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DEPARTMENT OF COMMERCE

International Trade Administration

[C-489-838]

Certain Quartz Surface Products from the Republic of Turkey: Final Affirmative Countervailing Duty Determination and Final Affirmative Determination of Critical Circumstances, In Part

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

SUMMARY: The Department of Commerce (Commerce) determines that countervailable subsidies are being provided to producers and exporters of certain quartz surface products (quartz surface products) from the Republic of Turkey (Turkey).

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

FOR FURTHER INFORMATION CONTACT: Stephanie Berger or Peter Zukowski, AD/CVD Operations, Office III, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-2483 or (202) 482-0189, respectively.

SUPPLEMENTARY INFORMATION:

Background

On October 11, 2019, Commerce published the *Preliminary Determination* of the countervailing duty (CVD) investigation, which aligned the final determination in this CVD investigation with the final determination in the companion antidumping duty (AD) investigation of quartz surface products from Turkey.¹

¹ See *Certain Quartz Surface Products from the Republic of Turkey: Preliminary Affirmative Countervailing Duty Determination, Preliminary Affirmative Critical Circumstances Determination, and Alignment of Final Determination with Final Antidumping Duty Determination*, 84 FR 54843 (October 11, 2019) (*Preliminary Determination*), and accompanying Preliminary Decision Memorandum (PDM).

A summary of the events that occurred since Commerce published the *Preliminary Determination*, as well as a full discussion of the issues raised by parties for this final determination, are discussed in the Issues and Decision Memorandum, which is hereby adopted by this notice.² The Issues and 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>. In addition, a complete version of the Issues and Decision Memorandum can be accessed directly at <http://enforcement.trade.gov/frn/index.html>. The signed and electronic versions of the Issues and Decision Memorandum are identical in content.

Period of Investigation

The period of investigation is January 1, 2018 through December 31, 2018.

Scope of the Investigation

The products covered by this investigation are quartz surface products from Turkey. For a complete description of the scope of this investigation, *see* Appendix I.

Scope Comments

On December 4, 2019, we issued a Preliminary Scope Memorandum.³ We received no scope case briefs from interested parties. Therefore, Commerce has made no changes to the scope of this investigation since the *Preliminary Determination*.

² See Memorandum, "Issues and Decisions Memorandum for the Final Determination of the Countervailing Duty Investigation of Certain Quartz Surface Products from Turkey," dated concurrently with, and hereby adopted by, this notice (Issues and Decisions Memorandum).

³ See Memorandum, "Certain Quartz Surface Products from India and Turkey: Preliminary Scope Decision Memorandum," dated December 4, 2019.

Analysis of Subsidy Programs and Comments Received

The subsidy programs under investigation and the issues raised in the case and rebuttal briefs by parties in this investigation are discussed in the Issues and Decision Memorandum. A list of the issues that parties raised is attached to this notice as Appendix II.

Methodology

Commerce conducted this investigation in accordance with section 701 of the Tariff Act of 1930, as amended (the Act). For each of the subsidy programs found countervailable, Commerce determines 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.⁴ For a full description of the methodology underlying our final determination, *see* the Issues and Decision Memorandum.

Verification

As provided in section 782(i) of the Act, in December 2019, we conducted verification of the information submitted by the Government of Turkey⁵ and the mandatory respondent, Belenco Diş Ticaret A.Ş. (Belenco), for use in Commerce’s final determination. We used standard verification procedures, including an examination of relevant accounting records and original source documents provided by the respondents.⁶

Changes Since the *Preliminary Determination*

Based on our review and analysis of the comments received from parties and our verification findings, we made certain changes to the subsidy rate calculations for Belenco. For a discussion of these changes, *see* the Issues and Decision Memorandum.

⁴ *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.

⁵ *See* Memorandum, “Verification of the Questionnaire Responses of the Republic of Turkey,” dated January 23, 2020.

⁶ *See* Memorandum, “Verification of the Questionnaire Responses of Belenco Diş Ticaret A.Ş.,” dated January 23, 2020.

Final Affirmative Determination of Critical Circumstances, In Part

In accordance with section 703(e)(1)(B) of the Act, Commerce preliminarily determined that critical circumstances existed for all imports of quartz surface products from Turkey.⁷ Upon further analysis of the data following the *Preliminary Determination*, we are modifying our findings for the final determination.⁸ Specifically, in accordance with section 705(a)(2) of the Act, we find that critical circumstances do not exist with respect to imports from Belenco. We continue to find, as we did in the *Preliminary Determination*, that critical circumstances exist with respect to imports from all other companies. For a full description of the methodology and results of Commerce's analysis, *see* the Issues and Decision Memorandum.

All-Others Rate

We continue to assign the countervailable subsidy rate calculated for Belenco as the all-others rate applicable to all exporters and/or producers not individually examined.⁹

Final Determination

In accordance with section 705(c)(1)(B)(i)(I) of the Act, we calculated an individual estimated subsidy rate for Belenco. We determine the total estimated net countervailable subsidy rate to be:

Producer/Exporter	Subsidy Rate
Belenco Dış Ticaret A.Ş. and Peker Yüzey Tasarıları Sanayi ve Tic. A.Ş. ¹⁰	2.43 percent
All Others	2.43 percent

Disclosure

⁷ *See Preliminary Determination.*

⁸ *See* Issues and Decisions Memorandum at 2-3.

⁹ *See Preliminary Determination.*

¹⁰ As discussed in the *Preliminary Determination*, Commerce found the following company to be cross-owned with Belenco Dis Ticaret AS: Peker Yüzey Tasarıları Sanayi ve Tic. A.Ş. No party commented on this finding in the case briefs.

We intend to disclose to interested parties the calculations and analysis performed in this final determination within five days of the date of the publication of this notice in accordance with 19 CFR 351.224(b).

Continuation of Suspension of Liquidation

As a result of our *Preliminary Determination*, and pursuant to sections 703(d)(I)(B) and (d)(2) of the Act, Commerce instructed U.S. Customs and Border Protection (CBP) to suspend liquidation of entries of subject merchandise, as described in the scope of the investigation section, that was entered or withdrawn from warehouse for consumption on or after August 13, 2019, which is 90 days prior to the publication of the *Preliminary Determination* in the *Federal Register*. In accordance with section 703(d) of the Act, we issued instructions to CBP to discontinue the suspension of liquidation for countervailing duty (CVD) purposes for subject merchandise entered, or withdrawn from warehouse, on or after February 8, 2020 but to continue the suspension of liquidation of all entries from August 13, 2019 through February 7, 2020.

Because we find critical circumstances do not exist for Belenco, we will direct CBP to terminate the retroactive suspension of liquidation ordered at the *Preliminary Determination* and release any cash deposits that were required prior to October 11, 2019, the date of publication of the *Preliminary Determination* in the *Federal Register*, consistent with section 705(c)(3) of the Act.

If the U.S. International Trade Commission (ITC) issues a final affirmative injury determination, we will issue a CVD order, reinstate the suspension of liquidation under section 706(a) of the Act, and will require a cash deposit of estimated countervailing duties for such entries of subject merchandise in the amounts indicated above. If the ITC determines that material injury, or threat of material injury, does not exist, this proceeding will be terminated and

all estimated duties deposited or securities posted as a result of the suspension of liquidation will be refunded or canceled.

ITC Notification

In accordance with section 705(d) of the Act, we will notify the ITC of our determination. Because the final determination in this proceeding is affirmative, in accordance with section 705(b) of the Act, the ITC will make its final determination as to whether the domestic industry in the United States is materially injured, or threatened with material injury, by reason of imports of quartz surface products from Turkey no later than 45 days after our final determination. If the ITC determines that material injury or threat of material injury does not exist, the proceeding will be terminated and all cash deposits will be refunded. If the ITC determines that material injury or threat of material injury does exist, Commerce will issue a CVD order directing CBP to assess, upon further instruction by Commerce, countervailing duties on all imports of the subject merchandise entered, or withdrawn from warehouse, for consumption on or after the effective date of the suspension of liquidation, as discussed above in the “Continuation of Suspension of Liquidation” section.

Notification Regarding Administrative Protective Orders

In the event the ITC issues a final negative injury determination, this notice serves as the only reminder to parties subject to an APO of their responsibility concerning the destruction of proprietary information disclosed under APO in accordance with 19 CFR 351.305(a)(3). Timely written 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 subject to sanction.

Notification to Interested Parties

This determination is issued and published pursuant to sections 705(d) and 777(i) of the Act and 19 CFR 351.210(c).

Dated: April 27, 2020.

Jeffrey I. Kessler,
Assistant Secretary
for Enforcement and Compliance.

Appendix I

Scope of the Investigation

The merchandise covered by the investigation is certain quartz surface products. Quartz surface products consist of slabs and other surfaces created from a mixture of materials that includes predominately silica (*e.g.*, quartz, quartz powder, cristobalite, glass powder) as well as a resin binder (*e.g.*, an unsaturated polyester). The incorporation of other materials, including, but not limited to, pigments, cement, or other additives does not remove the merchandise from the scope of the investigation. However, the scope of the investigation only includes products where the silica content is greater than any other single material, by actual weight. Quartz surface products are typically sold as rectangular slabs with a total surface area of approximately 45 to 60 square feet and a nominal thickness of one, two, or three centimeters. However, the scope of this investigation includes surface products of all other sizes, thicknesses, and shapes. In addition to slabs, the scope of this investigation includes, but is not limited to, other surfaces such as countertops, backsplashes, vanity tops, bar tops, work tops, tabletops, flooring, wall facing, shower surrounds, fire place surrounds, mantels, and tiles. Certain quartz surface products are covered by the investigation whether polished or unpolished, cut or uncut, fabricated or not fabricated, cured or uncured, edged or not edged, finished or unfinished, thermoformed or not thermoformed, packaged or unpackaged, and regardless of the type of surface finish.

In addition, quartz surface products are covered by the investigation whether or not they are imported attached to, or in conjunction with, non-subject merchandise such as sinks, sink bowls, vanities, cabinets, and furniture. If quartz surface products are imported attached to, or in conjunction with, such non-subject merchandise, only the quartz surface product is covered by the scope.

Subject merchandise includes material matching the above description that has been finished, packaged, or otherwise fabricated in a third country, including by cutting, polishing, curing, edging, thermoforming, attaching to, or packaging with another product, or any other finishing, packaging, or fabrication that would not otherwise remove the merchandise from the scope of the investigation if performed in the country of manufacture of the quartz surface products.

The scope of the investigation does not cover quarried stone surface products, such as granite, marble, soapstone, or quartzite. Specifically excluded from the scope of the investigation are crushed glass surface products. Crushed glass surface products must meet each of the following criteria to qualify for this exclusion: (1) the crushed glass content is greater than any other single material, by actual weight; (2) there are pieces of crushed glass visible across the surface of the product; (3) at least some of the individual pieces of crushed glass that are visible across the surface are larger than 1 centimeter wide as measured at their widest cross-section (“Glass Pieces”); and (4) the distance between any single Glass Piece and the closest separate Glass Piece does not exceed three inches.

The products subject to the scope are currently classified in the Harmonized Tariff Schedule of the United States (HTSUS) under the following subheading: 6810.99.0010. Subject merchandise may also enter under subheadings 6810.11.0010, 6810.11.0070, 6810.19.1200, 6810.19.1400, 6810.19.5000, 6810.91.0000, 6810.99.0080, 6815.99.4070, 2506.10.0010, 2506.10.0050,

2506.20.0010, 2506.20.0080, and 7016.90.1050. The HTSUS subheadings set forth above are provided for convenience and U.S. Customs purposes only. The written description of the scope is dispositive.

Appendix II

List of Topics Discussed in the Final Decision Memorandum

- I. Summary
- II. Background
- III. Scope Comments
- IV. Scope of the Investigation
- V. Final Determination of Critical Circumstances
- VI. Subsidies Valuation Information
- VII. Analysis of Programs
- VIII. Analysis of Comments
 - Comment 1: Whether Commerce Should Apply Adverse Facts Available (AFA) to the Local Fair Support Program
 - Comment 2: Whether Commerce Should Countervail the Value-Added Tax (VAT) Exemption Granted Under the Regional Investment Incentive Scheme (RIIS)
- IX. Recommendation

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