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DEPARTMENT OF COMMERCE

International Trade Administration

(C-475-819)

Certain Pasta from Italy: Preliminary Results and Partial Rescission of Countervailing Duty Administrative Review; 2012

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce

SUMMARY: The Department of Commerce (the Department) is conducting an administrative review of the countervailing duty (CVD) order on certain pasta (pasta) from Italy. The period of review (POR) is January 1, 2012, through December 31, 2012. This review covers two exporters/producers of the subject merchandise, DeMatteis Agroalimentare S.p.A. (DeMatteis) (also known as, “DeMatteis Agroalimentare SpA”) and Fratelli DeCecco di Filippo Fara San Martino S.p.A. (DeCecco) (also known as “F.lli De Cecco di Filippo Fara San Martino S.p.A.”), as mandatory company-respondents. We preliminarily find that DeMatteis received countervailable subsidies during the POR, and that DeCecco received *de minimis* countervailable subsidies during the POR. The Department is also rescinding the review of one company, Delverde Industrie Alimentari S.p.A., which timely withdrew its request for review. Interested parties are invited to comment on these preliminary results.

DATES: EFFECTIVE DATE: [INSERT DATE OF PUBLICATION IN THE *FEDERAL REGISTER*].

FOR FURTHER INFORMATION CONTACT: Sergio Balbontin or Joshua Morris, AD/CVD Operations, Office I, Enforcement and Compliance, International Trade Administration, U.S.

Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-6478 or (202) 482-1779, respectively.

### Scope of the Order

The scope of the order consists of certain pasta from Italy. The merchandise subject to the order is currently classifiable under items 1901.90.90.95 and 1902.19.20 of the Harmonized Tariff Schedule of the United States (HTSUS). Although the HTSUS subheadings are provided for convenience and customs purposes, the written description of the merchandise subject to the order is dispositive. A full description of the scope of the order is contained in the “Decision Memorandum for Preliminary Results of Countervailing Duty Administrative Review: Certain Pasta from Italy,” from Christian Marsh, Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations, to Ronald K. Lorentzen, Acting Assistant Secretary for Enforcement and Compliance, dated August 18, 2014 (Preliminary Decision Memorandum), and hereby adopted by this notice.

The Preliminary Decision Memorandum is a public document and is on file electronically *via* Enforcement and Compliance’s Antidumping and Countervailing Duty Centralized Electronic Service System (IA ACCESS). IA ACCESS is available to registered users at <http://iaaccess.trade.gov> and available to all parties in the Central Records Unit, room 7046 of the main Department of Commerce building. In addition, a complete version of the Preliminary Decision Memorandum can be accessed directly on the internet at <http://trade.gov/enforcement/>. The signed and electronic versions of the Preliminary Decision Memorandum are identical in content. A list of topics discussed in the Preliminary Decision Memorandum is provided in the Appendix to this notice.

### Partial Rescission of the 2012 Administrative Review

In accordance with 19 CFR 351.213(d)(1), the Department will rescind an administrative review “if a party that requested the review withdraws the request within 90 days of the date of publication of notice of initiation of the requested review.” The notice of initiation of the instant review was published on August 28, 2013.<sup>1</sup>

On December 11, 2013, Delverde Industrie Alimentari S.p.A. (Delverde) timely withdrew its request for review of itself.<sup>2</sup> Because no other interested party requested a review of Delverde, we are rescinding the review with respect to Delverde in accordance with 19 CFR 351.213(d)(1).

### Methodology

The Department is conducting this review in accordance with section 751(a)(1)(A) of the Tariff Act of 1930, as amended (the Act). A full description of the methodology underlying our conclusions is presented in the Preliminary Decision Memorandum.

In making these findings, we relied, in part, on an adverse inference in selecting from among the facts otherwise available because the Government of Italy did not act to the best of its ability to respond to the Department’s requests for information regarding certain programs.<sup>3</sup> For further discussion, *see* Preliminary Decision Memorandum at “Use of Facts Otherwise Available and Adverse Inferences.”

Finally, the Department was not able to make a preliminary determination concerning countervailability for certain programs because it requires additional information. *See* Preliminary Decision Memorandum at “Analysis of Programs – B. Programs For Which More Information Is Required.” We intend to seek that information prior to our final results and to

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<sup>1</sup> *See Initiation of Antidumping and Countervailing Duty Administrative Reviews and Request for Revocation in Part*, 78 FR 53128, 53130-31 (August 28, 2013).

<sup>2</sup> As explained in the Preliminary Decision Memorandum, all deadlines in this administrative review were tolled by 16 days. Therefore, the deadline to withdraw review requests was December 12, 2013.

<sup>3</sup> *See* sections 776(a) and (b) of the Act.

issue post-preliminary analysis once we have an opportunity to review that information.

### Preliminary Results of the Review

In accordance with section 751(a) of the Act and 19 CFR 351.221(b)(4)(i), we calculated individual subsidy rates for the mandatory respondents, DeCecco and DeMatteis.

Three respondents were not selected for individual review: Ghigi Industria Agroalimentare in San Clemente srl, Pasta Granoro S.r.L. (also known as, “Pastificio Attilio Mastromauro Granoro S.r.L”), and Valdigrano di Flavio Pagani S.r.L. For those non-selected respondents, we applied a subsidy rate based on an average of the subsidy rates calculated for those companies selected for individual review (*i.e.*, the mandatory respondents), excluding zero and *de minimis* rates and rates based entirely on facts available.<sup>4</sup> Therefore, we preliminarily assigned to these companies the CVD rate calculated for DeMatteis because DeCecco received *de minimis* countervailable subsidies. Consistent with past practice, we did not calculate an individual rate for Agritalia S.r.L. (Agritalia) because a review was not requested for Agritalia. Thus, Agritalia’s most recent export-specific rate remains in effect.<sup>5</sup> Agritalia was only asked to participate in this review because of the possible effect of subsidies it received on DeMatteis. Consistent with our past practice in this proceeding, we preliminarily find that Agritalia did not receive any subsidies which affected DeMatteis’ rate. However, we intend to reexamine this approach before the final determination in this review and, therefore, we invite parties to comment on the treatment of subsidies to Agritalia in connection with the calculation of

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<sup>4</sup> See, e.g., *Certain Pasta From Italy: Preliminary Results of the 13th (2008) Countervailing Duty Administrative Review*, 75 FR 18806, 18811 (April 13, 2010), unchanged in *Certain Pasta from Italy: Final Results of the 13th (2008) Countervailing Duty Administrative Review*, 75 FR 37386 (June 29, 2010).

<sup>5</sup> See, e.g., *Certain Pasta from Italy: Preliminary Results of the Tenth Countervailing Duty Administrative Review*, 72 FR 43616, 43622 (August 2, 2007), unchanged in *Certain Pasta From Italy: Final Results of the Tenth (2005) Countervailing Duty Administrative Review*, 73 FR 7251-7252 (February 7, 2008). Agritalia is a trading company through which some of DeMatteis’ subject merchandise was sold to the United States during the POR. It is not affiliated with DeMatteis.

DeMatteis’ rate in this administrative review. Comments regarding this issue are due no later than 14 days after the publication of this notice.

We preliminarily find the net subsidy rate for the producers/exporters under review to be as follows:

<b>Producer/Exporter</b>	<b>Net Subsidy Rate</b>
DeMatteis Agroalimentare S.p.A. (also known as, “De Matteis Agroalimentare SpA”)	0.96
Fratelli DeCecco di Filippo Fara San Martino S.p.A. (also known as, “F.lli De Cecco di Filippo Fara San Martino S.p.A.”)	0.18 ( <i>de minimis</i> )
Ghigi Industria Agroalimentare in San Clemente srl	0.96
Pasta Granoro S.r.L. (also known as, “Pastificio Attilio Mastromauro Granoro S.r.L”)	0.96
Valdigrano di Flavio Pagani S.r.L	0.96

#### Disclosure and Public Comment

The Department will disclose to parties to this proceeding the calculations performed in reaching the preliminary results within 10 days of the date of public announcement of these preliminary results.<sup>6</sup> Due to the anticipated timing of the release of post-preliminary analysis memoranda, interested parties may submit written comments (case briefs) for this administrative review no later than one week after the issuance of the last post-preliminary analysis memorandum, and rebuttal comments (rebuttal briefs) within five days after the time limit for filing case briefs.<sup>7</sup> Pursuant to 19 CFR 351.309(d)(2), rebuttal briefs must be limited to issues raised in the case briefs. Parties who submit arguments are requested to submit with the argument: (1) a statement of the issue; (2) a brief summary of the argument; and (3) a table of authorities.

Interested parties who wish to request a hearing, or to participate if one is requested, must submit a written request to the Assistant Secretary for Enforcement and Compliance, U.S.

<sup>6</sup> See 19 CFR 351.224(b).

<sup>7</sup> See 19 CFR 351.309(c)(1)(ii) and 351.309(d)(1).

Department of Commerce within 30 days after the date of publication of this notice.<sup>8</sup> Requests should contain the party's name, address, and telephone number, the number of participants, and a list of the issues to be discussed. If a request for a hearing is made, we will inform parties of the scheduled date for the hearing which will be held at the U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230, at a time and location to be determined.<sup>9</sup> Parties should confirm by telephone the date, time, and location of the hearing.

Parties are reminded that briefs and hearing requests are to be filed electronically using IA ACCESS and that electronically filed documents must be received successfully in their entirety by 5 p.m. Eastern Time on the due date.

Unless the deadline is extended pursuant to section 751(a)(3)(A) of the Act, the Department intends to issue the final results of this administrative review, including the results of our analysis of the issues raised by the parties in their comments, within 120 days after publication of these preliminary results.

#### Assessment Rates

For the rescinded company, CVDs shall be assessed at rates equal to the cash deposit of estimated CVDs required at the time of entry, or withdrawal from warehouse, for consumption, during the period January 1, 2012, through December 31, 2012, in accordance with 19 CFR 351.212(c)(1)(i). The Department intends to issue appropriate assessment instructions directly to U.S. Customs and Border Protection (CBP) 15 days after publication of this notice.

For the other reviewed companies, consistent with section 751(a)(1) of the Act, upon issuance of the final results, the Department shall determine, and CBP shall assess, CVDs on all

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<sup>8</sup> See 19 CFR 351.310(c).

<sup>9</sup> See 19 CFR 351.310.

appropriate entries covered by this review. We intend to issue instructions to CBP 15 days after publication of the final results of this review.

#### Cash Deposit Requirements

Also in accordance with section 751(a)(1) of the Act, the Department intends to instruct CBP to collect cash deposits of estimated CVDs in amounts shown above for each of the respective companies should the final results remain the same as these preliminary results. For all non-reviewed firms, we will instruct CBP to continue to collect cash deposits at the most recent company-specific or all-others rate applicable to the company. These cash deposit requirements, when imposed, shall remain in effect until further notice.

These preliminary results of administrative review and notice are issued and published in accordance with sections 751(a)(1) and 777(i) of the Act and 19 CFR 351.213 and 351.221(b)(4).

Dated: August 18, 2014

Ronald K. Lorentzen  
Acting Assistant Secretary  
for Enforcement and Compliance

## Appendix

### List of Topics Discussed in the Preliminary Decision Memorandum:

- I. Summary
- II. Background
- III. Scope of the Order
- IV. Use of Facts Otherwise Available and Adverse Inferences
- V. Subsidies Valuation Information
- VI. Analysis of Programs
- VII. Recommendation

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