



C-533-854

Investigation


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May 28, 2013

MEMORANDUM TO: Ronald K. Lorentzen
Acting Assistant Secretary
for Import Administration

FROM: Christian Marsh 
Deputy Assistant Secretary
for Antidumping and Countervailing Duty Operations

SUBJECT: Decision Memorandum for the Preliminary Determination in the
Countervailing Duty Investigation of Certain Frozen Warmwater
Shrimp from India

I. SUMMARY

The Department of Commerce (Department) preliminarily determines that countervailable subsidies are being provided to producers and exporters of certain frozen warmwater shrimp (frozen shrimp) in India, as provided in section 703 of the Tariff Act of 1930, as amended (the Act).

II. BACKGROUND

A. Initiation and Case History

On December 28, 2012, the Coalition of Gulf Shrimp Industries (COGSI or Petitioner)¹ filed a petition with the Department seeking the imposition of countervailing duties (CVDs) on frozen shrimp from, *inter alia*, India.² Supplements to the petition and our consultations with the

¹ The members of the Coalition of Gulf Shrimp Industries are: Bayou Shrimp Processors, Inc.; Bluewater Shrimp Company, Inc.; Carson & Co., Inc.; C.F. Gollott & Sons Seafood, Inc.; Dean Blanchard Seafood, Inc.; Dominick Seafood; Fisherman's Reef Packing Plant; Golden Gulf Coast Pkg. Co., Inc. (and Gollott's Oil Dock & Ice House); Graham Fisheries, Inc.; Graham Shrimp, Inc.; Gulf Crown Seafood Co., Inc.; Gulf Fish Inc.; Gulf Island Shrimp & Seafood, LLC; Gulf Pride Enterprises, Inc.; Hi-Seas of Dulac, Inc.; Indian Ridge Shrimp Co.; JBS Packing Co., Inc.; Lafitte Frozen Foods Corp.; M&M Shrimp (Biloxi Freezing and Processing); Ocean Springs Seafood Market, Inc.; Paul Piazza & Sons, Inc.; R.A. Lesso Brokerage Co., Inc.; Sea Pearl Seafood Co., Inc.; Smith and Sons Seafood; Tideland's Seafood Co., Inc.; Tommy's Seafood; Vincent Piazza & Sons Seafood, Inc.; Wood's Fisheries; Mariah Jade Shrimp Company, LLC; David Chauvin's Seafood Company, LLC; and Rountree Enterprises, Inc. (dba Leonard & Sons Shrimp Co. and R&R Fisheries).

² See Letter from Petitioner, "Petitions for the Imposition of Countervailing Duties on Certain Frozen Warmwater Shrimp from the People's Republic of China, Ecuador, India, Indonesia, Malaysia, Thailand, and the Socialist Republic of Vietnam," (December 28, 2012).



Government of India (GOI) are described in the Initiation Checklist.³ On January 17, 2013, the Department initiated a CVD investigation on frozen shrimp from India.⁴

We stated in the *Initiation Notice* that we intended to base our selection of mandatory respondents on U. S. Customs and Border Protection (CBP) entry data for the Harmonized Tariff Schedule of the United States (HTSUS) subheadings listed in the scope of the investigation. On January 17, 2013, the Department released the CBP entry data under administrative protective order (APO).⁵

We received respondent selection comments from Petitioner⁶ and the Seafood Exporters Association of India and its members (SEAI).⁷ On February 13, 2013, we selected Devi Fisheries Limited (Devi Fisheries or DF) and Devi Seafoods Ltd. (Devi Seafoods or DS) as mandatory respondents.⁸ We sent our countervailing duty questionnaire seeking information regarding the alleged subsidies on February 14, 2013.⁹

For the reasons explained in the *Initiation Notice*, we determined to include in this investigation subsidies allegedly provided to producers of fresh shrimp as well as to producers of frozen shrimp. Thus, we also sent questionnaires to the mandatory respondents seeking information about their suppliers of fresh shrimp.¹⁰ Based on the responses we received,¹¹ we are analyzing the alleged subsidies received for the shrimp farming operations of Devi Fisheries and Devi Seafoods.

On February 13, 2013, Petitioner filed its first set of new subsidy allegations.¹² The Department determined to investigate certain of the newly alleged subsidies¹³ and sent new subsidy questionnaires on March 5, 2013.¹⁴ On March 7, 2013, Petitioner requested that the Department reconsider its determination not to investigate alleged VAT exemptions (included among

³ See “Countervailing Duty Initiation Checklist: Certain Frozen Warmwater Shrimp from India,” (January 17, 2013).

⁴ See *Certain Frozen Warmwater Shrimp From the People’s Republic of China, Ecuador, India, Indonesia, Malaysia, Thailand, and the Socialist Republic of Vietnam: Initiation of Countervailing Duty Investigations*, 78 FR 5416 (January 25, 2013) (*Initiation Notice*).

⁵ See Memorandum to the File regarding, “Release of Customs and Border Protection (CBP) Data” dated January 17, 2013.

⁶ See Letter from COGSI to the Department, “*Certain Frozen Warmwater Shrimp from India* (Case No. C-533-854) – Respondent Selection Comments on Behalf of Coalition of Gulf Shrimp Industries,” (February 1, 2011).

⁷ See Letter from COGSI to the Department, “Frozen Warmwater Shrimp from India; *Comments on the Respondent Selection*,” (February 1, 2011).

⁸ See Department Memorandum, “Countervailing Duty Investigation of Certain Frozen Warmwater Shrimp from India: Respondent Selection Memorandum,” (February 13, 2013). As explained in that memorandum, when faced with a large number of producers/exporters, the Department may determine that it is not practicable to examine all companies. In these circumstances, section 777A(e)(2)(A)(ii) of the Act and 19 CFR 351.204(c) give the Department discretion to limit its examination to a reasonable number of the producers/exporters accounting for the largest volume of the subject merchandise.

⁹ See Letter from Department to the GOI dated February 14, 2013.

¹⁰ See Letters from Department to Devi Fisheries and Devi Seafoods dated February 13, 2013.

¹¹ See Letters from Devi Fisheries and Devi Seafoods dated February 25, 2013.

¹² See Letter from Petitioner, “Countervailing Duty Investigation on Certain Frozen Warmwater Shrimp from India (C-533-854) — COGSI’s New Subsidy Allegations” (February 13, 2013).

¹³ See Department Memorandum, “Analysis of New Subsidy Allegations” (March 5, 2013).

¹⁴ See Letters from Department to the GOI and to Devi Fisheries and Devi Seafoods dated March 5, 2013.

Petitioner's first set of new subsidy allegations).¹⁵ In this submission, Petitioner revised its allegation and provided additional information in support.

On February 15, 2013, SEAI and its members, including Devi Seafoods and Devi Fisheries, requested that the most recently completed fiscal year be used as the period of investigation (POI) as opposed to calendar year.¹⁶ On February 21, 2013, we agreed with SEAI's request, changed the POI to April 1, 2011, through March 31, 2012, and notified all interested parties of the change.¹⁷

We received responses to our questionnaires on March 29, 2013, and April 2, 2013.¹⁸ We sent supplemental questionnaires on April 10, 2013, April 30, 2013, and May 2, 2013.¹⁹ Responses to the supplemental questionnaires were received from the GOI on April 22, 2013, May 6, 2013, May 7, 2013, and May 15, 2013;²⁰ Devi Fisheries on April 25, 2013, and May 7, 2013;²¹ and Devi Seafoods on April 24, 2013, and May 7, 2013.²²

On April 18, 2013, Petitioner filed its second set of new subsidy allegations.²³ The Department determined to investigate certain of these additional, newly alleged subsidies. Where the complexity of the alleged subsidy so warranted, the Department deferred the investigation to the first administrative review (should this investigation result in a countervailing duty order).²⁴ The Department also addressed Petitioner's request for reconsideration of our earlier determination not to investigate alleged value added tax (VAT) exemptions.²⁵ On May 13, 2013, the Department sent its second new subsidy allegation questionnaire.²⁶ We received responses from the respondents on May 15, 2013, in which the respondents reported that they did not receive any of the newly alleged subsidies.²⁷ The GOI's response with a description of the programs is due on May 29, 2013.

¹⁵ See Letter from Petitioner, "Countervailing Duty Investigation on Certain Frozen Warmwater Shrimp from India (C-533-854) – Request to Reconsider VAT Subsidy Allegations," (March 7, 2013).

¹⁶ See Letter from SEAI, "Frozen Warmwater Shrimp from India; Period of Investigation," (February 13, 2013).

¹⁷ See Letter from Department to all interested parties dated February 21, 2013.

¹⁸ See questionnaire response from GOI dated April 2, 2013 (GQR), questionnaire response from Devi Seafoods dated March 29, 2013 (DSQR), and questionnaire response from Devi Fisheries dated April 2, 2013 (DFQR).

¹⁹ See supplemental questionnaires to the GOI, Devi Fisheries, and Devi Seafoods dated April 10, 2013 (G1SQ, DF1SQ, and DS1SQ, respectively); the supplemental questionnaires to the GOI dated April 30, 2013 (G2SQ) and May 16, 2013 (G3SQ); and the supplemental questionnaires to Devi Fisheries and Devi Seafoods dated May 2, 2013 (DF2SQ and DS2SQ, respectively).

²⁰ See supplemental questionnaire responses from the GOI dated April 22, 2013 (G1SQR), May 6, 2013 (G2SQR), May 7, 2013 (G3SQR), and May 15, 2013 (G4SQR).

²¹ See supplemental questionnaire responses from Devi Fisheries dated April 25, 2013 (DF1SQR) and May 7, 2013 (DF2SQR).

²² See supplemental questionnaire responses from Devi Seafoods dated April 24, 2013 (DS1SQR) and May 7, 2013 (DS2SQR).

²³ See Letter from Petitioner, "Countervailing Duty Investigation on Certain Frozen Warmwater Shrimp from India (C-533-854) - COGSI's New Subsidy Allegations," (April 18, 2013).

²⁴ See Department Memorandum, "Analysis of Additional New Subsidy Allegations" (May 8, 2013).

²⁵ *Id.*

²⁶ See Letters from Department to the GOI and to Devi Fisheries and Devi Seafoods dated May 13, 2013.

²⁷ See Letters to the Department from Devi Fisheries and Devi Seafoods dated May 15, 2013.

Interested Party Status of the Ad Hoc Shrimp Trade Enforcement Committee (AHSTEC): On March 12, 2013, AHSTEC asked that it be placed on the public service list for the seven ongoing CVD investigations of frozen shrimp and that it be granted access to proprietary information under APO.²⁸ Numerous submissions commenting on AHSTEC's applications followed.²⁹ The Department met with counsel for Petitioner and AHSTEC on March 28 and April 19, 2013, respectively.³⁰ On April 23, 2013, the Department found that AHSTEC qualifies as an interested party under section 771(9)(F) of the Act because it is an association, a majority of whose members manufacture, produce, or wholesale frozen shrimp.³¹ Consequently, AHSTEC's APO applications were approved.³²

Extension of Preliminary Deadline: On February 8, 2013, Petitioner requested that the deadline for the preliminary determination be extended until no later than 130 days after the initiation of the investigation. The Department granted Petitioner's request and on February 27, 2013, postponed the preliminary determination until May 28, 2013, in accordance with section 703(c)(1)(A) of the Act and 19 CFR 351.205(b)(2).³³

B. Period of Investigation

The POI is April 1, 2011, through March 31, 2012.

²⁸ See Letter from AHSTEC, "Certain Frozen Warmwater Shrimp from India: Entry of Appearance and Administrative Protective Order Application" (March 12, 2013).

²⁹ See Letter from Petitioner, "Countervailing Duty Investigation on Certain Frozen Warmwater Shrimp from India (C-533-854) – Response to Ad Hoc's Entry of Appearance and APO Application," (March 13, 2013); Letter from AHSTEC, "Certain Frozen Warmwater Shrimp from India: Response to Opposition of COGSI to AHSTEC's Entry of Appearance and Administrative Protective Order Application," (March 15, 2013); Letter from Petitioner, "Countervailing Duty Investigation on Certain Frozen Warmwater Shrimp from India (C-533-854): Reply to AHSTEC's Response to Opposition of COGSI to AHSTEC's Entry of Appearance and APO Application," (March 19, 2013); Letter from AHSTEC, "Certain Frozen Warmwater Shrimp from India: Response to Second Filing in Opposition of COGSI to AHSTEC's Entry of Appearance and Administrative Protective Order Application," (March 25, 2013); Letter from AHSTEC, "Certain Frozen Warmwater Shrimp from India: Supplemental Filing in Support of AHSTEC's Entry of Appearance and Administrative Protective Order Application," (April 8, 2013); Letter from Petitioner, "Countervailing Duty Investigation on Certain Frozen Warmwater Shrimp from India (C-533-854) – Response to AHSTEC's Supplemental Filing," (April 11, 2013); and Letter from AHSTEC, "Certain Frozen Warmwater Shrimp from India: Comments On COGSI's Response to AHSTEC's Supplemental Filing," (April 17, 2013).

³⁰ See Department Memoranda, "Ex Parte Meeting with Coalition of Gulf Shrimp Industries on March 28, 2013; Countervailing Duty Investigations of Certain Frozen Warmwater Shrimp," (April 1, 2013) and "Meeting with Ad Hoc Shrimp Trade Enforcement Committee (AHSTEC) on April 19, 2013; Countervailing Duty Investigations of Frozen Warmwater Shrimp," (April 19, 2013).

³¹ See Department Memorandum, "Certain Frozen Warmwater Shrimp from Ecuador, India, Indonesia, Malaysia, People's Republic of China, Thailand, Socialist Republic of Vietnam: Entries of Appearance and Administrative Protective Order Applications; Interested Party Status Determination," (April 23, 2013).

³² See Department Memorandum, "Certain Frozen Warmwater Shrimp from Ecuador, India, Indonesia, Malaysia, People's Republic of China, Thailand, Socialist Republic of Vietnam: Administrative Protective Order Applications of AHSTEC," (April 23, 2013).

³³ See *Certain Frozen Warmwater Shrimp From the People's Republic of China, Ecuador, India, Indonesia, Malaysia, Thailand, and the Socialist Republic of Vietnam: Postponement of Preliminary Determinations in the Countervailing Duty Investigations*, 78 FR 13325 (February 27, 2013).

III. SCOPE COMMENTS

In accordance with the preamble to the Department's regulations, we set aside a period of time in our *Initiation Notice* for parties to raise issues regarding product coverage, and encouraged all parties to submit comments within 20 calendar days of publication of that notice.³⁴ On March 28, 2013, Petitioner asked the Department to clarify that the scope of this investigation does not include brine-frozen shrimp.³⁵ Further comments on this scope clarification were submitted by AHSTEC and Petitioner.³⁶

For the reasons explained in "Scope Clarification re Brine-Frozen Shrimp," we preliminarily determine that brine-frozen shrimp are not excluded from this investigation.³⁷

IV. SCOPE OF THE INVESTIGATION

This investigation covers certain frozen warmwater shrimp and prawns, whether wild-caught (ocean harvested) or farm-raised (produced by aquaculture), head-on or head-off, shell-on or peeled, tail-on or tail-off,³⁸ deveined or not deveined, cooked or raw, or otherwise processed in frozen form, regardless of size.

The frozen warmwater shrimp and prawn products included in the scope, regardless of definitions in the HTSUS, are products which are processed from warmwater shrimp and prawns through freezing and which are sold in any count size.

The products described above may be processed from any species of warmwater shrimp and prawns. Warmwater shrimp and prawns are generally classified in, but are not limited to, the Penaeidae family. Some examples of the farmed and wild-caught warmwater species include, but are not limited to, whiteleg shrimp (*Penaeus vannamei*), banana prawn (*Penaeus merguensis*), fleshy prawn (*Penaeus chinensis*), giant river prawn (*Macrobrachium rosenbergii*), giant tiger prawn (*Penaeus monodon*), redspotted shrimp (*Penaeus brasiliensis*), southern brown shrimp (*Penaeus subtilis*), southern pink shrimp (*Penaeus notialis*), southern

³⁴ See *Antidumping Duties; Countervailing Duties*, 62 FR 27296, 27323 (May 19, 1997); see also *Initiation Notice*.

³⁵ See Letter from Petitioner, "Countervailing Duty Investigation on Certain Frozen Warmwater Shrimp from India (C-533-854) – Request for Scope Clarification," (March 28, 2013).

³⁶ See Letter from AHSTEC, "Certain Frozen Warmwater Shrimp from India: Supplemental Filing in Support of AHSTEC's Entry of Appearance and Administrative Protective Order Application" (April 8, 2013); Letter from Petitioner, "Countervailing Duty Investigation on Certain Frozen Warmwater Shrimp from India (C-533-854) – Response to AHSTEC's Supplemental Filing," (April 11, 2013); Letter from AHSTEC, "Certain Frozen Warmwater Shrimp from India: Comments On COGSI's Response to AHSTEC's Supplemental Filing," (April 17, 2013); Letter from Petitioner, "Countervailing Duty Investigation on Certain Frozen Warmwater Shrimp from India – Response to AHSTEC's Comments from April 17, 2013," (April 23, 2013) and Letter from AHSTEC, "Certain Frozen Warmwater Shrimp from India: Comments on COGSI's April 23rd Filing," (April 30, 2013); Letter from Petitioner, "Countervailing Duty Investigation on Certain Frozen Warmwater Shrimp from India (C-533-854) - Supplemental Information Supporting Petitioner's Scope Clarification Request," (May 7, 2013); and Letter from AHSTEC, "Certain Frozen Warmwater Shrimp from India: Comments on COGSI's Revised Scope Clarification Request," (May 14, 2013).

³⁷ See Department Memorandum, "Certain Frozen Warmwater Shrimp from Ecuador, India, Indonesia, Malaysia, People's Republic of China, Thailand, Socialist Republic of Vietnam: Scope Clarification re Brine-Frozen Shrimp," dated concurrently with this memorandum (Scope Clarification re Brine-Frozen Shrimp).

³⁸ "Tails" in this context means the tail fan, which includes the telson and the uropods.

rough shrimp (*Trachypenaeus curvirostris*), southern white shrimp (*Penaeus schmitti*), blue shrimp (*Penaeus stylirostris*), western white shrimp (*Penaeus occidentalis*), and Indian white prawn (*Penaeus indicus*).

Frozen shrimp and prawns that are packed with marinade, spices or sauce are included in the scope. In addition, food preparations (including dusted shrimp), which are not “prepared meals,” that contain more than 20 percent by weight of shrimp or prawn are also included in the scope.

Excluded from the scope are: (1) Breaded shrimp and prawns; (2) shrimp and prawns generally classified in the *Pandalidae* family and commonly referred to as coldwater shrimp, in any state of processing; (3) fresh shrimp and prawns whether shell-on or peeled; (4) shrimp and prawns in prepared meals; (5) dried shrimp and prawns; (6) canned warmwater shrimp and prawns; and (7) certain “battered shrimp” (see below).

“Battered shrimp” is a shrimp-based product: (1) That is produced from fresh (or thawed-from-frozen) and peeled shrimp; (2) to which a “dusting” layer of rice or wheat flour of at least 95 percent purity has been applied; (3) with the entire surface of the shrimp flesh thoroughly and evenly coated with the flour; (4) with the non-shrimp content of the end product constituting between four and 10 percent of the product’s total weight after being dusted, but prior to being frozen; and (5) that is subjected to individually quick frozen (IQF) freezing immediately after application of the dusting layer. When dusted in accordance with the definition of dusting above, the battered shrimp product is also coated with a wet viscous layer containing egg and/or milk, and par-fried.

The products included in the scope of this investigation are currently classified under the following HTSUS subheadings: 0306.17.00.03, 0306.17.00.06, 0306.17.00.09, 0306.17.00.12, 0306.17.00.15, 0306.17.00.18, 0306.17.00.21, 0306.17.00.24, 0306.17.00.27, 0306.17.00.40, 1605.21.10.30 and 1605.29.10.10. These HTSUS subheadings are provided for convenience and for customs purposes only and are not dispositive, but rather the written description of the scope is dispositive.

While HTSUS subheadings are provided for convenience and customs purposes, the written description of the subject merchandise as set forth herein is dispositive.

V. INJURY TEST

Because India is a “Subsidies Agreement Country” within the meaning of section 701(b) of the Act, the U.S. International Trade Commission (ITC) is required to determine whether imports of the subject merchandise from India materially injure, or threaten material injury to, a U.S. industry. On February 15, 2013, the ITC determined that there is a reasonable indication that an industry in the United States is materially injured by reason of imports of frozen shrimp from, *inter alia*, India.³⁹

³⁹ See Frozen Warmwater Shrimp from China, Ecuador, India, Indonesia, Malaysia, Thailand, and Vietnam: Inv. No. 701-TA-491-497 (Preliminary) (February 2013); *Frozen Warmwater Shrimp From China, Ecuador, India, Indonesia, Malaysia, Thailand, and Vietnam*, 78 FR 11221 (February 15, 2013).

VI. SUBSIDIES VALUATION

A. Allocation Period

The Department normally allocates the benefits from non-recurring subsidies over the average useful life (AUL) of renewable physical assets used in the production of subject merchandise. The Department finds the AUL in this proceeding to be 12 years, pursuant to 19 CFR 351.524(d)(2) and the U.S. Internal Revenue Service's 1977 Class Life Asset Depreciation Range System.⁴⁰ The Department notified the respondents of the 12-year AUL in the initial questionnaire and requested data accordingly. No party in this proceeding has disputed this allocation period.

Furthermore, for non-recurring subsidies, we have applied the "0.5 percent test," as described in 19 CFR 351.524(b)(2). Under this test, we divide the amount of subsidies approved under a given program in a particular year by the relevant sales value (*e.g.*, total sales or export sales) for the same year. If the amount of the subsidies is less than 0.5 percent of the relevant sales value, then the benefits are allocated to the year of receipt rather than across the AUL.

B. Attribution of Subsidies

Cross Ownership: In accordance with 19 CFR 351.525(b)(6)(i), the Department normally attributes a subsidy to the products produced by the company that received the subsidy. However, 19 CFR 351.525(b)(6)(ii)-(v) provides additional rules for the attribution of subsidies received by respondents with cross-owned affiliates. Subsidies to the following types of cross-owned affiliates are covered in these additional attribution rules: (ii) producers of the subject merchandise; (iii) holding companies or parent companies; (iv) producers of an input that is primarily dedicated to the production of the downstream product; or (v) an affiliate producing non-subject merchandise that otherwise transfers a subsidy to a respondent.

According to 19 CFR 351.525(b)(6)(vi), cross-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. This section of the Department's regulations states that this standard will normally be met where there is a majority voting ownership interest between two corporations or through common ownership of two (or more) corporations. The preamble to the Department's regulations further clarifies the Department's cross-ownership standard. According to the preamble, relationships captured by the cross-ownership definition include those where:

the interests of two corporations have merged to such a degree that one corporation can use or direct the individual assets (or subsidy benefits) of the other corporation in essentially the same way it can use its own assets (or subsidy benefits) . . . Cross-ownership does not require one corporation to own 100 percent of the other corporation. Normally, cross-ownership will exist where there is a majority voting ownership interest between two corporations or through

⁴⁰ See U.S. Internal Revenue Service Publication 946 (2008), "How to Depreciate Property," at Table B-2: Table of Class Lives and Recovery Periods.

common ownership of two (or more) corporations. In certain circumstances, a large minority voting interest (for example, 40 percent) or a “golden share” may also result in cross-ownership.⁴¹

Thus, the Department’s regulations make clear that the agency must look at the facts presented in each case in determining whether cross-ownership exists.

The U.S. 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.⁴²

DEVI FISHERIES

Devi Fisheries responded to the Department’s questionnaire on behalf of itself and three affiliates: Satya Seafoods Private Limited (Satya), Usha Seafoods (Usha) and DSF Aquatech Private Limited (DSF). Devi Fisheries reported that it, Satya, and DSF have common shareholders who own the majority of the three companies’ equity share capital. Directors of these companies are also the partners of Usha, a partnership firm.⁴³

Based on Devi Fisheries’ representations, we preliminarily find that Devi Fisheries, Satya, Usha, and DSF are cross-owned. We found no evidence of other cross-owned companies.

Devi Fisheries reported that Satya and Usha own frozen seafood production facilities that were leased by Devi Fisheries during the POI. Thus, Satya and Usha did not produce seafood during the POI.⁴⁴ Based on this information, we preliminarily determine that Satya and Usha do not meet any of the conditions under 19 CFR 351.525(b)(6)(ii)-(v). However, Devi Fisheries reported that Satya exported subject merchandise produced by Devi Fisheries during the POI.⁴⁵ Accordingly, we are preliminarily cumulating the benefit from subsidies to Satya with the benefit from subsidies to Devi Fisheries, in accordance with 19 CFR 351.525(c). Regarding Usha, we would normally attribute any subsidies received by that company to its own sales, in accordance with 19 CFR 351.525(b)(6)(i), and not include these subsidies in the countervailable subsidy rate for Devi Fisheries. Regardless, based on the information in Devi Fisheries’ responses, we preliminarily find that Usha received no benefit from countervailable subsidies during the POI.⁴⁶

With respect to DSF, Devi Fisheries reported that DSF produced shrimp seeds, a portion of which was sold to Devi Fisheries for its farm.⁴⁷ In cases where production of the input product is primarily dedicated to production of the downstream product, the Department attributes subsidies received by the input producer to the combined sales of the input and downstream products, in

⁴¹ See *Countervailing Duties*, 63 FR 65348, 65401 (November 25, 1998).

⁴² See *Fabrique de Fer de Charleroi, SA v. United States*, 166 F. Supp. 2d 593, 600-604 (CIT 2001).

⁴³ See DFQR at 2.

⁴⁴ *Id.*, at 6.

⁴⁵ *Id.*, at 6 and 11.

⁴⁶ See Department Memoranda, “Countervailing Duty Investigation of Certain Frozen Warmwater Shrimp from India: Devi Fisheries Preliminary Calculation Memorandum,” dated concurrently with this memorandum (DF Preliminary Calculation Memo).

⁴⁷ See DFQR at 4.

accordance with 19 CFR 351.525(b)(6)(iv). However, based on the information in Devi Fisheries' responses, we preliminarily find that DSF received no benefit from countervailable subsidies during the POI. *See* DF Preliminary Calculation Memo.

Thus, we are preliminarily attributing subsidies received by Devi Fisheries to its own sales, in accordance with 19 CFR 351.525(b)(6)(i) and cumulating them with subsidies to Satya pursuant to 19 CFR 351.525(c).

DEVI SEAFOODS

Devi Seafoods responded to the Department's questionnaire on behalf of itself. Although Devi Seafoods reported that it had three affiliates, two of these affiliates have been dormant since their establishment and the third is incorporated in the United States.⁴⁸ We found no evidence of any other cross-owned companies. Accordingly, we are preliminarily attributing subsidies received by Devi Seafoods to its own sales, in accordance with 19 CFR 351.525(b)(6)(i).

Subsidies to Fresh Shrimp

Section 771B of the Act directs that subsidies provided to producers of a raw agricultural product shall be deemed to be provided with respect to the manufacture, production or exportation of the processed form of the product when two conditions are met. First, the demand for the prior stage (raw agricultural) product is substantially dependent on the demand for the latter stage (processed) product. Second, the processing operation adds only limited value to the raw commodity. As explained above, Petitioner claimed that these conditions are met with respect to fresh and processed shrimp, and supported its claim such that the Department sought information that would permit inclusion of subsidies to fresh shrimp in the countervailing duty rates for the processed product. No interested party in this investigation has disputed Petitioner's claim.

We preliminarily determine that subsidies provided to producers of fresh shrimp are provided with respect to the processed shrimp product but we preliminarily find that neither Devi Fisheries nor Devi Seafoods received countervailable subsidies for the production of fresh shrimp. *See* DF Preliminary Calculation Memo and DS Preliminary Calculation Memo.⁴⁹ Accordingly, this issue is moot for this investigation.

Denominators

In accordance with 19 CFR 351.525(b), the Department considers the basis for the respondents' receipt of benefits under each program when attributing subsidies, *e.g.*, to the respondents' export or total sales. The denominators we used to calculate the countervailable subsidy rates for the various subsidy programs described below are explained in the "Preliminary Calculation Memoranda" prepared for this investigation.⁵⁰

⁴⁸ *See* DSQR at 2.

⁴⁹ *See* DF Preliminary Calculation Memo; *see also* "Countervailing Duty Investigation of Certain Frozen Warmwater Shrimp from India: Devi Seafoods Preliminary Calculation Memorandum," dated concurrently with this memorandum (DS Preliminary Calculation Memo).

⁵⁰ *See* DF Preliminary Calculation Memo and DS Preliminary Calculation Memo.

C. Benchmarks and Discount Rates

We are investigating loans that the respondents received under the Export Financing program, unfulfilled export obligations under the Export Promotion Capital Goods program that the Department treats as loans, and non-recurring, allocable duty waivers under the same program (*see* 19 CFR 351.524(b)(1)). In the section below, we discuss the derivation of the benchmarks and discount rates for measuring the benefit from the loans and non-recurring, allocable grants.

For programs requiring the application of a benchmark interest rate or a discount rate, 19 CFR 351.505(a)(1) states a preference for using an interest rate that the company could have obtained on a comparable loan in the commercial market. Also, 19 CFR 351.505(a)(3)(i) stipulates that when selecting a comparable commercial loan that the recipient could actually obtain on the market, the Department will normally rely on actual short-term and long-term loans obtained by the firm. However, when there are no comparable commercial loans, the Department may use a national average interest rate, pursuant to 19 CFR 351.505(a)(3)(ii). In addition, 19 CFR 351.505(a)(2)(ii) states that the Department will not consider a loan provided by a government-owned special purpose bank for purposes of calculating benchmark rates.⁵¹

Short-Term and Long-Term Rupee-Denominated Loans

Based on Devi Fisheries' and Devi Seafoods' responses, we preliminarily find that the respondents did not take out comparable rupee-denominated short-term or long-term loans from commercial banks in the years for which we must calculate benchmark and discount rates. Therefore, pursuant to 19 CFR 351.505(a)(3)(ii), we are preliminarily using national average interest rates. Specifically, we used national average interest rates from the International Monetary Fund's International Financial Statistics (IFS) as benchmark rates for rupee-denominated short-term and long-term loans. We preliminarily find that the IFS rates provide a reasonable representation of both short-term and long-term interest rates for rupee-denominated loans. Further, the record has no other information on either short-term or long-term, rupee-denominated loans.

Short-Term U.S. Dollar-Denominated Loans

As part of the Export Financing program, we are examining short-term loans that Devi Fisheries and Devi Seafoods received in U.S. dollars. When loans are denominated in a foreign currency, 19 CFR 351.505(a)(2)(i) directs us to use a benchmark denominated in the same foreign currency as the loan. Neither respondent reported dollar-denominated loans that we can use as company-specific benchmarks. For U.S. dollar-denominated short-term loans provided under the Export Financing program, we used as our benchmark annual average dollar-denominated short-term lending rates for the United States, as reported in the IFS.

⁵¹ See, e.g., *Final Results of Countervailing Duty Administrative Review: Polyethylene Terephthalate Film, Sheet, and Strip from India*, 71 FR 7534 (February 13, 2006), and accompanying Issues and Decision Memorandum, at Comment 3; *see also Polyethylene Terephthalate Film, Sheet, and Strip from India: Final Results of Countervailing Duty Administrative Review*, 73 FR 7708 (February 11, 2008), and accompanying Issues and Decision Memorandum, at "Benchmark Interest Rates and Discount Rates" section.

Discount Rates

For allocating the benefit from non-recurring grants under the Export Promotion Capital Goods program, we have used the long-term rupee-denominated interest rates described above for the year in which the government agreed to provide the subsidy, consistent with 19 CFR 351.524(d)(3)(i)(A). *See* the DF Preliminary Calculation Memo and DS Preliminary Calculation Memo.

VII. ANALYSIS OF PROGRAMS

Based upon our analysis of the record and the responses to our questionnaires, we preliminarily determine the following.

A. Programs Preliminarily Determined To Be Countervailable

1. Duty Entitlement Passbook Scheme (“DEPS”)

According to the GOI, the DEPS program served to remit duties paid on inputs used in the manufacture of exported products, *i.e.*, a drawback program.⁵² The main objective of the program, which the GOI introduced on April 1, 1997, was to neutralize the incidence of customs duties on the import content of the exported product.⁵³

Under DEPS, exporting companies earned import duty exemptions in the form of credits rather than cash.⁵⁴ All exporters were eligible to earn DEPS credits on a post-export basis, provided that the GOI had established a standard input-output norm for the exported product.⁵⁵ DEPS credits could then be applied to subsequent imports of any materials, regardless of whether they were consumed in the production of an exported product. DEPS credits were valid for 12 months and were transferable after the foreign exchange was realized on the export sales from which the DEPS credits were earned.⁵⁶

The GOI reported that the DEPS program was terminated effective October 1, 2011.⁵⁷

The Department has previously determined that the DEPS program is countervailable.⁵⁸ In *PET Film Final Determination*, the Department found that credits under the DEPS were a financial contribution in the form of revenue forgone (*see* section 771(5)(D)(ii) of the Act). The Department further found that the GOI did not have in place and did not apply a system that was reasonable and effective to confirm which inputs, and in what amounts, were consumed in the

⁵² *See* GQR at 6.

⁵³ *Id.*

⁵⁴ *Id.*

⁵⁵ *Id.*

⁵⁶ *Id.*

⁵⁷ *Id.*, at 5.

⁵⁸ *See, e.g., Notice of Final Affirmative Countervailing Duty Determination: Polyethylene Terephthalate Film, Sheet, and Strip (PET Film) From India*, 67 FR 34905 (May 16, 2002) (*PET Film Final Determination*), and accompanying Issues and Decision Memorandum at “DEPS.”

production of the exported products.⁵⁹ Therefore, under section 771(5)(E) of the Act and 19 CFR 351.519(a)(4), the Department found that the entire amount of the DEPS credit earned during the POI constituted a benefit.

Similarly, in the instant investigation the GOI did not claim or provide any information to demonstrate that exemptions under the DEPS program meet the criteria for non-countervailability set forth in 19 CFR 351.519(a)(4). Specifically, the GOI's questionnaire response shows no evidence that the GOI has in place a system that is reasonable and effective to confirm which inputs, and in what amounts, are consumed in the production of the exported products, making normal allowance for waste.⁶⁰ The GOI also did not carry out examinations of actual inputs involved to confirm which are consumed in the production of the exported product, and in what amounts.⁶¹ Thus, we preliminarily determine that the benefit received by the respondents during the POI is the total amount of the DEPS credits they earned.

Finally, this program is only available to exporters; therefore, it is specific under section 771(5A)(B) of the Act.

In accordance with past practice and pursuant to 19 CFR 351.519(b)(2), we find that benefits from the DEPS program are conferred as of the date of exportation of the shipment for which the credits are earned.⁶² This is because DEPS credits are provided as a percentage of the value of the exported merchandise on a shipment-by-shipment basis. As such, the recipients know the exact amount of the benefit (*i.e.*, the value of the duty exemption) when exportation occurs.

Both respondents reported that they earned credits under the DEPS during the POI.⁶³ Because DEPS credits are earned on a shipment-by-shipment basis, we would normally calculate the subsidy rate by dividing the benefit earned on subject merchandise exported to the United States by the total value of exports of subject merchandise to the United States during the POI.⁶⁴ The respondents reported that they earned DEPS credits only on exports of subject merchandise.⁶⁵ Regarding export markets, however, our analysis indicates that the respondents earned DEPS credits for shipments to multiple countries on the same DEPS license.⁶⁶ Therefore, since we are unable to tie the benefits to specific markets in accordance with 19 CFR 525(b)(4), we have calculated the subsidy rate using the value of all DEPS export credits that the respondents earned during the POI. We divided the total amount of the benefit received by each respondent by the company's total export sales of subject merchandise to all markets during the POI.

⁵⁹ *Id.*

⁶⁰ See generally GQR at 11-20. See also our analysis of the GOI's verification system for drawback programs under the "Duty Drawback" section, below.

⁶¹ *Id.*

⁶² See, e.g., *Final Affirmative Countervailing Duty Determination: Certain Cut-to-Length Carbon-Quality Steel Plate From India*, 64 FR 73131, 73134 and 73140 (December 29, 1999) (*Final Determination Carbon Steel Plate from India*).

⁶³ See DFQR at 13 and DSQR 18.

⁶⁴ See, e.g., *Final Determination Carbon Steel Plate from India*, 64 FR at 73134.

⁶⁵ See DF1SQR at 3 and DS1SQR at 16-17.

⁶⁶ *Id.*

On this basis, we preliminarily determine a countervailable subsidy of 4.28 percent *ad valorem* for Devi Fisheries⁶⁷ and a countervailable subsidy of 5.60 percent *ad valorem* for Devi Seafoods.⁶⁸

As stated above, the GOI reported that it terminated the DEPS program effective October 1, 2011. The GOI supported its claim with a copy of relevant part of Foreign Trade Policy and the circular issued by the Ministry of Finance which specified that the DEPS program was “discontinued for exports made on or after 1.10.2011.”⁶⁹ Consistent with this, the respondents’ reporting of benefits under the program shows no credits earned after September 30, 2011.⁷⁰ Regarding potential benefits that the respondents may have received subsequent to the termination of the program, the GOI stated the following:

The application for obtaining credit should be filed within a period of twelve months from the date of exports or within six months from the date of realization or within three months from the date of printing / release of shipping bill, whichever was later.⁷¹

Consequently, the last day on which the respondents could have applied for credits under the DEPS program was September 30, 2012.

Under 19 CFR 351.526(a), the Department may take account of program-wide changes in setting the deposit rate if the changes was not limited to an individual firm, was effectuated by an official act, and occurred subsequent to the POI but before the preliminary determination and the Department is able to measure the change in the amount of subsidies provided under the program in question. Logically, such an analysis would also be allowed if the program-wide change took place during the POI. When a subsidy program is terminated, 19 CFR 351.526(d) requires that there be no residual benefits and that if a replacement program has been implemented the benefits under the replacement program be calculable.

With respect to the DEPS, because the benefit is received on an earned basis, no residual benefits existed after September 30, 2011. Even if we were to consider the benefits based on the date of application, there would be no residual benefits after September 30, 2012. Also, the GOI did not implement a replacement program. Consequently, consistent with 19 CFR 351.526(a)(2) and (d), we are preliminarily adjusting the cash deposit rates to exclude the DEPS benefit. *See* the DF Preliminary Calculation Memo and DS Preliminary Calculation Memo for the calculation of the preliminary cash deposit rates..

2. *Vishesh Krishi and Gram Udyog Yojana (“VKGUY”)*

The GOI reported that VKGUY also serves as a duty remission program aimed at compensating for high transport costs and offsetting other disadvantages.⁷² Under this program, credits are

⁶⁷ See DF Preliminary Calculation Memo.

⁶⁸ See DS Preliminary Calculation Memo.

⁶⁹ See GQR at Exhibits 1 and 2.

⁷⁰ See DF Preliminary Calculation Memo; *see also* DS Preliminary Calculation Memo.

⁷¹ See GQR at 16.

⁷² See GQR at 15.

made available to the exporters based on the free on board (FOB) value of exports of certain products.⁷³ The VKGUY credit rate is five percent except in certain cases, such as when the exporter also receives duty drawback at rates higher than one percent. When this happens, the VKGUY credit rate is three percent.⁷⁴

We preliminarily determine that the VKGUY program confers a financial contribution in the form of revenue forgone. *See* section 771(5)(D)(ii) of the Act. Moreover, as with the DEPS program, the GOI did not claim or provide any information to demonstrate that duty remissions under the VKGUY program meet the criteria for non-countervailability set forth in 19 CFR 351.519(a)(4). Specifically, the GOI's questionnaire response shows no evidence that the GOI has in place a system that is reasonable and effective to confirm which inputs, and in what amounts, are consumed in the production of the exported products, making normal allowance for waste.⁷⁵ The GOI also did not carry out examinations of actual inputs involved to confirm which are consumed in the production of the exported product, and in what amounts.⁷⁶ Thus, consistent with 19 CFR 351.519(a)(4), we preliminarily determine that the benefit received by the respondents during the POI is the total amount of the VKGUY credits they earned. Finally, this program is only available to exporters; therefore, it is specific under section 771(5A)(B) of the Act. Accordingly, we preliminarily determine that this program is countervailable.

Pursuant to 19 CFR 351.519(b)(2), and in accordance with our treatment of similar programs (*e.g.*, DEPS), we find that benefits from the VKGUY program are conferred as of the date of exportation of the shipment for which the VKGUY credits are earned.⁷⁷ We calculated the benefit on an as-earned basis because VKGUY credits are provided as a percentage of the value of the exported merchandise on a shipment-by-shipment basis. As such, it is at this point that recipients know the exact amount of the benefit (*i.e.*, the value of the duty exemption).

Both respondents reported that they received credits under the VKGUY program during the POI.⁷⁸

Because VKGUY credits are earned on a shipment-by-shipment basis, we would normally calculate the subsidy rate by dividing the benefit earned on subject merchandise exported to the United States by total exports of subject merchandise to the United States during the POI.⁷⁹ The respondents reported that they earned VKGUY credits only on exports of subject merchandise.⁸⁰ Regarding export markets, however, our analysis indicates that the respondents earned VKGUY credits for shipments to multiple countries on the same VKGUY license.⁸¹ Therefore, since we are unable to tie the benefits to specific markets in accordance with 19 CFR 525(b)(4), we have

⁷³ *Id.*

⁷⁴ *Id.* Both Devi Fisheries and Devi Seafoods used the Duty Drawback program at rates higher than one percent. *See* the "Duty Drawback" section, below.

⁷⁵ *See generally* GQR at 20-29. *See also* our analysis of the GOI's verification system for drawback programs under the "Duty Drawback" section, below.

⁷⁶ *Id.*

⁷⁷ *See, e.g., Final Determination Carbon Steel Plate From India*, 64 FR at 73134.

⁷⁸ *See* DFISQR at Exhibit SQ8 and DSISQR at Appendix Supp-3.

⁷⁹ *See, e.g., Final Determination Carbon Steel Plate from India*, 64 FR at 73134, where we used this methodology for a similar program (*i.e.*, DEPS).

⁸⁰ *See* DFISQR at 5 and DSISQR at 20-21.

⁸¹ *Id.*

calculated the subsidy rate using the value of all VKGUY export credits that the respondents earned during the POI. We divided the total amount of the benefit received by each respondent by the company's total export sales of subject merchandise to all markets during the POI.

On this basis, we preliminarily determine a countervailable subsidy of 4.02 percent *ad valorem* for Devi Fisheries⁸² and a countervailable subsidy of 4.37 percent *ad valorem* for Devi Seafoods.⁸³

3. Special Duty Exemption Scheme for Marine Sector Under Chapter 1B of Foreign Trade Policy

Under this program, the GOI allows duty-free importation of certain specialized inputs/chemicals and flavoring oils up to one percent of the FOB value of the preceding financial year's exports.⁸⁴

We preliminarily determine that this program confers a financial contribution in the form of revenue forgone. *See* section 771(5)(D)(ii) of the Act. Moreover, as with the DEPS and VKGUY programs, the GOI did not claim or provide any information to demonstrate that duty remissions under this program meet the criteria for non-countervailability set forth in 19 CFR 351.519(a)(4). Specifically, the GOI's questionnaire response shows no evidence that the GOI has in place a system that is reasonable and effective to confirm which inputs, and in what amounts, are consumed in the production of the exported products, making normal allowance for waste.⁸⁵ The GOI also did not carry out examinations of actual inputs involved to confirm which are consumed in the production of the exported product, and in what amounts.⁸⁶ Thus, consistent with 19 CFR 351.519(a)(4), we preliminarily determine that the benefit received by the respondents during the POI is the total amount of the exemptions they earned. Finally, this program is only available to exporters; therefore, it is specific under section 771(5A)(B) of the Act. Accordingly, we preliminarily determine that this program is countervailable.

Both respondents reported that they received exemptions under this program during the POI.⁸⁷

Pursuant to 19 CFR 351.524(c), we analyzed the duty savings on the imports of inputs during the POI as recurring subsidies. Because these exemptions are earned on the total FOB exports from the previous year, we are unable to tie the benefits to specific merchandise or to specific markets in accordance with 19 CFR 525(b)(4) and (5). Accordingly, we calculated the subsidy rate by dividing the total amount of each company's duty savings during the POI by that company's total export sales to all markets during the POI.

On this basis, we preliminarily determine a countervailable subsidy of 0.07 percent *ad valorem* for Devi Fisheries⁸⁸ and a countervailable subsidy of 0.18 percent *ad valorem* for Devi Seafoods.⁸⁹

⁸² *See* DF Preliminary Calculation Memo.

⁸³ *See* DS Preliminary Calculation Memo.

⁸⁴ *See* GQR at 23.

⁸⁵ *See generally* GQR at 23-30. *See also* our analysis of the GOI's verification system for drawback programs under the "Duty Drawback" section, below.

⁸⁶ *Id.*

⁸⁷ *See* DFQR at Exhibit 41 and DSQR at Appendix 26.

4. Duty Drawback (DDB)

This program was not alleged by the Petitioner but was discovered during the course of this investigation: both mandatory respondents reported receiving duty rebates under this program in response to our request that they report “other subsidies.”⁹⁰ Accordingly, we requested the GOI to provide a response with respect to this program. The GOI did so under protest, arguing that the Department has not properly initiated an investigation of the program and, therefore, cannot include it in the investigation. The GOI requested that the Department terminate its investigation of this program.

Section 775 of the Act provides that if the Department “discovers a practice which appears to be a countervailable subsidy, but was not included in the matters alleged in a countervailing duty petition ... then the administering authority (1) shall include the practice, subsidy, or subsidy program in the proceeding if the practice, subsidy, or subsidy program appears to be a countervailable subsidy with respect to the merchandise which is the subject of the proceeding.” We are examining programs which operate in a manner similar to DDB (*i.e.*, DEPS, VKGUY). Accordingly, the statute authorizes us to investigate this program.

According to the GOI, the DDB program provides rebates of duties or taxes chargeable on any (a) imported or excisable materials and (b) input services used in the manufacture of export goods.⁹¹ Specifically, the duties and tax “neutralized” under the program are the (i) Customs and Union Excise Duties on inputs and (ii) Service Tax in respect of input services.⁹² The duty drawback is generally fixed as a percentage of the FOB price of the exported product.⁹³

Import duty exemptions on inputs for exported products are not countervailable so long as the exemption extends only to inputs consumed in the production of the exported product, making normal allowances for waste. *See* 19 CFR 351.519(a)(1)(ii). However, the government in question must have in place and apply a system to confirm which inputs are consumed in the production of the exported products, and in what amounts.⁹⁴ This system must be reasonable, effective for the purposes intended, and based on generally accepted commercial practices in the country of export.⁹⁵ If such a system does not exist, or if it is not applied effectively, and the government in question does not carry out an examination of actual inputs involved to confirm which inputs are consumed in the production of the exported product, the entire amount of any exemption, deferral, remission or drawback is countervailable. *See* 19 CFR 351.519(a)(4)(i)-(ii).

Regarding its establishment of applicable duty drawback rates, the GOI stated the following:

The rates are determined following a specified procedure that is undertaken by an independent committee appointed by the Government. The committee makes its

⁸⁸ *See* DF Preliminary Calculation Memo.

⁸⁹ *See* DS Preliminary Calculation Memo.

⁹⁰ *See* DFQR at 26 and DSQR at Appendix 65.

⁹¹ *See* G1SQR at 18.

⁹² *Id.*

⁹³ *Id.*

⁹⁴ *See, e.g., PET Film Final Determination and accompanying Issues and Decision Memorandum at “DEPS.”*

⁹⁵ *Id.*

recommendations after discussions with all stake holders including Export Promotion Councils, Trade Associations, and individual exporters to solicit relevant data, which includes the data on procurement prices of inputs, indigenous as well as imported, applicable duty rates, consumption ratios and FOB values of export products. Corroborating data is also collected from Central Excise and Customs field formations. This data is analysed and this information is used to form the basis for the rate of Duty Drawback.⁹⁶

We requested that the GOI provide a copy of the recommendations (and supporting documents) for the drawback rates in effect during the POI, but the GOI reported that “{t}he documents requested are not readily available.”⁹⁷ We reiterated our request for these recommendations and supporting documents,⁹⁸ but even if the GOI provides this information in a timely manner, we will not be able to analyze them for this preliminary determination. Lacking these documents, we preliminarily conclude that the GOI has not supported its claim that its system is reasonable or effective for the purposes intended.

Accordingly, we preliminarily determine that the DDB confers a countervailable subsidy. Under DDB, a financial contribution, as defined under section 771(5)(D)(ii) of the Act, is provided because the rebated duties represent revenue forgone by the GOI. Moreover, as explained above, the GOI has not supported its claim that the DDB system is reasonable and effective in confirming which inputs, and in what amounts, are consumed in the production of the exported products. Therefore, under 19 CFR 351.519(a)(4), the entire amount of import duty rebate earned during the POI constitutes a benefit. Finally, this program is only available to exporters; therefore, it is specific under section 771(5A)(B) of the Act.

Pursuant to 19 CFR 351.519(b)(1), we find that benefits from the DDB program are conferred as of the date of exportation of the shipment for which the pertinent drawbacks are earned.⁹⁹ We calculated the benefit on an as-earned basis upon export because drawbacks under the program are provided as a percentage of the value of the exported merchandise on a shipment-by-shipment basis. As such, it is at this point that recipients know the exact amount of the benefit (*i.e.*, the value of the drawback).

Both respondents reported that they received drawbacks under the DDB program during the POI.¹⁰⁰ Because drawbacks under the program are earned on a shipment-by-shipment basis, we would normally calculate the subsidy rate by dividing the benefit earned on subject merchandise exported to the United States by total exports of subject merchandise to the United States during the POI.¹⁰¹ With respect to drawbacks under the program, we are able to tie the benefits for subject merchandise to specific markets, in accordance with 19 CFR 525(b)(4).

⁹⁶ See G1SQR at 28-29.

⁹⁷ See G4SQR at 2.

⁹⁸ See G3SQ at 1.

⁹⁹ See, *e.g.*, *Final Determination Carbon Steel Plate from India*, 64 FR at 73134 and 73140.

¹⁰⁰ See DFQR at Exhibit 83 and DSQR at Appendix 66.

¹⁰¹ See, *e.g.*, *Final Determination Carbon Steel Plate from India*, 64 FR at 73134 and 73140.

Therefore, we calculated the subsidy rate using the value of all DDB duty rebates that the respondents earned on U.S. sales of subject merchandise during the POI. We divided the total amount of the benefit received by each respondent by the company's total exports of subject merchandise to the United States during the POI.

On this basis, we preliminarily determine a countervailable subsidy of 1.67 percent *ad valorem* for Devi Fisheries¹⁰² and a countervailable subsidy of 1.05 percent *ad valorem* for Devi Seafoods.¹⁰³

5. Duty Incentives under the Export Promotion Capital Goods ("EPCG") Program

The EPCG program provides for a reduction of or exemption from customs duties and excise taxes on imports of capital goods used in the production of exported products.¹⁰⁴ Under this program, producers pay reduced duty rates on imported capital equipment by committing to earn convertible foreign currency equal to six times the duty saved within a period of six years.¹⁰⁵ Once a company has met its export obligation, the GOI will formally waive the duties on the imported goods.¹⁰⁶ If a company fails to meet the export obligation, the company is subject to payment of all or part of the duty reduction, depending on the extent of the shortfall in foreign currency earnings, plus an interest penalty.¹⁰⁷

The Department has previously determined that import duty reductions or exemptions provided under the EPCG program are countervailable export subsidies because the scheme: (1) provides a financial contribution pursuant to section 771(5)(D)(ii) of the Act; (2) provides two different benefits under section 771(5)(E) of the Act; and (3) is specific pursuant to section 771(5A)(B) of the Act because the program is contingent upon export performance.¹⁰⁸ Because the above-cited evidence with respect to this program is consistent with the findings in *PET Film Final Determination*, we preliminarily determine that this program is countervailable.

Under the EPCG program, the exempted import duties would have to be paid to the GOI if the accompanying export obligations are not met. It is the Department's practice to treat any balance on an unpaid liability that may be waived in the future as a contingent-liability interest-free loan pursuant to 19 CFR 351.505(d)(1).¹⁰⁹ Since the unpaid duties are a liability contingent on subsequent events, these interest-free contingent-liability loans constitute the first benefit under the EPCG program. The second benefit arises when the GOI waives the duty on imports of capital equipment covered by those EPCG licenses for which the export requirement has already been met. For those licenses for which the GOI has acknowledged that the company has completed its export obligation, we treat the import duty savings as grants received in the year in which the GOI waived the contingent liability on the import duty exemption pursuant to 19 CFR 351.505(d)(2).

¹⁰² See DF Preliminary Calculation Memo.

¹⁰³ See DS Preliminary Calculation Memo.

¹⁰⁴ See GQR at 35.

¹⁰⁵ *Id.*

¹⁰⁶ *Id.*, at 36.

¹⁰⁷ *Id.*

¹⁰⁸ See, e.g., *PET Film Final Determination*, and accompanying Issues and Decision Memorandum at "EPCGS."

¹⁰⁹ *Id.*

Import duty exemptions under this program are approved for the purchase of capital equipment. The preamble to our regulations states that, if a government provides an import duty exemption tied to major equipment purchases, “it may be reasonable to conclude that, because these duty exemptions are tied to capital assets, the benefits from such duty exemptions should be considered non-recurring ...”¹¹⁰ In accordance with 19 CFR 351.524(c)(2)(iii) and past practice, we are treating these import duty exemptions on capital equipment as non-recurring benefits.¹¹¹

Both respondents imported capital goods at reduced import duty rates under the EPCG program both in the POI and in the years prior to the POI.¹¹² Information provided by the respondents indicates that their EPCG licenses were issued for the purchase of capital goods for the production of both subject and non-subject merchandise.¹¹³ However, this information does not allow us to tie particular EPCG licenses to particular products within the meaning of 19 CFR 351.525(b)(5). As such, we are attributing the EPCG benefits received by the respondents to their total exports.

The respondents met the export requirements for certain EPCG licenses prior to March 31, 2012 (the last day of the POI), and the GOI has formally waived the relevant import duties.¹¹⁴ For a number of their licenses, however, the respondents had not yet met their export obligation as required under the program. Therefore, although the respondents received a deferral from paying import duties for the capital goods that were imported, the final waiver of the obligation to pay the duties had not yet been granted for a number of these imports.¹¹⁵

To calculate the benefit received from the GOI’s formal waiver of import duties on the respondents’ capital equipment imports where the export obligations were met prior to March 31, 2012 (the last day of the POI), we considered the total amount of duties waived. We treated these amounts as grants pursuant to 19 CFR 351.504. Further, consistent with the approach followed in the *PET Film Final Determination*, we determine the year of receipt of the benefit to be the year in which the GOI formally waived the respondents’ outstanding import duties.¹¹⁶ Next, we performed the “0.5 percent test,” as prescribed under 19 CFR 351.524(b)(2), for the total value of duties waived, for each year in which the GOI granted the respondents an import duty waiver. For any years in which the value of the waived import duties was less than 0.5 percent of the respondent’s total export sales, we expensed the value of the duty waived to the year of receipt. For years in which the value of the waivers exceeded 0.5 percent of the respondent’s total export sales in that year, we allocated the value of the waived duties using the allocation period of 12 years for nonrecurring subsidies, in accordance with 19 CFR 351.524(d)(2). See the “Allocation Period” section, above. For purposes of allocating the value

¹¹⁰ See *Countervailing Duties*, 63 FR 65348,65393 (November 25, 1998).

¹¹¹ See, e.g., *Polyethylene Terephthalate Film, Sheet, and Strip from India: Final Results of Countervailing Duty Administrative Review*, 75 FR 6634 (February 10, 2010), and accompanying Issues and Decision Memorandum at Comment 9.

¹¹² See DF1SQR at Exhibit SQ10 and DS1SQR at Appendix Supp-5.

¹¹³ See DF1SQR at 10-11 and DS1SQR at 16. Devi Fisheries reported that one of its capital goods imports was solely for non-subject merchandise. See DF1SQR at 10-11. However, this import occurred prior to the POI, and the benefit expenses to the year incurred pursuant to 19 CFR 351.524(b)(2). See DF Preliminary Calculation Memo.

¹¹⁴ See DF1SQR at Exhibit SQ10 and DS1SQR at Appendix Supp-5.

¹¹⁵ *Id.*

¹¹⁶ See *PET Film Final Determination*, and accompanying Issues and Decision Memorandum at Comment 5.

of the waived duties over time, we used the appropriate discount rate for the year in which the GOI officially waived the import duties. See “Benchmarks and Discount Rates” section, above.

As noted above, import duty reductions or exemptions that the respondents received on the imports of capital equipment for which they had not yet met export obligations may have to be repaid to the GOI if the obligations under the licenses are not met. Consistent with our practice and prior determinations, we are treating the unpaid import duty liability as an interest-free loan.¹¹⁷

The amount of the unpaid duty liabilities to be treated as an interest-free loan is the amount of the import duty reduction or exemption for which the respondent applied, but had not been officially waived by the GOI, as of the end of the POI. Accordingly, we find the benefit to be the interest that the respondents would have paid during the POI had they borrowed the full amount of the duty reduction or exemption at the time of importation.¹¹⁸

As stated above, the time period for fulfilling the export requirement expires six years after importation of the capital good. As such, pursuant to 19 CFR 351.505(d)(1), the benchmark for measuring the benefit is a long-term interest rate because the event upon which repayment of the duties depends (*i.e.*, the date of expiration of the time period to fulfill the export commitment) occurs at a point in time that is more than one year after the date of importation of the capital goods. As the benchmark interest rate, we used the long-term interest rates as discussed in the “Benchmarks and Discount Rates” section, above. We then multiplied the total amount of unpaid duties under each license by the long-term benchmark interest rate for the year in which the capital good was imported and summed these amounts to determine the total benefit from these contingent liability loans.

The benefit received under the EPCG program is the sum of: (1) the benefit attributable to the POI from the formally waived duties for imports of capital equipment for which the respondents met export requirements by the end of the POI; and (2) interest due on the contingent-liability loans for imports of capital equipment that have unmet export requirements during the POI. We then divided the total benefit received by the respondents under the EPCG program by the respondents’ total exports during the POI.

On this basis, we preliminarily determine a countervailable subsidy of 0.02 percent *ad valorem* for Devi Fisheries¹¹⁹ and a countervailable subsidy of 0.08 percent *ad valorem* for Devi Seafoods.¹²⁰

¹¹⁷ See 19 CFR 351.505(d)(1); see also *PET Film Final Determination* and accompanying Issues and Decision Memorandum at “EPCGS;” see also *Final Affirmative Countervailing Duty Determination: Bottle-Grade Polyethylene Terephthalate (PET) Resin From India*, 70 FR 13460 (March 21, 2005), and accompanying Issues and Decision Memorandum at “Export Promotion Capital Goods Scheme (EPCGS).”

¹¹⁸ See, e.g., *PET Film Preliminary Results of 2003 Review*, 70 FR at 46488 (unchanged in *PET Film Final Results 2003 Review*).

¹¹⁹ See DF Preliminary Calculation Memo.

¹²⁰ See DS Preliminary Calculation Memo.

6. Export Financing

During the POI, the GOI provided pre- and post-export financing to make short-term working capital available to exporters at internationally comparable interest rates.¹²¹ The financing was denominated in rupees and in foreign currencies.

With respect to the rupee-denominated export financing, the Reserve Bank of India (RBI) previously capped the interest rate that commercial banks could charge on these loans.¹²² However, beginning on July 1, 2010, the RBI eliminated the interest rate cap and set only a floor rate for these loans. At the same time, the RBI instituted an interest subvention program for certain exporting companies, including small and medium enterprises¹²³ In order to receive this interest assistance, the interest rate on the rupee-denominated export financing had to be less than the bank's benchmark prime lending rate minus 4.5 percent.¹²⁴ Thus, rupee-denominated pre- and post-export loans that were eligible for the subvention were subject to an interest-rate cap. Devi Fisheries qualified for the subvention,¹²⁵ but Devi Seafoods did not.

We preliminarily determine that rupee-denominated pre- and post-export loans that were eligible for the interest rate subvention confer countervailable subsidies on the subject merchandise because: (1) the provision of the export financing constitutes a financial contribution pursuant to section 771(5)(D)(i) of the Act, as a direct transfer of funds in the form of loans; (2) these loans give rise to a benefit, as described further below, because the interest rates are lower than the interest rates on comparable commercial loans (*see* section 771(5)(E)(ii) of the Act); and (3) these programs are specific under section 771(5A)(B) of the Act because they are contingent upon export performance. Further, we preliminarily determine that rupee-denominated pre- and post-export loans that were not eligible for the subvention do not confer countervailable subsidies on the subject merchandise because there is no financial contribution.

With respect to export financing denominated in foreign currencies during the POI, the RBI required banks to fix the rates of interest with reference to ruling LIBOR, EURO LIBOR or EURIBOR, and these rates were subject to caps, with the size of the cap varying depending on the duration of the loan.¹²⁶ Both respondents reported receiving both pre- and post-shipment export loans denominated in foreign currencies during the POI.¹²⁷

Accordingly, we preliminarily determine that pre- and post-export loans that were denominated in foreign currencies confer countervailable subsidies on the subject merchandise because: (1) the provision of the export financing constitutes a financial contribution pursuant to section 771(5)(D)(i) the Act, as a direct transfer of funds in the form of loans; (2) these loans give rise to a benefit, as described further below, because the interest rates are lower than the interest rates on comparable commercial loans (*see* section 771(5)(E)(ii) of the Act); and (3) these programs

¹²¹ See GQR at 50.

¹²² See, e.g., *PET Film Final Determination*, and accompanying Issues and Decision Memorandum at "Pre-Shipment and Post-Shipment Export Financing."

¹²³ See GQR at 45.

¹²⁴ *Id.*

¹²⁵ See DF1SQR at 33.

¹²⁶ *Id.*, at 46-47.

¹²⁷ See DF1SQR at Exhibits SQ18 through SQ21 and DS1SQR at Appendices Supp-8 through Supp-11.

are specific under section 771(5A)(B) of the Act because they are contingent upon export performance.

To measure the benefit conferred by the pre-shipment and post-shipment loans, we compared what the companies paid for their loans to the amount of interest they would have paid on a comparable commercial loan, using the short-term benchmarks described above under “Benchmarks and Discount Rates.” We divided the interest savings each company received during the POI by the company’s exports during the POI.

On this basis, we preliminarily determine the countervailable subsidy for Devi Fisheries of 0.05 percent *ad valorem* for pre-shipment loans denominated in Indian Rupees, of 0.01 percent *ad valorem* for pre-shipment loans denominated in U.S. Dollars, of 0.21 percent *ad valorem* for post-shipment loans denominated in Indian Rupees, and of 0.02 percent *ad valorem* for post-shipment loans denominated in U.S. Dollars.¹²⁸ We preliminarily calculated no benefit for Devi Seafoods under this program.¹²⁹

The GOI reported that the foreign currency export lending program was terminated on May 5, 2012. Specifically, as of that date the RBI is not involved in setting interest rates (caps or floors) for these loans.¹³⁰ The GOI supported its claim with a copy the Master Circular - Rupee / Foreign Currency Export Credit & Customer Service To Exporters issued by RBI which specified that “banks are free to determine the interest rates on export credit in foreign currency with effect from May 5, 2012.”¹³¹

As explained above, 19 CFR 351.526(a) permits the Department to take account of program-wide changes in setting the deposit rate in certain circumstances. When a subsidy program is terminated, 19 CFR 351.526(d) requires that there be no residual benefits and that if a replacement program has been implemented the benefits under the replacement program be calculable.

The GOI reported that the maximum term for pre-shipment credits in foreign currencies was 360 days prior to shipment, and the maximum term for post-shipment credits in foreign currencies was six months from the date of shipment.¹³² Thus, the last day on which the respondents could have paid reduced interest on their foreign currency export loans was April 30, 2013 (360 days after May 5, 2012). Thus, no residual benefits exist beyond that date. Moreover, no replacement has been implemented. Consequently, in accordance with 19 CFR 351.526(a)(2) and (d), we are preliminarily adjusting the cash deposit rates to exclude the foreign currency denominated export loan benefit. See the DF Preliminary Calculation Memo and DS Preliminary Calculation Memo for the calculation of the preliminary cash deposit rates.

7. MPEDA Sea Freight Assistance

¹²⁸ See DF Preliminary Calculation Memo.

¹²⁹ See DS Preliminary Calculation Memo.

¹³⁰ See GQR at 46.

¹³¹ See GQR at Exhibit 21.

¹³² See GQR at 52-53.

The Marine Products Export Development Authority (“MPEDA”) implemented the Sea Freight Assistance program to extend financial assistance to entrepreneurs intending to import raw material for processing and re-export value-added products.¹³³ The scheme also provides assistance for the export of value-added products relying on raw materials sourced indigenously.¹³⁴ Receipt of sea-freight assistance grants is contingent upon exporting.¹³⁵

We preliminarily determine that a financial contribution, as defined under section 771(5)(D)(i) of the Act, is provided under this program and that the respondents receive a benefit in the amount of the grants. Moreover, this program is only available to exporters; therefore, it is specific under section 771(5A)(B) of the Act. Accordingly, we preliminarily determine that this program is countervailable.

Both respondents reported that they received assistance under this program during the POI.¹³⁶ Although these grants are earned on a shipment-by-shipment basis, we are unable to tie the benefits to specific markets for every shipment, in accordance with 19 CFR 525(b)(4) and (5). Therefore, we divided the total benefit received by the respondents under the program by the respondents’ total exports during the POI.

On this basis, we preliminarily determine a countervailable subsidy of 0.06 percent *ad valorem* for Devi Fisheries¹³⁷ and a countervailable subsidy of 0.04 percent *ad valorem* for Devi Seafoods.¹³⁸

B. Programs Preliminarily Determined To Be Not Used or Not to Confer a Benefit During the POI

1. Programs Preliminarily Determined To Be Not Used or Benefitted During the POI

Both respondents reported they did not use these programs during the POI or during the AUL period.

- a. Tax and Duty Incentives under the Special Economic Zone (“SEZ”) Program*
- b. Tax and Duty Incentives under the Export-Oriented Unit (“EOU”) Program*
- c. Subsidized Loans to the Marine Products Industry*
- d. Marine Products Export Development Authority (“MPEDA”) Subsidies for New Shrimp Farms*
- e. MPEDA Subsidies for Shrimp Hatcheries*
- f. MPEDA Subsidies for Shrimp Farm Effluent Treatment Systems*
- g. MPEDA Assistance for Organic Shrimp Farmers*
- h. MPEDA Technology Upgrade Scheme for Marine Products*
- i. Development of Inland Fisheries and Aquaculture Scheme*
- j. Assistance from the National Fisheries Development Board (NFDB) – Direct Transfers*

¹³³ *Id.*, at 171.

¹³⁴ *Id.*

¹³⁵ *Id.*, at 176.

¹³⁶ See DFQR at Exhibit 63 and DSQR at Appendix 50.

¹³⁷ See DF Preliminary Calculation Memo.

¹³⁸ See DS Preliminary Calculation Memo.

- k. *MPEDA: Financial Assistance for Improving Infrastructure Facilities for Preservation and Processing of Fish*
- l. *Subsidy in the form of Provision of Goods or Services for Development of Inland Fisheries and Aquaculture*
- m. *State Sales Tax Incentive*
- n. *Andhra Pradesh Incentives for Food Processing*
- o. *Andhra Pradesh Industrial Investment Promotion Policy*
- p. *Export Credit Insurance*

During the POI, Devi Fisheries reported that it purchased export credit insurance for certain of its export sales, but that it did not make any claims or receive any settlement for prior claims.¹³⁹

The Department's regulations at 19 CFR 351.520(a)(2) instruct that the Department shall calculate the benefit for export insurance programs as the difference between the amount of premiums paid by the firm and the amount received by the firm under the insurance program during the POI. Because Devi Fisheries did not make any claims or receive settlement for prior claims during the POI, we preliminarily determine that Devi Fisheries did not receive a benefit during the POI under this program.

2. *Programs Preliminarily Determined to Expense to Years Prior to the POI Under 19 CFR 351.524(b)(2)*

The respondents received benefits under these programs during the AUL period, but prior to the POI. We found that the benefits received were less than 0.5 percent of the export sales of the respondents in the year in which the subsidies were approved.¹⁴⁰ Therefore, in accordance with 19 CFR 351.524(b)(2), we expensed the benefits both respondents received pursuant to these programs to the year in which they received the benefit. As a result, neither respondent received a benefit pursuant to these programs that is attributable to the POI. See DF Preliminary Calculation Memo and DS Preliminary Calculation Memo.

- a. *MPEDA Subsidies for Hatchery PCR Labs*
- b. *MPEDA Refrigerated Truck and Container Subsidy*
- c. *MPEDA Cold Storage Subsidy*
- d. *MPEDA Insulated Fish Box Subsidy*
- e. *MPEDA Subsidies for In-Process Quality Control Labs*
- f. *MPEDA Subsidies for the Construction and Renovation of Pre-Processing Centers*
- g. *MPEDA Subsidy Scheme for Installation of Water Purification System*
- h. *MPEDA Subsidies for Installation of Gen-sets*
- i. *MPEDA Subsidy for Installation of Flake Ice Making Machine*
- j. *MPEDA: Financial Assistance for Acquisition of Various Processing Machinery and Equipment for Production of Value Added Marine Products*
- k. *MPEDA: Financial Assistance for Setting Up Effluent Treatment Plants (ETP) in Seafood Processing Units*

¹³⁹ See DFQR at 41.

¹⁴⁰ See DF Preliminary Calculation Memo and DS Preliminary Calculation Memo.

- l. *MPEDA: Financial Assistance for the Establishment of Chill Room Facilities in Seafood Processing Plants*
 - m. *Grant in Aid from the Ministry of Food Processing for Upgrading of Existing Seafood Processing Plants*
 - n. *MPEDA: Financial Assistance for Procurement of Quick Testing Kits for Antibiotics*
 - o. *MPEDA Subsidy for Establishing Effluent Treatment Systems in Shrimp Hatchery*
 - p. *MPEDA Interest Subsidy Assistance*
 - q. *MPEDA Setting up Food Processing Plant*
 - r. *MPEDA Worker Insurance Subsidy*
3. *Program Preliminarily Determined to Yield a Benefit of Less Than .005 Percent During the POI*
- a. *Service Tax Drawback Scheme for Exporters*

Devi Seafoods received a benefit under this program during the POI. However, any potential subsidy is less than 0.005 percent and, as such, does not have an impact on Devi Seafoods' overall subsidy rate.¹⁴¹

VIII. CALCULATION OF THE ALL OTHERS RATE

We cannot apply the methodology described in section 705(c)(5)(A)(i) of the Act to calculate the All Others rate because doing so would indirectly disclose business proprietary information to the mandatory respondents. Normally, we would calculate a weighted-average countervailing duty rate using the publicly available, ranged values of the mandatory respondents' exports of subject merchandise to the United States, compare both this weighted-average rate and a simple average of the mandatory respondents' countervailing duty rates to the actual weighted-average rate (calculated using the proprietary export values) and assign to All Others the amount closer to the actual weighted-average countervailable subsidy rate. In this investigation, however, we do not have publicly available information on U.S. sales value for one of the selected respondents. Because of this, we have assigned to All Others the simple-average margin of the two mandatory respondents; that rate is 10.87 percent.

IX. ITC NOTIFICATION

In accordance with section 703(f) of the Act, we will notify the ITC of our determination. In addition, we are making available to the ITC all non-privileged and non-proprietary information relating to this investigation. We will allow the ITC access to all privileged and business proprietary information in our files, provided the ITC confirms that it will not disclose such information, either publicly or under an administrative protective order, without the written consent of the Assistant Secretary for Import Administration.

¹⁴¹ See, e.g., *Coated Free Sheet Paper from the People's Republic of China: Final Affirmative Countervailing Duty Determination*, 72 FR 60645 (October 25, 2007), and accompanying Issues and Decision Memorandum at 15.

In accordance with section 705(b)(2) of the Act, if our final determination is affirmative, the ITC will make its final determination within 45 days after the Department makes its final determination.

X. DISCLOSURE AND PUBLIC COMMENT

The Department intends to disclose to interested parties the calculations performed in connection with this preliminary determination within five days of its public announcement.¹⁴² Case briefs or other written comments for all non-scope issues may be submitted to Import Administration's Antidumping and Countervailing Duty Centralized Electronic Service System (IA ACCESS) no later than five days after the date on which the final verification report is issued in this proceeding, and rebuttal briefs, limited to issues raised in case briefs, may be submitted no later than five days after the deadline date for case briefs.¹⁴³ Case briefs or other written comments on scope issues may be submitted no later than 30 days after the publication of this preliminary determination in the Federal Register, and rebuttal briefs, limited to issues raised in the case briefs, may be submitted no later than five days after the deadline for the case briefs. For any briefs filed on scope issues, parties must file separate and identical documents on each of the records for the seven concurrent countervailing duty investigations.

Parties who submit case briefs or rebuttal briefs in this proceeding 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.¹⁴⁴ This summary should be limited to five pages total, including footnotes.

Interested parties who wish to request a hearing, or to participate if one is requested, must do so in writing within 30 days after the publication of this preliminary determination in the Federal Register.¹⁴⁵ 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, the Department intends to hold the hearing at the U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230, at a date, time and location to be determined. Parties will be notified of the date, time and location of any hearing.

Parties must file their case and rebuttal briefs, and any requests for a hearing, electronically using IA ACCESS.¹⁴⁶ Electronically filed documents must be received successfully in their entirety by 5:00 p.m. Eastern Time,¹⁴⁷ on the due dates established above.

XI. VERIFICATION

As provided in section 782(i)(1) of the Act, we intend to verify the information submitted in response to the Department's questionnaires.

¹⁴² See 19 CFR 351.224(b).

¹⁴³ See 19 CFR 351.309.

¹⁴⁴ See 19 CFR 351.309(c)(2) and (d)(2).

¹⁴⁵ See 19 CFR 351.310(c).

¹⁴⁶ See 19 CFR 351.303(b)(2)(i).

¹⁴⁷ See 19 CFR 351.03(b)(1).

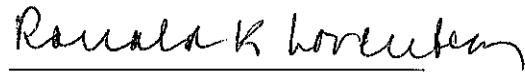
XII. CONCLUSION

We recommend that you approve the preliminary findings described above.

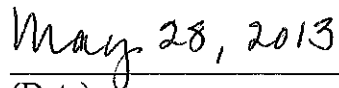


Agree

Disagree



Ronald K. Lorentzen
Acting Assistant Secretary
for Import Administration



(Date)