



## DEPARTMENT OF COMMERCE

### International Trade Administration

[C-475-819]

### Certain Pasta from Italy: Preliminary Results and Partial Rescission of Countervailing Duty Administrative Review; 2021

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

**SUMMARY:** The U.S. Department of Commerce (Commerce) preliminarily determines that countervailable subsidies are being provided to certain producers and exporters of certain pasta (pasta) from Italy during the period of review (POR) January 1, 2021, through December 31, 2021. Additionally, Commerce is rescinding the review with respect to two companies.

Interested parties are invited to comment on these preliminary results.

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

**FOR FURTHER INFORMATION CONTACT:** Nicholas Czajkowski, AD/CVD Operations, Office I, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-1395.

### SUPPLEMENTARY INFORMATION:

#### Background

On July 24, 1998, Commerce published in the *Federal Register* the countervailing duty order on pasta from Italy.<sup>1</sup> On September 6, 2022, Commerce published in the *Federal Register* the notice of initiation of an administrative review of the *Order*.<sup>2</sup> We initiated an administrative

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<sup>1</sup> See *Notice of Countervailing Duty Order and Amended Final Affirmative Countervailing Duty Determination: Certain Pasta from Italy*, 61 FR 38544 (July 24, 1996) (*Order*).

<sup>2</sup> See *Initiation of Antidumping and Countervailing Duty Administrative Reviews*, 87 FR 54463, 54473 (September 6, 2022).

review of four producers/exporters of pasta from Italy for the POR. On March 22, 2023, Commerce extended the deadline for the preliminary results of this administrative review to no later than July 11, 2023.<sup>3</sup>

For a complete description of the events that followed the initiation of this review, *see* the Preliminary Decision Memorandum.<sup>4</sup> A list of topics discussed in the Preliminary Decision Memorandum is included as the appendix to 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 (ACCESS). ACCESS is available to registered users at <https://access.trade.gov>. In addition, a complete version of the Preliminary Decision Memorandum can be accessed directly at <https://access.trade.gov/public/FRNoticesListLayout.aspx>.

#### Scope of the Order

The merchandise covered by this *Order* is pasta from Italy. For a complete description of the scope of the *Order*, *see* the Preliminary Decision Memorandum.<sup>5</sup>

#### Partial Rescission of Administrative Review

Pursuant to 19 CFR 351.213(d)(1), Commerce will rescind an administrative review, in whole or in part, if the parties that requested a review withdraw the request within 90 days of the date of publication of the notice of initiation. Commerce received timely-filed withdrawal requests with respect to: (1) Pastificio Mediterranea S.R.L.;<sup>6</sup> and (2) Pastificio Favellato Srl.<sup>7</sup> Because the withdrawal requests were timely filed, and no other parties requested a review of these companies, in accordance with 19 CFR 351.213(d)(1), Commerce is rescinding this review

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<sup>3</sup> *See* Memorandum, "Extension of Deadline for Preliminary Results of Countervailing Duty Administrative Review," dated March 22, 2023.

<sup>4</sup> *See* Memorandum, "Decision Memorandum for the Preliminary Results of Countervailing Duty Administrative Review: Certain Pasta from Italy," dated concurrently with, and hereby adopted by, this notice (Preliminary Decision Memorandum).

<sup>5</sup> *Id.*

<sup>6</sup> *See* Pastificio Mediterranea S.R.L.'s letter, "Withdrawal of Request for Administrative Review on Behalf of Pastificio Mediterranea S.R.L.," dated October 31, 2022.

<sup>7</sup> *See* Pastificio Favetello Srl's letter, "Withdraw Request for Administrative Review," dated November 2, 2022.

of the *Order* with respect to these two companies.

### Methodology

Commerce is conducting this 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 to be countervailable, we preliminarily determine that there is a subsidy, *i.e.*, a government-provided financial contribution that gives rise to a benefit to the recipient, and that the subsidy is specific.<sup>8</sup> For a full description of the methodology, *see* the Preliminary Decision Memorandum.

### Preliminary Results of Review

Commerce preliminarily determines that the following estimated countervailable subsidy rates exist for the period January 1, 2021, through December 31, 2021:

<b>Company</b>	<b>Subsidy Rate (percent <i>ad valorem</i>)</b>
Pastificio Gentile S.R.L.	1.79
Sgambaro SpA.	1.79

### Preliminary Rate for Non-Selected Companies Under Review

There is one company for which a review was requested and not rescinded, and which was not selected as a mandatory respondent or found to be cross-owned with a mandatory respondent. The statute and Commerce's regulations do not directly address the establishment of rates to be applied to companies not selected for individual examination where Commerce limits its examination in an administrative review pursuant to section 777A(e)(2) of the Act. However, Commerce normally determines the rates for non-selected companies in reviews in a manner that is consistent with section 705(c)(5) of the Act, which provides the basis for calculating the all-others rate in an investigation.

Section 705(c)(5)(A)(i) of the Act instructs Commerce, as a general rule, to calculate an all-others rate equal to the weighted average of the countervailable subsidy rates established for

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<sup>8</sup> *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.

exporters and/or producers individually examined, excluding any rates that are zero, *de minimis*, or based entirely on facts available. In this review, the preliminary rate calculated for Pastificio Gentile S.r.l. (Gentile), the sole mandatory respondent, was not zero, *de minimis*, or based entirely on facts available. Therefore, for the company for which a review was requested that was not selected as a mandatory company respondent, and for which Commerce did not receive a timely request for withdrawal of review, we are applying to the non-selected company the net subsidy rate calculated for Gentile.

#### Cash Deposit Requirements

Pursuant to section 751(a)(1) of the Act, Commerce intends, upon publication of the final results, to instruct U.S. Customs and Border Protection (CBP) to collect cash deposits of estimated countervailing duties in the amounts shown for each of the respondents listed above on shipments of subject merchandise entered, or withdrawn from warehouse, for consumption on or after the date of publication of the final results of this administrative review. If the rate calculated in the final results is zero or *de minimis*, no cash deposit will be required on shipments of the subject merchandise entered or withdrawn from warehouse, for consumption on or after the date of publication of the final results of this review.

For all non-reviewed firms, CBP will continue to collect cash deposits of estimated countervailing duties at the all-others rate or the most recent company-specific rate applicable to the company, as appropriate. These cash deposit requirements, when imposed, shall remain in effect until further notice.

#### Assessment Rates

In accordance with 19 CFR 351.221(b)(4)(i), we preliminarily assigned subsidy rates in the amounts shown above for the producers/exporters shown above. Consistent with section 751(a)(1) of the Act and 19 CFR 351.212(b)(2), upon issuance of the final results, Commerce shall determine, and CBP shall assess, countervailing duties on all appropriate entries covered by this review. We intend to issue assessment instructions to CBP no earlier than 35 days after the

date of publication of the final results of this review in the *Federal Register*. If a timely summons is filed at the U.S. Court of International Trade, the assessment instructions will direct CBP not to liquidate relevant entries until the time for parties to file a request for a statutory injunction has expired (*i.e.*, within 90 days of publication).

For the companies for which this review is rescinded with these preliminary results, we will instruct CBP to assess countervailing duties on all appropriate entries at a rate equal to the cash deposit of estimated countervailing duties required at the time of entry, or withdrawal from warehouse, for consumption, during the period January 1, 2021, through December 31, 2021, in accordance with 19 CFR 351.212(c)(1)(i).

#### Verification

As provided in section 782(i)(3) of the Act, Commerce intends to verify the information relied upon for the final results of review.

#### Disclosure

Commerce intends to disclose its calculations and analysis performed in reaching the preliminary results within five days of publication of these preliminary results, in accordance with 19 CFR 351.224(b).<sup>9</sup>

#### Public Comment

Case briefs or other written documents may be submitted to the Assistant Secretary for Enforcement and Compliance.<sup>10</sup> A timeline for the submission of case and rebuttal briefs and written comments will be provided to interested parties at a later date.

Pursuant to 19 CFR 351.309(c)(2) and (d)(2), parties who submit case or rebuttal briefs in this administrative review are encouraged to submit with each argument: (1) a statement of the issue; (2) a brief summary of the argument; and (3) a table of authorities.<sup>11</sup> All briefs must be filed electronically using ACCESS. Note that Commerce has temporarily modified certain of its

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<sup>9</sup> See 19 CFR 351.224(b).

<sup>10</sup> See 19 CFR 351.309(c)-(d).

<sup>11</sup> See 19 CFR 351.309(c)(2) and 351.309(d)(2).

requirements for service documents containing business proprietary information, until further notice.<sup>12</sup>

Pursuant to 19 CFR 351.310(c), interested parties who wish to request a hearing, limited to issues raised in the case and rebuttal briefs, must submit a written request to the Assistant Secretary for Enforcement and Compliance, U.S. Department of Commerce, filed electronically using ACCESS. An electronically-filed request must be received successfully, and in its entirety by 5:00 p.m. Eastern Time, within 30 days after the date of publication of this notice. Hearing requests should contain the party's name, address, and telephone number, the number of participants, whether any participant is a foreign national, and a list of the issues to be discussed. If a request for a hearing is made, parties will be notified of the date and time for the hearing to be determined.

#### Final Results

Unless extended, we intend to issue the final results of this administrative review, which will include the results of our analysis of the issues raised in the case briefs, within 120 days of publication of these preliminary results in the *Federal Register*, pursuant to section 751(a)(3)(A) of the Act and 19 CFR 351.213(h).

#### 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).

**Dated:** July 11, 2023.

**Lisa W. Wang,**  
*Assistant Secretary for Enforcement and Compliance.*

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<sup>12</sup> See *Temporary Rule Modifying AD/CVD Service Requirements Due to COVID-19; Extension of Effective Period*, 85 FR 41363 (July 10, 2020).



## Appendix

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

- I. Summary
- II. Background
- III. Scope of the *Order*
- IV. Non-Selected Companies Under Review
- V. Partial Rescission of Administrative Review
- VI. Use of Facts Otherwise Available and Adverse Inferences
- VII. Subsidies Valuation
- VIII. Analysis of Programs
- IX. Recommendation