC continues to treat subsidies as presumptively fungible and allocable to all of the recipient's output, but capable, at least in exceptional circumstances, of being "tied" to a particular portion of the recipient's output if it is shown, at the time of bestowal, to be likely to benefit only that portion of the total output. This analysis governs what benefits are included in the numerator of DOC's subsidy calculation, and also what is included in the calculation's sales denominator. Evolution in this area has involved the attribution of subsidies between and among "affiliated" and "cross-owned" companies. DOC's test, which has focused on whether there is effective common control over the decision making of separately established firms, has not changed explicitly, although it has been applied to a growing number of increasingly complex fact patterns. The "Subsidies Valuation Information" section of DOC's subsidy determinations, preceding the program-by-program analysis of countervailability, now commonly features a lengthy discussion of cross-ownership relationships among various corporate entities.

(d) Upstream subsidies. DOC has continued to make some progress in clarifying what has long been a murky area of its CVD practice. This relates to when alleged subsidization of production inputs will be treated like other subsidies in an investigation. Countervail respondents frequently seek to steer the analysis in such instances toward the "upstream" category, where the standards for countervailability are thought to be more exacting.