

A-106, ASTM A-53 and API 5L specifications. Such triple certification of pipes is common because all pipes meeting the stringent A-106 specification necessarily meet the API 5L and ASTM A-53 specifications. Pipes meeting the API 5L specification necessarily meet the ASTM A-53 specification. However, pipes meeting the A-53 or API 5L specifications do not necessarily meet the A-106 specification. To avoid maintaining separate production runs and separate inventories, manufacturers triple certify the pipes. Since distributors sell the vast majority of this product, they can thereby maintain a single inventory to service all customers.

The primary application of ASTM A-106 pressure pipes and triple certified pipes is in pressure piping systems by refineries, petrochemical plants and chemical plants. Other applications are in power generation plants (electrical-fossil fuel or nuclear), and in some oil field uses (on shore and off shore) such as for separator lines, gathering lines and metering runs. A minor application of this product is for use as oil and gas distribution lines for commercial applications. These applications constitute the majority of the market for the subject seamless pipes. However, A-106 pipes may be used in some boiler applications.

The scope of the order includes all seamless pipe meeting the physical parameters described above and produced to one of the specifications listed above, regardless of application, and whether or not also certified to a non-covered specification. Standard, line and pressure applications and the above-listed specifications are defining characteristics of the scope of the order. Therefore, seamless pipes meeting the physical description above, but not produced to the A-335, A-106, A-53, or API 5L standards shall be covered if used in a standard, line or pressure application.

For example, there are certain other ASTM specifications of pipe which, because of overlapping characteristics, could potentially be used in A-106 applications. These specifications generally include A-162, A-192, A-210, A-333, and A-524. When such pipes are used in a standard, line or pressure pipe application, such products are covered by the scope of the order.

Specifically excluded from the order are boiler tubing and mechanical tubing, if such products are not produced to A-335, A-106, A-53 or API 5L specifications and are not used in standard, line or pressure applications. In addition, finished and unfinished oil country tubular goods (OCTG) are

excluded from the scope of the order, if covered by the scope of another antidumping duty order from the same country. If not covered by such an OCTG order, finished and unfinished OCTG are included in the scope when used in standard, line or pressure applications. Finally, also excluded from the order are redraw hollows for cold-drawing when used in the production of cold-drawn pipe or tube.

Although the HTSUS subheadings are provided for convenience and customs purposes, our written description of the scope of the order is dispositive.

#### Analysis of Comments Received

All issues raised in this case are addressed in the "Issues and Decision Memorandum" from Christian Marsh, Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations, to Paul Piquado, Assistant Secretary for Import Administration, dated concurrently with this notice (Decision Memorandum), which is hereby adopted by this notice. The issues discussed in the Decision Memorandum include the likelihood of continuation or recurrence of dumping and the magnitude of the margin likely to prevail if the order were revoked. Parties can find a complete discussion of all issues raised in this sunset review and the corresponding recommendations in this public memorandum, which is on file electronically via IA ACCESS in the Central Records Unit, Room 7046, of the main Department of Commerce building.

In addition, a complete version of the Decision Memorandum can be accessed directly on the Web at <http://ia.ita.doc.gov/frn>. The paper copy and electronic versions of the Decision Memorandum are identical in content.

#### Final Results of Review

The Department determines that revocation of the antidumping duty order on seamless pipe from Germany would likely lead to continuation or recurrence of dumping. Further, the Department finds that the magnitude of dumping likely to prevail if the order was revoked is 57.72 percent for Mannesmannrohren Werke AG and for all other German producers and exporters of subject merchandise.

#### Notification

This notice also serves as the only reminder to parties subject to administrative protective order (APO) of their responsibility concerning the return or destruction of proprietary information disclosed under APO in accordance with 19 CFR 351.305.

Timely notification of the return or destruction of APO materials or conversion to judicial protective order is hereby requested. Failure to comply with the regulations and terms of an APO is a violation which is subject to sanction.

The Department is issuing and publishing the results and notice in accordance with sections 751(c), 752(c), and 777(i)(1) of the Act.

Dated: July 26, 2012.

**Paul Piquado,**

*Assistant Secretary for Import Administration.*

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## DEPARTMENT OF COMMERCE

### International Trade Administration

[C-489-806]

#### Certain Pasta From Turkey: Preliminary Results of Countervailing Duty Administrative Review

**AGENCY:** Import Administration, International Trade Administration, Department of Commerce.

**SUMMARY:** The Department of Commerce (the "Department") is conducting an administrative review of the countervailing duty order on certain pasta ("pasta") from Turkey for the period January 1, 2010, through December 31, 2010. We preliminarily determine that the net subsidy rate for the companies under review is *de minimis*. Interested parties are invited to comment on these preliminary results.

**DATES:** *Effective Date:* August 3, 2012.

**FOR FURTHER INFORMATION CONTACT:** David Layton at 202-482-0371 or Christopher Siepmann at 202-482-7958, AD/CVD Operations, Office 1, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue NW., Washington, DC 20230.

#### SUPPLEMENTARY INFORMATION:

##### Background

On July 1, 2011, the Department published a notice of opportunity to request an administrative review of the countervailing duty order on pasta from Turkey.<sup>1</sup> On July 29, 2011, we received a letter from Marsan Gida Sanayi ve Ticaret A.Ş. ("Marsan"), Birlik Pazarlama Sanayi ve Ticaret A.Ş.

<sup>1</sup> See *Antidumping or Countervailing Duty Order, Finding, or Suspended Investigation; Opportunity To Request Administrative Review*, 76 FR 38609 (July 1, 2011).

("Birlik"), Bellini Gida Sanayi A.Ş. ("Bellini"), and Marsa Yag Sanayi ve Ticaret A.Ş. ("Marsa Yag"), jointly requesting that the Department conduct a review of those companies.<sup>2</sup>

On August 26, 2011, the Department initiated an administrative review of the countervailing duty order on pasta from Turkey for the period January 1, 2010, through December 31, 2010, covering Marsan, Birlik, Bellini, and Marsa Yag.<sup>3</sup>

### Scope of the Order

The scope of the order consists of certain non-egg dry pasta in packages of five pounds (or 2.27 kilograms) or less, whether or not enriched or fortified or containing milk or other optional ingredients such as chopped vegetables, vegetable purees, milk, gluten, diastases, vitamins, coloring and flavorings, and up to two percent egg white. The pasta covered by the order is typically sold in the retail market, in fiberboard or cardboard cartons or polyethylene or polypropylene bags, of varying dimensions.

Excluded from the scope of the order are refrigerated, frozen, or canned pastas, as well as all forms of egg pasta, with the exception of non-egg dry pasta containing up to two percent egg white.

The merchandise under review is currently classifiable under subheading 1902.19.20 of the Harmonized Tariff Schedule of the United States ("HTSUS"). Although the HTSUS subheading is provided for convenience and customs purposes, our written description of the scope of the order is dispositive.

### Period of Review

The period of review ("POR") for which we are measuring subsidies is January 1, 2010, through December 31, 2010.

### Subsidies Valuation Information

#### *Attribution of Subsidies*

In their Review Request, Marsan, Birlik, Bellini, and Marsa Yag claimed to be "affiliates." Upon initiation, the Department used the same language contained in the Review Request. However, by referring to Marsan's "affiliates" in the *Initiation Notice*, the Department did not determine that the companies subject to review are affiliated. Rather, the *Initiation Notice* echoes the language used by Marsan,

Birlik, Bellini and Marsa Yag in their request for review.

In a countervailing duty proceeding, the Department is primarily concerned not with affiliation, but with cross-ownership. See 19 CFR 351.525(b)(6). The standard for cross-ownership is established by 19 CFR 351.525(b)(6)(vi). This regulation states that "{c}ross-ownership exists between two or more corporations where one corporation can use or direct the individual assets of the other corporation(s) in essentially the same ways it can use its own assets. Normally, this standard will be met where there is a majority voting ownership interest between two corporations or through common ownership of two (or more) corporations."

Based on our review of the totality of arguments and information submitted by Marsan, Birlik, Bellini and Marsa Yag, we preliminarily determine that cross-ownership existed between Birlik and Bellini, and a third company, Istanbul Gida Dis Ticaret A.Ş. ("Istanbul Gida"), which exported subject merchandise produced by Birlik and Bellini to the United States during the POR.<sup>4</sup> We also preliminarily determine that Marsan was not cross-owned with Birlik, Bellini and Marsa Yag during the POR. See Attribution Memo for additional information.

Although Marsa Yag was among the companies that requested a review, there is no indication that Marsa Yag produced subject merchandise or exported subject merchandise to the United States during the POR. Therefore, Marsa Yag is not a proper respondent in this review. Nor does Marsa Yag otherwise meet the criteria of 19 CFR 351.525(b)(6)(iii)-(v). Therefore, although Marsa Yag would be considered as cross-owned with Birlik, Bellini and Istanbul Gida, we have not included Marsa Yag in calculating the countervailing duty rate for Birlik, Bellini, and Istanbul Gida, and the rate calculated for those companies would not apply to any future entries from Marsa Yag.

The Department's regulations at 19 CFR 351.525(b)(6)(i) state that the Department will normally attribute a subsidy to the products produced by the corporation that received the subsidy. However, 19 CFR 351.525(b)(6)(ii)-(v) direct that the Department will attribute

subsidies received by certain other companies to the combined sales of those companies if (1) cross-ownership exists between the companies, and (2) the cross-owned companies produce the subject merchandise, are a holding or parent company of the subject company, produce an input that is primarily dedicated to the production of the downstream product, or transfer a subsidy to a cross-owned company. The Court of International Trade ("CIT") has upheld the Department's authority to attribute subsidies based on whether a company could use or direct the subsidy benefits of another company in essentially the same way it could use its own subsidy benefits.<sup>5</sup>

Birlik, Bellini and Istanbul Gida: As discussed above, the Department preliminarily determines that Birlik and Bellini were cross-owned. Additionally, Birlik and Bellini were producers of subject merchandise during the POR.<sup>6</sup> Therefore, in accordance with 19 CFR 351.525(b)(6)(ii), we are attributing subsidies received by Birlik and Bellini to the combined sales of the two companies, exclusive of sales to each other. As noted above, another cross-owned company, Istanbul Gida, acted as a trading company for subject merchandise produced by Birlik and Bellini. The Department has previously found it appropriate to analyze subsidies to a cross-owned trading company by attributing subsidies received by the trading company to the consolidated sales of the trading company and any cross-owned producers of subject merchandise, net of intercompany sales.<sup>7</sup> Thus, we are attributing subsidies received by Istanbul Gida to the consolidated sales of Istanbul Gida, Birlik and Bellini, net of intercompany sales. See Attribution Memo.

Marsan: As discussed above, the Department preliminarily determines that Marsan is not cross-owned with Birlik, Bellini or Marsa Yag. Also, during the POR, Marsan did not produce subject merchandise. It did, however, act as a trading company by exporting to the United States subject merchandise produced by Birlik and Bellini. Pursuant to 19 CFR 351.525(c), the Department will cumulate benefits from subsidies provided to trading

<sup>5</sup> See *Fabrique de Fer de Charleroi, SA v. United States*, 166 F. Supp. 2d 593, 600-604 (CIT 2001).

<sup>6</sup> See, e.g., Marsan, Birlik, Bellini and Marsa Yag's initial questionnaire response dated December 5, 2011 at 4-5 and 8.

<sup>7</sup> See, e.g., *Certain Steel Wheels From the People's Republic of China: Final Affirmative Countervailing Duty Determination, Final Affirmative Critical Circumstances Determination*, 77 FR 17017 (March 23, 2012), and accompanying Issues and Decision Memorandum at 5.

<sup>2</sup> See Letter from Marsan, Birlik, Bellini and Marsa Yag to the Department, "Request for Administrative Review" (July 29, 2011) ("Review Request").

<sup>3</sup> See *Initiation of Antidumping and Countervailing Duty Administrative Reviews and Requests for Revocation in Part*, 76 FR 53404 (August 26, 2011) ("Initiation Notice").

<sup>4</sup> See Memorandum from Christopher Siepmann, International Trade Compliance Analyst, to Susan Kuebach, Office Director, "Attribution Memorandum for Marsan Gida Sanayi ve Ticaret A.Ş. ("Marsan"), Birlik Pazarlama Sanayi ve Ticaret A.Ş. ("Birlik"), Bellini Gida Sanayi A.Ş. ("Bellini"), and Marsa Yag Sanayi ve Ticaret A.Ş. ("Marsa Yag")" (July 30, 2012) ("Attribution Memo").

companies that export subject merchandise with benefits from subsidies provided to the firm which is producing subject merchandise that is sold through the trading company, regardless of whether the trading company and the producing firm are affiliated. Thus, in order to arrive at a rate for Marsan, we are adding the rate for subsidies received by Marsan to the rate for subsidies received by the subject merchandise producers (Birlik and Bellini).

#### *Allocation Period*

Pursuant to 19 CFR 351.524(b), benefits from non-recurring subsidies are allocated over a period corresponding to the average useful life (“AUL”) of the renewable physical assets used to produce the subject merchandise. The Department’s regulations create a rebuttable presumption that the AUL will be taken from the U.S. Internal Revenue Service’s Class Life Asset Depreciation Range System (“IRS Tables”).<sup>8</sup> For pasta production, the IRS Tables prescribe an AUL of 12 years. None of the responding companies or other interested parties objected to this allocation period. Therefore, we have used a 12-year allocation period.

#### **Analysis of Programs**

Based on our analysis of the responses to our questionnaires, we preliminarily determine the following:

##### **I. Programs Preliminarily Determined To Be Countervailable**

##### *A. Deduction From Taxable Income for Export Revenue*

Article 40 of Income Tax Law 193, dated January 6, 1961, which was amended by Law 4108 on June 2, 1995, allows taxpayers engaged in overseas activities related to exports, construction, maintenance, assembly and transportation to claim a lump sum deduction from gross income in an amount not to exceed 0.5 percent of the taxpayer’s foreign-exchange earnings.<sup>9</sup> There is no application or approval process for this program. *Id.* at 11–12. Instead, a company claiming the deduction records an expense in its marketing, selling and distribution expense account equal to the amount of the deduction for which it is eligible.<sup>10</sup>

<sup>8</sup> See 19 CFR 351.524(d)(2); U.S. Internal Revenue Service Publication 946 (2008), *How to Depreciate Property*, at Table B–2: Table of Class Lives and Recovery Periods.

<sup>9</sup> See the Government Of Turkey’s (“GOT”) first supplemental questionnaire response dated March 30, 2012, at 11.

<sup>10</sup> See, e.g., Marsan, Birlik, Bellini and Marsa Yag’s initial questionnaire response at 21.

When submitting its tax return, the company reports its total sales less the amount of the expense it recorded in its accounting records.<sup>11</sup> Istanbul Gida reported that it received benefits under this program during the POR because it is an exporter.<sup>12</sup>

We preliminarily determine that this tax deduction is a countervailable subsidy. The deduction provides a financial contribution within the meaning of section 771(5)(D)(ii) of the Tariff Act of 1930, as amended (“the Act”), because it represents revenue forgone by the GOT. The deduction also provides a benefit as described by section 771(5)(E) of the Act, in the amount of the tax savings to the company. Finally, it is specific within the meaning of section 771(5A)(A) and (B) of the Act because its receipt is contingent upon export earnings. The Department has previously found this program countervailable.<sup>13</sup>

The Department typically considers tax deductions to provide recurring benefits, in accordance with 19 CFR 351.524(c)(1). To calculate the countervailable subsidy rate for this program, we calculated the tax savings realized by Istanbul Gida in 2010 as a result of the deduction. We multiplied the amount of the deduction Istanbul Gida claimed in 2010 by the 20 percent tax rate applicable to Istanbul Gida. We divided the resulting benefit by the consolidated export sales of Istanbul Gida, Birlik and Bellini in 2010, net of intercompany sales.

On this basis, we preliminarily determine the net countervailable subsidy for this program to be 0.08 percent *ad valorem* for Istanbul Gida.

##### *B. Law 5084: Incentive for Employers’ Share in Insurance Premiums*

The Social Security Institution of the GOT administers the Incentive for the Employer’s Share in Insurance Premiums Program (Insurance Premiums Program) pursuant to Article 2 and Article 4 of Law 5084.<sup>14</sup> According to the GOT, this program provides an incentive for companies to invest in any of 49 disadvantaged provinces. For companies that establish their facilities in a disadvantaged

<sup>11</sup> See the GOT’s first supplemental questionnaire response at 12–13.

<sup>12</sup> See Marsan, Birlik, Bellini and Marsa Yag’s initial questionnaire response at 21.

<sup>13</sup> See, e.g., *Certain Welded Carbon Steel Standard Pipe From Turkey: Preliminary Results of Countervailing Duty Administrative Review*, 75 FR 16439, 16440–41 (April 1, 2010), unchanged in *Certain Welded Carbon Steel Standard Pipe from Turkey: Final Results of Countervailing Duty Administrative Review*, 75 FR 44766 (July 29, 2010).

<sup>14</sup> See the GOT’s first supplemental questionnaire response at 1.

province, the GOT will cover up to 80 percent of the employer’s share of social security premiums for employees working in the province. If the company’s facility is located in an industrial zone within a disadvantaged province, the GOT will pay 100 percent of the employer’s share.<sup>15</sup>

In order to continue to receive support under this program, employers must submit documentation each month to the Social Security Institution prior to the deadlines stipulated by Social Security Law No. 506. They must also pay their employees’ share of the insurance premiums, as well as whatever portion of the employer’s share the GOT does not pay. *Id.*

Birlik reported that it received benefits under this program during the POR. When asked what criteria Birlik needed to satisfy to be eligible for this program, Birlik replied that “[it] is a manufacturer; there are no other criteria.”<sup>16</sup> However, in an earlier questionnaire response, Birlik informed the Department that “Birlik produces soft wheat flour, rice flour, and other cereal flours, including rye, oat, sorghum, millet, soy bean and barley flour in plants in Ankara and Karaman, Turkey.”<sup>17</sup> Karaman is listed as one of the eligible 49 provinces by the GOT.<sup>18</sup> Thus, record evidence shows that Birlik qualifies for this program under the eligibility criteria described by the GOT.

We preliminarily determine that this program is specific under section 771(5A)(D)(iv) of the Act because it is limited to companies located in designated geographical regions of the country. We also preliminarily determine that this program constitutes a financial contribution in the form of revenue forgone by the GOT within the meaning of section 771(5)(D)(ii) of the Act. Birlik received a benefit from the GOT in the amount of social security premiums it did not have to pay as a result of this program. Therefore, we preliminarily determine that the GOT’s social security premium contributions under this program confer a countervailable subsidy.

We preliminarily determine that this program confers recurring benefits. See 19 CFR 351.524(c)(1). To calculate the net subsidy rate, we divided the total amount of insurance premium savings reported by Birlik by the consolidated total sales during the POR for Birlik and

<sup>15</sup> *Id.* at 2.

<sup>16</sup> See Marsan, Birlik, Bellini and Marsa Yag’s first supplemental questionnaire response dated March 30, 2012, at 13.

<sup>17</sup> See Marsan, Birlik, Bellini and Marsa Yag’s initial questionnaire response at 8.

<sup>18</sup> See the GOT’s first supplemental questionnaire response at Exhibit 2.

Bellini, net of sales to each other. On this basis, we preliminarily determine Birlik's net subsidy rate under this program to be 0.03 percent *ad valorem*.

#### *C. Export Subsidy Program for Agricultural Products*

Under this program, the GOT issues payments to companies exporting certain agricultural products, such as flowers, vegetables, fruit, olive oil, meats and chocolates. The eligible products, terms of the rebates and other regulations for this program for January 1, 2010, through December 31, 2010 are specified by Article 5 and Article 7 of Communiqué 2010/5, issued by the Money-Credit and Coordination Council. According to the GOT, this Communiqué has its legal basis in Council of Minister's Decree No. 94/6401.<sup>19</sup> The program is administered by the Ministry of Economy, General Directorate of Export.

Companies wishing to take advantage of this program must apply through the applicable exporter's union. Once the company's application is accepted, an account is opened for the exporter at the Central Bank of the Republic of Turkey. For each ton of eligible product exported, the GOT credits the exporter's account with payments according to the schedule in Communiqué 2010/5. A formula governs the payments a company receives, which may fluctuate depending on the price of the exports and the ratios applicable to each product.<sup>20</sup>

The funds deposited into the exporter's account may only be used to offset the company's obligations to the GOT. Pursuant to Article 7 of Communiqué 2010/5, these obligations include taxes, tax penalties, Social Security Institute payments, communication fees (fixed phone lines, telefax, etc.), energy costs (electricity and natural gas), debts to the Savings Deposits Insurance Fund and other debts.<sup>21</sup>

We preliminarily determine that this program is specific under section 771(5A)(A) and (B) of the Act because it is contingent on export performance. We also preliminarily determine that this program constitutes a financial contribution in the form of a grant within the meaning of section 771(5)(D)(i) of the Act. Participating companies receive a benefit within the meaning of section 771(5)(E) of the Act from the GOT in the amount of the

grant. Therefore, we preliminarily determine that the GOT's reimbursements under this program confer a countervailable subsidy. Additionally, we preliminarily determine that benefits under this program are recurring. Once accepted into this program, a company can expect to receive payments in its account on an ongoing basis from year to year, as long as it is still exporting eligible products.

Marsan and Istanbul Gida reported receiving benefits under this program, both for pasta and for other products. According to the respondents, it is "impracticable" for the Department to measure benefits under this program according to the time at which funds were received, because the manner in which the payments are received makes it impossible to link them back to specific customs declarations or products. Rather, the respondents argue that it is appropriate to measure the benefit either according to the date of the exportation of the goods, or according to the date that Marsan or Istanbul Gida applied for the benefit. Either method would allow the Department to isolate the benefit conferred strictly on pasta.<sup>22</sup>

We have considered the respondents' arguments, and for the preliminary results, we are measuring benefits under this program according to the date on which the benefit was received by Marsan or Istanbul Gida. The Department's regulations specify that the Department "normally will consider a benefit as having been received on the date on which the firm received the grant," and "will allocate (expense) a recurring benefit to the year in which the benefit is received." See 19 CFR 351.504(b) and 19 CFR 351.524(a), respectively. We disagree with the respondents that this program warrants a departure from our usual practice. Thus, we have computed the subsidy using the total amounts received and allocated the benefit over total exports.

The Department analyzed a similar program, "Pasta Export Grants," in the investigation of pasta from Turkey.<sup>23</sup> For the *Preliminary Determination*, we analyzed the benefit from Pasta Export Grants based on the time at which benefits were earned, stating that "although the U.S. dollar amount is

known at the time of export, the amount the exporter will actually receive in {Turkish lira} is not certain until the time of receipt because it is subject to fluctuations in the exchange rate. This suggests that it may be more appropriate to calculate the benefits as they are received, rather than earned. We will consider this issue further for the final determination." See *Preliminary Determination*, 60 FR at 53749. Then, we altered our approach for the *Final Determination*, stating that "the benefits under this program are bestowed when the cash is received, in the case of grants, and on maturity date, in the case of promissory notes or bonds." See *Final Determination*, 61 FR at 30367–30368. Thus, our decision in this review is consistent with our prior practice.

To calculate the countervailable subsidy rate, we treated the amounts received by Marsan and Istanbul Gida as a recurring benefit. For Marsan, we divided the total amount of grants received by Marsan in the POR by Marsan's total export sales in the POR. For Istanbul Gida, we divided the total amount of grants received by Istanbul Gida in the POR by the consolidated export sales of Istanbul Gida, Birlik and Bellini in the POR, net of intercompany sales. On this basis, we preliminarily determine the countervailable subsidy from this program to be 0.12 percent *ad valorem* for Marsan and 0.17 percent *ad valorem* for Istanbul Gida.

## **II. Programs Preliminarily Determined To Not Provide Countervailable Benefits During the POR**

Consistent with 19 CFR 351.525(b)(5), we find that the grants received under these programs were tied to non-subject merchandise and, thus, did not confer a benefit to the production or sales of subject merchandise of the respondent companies during the POR.

### *A. "Turquality" Trademark Support*

This program seeks to build international awareness of Turkish brands. It does so by reimbursing eligible companies for certain expenses related to promoting their products abroad. In order to be eligible, companies must hold at least one registered trademark domestically and one registered trademark in a target foreign market. After being approved, companies may affix the "Turquality" logo to products accepted into the program.

Istanbul Gida reported that it received funds under this program. However, the benefits were for expenses related to the "ÜLKER" brand of goods. According to Marsan, Birlik, Bellini and Marsa Yag,

<sup>19</sup> See the GOT's first supplemental questionnaire response at 7–8.

<sup>20</sup> See the GOT's initial questionnaire response at 32–34.

<sup>21</sup> See the GOT's initial questionnaire response at Exhibit 11.

<sup>22</sup> See Marsan, Birlik, Bellini and Marsa Yag's initial questionnaire response at 28–29.

<sup>23</sup> See *Preliminary Affirmative Countervailing Duty Determination: Certain Pasta ("Pasta") From Turkey*, 60 FR 53747, 53749 (October 17, 1995) ("Preliminary Determination"), unchanged in *Final Affirmative Countervailing Duty Determination: Certain Pasta ("Pasta") from Turkey*, 61 FR 30366, 30367–30368 (June 14, 1996) ("Final Determination").

there is no “ÜLKER” brand pasta.<sup>24</sup> Because there was no benefit to the subject merchandise from this program during the POR, we have not analyzed it further and have not included it in our calculations.

*B. Grants Paid for Attendance at Foreign Trade Shows*

This program reimburses Turkish companies for expenses related to their attendance at foreign trade shows. Istanbul Gida reported that it received reimbursements during the POR for trade shows it attended in Russia, South Africa, Kenya and Hong Kong. However, it did not exhibit pasta at any of these events. Because there was no benefit to the subject merchandise from this program during the POR, we have not analyzed it further and have not included it in our calculations.

**III. Programs Preliminarily Determined To Not Be Used**

*A. VAT Support for Domestic Machinery and Equipment Purchases*

- B. Pre-Shipment Export Loans*
- C. Resource Utilization Support Fund (“KKDF”) Tax Exemption on Export-Related Loans*
- D. Banking and Insurance (“BIST”) Tax Exemption on Export-Related Loans*
- E. Normal Foreign Currency Export Loans*
- F. Performance Foreign Currency Export Loans*
- G. GIEP*
  - a. Additional Refunds of VAT
  - b. Postponement of VAT on Imported Goods
  - c. Exemption from Certain Taxes, Duties, Fees (Other Tax Exemptions)
  - d. Exemption from Certain Customs Duties and Fund Levies
  - e. Payment of Certain Obligations of Firms Undertaking Large Investments
  - f. Subsidized Turkish Lira Credit Facilities
  - g. Land Allocation
  - h. Interest Spread Return Program
  - i. Energy Support

- H. Exemption from Mass Housing Fund Levy (Duty Exemptions)*
- I. Direct Payments to Exporters of Wheat Products to Compensate for High Domestic Input Prices*
- J. Export Credit Through Foreign Trade Corporate Companies Credit Facility*
- K. Pasta Export Grants*
- L. Corporate Tax Deferral*
- M. Subsidized Credit for Proportion of Fixed Expenditures*
- N. Subsidized Credit in Foreign Currencies*
- O. Subsidized Turkish Lira Credit Facilities*
- P. Exemption from Mass Housing Fund Levy (Duty Exemptions)*

**Preliminary Results of Review**

In accordance with 19 CFR 351.221(b)(4)(i), we calculated subsidy rates for each producer/exporter subject to this administrative review. For the period January 1, 2010, through December 31, 2010, we preliminarily determine the following total net countervailable subsidy rates:

Exporter/manufacturer	Net subsidy rate
Marsan Gida Sanayi ve Ticaret A.Ş. ....	0.15 ( <i>de minimis</i> )
Istanbul Gida Dis Ticaret A.Ş./Birlik Pazarlama Sanayi ve Ticaret A.Ş./Bellini Gida Sanayi A.Ş. ....	0.28 ( <i>de minimis</i> )

Marsan’s final cash deposit rate is a “combination rate” pursuant to 19 CFR 351.107(b). It applies only to subject merchandise exported by Marsan and produced by Birlik and/or Bellini.

*Assessment Rates*

If the final results remain the same as these preliminary results, the Department will instruct U.S. Customs and Border Protection (“CBP”) to liquidate without regard to countervailing duties shipments of subject merchandise (a) exported by Marsan and produced by Birlik and/or Bellini, or (b) exported by Istanbul Gida, Birlik or Bellini, and entered, or withdrawn from warehouse, for consumption from January 1, 2010, through December 31, 2010.

For all other combinations or companies, as appropriate, that were not reviewed, the Department will direct CBP to assess countervailing duties on all entries between January 1, 2010, and December 31, 2010, at the rates in effect at the time of entry.

The Department intends to issue appropriate assessment instructions

directly to CBP 15 days after publication of the final results of this review.

*Cash Deposit Instructions*

The Department also intends to instruct CBP to collect cash deposits of estimated countervailing duties in the amounts shown above. For all non-reviewed firms, we will instruct CBP to collect cash deposits of estimated countervailing duties at the most recent company-specific or all-others rate applicable to the company. These rates shall apply to all non-reviewed companies until a review of a company assigned these rates is requested. These cash deposit requirements, when imposed, shall remain in effect until further notice.

*Public Comment*

Pursuant to 19 CFR 351.224(b), the Department will disclose to parties to the proceeding any calculations performed in connection with these preliminary results within 10 days after public announcement, or if there is no public announcement, five days after the date of the publication of this notice.

Pursuant to 19 CFR 351.309(c)(1)(ii), interested parties may submit written arguments in case briefs within 30 days of the date of publication of this notice. Rebuttal briefs, limited to issues raised in case briefs, may be filed no later than five days after the date of filing the case briefs, in accordance with 19 CFR 351.309(d). Any case briefs and rebuttal briefs must be filed via the Department’s electronic records system, IA ACCESS, in accordance with 19 CFR 351.303. Parties who submit case briefs or rebuttal briefs in this proceeding are requested to submit with each argument: (1) A statement of the issue, and (2) a brief summary of the argument with an electronic version included. Copies of case briefs and rebuttal briefs must be served on interested parties in accordance with 19 CFR 351.303(f)(3)(i).

Also, pursuant to 19 CFR 351.310(c), within 30 days of the date of publication of this notice, interested parties may request a public hearing on arguments to be raised in the case and rebuttal briefs by electronically filing the request via IA ACCESS. Unless otherwise specified, the hearing, if requested, will

<sup>24</sup> See, e.g., Marsan, Birlik, Bellini and Marsa Yag’s first supplemental questionnaire response at 9.

be held two days after the scheduled date for submission of rebuttal briefs.

The Department will publish the final results of this administrative review, including the results of its analysis of arguments made in any case or rebuttal briefs, within 120 days from the publication of these preliminary results, in accordance with section 751(a)(3) of the Act, unless extended.

These preliminary results of review are issued and published in accordance with sections 751(a)(1) and 777(i)(1) of the Act and 19 CFR 351.221(b)(4).

Dated: July 27, 2012.

**Paul Piquado,**

*Assistant Secretary for Import Administration.*

[FR Doc. 2012-19053 Filed 8-2-12; 8:45 am]

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## DEPARTMENT OF COMMERCE

### International Trade Administration

[A-580-868]

#### Notice of Preliminary Determination of Sales at Less Than Fair Value and Postponement of Final Determination: Large Residential Washers From the Republic of Korea

**AGENCY:** Import Administration, International Trade Administration, Department of Commerce.

**ACTION:** Notice of Preliminary Determination of Sales at Less Than Fair Value.

**SUMMARY:** We preliminarily determine that large residential washers (washers) from the Republic of Korea (Korea) are being sold, or are likely to be sold, in the United States at less than fair value (LTFV), as provided in section 733(b) of the Tariff Act of 1930, as amended (the Act).

Interested parties are invited to comment on this preliminary determination. Because we are postponing the final determination, we will make our final determination not later than 135 days after the date of publication of this preliminary determination in the **Federal Register**.

**FOR FURTHER INFORMATION CONTACT:** David Goldberger or Henry Almond, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue NW., Washington, DC 20230; telephone: (202) 482-4136 or (202) 482-0049, respectively.

#### Preliminary Determination

We preliminarily determine that washers from Korea are being sold, or

are likely to be sold, in the United States at LTFV, as provided in section 733(b) of the Act. The estimated margins of sales at LTFV are shown in the "Suspension of Liquidation" section of this notice.

#### Background

Since the initiation of this investigation on January 19, 2012, the following events have occurred.<sup>1</sup>

On February 21, 2012, the United States International Trade Commission (ITC) preliminarily determined that there is a reasonable indication that imports of washers from Korea are materially injuring the United States industry.<sup>2</sup> On March 7, 2012, we issued section A of the questionnaire (*i.e.*, the section covering general information), as well as sections B through E of the questionnaire (*i.e.*, the sections covering comparison market sales, U.S. sales, cost of production (COP) information, and further manufacturing information, respectively) to Daewoo Electronics Corporation (Daewoo), LG Electronics, Inc. (LG), and Samsung Electronics Co., Ltd. (Samsung).

We received responses to section A of the questionnaire from LG and Samsung in April 2012, and to sections B, C, and D of the questionnaire in May 2012. No responses to section E of the questionnaire were necessary. Daewoo did not respond to the questionnaire. See "Application of Facts Available" section, below.

On May 10, 2012, Whirlpool Corporation (hereafter, the petitioner) requested that the date for the issuance of the preliminary determination in this investigation be fully extended pursuant to section 733(c)(1) of the Act and 19 CFR 351.205(e). On May 16, 2012, pursuant to sections 733(c)(1)(A) and (c)(2) of the Act and 19 CFR 351.205(f), the Department postponed the preliminary determination until no later than July 27, 2012.<sup>3</sup>

On May 17, 2012, the petitioner submitted a request for the Department to amend the scope of this and the concurrent antidumping and countervailing duty investigations of washers from Mexico and Korea, respectively, and to exclude certain products from those investigations. Samsung and LG objected to the

petitioner's scope exclusion request on May 23 and May 24, 2012, respectively. On July 11, 2012, General Electric Company and its operating division GE Appliances & Lighting (GE), a domestic producer and importer of washers, declared its support for the petitioner's scope exclusion request. On July 18, 2012, Staber Industries, Inc. (Staber), a domestic producer of washers, also filed a letter in support of the petitioner's scope exclusion request. See "Scope Comments" section of this notice.

We issued supplemental questionnaires and received responses to these supplemental questionnaires from May through July 2012.<sup>4</sup>

On June 11, 2012, the petitioner alleged that targeted dumping was occurring with respect to washers produced and exported from Korea by LG and Samsung. On July 5, 2012, the petitioner revised its targeted dumping allegation for LG.

On July 13, 2012, Samsung and LG requested a postponement of the final determination.

On July 25, 2012, the petitioner alleged that Samsung has engaged in fraudulent conduct that undermines the integrity of this investigation. While this allegation was not received in time to be considered for the preliminary determination, it will be examined thoroughly and addressed as appropriate over the course of this proceeding.

#### Postponement of Final Determination

Section 735(a)(2) of the Act provides that a final determination may be postponed until not later than 135 days after the date of the publication of the preliminary determination if, in the event of an affirmative preliminary determination, a request for such postponement is made by exporters who account for a significant proportion of exports of the subject merchandise, or in the event of a negative preliminary determination, a request for such postponement is made by the petitioner. The Department's regulations, at 19 CFR 351.210(e)(2), require that requests by respondents for postponement of a final determination be accompanied by a request for extension of provisional measures from a four-month period to not more than six months.

Pursuant to section 735(a)(2) of the Act, on July 13, 2012, Samsung and LG requested that, in the event of an affirmative preliminary determination in this investigation, the Department postpone its final determination until

<sup>1</sup> See *Large Residential Washers From the Republic of Korea and Mexico: Initiation of Antidumping Duty Investigations*, 77 FR 4007 (January 26, 2012) (*Initiation Notice*).

<sup>2</sup> See ITC Investigation Nos. 701-TA-488 and 731-TA-1199-1200 (Publication No. 4306).

<sup>3</sup> See *Large Residential Washers From the Republic of Korea and Mexico: Postponement of Preliminary Determinations of Antidumping Duty Investigations*, 77 FR 30261 (May 22, 2012).

<sup>4</sup> We did not consider any data submissions received after July 17, 2012, for purposes of the preliminary determination.