

5.6 Sunset Review

On August 2, 1999, Commerce and the ITC initiated a sunset review of the anti-dumping and countervailing duty orders on pure and alloy magnesium from Canada. Both Commerce and the ITC determined that they would conduct a full review. On July 5, 2000, Commerce made a final determination that revocation of the countervailing and anti-dumping duty orders would be likely to lead to the continuation or recurrence of subsidization and dumping. With respect to the countervailing duty, Commerce reported rates of 1.84% for Norsk Hydro and 7.34%¹⁷³ for all other exporters. The rate of 1.84% was based on the results of the most recent administrative review for Norsk, and was based entirely on the benefit calculation for the only remaining subsidy—the SDI grant, with a so-called benefit stream to last until 2004. The rate of 7.34% was based on the “all others” rate as established on September 16, 1997, for the administrative review for the 1993 period. Commerce reasoned that since the SDI grant program continued to exist and an allocated benefit stream continued past the end of the sunset review period, it was appropriate to report the most recent rates for both Norsk Hydro and “all others.”¹⁷⁴

On July 26, 2000, by a vote of 5 to 1, the ITC made an affirmative determination that revocation of the orders would be likely to lead to a continuation or recurrence of injury to the U.S. industry by reason of dumped and subsidized imports. The order was therefore continued.

5.7 Programs Determined to Confer Subsidies

5.7.1 Federal Programs

5.7.1.1 Federal Funding for a Feasibility Study Under the Canada-Quebec Subsidiary Agreement on Industrial Development

Net subsidy: NHCI, 0.10% *ad valorem* (original investigation)

Under this agreement, the federal and Quebec governments established a program to provide financial assistance to companies in order to cover the cost of feasibility studies related to major industrial projects.

The program was implemented under the 1984 Canada-Quebec Economic and Regional Development Agreement. The agreement was signed on January 23, 1985, and was terminated on March 31, 1992. Commerce determined that the

173 The “all others” rate was originally found to be 4.48% but was amended by Commerce on July 13, 2000.

174 The “all others” rate for the 1993 review period also included an exemption from the payment of water bills for Norsk Hydro. The rate as calculated was 6.34% for SDI grants and 1.00% for the exemption from the payment of water bills.