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DEPARTMENT OF COMMERCE

INTERNATIONAL TRADE ADMINISTRATION

C-489-819

Steel Concrete Reinforcing Bar from the Republic of Turkey: Preliminary Results of Countervailing Duty Administrative Review and Intent To Rescind the Review in Part; 2014

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 steel concrete reinforcing bar (rebar) from the Republic of Turkey (Turkey). The period of review (POR) is September 15, 2014, through December 31, 2014. This review covers two producers/exporters of subject merchandise that the Department selected for individual examination: Icdas Celik Enerji Tersane ve Ulasim Sanayi A.S. (Icdas) and Kaptan Demir Celik Endustrisi ve Ticaret A.S. and Kaptan Metal Dis Ticaret ve Nakliyat A.S. (Kaptan Demir Companies) (collectively, the mandatory respondents). This review also covers the following firms that were not individually examined: 3212041 Canada Inc.; Acemar International Limited; As Gaz Sinai ve Tibbi Azlar A.S.; Colakoglu Dis Ticaret A.S. (also known as Colakoglu Disticaret AS); Colakoglu Metalurji A.S.; Del Industrial Metals; Habas Sinai ve Tibbi Gazlar Istihsal Endustrisi A.S. (also known as Habas Sinai 199, Habas Sinai ve Tibbi Gazlar, and/or Habas Sinai ve Tibbi Gazlar Istihsal); Izmir Demir Celik Sanayi A.S.; Ozkan Demir Celik Sanayi A.S.; Tata Steel International (Hong Kong) Limited (also known as Tata Steel International (Hong Kong)); and Tata Steel UK.

We preliminarily find that the mandatory respondents each received a *de minimis* net subsidy rate during the POR. See “Preliminary Results of Review” section of this notice below

for the preliminary rates calculated for the companies covered in this review.

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

FOR FURTHER INFORMATION CONTACT: Kristen Johnson (Icdas) and Samuel Brummitt (Kaptan Demir), AD/CVD Operations, Office III, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue NW, Washington, DC 20230; telephone (202) 482-4793, and (202) 482-7851, respectively.

SUPPLEMENTARY INFORMATION

Scope of the Order

The scope of the order consists of steel concrete reinforcing bar imported in either straight length or coil form (rebar) regardless of metallurgy, length, diameter, or grade. The subject merchandise is classifiable in the Harmonized Tariff Schedule of the United States (HTSUS) primarily under item numbers 7213.10.0000, 7214.20.0000, and 7228.30.8010. The subject merchandise may also enter under other HTSUS numbers including 7215.90.1000, 7215.90.5000, 7221.00.0015, 7221.00.0030, 7221.00.0045, 7222.11.0001, 7222.11.0057, 7222.11.0059, 7222.30.0001, 7227.20.0080, 7227.90.6085, 7228.20.1000, and 7228.60.6000. While HTSUS subheadings are provided for convenience and customs purposes, the written description of the scope of this *Order* is dispositive.¹

Methodology

We are conducting this administrative review in accordance with section 751(a)(1)(A) of the Tariff Act of 1930, as amended (the Act). For each of the subsidy programs found

¹ See *Steel Concrete Reinforcing Bar from the Republic of Turkey: Countervailing Duty Order*, 79 FR 65926 (November 6, 2014) (*Order*). For a full description of the scope of this order see Memorandum from Christian Marsh, Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations to Paul Piquado, Assistant Secretary for Enforcement and Compliance, “Decision Memorandum for Preliminary Results of Countervailing Duty Administrative Review: Steel Concrete Reinforcing Bar from the Republic of Turkey,” dated concurrently with, and hereby adopted by this notice. (Preliminary Decision Memorandum).

countervailable, we preliminarily find that there is a subsidy, *i.e.*, a financial contribution by an “authority” that gives rise to a benefit to the recipient, and that the subsidy is specific.² For a full description of the methodology underlying our conclusions, *see* the Preliminary Decision Memorandum.

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 (ACCESS). ACCESS is available to registered users at <https://access.trade.gov> and in the Central Records Unit, room B8024 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://enforcement.trade.gov/frn/>. The signed Preliminary Decision Memorandum and the electronic version 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.

Intent To Rescind Administrative Review, in Part

Entries of merchandise produced and exported by Habas Sinai ve Tibbi Gazlar Istihsal Endustrisi A.S. (Habas) are not subject to countervailing duties because the Department’s final determination with respect to this producer/exporter combination was negative.³ However, as stated in the *Initiation Notice*, any entries of merchandise produced by any other entity and exported by Habas or produced by Habas and exported by another entity are subject to the

² *See* sections 771(5)(B) and (D) of the Act regarding financial contribution; section 771(5)(E) of the Act regarding benefit; and section 771(5A) of the Act regarding specificity.

³ *See Steel Concrete Reinforcing Bar from the Republic of Turkey: Final Affirmative Countervailing Duty Determination Final Affirmative Critical Circumstances Determination*, 79 FR 54963, 54964 (September 15, 2014).

Order.⁴

Because there is no evidence on the record of entries of merchandise produced by another entity and exported by Habas, or entries of merchandise produced by Habas and exported by another entity, we preliminarily determine that Habas is not subject to this administrative review. Therefore, pursuant to 19 CFR 351.213(d)(3), we intend to rescind the review with respect to Habas. A final decision regarding whether to rescind the review of Habas will be made in the final results of this review.

Preliminary Results of the Review

We preliminarily find that the following net subsidy rates exist for the period September 15, 2014, through December 31, 2014:

Company	Subsidy Rate <i>Ad Valorem</i>
Icdas Celik Enerji Tersane ve Ulasim Sanayi A.S.	0.00 percent ⁵
Kaptan Demir Celik Endustrisi ve Ticaret A.S. and Kaptan Metal Dış Ticaret ve Nakliyat A.S.	0.02 percent (<i>de minimis</i>)
3212041 Canada Inc.	0.00 percent
Acemar International Limited	0.00 percent
As Gaz Sinai ve Tibbi Azlar A.S.	0.00 percent
Colakoglu Dis Ticaret A.S. (also known as Colakoglu Disticaret AS)	0.00 percent
Colakoglu Metalurji A.S.	0.00 percent
Del Industrial Metals	0.00 percent
Izmir Demir Celik Sanayi A.S.	0.00 percent
Ozkan Demir Celik Sanayi A.S.	0.00 percent
Tata Steel International (Hong Kong) Limited (also known as Tata Steel International (Hong Kong))	0.00 percent
Tata Steel UK ⁶	0.00 percent

⁴ See *Initiation of Antidumping and Countervailing Duty Administrative Reviews*, 81 FR 736, 740 (at footnote 4) (January 7, 2016) (*Initiation Notice*).

⁵ For Icdas, we preliminarily calculate a *de minimis* rate, which, when rounded to the hundredth place, is zero.

⁶ The name of Tata Steel UK was incorrectly spelled in the *Initiation Notice*. The company's name was inadvertently listed as "Tata Steel U." See *Initiation Notice*, 81 FR at 740.

In accordance with the U.S. Court of Appeals for the Federal Circuit's decision in *Albemarle Corp. v. United States*,⁷ we are applying to the non-selected companies the rates preliminarily calculated for the mandatory respondents, which are *de minimis*.

Assessment Rates

Consistent with section 751(a)(1) of the Act and 19 CFR 351.212(b)(2), upon issuance of the final results, the Department shall determine, and U.S. Customs and Border Protection (CBP) shall assess, countervailing duties on all 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

Pursuant to section 751(a)(2)(C) of the Act, the Department intends to instruct CBP to collect cash deposits of estimated countervailing duties in the amount shown above for the reviewed companies should the final results remain the same as these preliminary results. 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 cash deposit requirements, when imposed, shall remain in effect until further notice.

Disclosure and Public Comment

We will disclose to the parties in this proceeding the calculations performed in reaching the preliminary results within five days of the date of publication of this notice.⁸ Interested parties may submit written arguments (case briefs) on the preliminary results no later than 30 days from the date of publication of this *Federal Register* notice, and rebuttal comments (rebuttal briefs) within five days after the time limit for filing the case briefs.⁹ Pursuant to 19 CFR

⁷ See *Albemarle Corp. & Subsidiaries v. United States*, 821 F.3d 1345 (Fed. Cir. 2016).

⁸ See 19 CFR 351.224(b).

⁹ See 19 CFR 351.309(c)(1)(ii); 351.309(d)(1); and 19 CFR 351.303 (for general filing requirements).

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) 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 within 30 days after the date of publication of this notice.¹⁰ 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 the Department receives a request for a hearing, we will inform parties of the scheduled date for the hearing, which will be held at the main Department of Commerce building at a time and location to be determined.¹¹ 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 ACCESS and that electronically filed documents must be received successfully in their entirety by 5:00 pm Eastern Time on the due date.

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

¹⁰ See 19 CFR 351.310(c).

¹¹ See 19 CFR 351.310.

Notification to Interested Parties

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 351.213 and 351.221(b)(4).

Paul Piquado
Assistant Secretary
for Enforcement and Compliance

December 5, 2016

Date

APPENDIX

List of Topics Discussed in the Preliminary Decision Memorandum

- I. Summary
- II. Background
- III. Scope of the Order
- IV. Subsidies Valuation Information
- V. Analysis of Programs
 - A. Program Preliminarily Determined To Be Countervailable
 1. Rediscount Program
 - B. Programs Preliminarily Determined To Not Be Countervailable
 1. Assistance to Offset Costs Related to AD/CVD Investigations
 2. Purchase of Electricity for More Than Adequate Remuneration (MTAR) – Sales on the Grid
 - C. Program Preliminarily Determined To Not Be Countervailable For a Respondent
 1. Provision of Natural Gas for Less Than Adequate Remuneration (LTAR)
 - D. Program for Which Additional Information Is Required
 1. Purchase of Electricity for MTAR – Sales to Public Buyers
 - E. Programs Preliminarily Determined To Not Confer Countervailable Benefits
 1. Reduction and Exemption of Licensing Fees for Renewable Resource Power Plants
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 1. Purchase of Electricity for MTAR – Sales *via* Build-Operate-Own, Build-Operate-Transfer, and Transfer of Operating Rights Contracts
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 3. Purchase of Electricity Generated from Renewable Resources for MTAR
 4. Deductions from Taxable Income for Export Revenue
 5. Research and Development Grant Program
 6. Export Credits, Loans, and Insurance from Turk Eximbank
 - a. Pre-Shipment Export Credits
 - b. Foreign Trade Company Export Loans
 - c. Pre-Export Credits
 - d. Short-term Export Credit Discount Program
 - e. Export Insurance
 7. Regional Investment Incentives
 - a. VAT and Customs Duty Exemptions
 - b. Income Tax Reductions
 - c. Social Security Support
 - d. Land Allocation
 8. Large-Scale Investment Incentives
 - a. VAT and Customs Duty Exemptions
 - b. Tax Reduction
 - c. Income Tax Withholding Allowance
 - d. Social Security and Interest Support

- e. Land Allocation
- 9. Strategic Investment Incentives
 - a. VAT and Customs Duty Exemptions
 - b. Tax Reduction
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 - e. Land Allocation
 - f. VAT Refunds
- 10. Incentives for Research & Development (R&D) Activities
 - a. Tax Breaks and Other Assistance
 - b. Product Development R&D Support – UFT
- 11. Regional Development Subsidies
 - a. Provision of Land for LTAR
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 - c. Withholding of Income Tax on Wages and Salaries
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 - e. Employers’ Share in Insurance Premiums
 - f. Preferential Tax Benefits for Turkish Rebar Producers Located in Free Zones
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 - h. Exemptions from Foreign Exchange Restrictions to Turkish Rebar Producers Located in Free Zones
 - i. Preferential Rates for Land Rent and Purchase to Turkish Rebar Producers Located in Free Zones

VI. Conclusion

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