

final determination. The period of investigation was the calendar year 1990. Commerce calculated a single rate for both pure and alloy magnesium. Commerce determined that the subsidies provided to the respondents benefited the production of both pure and alloy magnesium, and could not be segregated. A single estimated net subsidy was therefore calculated for both classes of merchandise for Norsk Hydro Canada Inc. (NIICI).

Manufacturer/Exporter	Ad valorem CVD rate
Norsk Hydro Canada	21.61%
Timminco	0.09%
<i>(de minimis and excluded from investigation)</i>	
All others	21.61%

On August 26, 1992, the ITC released an affirmative final determination. The ITC determined that the volume and market penetration of the subject imports increased dramatically during the period of investigation. Coincident with this large increase, U.S. producers' production, domestic shipments and market share declined steadily in both quantity and value, while inventories increased. The financial performance of the domestic industry also steadily declined, with decreases in operating income margins, gross profit and net sales. Correspondingly, the prices for both U.S.- and Canadian-produced magnesium declined during the period of investigation, leading to a direct loss of profits.

5.2 Changed Circumstances

On September 10, 1992, Commerce initiated a changed circumstances review to determine the effect of an amendment in the electricity contract between NIICI and Hydro-Québec. On November 16, 1992, it was determined that as a result of the amended contract, no subsidy was conferred upon NIICI through its purchase of electricity from Hydro-Québec.

NIICI was being treated as any other similar user, and the price being charged to NIICI was consistent with Hydro-Québec's standard pricing mechanism. Accordingly, the CVD rate was reduced to 7.61%.

5.3 FTA/NAFTA Binational Panel Reviews

5.3.1 First Review

On September 25, 1992, NIICI and the Government of Quebec filed a request for a Chapter 19 (FTA) Binational Panel Review of the ITC's final affirmative injury determination. The Government of Canada subsequently filed a notice of appear-