



C-533-866

Investigation


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December 15, 2015

MEMORANDUM TO: Paul Piquado
Assistant Secretary
for Enforcement and Compliance

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

SUBJECT: Decision Memorandum for the Preliminary Results of the
Countervailing Duty Investigation of Certain Cold-Rolled Steel
Flat Products from India

I. SUMMARY

The Department of Commerce (Department) preliminarily determines that countervailable subsidies are being provided to producers and exporters of certain cold-rolled steel flat products (cold-rolled steel) from India, as provided in section 703(b)(1) of the Tariff Act of 1930, as amended (the Act).

II. BACKGROUND

A. Case History

On July 28, 2015, the Department received countervailing duty (CVD) and antidumping duty (AD) petitions concerning imports of cold-rolled steel from India, filed in proper form by AK Steel Corporation, ArcelorMittal USA LLC, Nucor Corporation, Steel Dynamics Inc., and United States Steel Corporation (collectively, Petitioners).¹ On August 17, 2015, the Department initiated a CVD investigation of cold-rolled steel from India.²

¹ See Letter from Petitioners, "Petitions for the Imposition of Antidumping and Countervailing Duties: Certain Cold-Rolled Steel Flat Products from Brazil, the People's Republic of China, India, Japan, the Republic of Korea, Netherlands, Russia, and the United Kingdom," dated July 28, 2015 (Petition).

² See *Certain Cold-Rolled Steel Flat Products From Brazil, India, the People's Republic of China, the Republic of Korea, and the Russian Federation: Initiation of Countervailing Duty Investigations*, 80 FR 51206 (August 24, 2015) (*Initiation Notice*).



In the “Respondent Selection” section of the *Initiation Notice*, the Department stated that it intended to select respondents based on U.S. Customs and Border Protection (CBP) data.³ On August 24, 2015, we released CBP data to parties under Administrative Protective Order (APO).⁴ On September 2, 2015, we received comments on the CBP data from Duferco S.A.⁵ No other parties submitted comments.

On September 17, 2015, the Department determined to individually examine JSW Steel Limited (JSWSL) in this investigation.⁶ On September 18, 2015, the Department issued a CVD questionnaire to the Government of India (GOI).⁷ JSWSL timely filed its affiliation questionnaire response on October 2, 2015.⁸ On November 5, 2015, the GOI and JSWSL also timely filed their respective responses to the initial CVD questionnaire.⁹

Between October 7 and December 7, 2015, the Department issued supplemental questionnaires to the GOI and JSWSL.¹⁰ Responses to these questionnaires were timely received between October 14 and December 11, 2015.¹¹ Additional supplemental responses from JSWSL are

³ See *Initiation Notice*, 80 FR at 51209.

⁴ See Memorandum to the File, “Certain Cold-Rolled Steel Flat Products from India: Customs Data for Respondent Selection,” dated August 24, 2015.

⁵ See Letter from Duferco S.A., “Certain Cold-Rolled Steel Flat Products from India: Duferco S.A. Comments on CBP Data,” dated September 2, 2015.

⁶ See Memorandum to Christian Marsh, Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations, “Countervailing Duty Investigation of Certain Cold-Rolled Steel Flat Products from India: Respondent Selection,” dated September 17, 2015.

⁷ See Letter from the Department to the GOI, “Investigation of Certain Cold-Rolled Steel Flat Products from India: Countervailing Duty Questionnaire,” dated September 18, 2015 (CVD Questionnaire).

⁸ See Submission from JSWSL, “Cold-Rolled Steel Flat Products from India: Response to CVD Affiliation Questions of JSW Steel Limited,” dated October 2, 2015 (JSWSL-AQR).

⁹ See Submission from the GOI, “Certain Cold-Rolled Steel Flat Products from India (Case No. – C-533-866), Initial Questionnaire Response,” dated November 5, 2015 (GOI-IQR); see also Submission from JSWSL, “Cold-Rolled Steel Flat Products from India: CVD Questionnaire Response of JSW Steel Ltd.,” dated November 5, 2015 (JSWSL-IQR).

¹⁰ See Letter from the Department to JSWSL, “Certain Cold-Rolled Steel Flat Products from India: Supplemental Questionnaire for JSW Steel Limited’s Affiliation Response,” dated October 7, 2015; Letter from the Department to the GOI, “Certain Cold-Rolled Steel Flat Products from India: Countervailing Duty Supplemental Questionnaire,” dated November 6, 2015; Letter from the Department to JSWSL, “Certain Cold-Rolled Steel Flat Products from India: Supplemental Questionnaire for JSW Steel Limited’s CVD Questionnaire Response,” dated November 13, 2015; Letter from the Department to JSWSL, “Certain Cold-Rolled Steel Flat Products from India: Supplemental Questionnaire for JSW Steel Limited’s CVD Questionnaire Response,” dated December 1, 2015; Letter from the Department to JSWSL, “Certain Cold-Rolled Steel Flat Products from India: Supplemental Questionnaire for JSW Steel Limited’s CVD Questionnaire Response,” dated December 7, 2015.

¹¹ See Submission from JSWSL, “Cold-Rolled Steel Flat Products from India: Response to First Supplemental CVD Questionnaire of JSW Steel Limited,” dated October 14, 2015 (JSWSL-1SQR); Submission from the GOI, “Certain Cold Rolled Steel Flat Products from India (Case No. – C-533-866), Supplementary Questionnaire Response,” dated November 27, 2015 (GOI-1SQR); Submission from JSWSL, “Cold-Rolled Steel Flat Products from India: Supplemental CVD Questionnaire Response of JSW Steel Ltd.,” dated November 23, 2015 (JSWSL-2SQR); Submission from JSWSL, “Cold-Rolled Steel Flat Products from India: Supplemental CVD Questionnaire Response of JSW Steel Ltd. – CVD Response of Amba River,” dated November 30, 2015 (JSWSL-3SQR); Submission from JSWSL, “Cold-Rolled Steel Flat Products from India: Second Supplemental CVD Questionnaire Response of JSW Steel Ltd. (Part 1),” dated December 11, 2015 (JSWSL-4SQR).

expected to be submitted after the date of this preliminary determination, and will be analyzed for the final determination. Petitioners filed pre-preliminary comments on December 8, 2015.¹²

On October 1, 2015, based upon a request from Petitioners, the Department postponed the deadline for this preliminary determination until December 15, 2015.¹³

B. Period of Investigation

The POI is January 1, 2014, through December 31, 2014.

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.¹⁴

We received several comments concerning the scope of the AD and CVD investigations of cold-rolled steel from, *inter alia*, India. We are currently evaluating the scope comments filed by the interested parties. We intend to issue our preliminary decision regarding the scope of the AD and CVD investigations in the preliminary determination of the companion AD investigation, the deadline of which is February 23, 2016. We will incorporate the scope decisions from the AD investigation into the scope of the final CVD determination after considering any relevant comments submitted in case and rebuttal briefs.

IV. SCOPE OF THE INVESTIGATION

The products covered by this investigation are certain cold-rolled (cold-reduced), flat-rolled steel products, whether or not annealed, painted, varnished, or coated with plastics or other non-metallic substances. The products covered do not include those that are clad, plated, or coated with metal. The products covered include coils that have a width or other lateral measurement ("width") of 12.7 mm or greater, regardless of form of coil (*e.g.*, in successively superimposed layers, spirally oscillating, etc.). The products covered also include products not in coils (*e.g.*, in straight lengths) of a thickness less than 4.75 mm and a width that is 12.7 mm or greater and that measures at least 10 times the thickness. The products covered also include products not in coils (*e.g.*, in straight lengths) of a thickness of 4.75 mm or more and a width exceeding 150 mm and measuring at least twice the thickness. The products described above may be rectangular, square, circular, or other shape and include products of either rectangular or non-rectangular cross-section where such cross-section is achieved subsequent to the rolling process, *i.e.*, products which have been "worked after rolling" (*e.g.*, products which have been beveled or rounded at the edges). For purposes of the width and thickness

¹² See Submission from Petitioners, "Cold-Rolled Steel Products from India: Pre-Prelim Comments," dated December 8, 2015.

¹³ See *Certain Cold-Rolled Steel Flat Products from Brazil, India, the People's Republic of China, the Republic of Korea, and the Russian Federation: Postponement of Preliminary Determination in the Countervailing Duty Investigation*, 80 FR 60881 (October 8, 2015).

¹⁴ See *Initiation Notice*, 80 FR at 51207.

requirements referenced above:

(1) where the nominal and actual measurements vary, a product is within the scope if application of either the nominal or actual measurement would place it within the scope based on the definitions set forth above, and

(2) where the width and thickness vary for a specific product (*e.g.*, the thickness of certain products with non-rectangular cross-section, the width of certain products with non-rectangular shape, *etc.*), the measurement at its greatest width or thickness applies.

Steel products included in the scope of this investigation are products in which: (1) iron predominates, by weight, over each of the other contained elements; (2) the carbon content is 2 percent or less, by weight; and (3) none of the elements listed below exceeds the quantity, by weight, respectively indicated:

- 2.50 percent of manganese, or
- 3.30 percent of silicon, or
- 1.50 percent of copper, or
- 1.50 percent of aluminum, or
- 1.25 percent of chromium, or
- 0.30 percent of cobalt, or
- 0.40 percent of lead, or
- 2.00 percent of nickel, or
- 0.30 percent of tungsten (also called wolfram), or
- 0.80 percent of molybdenum, or
- 0.10 percent of niobium (also called columbium), or
- 0.30 percent of vanadium, or
- 0.30 percent of zirconium

Unless specifically excluded, products are included in this scope regardless of levels of boron and titanium.

For example, specifically included in this scope are vacuum degassed, fully stabilized (commonly referred to as interstitial-free (IF)) steels, high strength low alloy (HSLA) steels, motor lamination steels, Advanced High Strength Steels (AHSS), and Ultra High Strength Steels (UHSS). IF steels are recognized as low carbon steels with micro-alloying levels of elements such as titanium and/or niobium added to stabilize carbon and nitrogen elements. HSLA steels are recognized as steels with micro-alloying levels of elements such as chromium, copper, niobium, titanium, vanadium, and molybdenum. Motor lamination steels contain micro-alloying levels of elements such as silicon and aluminum. AHSS and UHSS are considered high tensile strength and high elongation steels, although AHSS and UHSS are covered whether or not they are high tensile strength or high elongation steels.

Subject merchandise includes cold-rolled steel that has been further processed in a third country, including but not limited to annealing, tempering, painting, varnishing,

trimming, cutting, punching, and/or slitting, or any other processing that would not otherwise remove the merchandise from the scope of the investigation if performed in the country of manufacture of the cold-rolled steel.

All products that meet the written physical description, and in which the chemistry quantities do not exceed any one of the noted element levels listed above, are within the scope of this investigation unless specifically excluded. The following products are outside of and/or specifically excluded from the scope of this investigation:

- Ball bearing steels;¹⁵
- Tool steels;¹⁶
- Silico-manganese steel;¹⁷
- Grain-oriented electrical steels (GOES) as defined in the final determination of the U.S. Department of Commerce in *Grain-Oriented Electrical Steel From Germany, Japan, and Poland*.¹⁸
- Non-Oriented Electrical Steels (NOES), as defined in the antidumping orders issued by the U.S. Department of Commerce in *Non-Oriented Electrical Steel From the People's Republic of China, Germany, Japan, the Republic of Korea, Sweden, and Taiwan*.¹⁹

¹⁵ Ball bearing steels are defined as steels which contain, in addition to iron, each of the following elements by weight in the amount specified: (i) not less than 0.95 nor more than 1.13 percent of carbon; (ii) not less than 0.22 nor more than 0.48 percent of manganese; (iii) none, or not more than 0.03 percent of sulfur; (iv) none, or not more than 0.03 percent of phosphorus; (v) not less than 0.18 nor more than 0.37 percent of silicon; (vi) not less than 1.25 nor more than 1.65 percent of chromium; (vii) none, or not more than 0.28 percent of nickel; (viii) none, or not more than 0.38 percent of copper; and (ix) none, or not more than 0.09 percent of molybdenum.

¹⁶ Tool steels are defined as steels which contain the following combinations of elements in the quantity by weight respectively indicated: (i) more than 1.2 percent carbon and more than 10.5 percent chromium; or (ii) not less than 0.3 percent carbon and 1.25 percent or more but less than 10.5 percent chromium; or (iii) not less than 0.85 percent carbon and 1 percent to 1.8 percent, inclusive, manganese; or (iv) 0.9 percent to 1.2 percent, inclusive, chromium and 0.9 percent to 1.4 percent, inclusive, molybdenum; or (v) not less than 0.5 percent carbon and not less than 3.5 percent molybdenum; or (vi) not less than 0.5 percent carbon and not less than 5.5 percent tungsten.

¹⁷ Silico-manganese steel is defined as steels containing by weight: (i) not more than 0.7 percent of carbon; (ii) 0.5 percent or more but not more than 1.9 percent of manganese, and (iii) 0.6 percent or more but not more than 2.3 percent of silicon.

¹⁸ *Grain-Oriented Electrical Steel From Germany, Japan, and Poland: Final Determinations of Sales at Less Than Fair Value and Certain Final Affirmative Determination of Critical Circumstances*, 79 Fed. Reg. 42,501, 42,503 (Dep't of Commerce, July 22, 2014). This determination defines grain-oriented electrical steel as "a flat-rolled alloy steel product containing by weight at least 0.6 percent but not more than 6 percent of silicon, not more than 0.08 percent of carbon, not more than 1.0 percent of aluminum, and no other element in an amount that would give the steel the characteristics of another alloy steel, in coils or in straight lengths."

¹⁹ *Non-Oriented Electrical Steel From the People's Republic of China, Germany, Japan, the Republic of Korea, Sweden, and Taiwan: Antidumping Duty Orders*, 79 Fed. Reg. 71,741, 71,741-42 (Dep't of Commerce, Dec. 3, 2014). The orders define NOES as "cold-rolled, flat-rolled, alloy steel products, whether or not in coils, regardless of width, having an actual thickness of 0.20 mm or more, in which the core loss is substantially equal in any direction of magnetization in the plane of the material. The term 'substantially equal' means that the cross grain direction of core loss is no more than 1.5 times the straight grain direction (*i.e.*, the rolling direction) of core loss. NOES has a magnetic permeability that does not exceed 1.65 Tesla when tested at a field of 800 A/m (equivalent to 10 Oersteds) along (*i.e.*, parallel to) the rolling direction of the sheet (*i.e.*, B800 value). NOES contains by weight more than 1.00 percent of silicon but less than 3.5 percent of silicon, not more than 0.08 percent of carbon, and not more than 1.5 percent of aluminum. NOES has a surface oxide coating, to which an insulation coating may be applied."

The products subject to this investigation are currently classified in the Harmonized Tariff Schedule of the United States (HTSUS) under item numbers: 7209.15.0000, 7209.16.0030, 7209.16.0060, 7209.16.0070, 7209.16.0091, 7209.17.0030, 7209.17.0060, 7209.17.0070, 7209.17.0091, 7209.18.1530, 7209.18.1560, 7209.18.2510, 7209.18.2520, 7209.18.2580, 7209.18.6020, 7209.18.6090, 7209.25.0000, 7209.26.0000, 7209.27.0000, 7209.28.0000, 7209.90.0000, 7210.70.3000, 7211.23.1500, 7211.23.2000, 7211.23.3000, 7211.23.4500, 7211.23.6030, 7211.23.6060, 7211.23.6075, 7211.23.6085, 7211.29.2030, 7211.29.2090, 7211.29.4500, 7211.29.6030, 7211.29.6080, 7211.90.0000, 7212.40.1000, 7212.40.5000, 7225.50.6000, 7225.50.8015, 7225.50.8085, 7225.99.0090, 7226.92.5000, 7226.92.7050, and 7226.92.8050. The products subject to this investigation may also enter under the following HTSUS numbers: 7210.90.9000, 7212.50.0000, 7215.10.0010, 7215.10.0080, 7215.50.0016, 7215.50.0018, 7215.50.0020, 7215.50.0061, 7215.50.0063, 7215.50.0065, 7215.50.0090, 7215.90.5000, 7217.10.1000, 7217.10.2000, 7217.10.3000, 7217.10.7000, 7217.90.1000, 7217.90.5030, 7217.90.5060, 7217.90.5090, 7225.19.0000, 7226.19.1000, 7226.19.9000, 7226.99.0180, 7228.50.5015, 7228.50.5040, 7228.50.5070, 7228.60.8000, and 7229.90.1000.

The HTSUS subheadings above are provided for convenience and customs purposes only. The written description of the scope of the investigation is dispositive.

V. ALIGNMENT

In accordance with section 705(a)(1) of the Act and 19 CFR 351.210(b)(4), and based on Petitioners' request,²⁰ we are aligning the final CVD determination in this investigation with the final determination in the companion AD investigation of cold-rolled steel from India. Consequently, the final CVD determination will be issued on the same date as the final AD determination, which is currently scheduled to be due no later than May 8, 2016, unless postponed.²¹

VI. 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 September 10, 2015, the ITC determined that there is a reasonable indication that an industry in the United States is materially injured by reason of imports of cold-rolled steel from, *inter alia*, India.²²

²⁰ See Letter from Petitioners, dated December 14, 2015.

²¹ We note that the current deadline for the final AD determination is May 8, 2016, which is a Sunday. Pursuant to Department practice, the signature date will be the next business day, which is Monday, May 9, 2016. See *Notice of Clarification: Application of "Next Business Day" Rule for Administrative Determination Deadlines Pursuant to the Tariff Act of 1930, As Amended*, 70 FR 24533 (May 10, 2005).

²² See *Certain Cold-Rolled Steel Flat Products from Brazil, China, India, Korea, and Russia: Investigation Nos. 701-TA- 540-544 and 731-TA-1283-1287 and 1289-1290 (Preliminary Report)* (September 10, 2015) (Preliminary Report); *Cold-Rolled Steel Flat Products From Brazil, China, India, Japan, Korea, Netherlands, Russia, and the United Kingdom*, 80 FR 55872 (September 17, 2015).

VII. 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.²³ The Department finds the AUL in this proceeding to be 15 years, pursuant to 19 CFR 351.524(d)(2) and the U.S. Internal Revenue Service's 1977 Class Life Asset Depreciation Range System.²⁴ The Department notified the respondents of the 15-year AUL in the initial questionnaire and requested data accordingly. The GOI proposed a 20-year or 25-year AUL, but did not provide supporting documentation or information regarding its proposed AUL.²⁵ JSWSL has not disputed the allocation period. Consistent with past practice, in order to appropriately measure any allocated subsidies, the Department will use a 15-year AUL period in this investigation.²⁶

Furthermore, for non-recurring subsidies, we 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

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. Further, 19 CFR 351.525(c) provides that benefits from subsidies provided to a trading company which exports subject merchandise shall be cumulated with benefits from subsidies provided to the firm producing the subject merchandise that is sold through the trading company, regardless of affiliation.

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 another corporation in essentially the same ways it can use its own assets. This regulation states that the standard

²³ See 19 CFR 351.524(b).

²⁴ See U.S. Internal Revenue Service Publication 946 (2008), "How to Depreciate Property," at Table B-2: Table of Class Lives and Recovery Periods.

²⁵ See GOI-IQR at 9-10; see also GOI-1SQR at 8.

²⁶ See *Final Results of Countervailing Duty Administrative Reviews: Low Enriched Uranium from Germany, the Netherlands, and the United Kingdom*, 70 FR 40000 (July 12, 2005) and accompanying Issues and Decision Memorandum (IDM) at Comment 4.

will normally be met where there is a majority voting interest between two corporations, or through common ownership of two (or more) corporations.²⁷ The 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 ways it could use its own subsidy benefits.²⁸

JSWSL originally identified one cross-owned Indian company, JSW Steel Coated Products Limited (JSCPL), which received subsidies. Based on JSWSL's questionnaire responses, we also requested questionnaire responses for an additional Indian company, Amba River Coke Limited (ARCL). Based on information on the record, we preliminarily determine that cross-ownership exists, in accordance with 19 CFR 351.525(b)(6)(vi), because JSCPL and ARCL are wholly-owned subsidiaries of JSWSL. Moreover, we determine that ARCL provides JSWSL with a primarily dedicated input pursuant to 341.525(b)(6)(iv), and therefore we are attributing all subsidies received by ARCL, an input supplier to JSWSL, to the combined sales of ARCL, JSWSL, and JSCPL.²⁹ JSWSL and JSCPL are producers of subject merchandise, therefore, in accordance with 19 CFR 351.525(b)(6)(ii), we are attributing subsidies received by JSWSL and JSCPL to their combined sales.

C. Denominators

When selecting an appropriate denominator for use in calculating the *ad valorem* subsidy rate, the Department considers the basis for the respondent's receipt of benefits under each program. As discussed in further detail below in the "Programs Preliminarily Determined to be Countervailable" section, where the program has been found to be countervailable as a domestic subsidy, we used the recipient's total sales as the denominator. Similarly, where the program has been found to be countervailable as an export subsidy, we used the recipient's total export sales as the denominator. In the sections below, we describe the denominators we used to calculate the countervailable subsidy rates for the various subsidy programs.

D. Loan Benchmarks and Interest Rates

Section 771(5)(E)(ii) of the Act states that the benefit for loans is the "difference between the amount the recipient of the loan pays on the loan and the amount the recipient would pay on a comparable commercial loan that the recipient could actually obtain on the market," indicating that a benchmark must be a market-based rate. In addition, 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 loans obtained by the firm. However, when there are no comparable commercial loans, the Department "may use a national average interest rate for comparable commercial loans," pursuant to 19 CFR 351.505(a)(3)(ii).

²⁷ See, e.g., *Countervailing Duties*, 63 FR 65348, 65401 (November 25, 1998).

²⁸ See *Fabrique de Fer de Charleroi v. United States*, 166 F. Supp. 2d 593, 600-04 (CIT 2001).

²⁹ For additional information, see Memorandum to the File, through Robert Bolling, Program Manager, "Countervailing Duty Investigation of Certain Cold-Rolled Steel Flat Products from India: JSW Steel Limited Preliminary Calculation Memorandum," dated concurrently with this memorandum ("Preliminary Calculation Memorandum").

Short-Term and Long-Term Rupee-Denominated Loans

Based on its responses, we preliminarily determine that JSWSL did not receive comparable rupee-denominated short-term or long-term loans from commercial banks for certain years for which we must calculate benchmark and discount rates. Thus, we do not have loan information from the company in the year the subsidy was provided. As such loan rates were not available, we are preliminarily using national average interest rates, pursuant to 19 CFR 351.505(a)(3)(ii). 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.

E. Discount Rates

Consistent with 19 CFR 351.524(d)(3)(i)(A), we used, as our discount rate, the long-term interest rate calculated according to the methodology described above for the year in which the government provided non-recurring subsidies. The interest rate benchmarks and discount rates used in our preliminary calculations are provided in the Preliminary Calculation Memorandum.

VIII. ANALYSIS OF PROGRAMS

Based upon our analysis of the record and the responses to our questionnaires,³⁰ we preliminarily determine the following:

A. Programs Preliminarily Determined to Be Countervailable

1. Duty Drawback (DDB)

JSWSL and JSCPL reported receiving duty rebates under this program.³¹ The GOI explained that the DDB program provides rebates for duty or tax chargeable on any (a) imported or excisable materials and (b) input services, used in the manufacture of export goods.³² The GOI reported that the amount of the DDB is generally fixed as a percentage of the price of the export product and is determined based on the extent of the duties incurred in procuring the relevant inputs.³³

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.³⁴ 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,

³⁰ We note that the GOI did not respond to certain questions in the Department's original and supplemental questionnaires; however, we preliminarily find that the record contains sufficient evidence to make determinations for all identified programs, as explained in Section VIII. See Letter from the Department, "Certain Cold-Rolled Steel Flat Products from India: Request for Extension of Time," dated December 8, 2015.

³¹ See JSWSL-IQR at 11-19.

³² See GOI-IQR at 11 and Exhibit 2; see also GOI-1SQR at Annexures C and D.

³³ *Id.*

³⁴ See 19 CFR 351.519(a)(1)(ii).

and in what amounts.³⁵ This system must be reasonable, effective for the purposes intended, and based on generally accepted commercial practices in the country of export.³⁶ 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.³⁷

We requested that the GOI identify and explain the types of records maintained by the relevant government or governments (*e.g.*, accounting records, company-specific files, databases, budget authorizations, *etc.*) regarding the program in effect during the POI.³⁸ The GOI did not provide the requested documentation.³⁹ Thus, consistent with *Shrimp from India*, based on the GOI's questionnaire response that lacks the documentation to support that the GOI has a system in place to confirm which inputs are consumed in the production of the exported products, we preliminarily determine that the GOI has not supported its claim that its system is reasonable or effective for the purposes intended.⁴⁰

Accordingly, we preliminarily determine that the DDB program confers a countervailable subsidy. Under the DDB program, a financial contribution, as defined under section 771(5)(D)(ii) of the Act, is provided because rebated duties represent revenue foregone 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 product. Therefore, under 19 CFR 351.519(a)(4), the entire amount of the import duty rebate earned during the POI constitutes a benefit. Finally, this program is only available to exporters; therefore, it is specific under sections 771(5A)(A) and (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. We calculated the benefit on an as-earned basis upon export because drawback under the program is 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).

We calculated the subsidy rate using the value of all DDB duty rebates that JSWSL and JSCPL earned on export sales during the POI. We divided the total amount of the benefit received by JSWSL and JSCPL by the companies' total exports during the POI. On this basis, we preliminarily determine a countervailable subsidy rate of 1.89 percent *ad valorem* for JSWSL.⁴¹

³⁵ See *Certain Frozen Warmwater Shrimp from India: Final Affirmative Countervailing Duty Determination*, 78 FR 50385 (August 19, 2013) ("*Shrimp from India*"), and accompanying Issues and Decision Memorandum at "Duty Drawback (DDB)."

³⁶ *Id.*

³⁷ See 19 CFR 351.519(a)(4)(i)-(ii).

³⁸ See CVD Questionnaire at Section II.

³⁹ See GOI-IQR and GOI-ISQR.

⁴⁰ See *Shrimp from India*, and accompanying Issues and Decision Memorandum at 12-14.

⁴¹ See JSWSL Calculation Memorandum.

2. Export Promotion of Capital Goods Scheme (EPCG)

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. Under this program, producers pay reduced duty rates on imported capital equipment by committing to earn convertible foreign currency equal to a multiple of the duty saved within a period of a certain number of years.⁴²

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 in the form of revenue foregone; (2) provides two different benefits (*see* above and below) under section 771(5)(E) of the Act; and (3) is specific pursuant to sections 771(5A)(A) and (B) of the Act because the program is contingent upon export performance.⁴³ Because the evidence on the record with respect to this program⁴⁴ is consistent with the findings in, *inter alia*, *PET Film Final Determination* and *Shrimp from India*, 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).⁴⁵ 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).

Import duty exemptions under this program are approved for the purchase of capital equipment. The preamble of the Department's 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...."⁴⁶ 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.⁴⁷

⁴² See GOI-IQR at 25-40; *see also* GOI-1SQR at Annexures E through H.

⁴³ 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 "EPCGS" section; *see also Shrimp from India*, and accompanying Issues and Decision Memorandum at 14.

⁴⁴ See GOI-IQR at 25-40; *see also* GOI-1SQR at Annexures E through H.

⁴⁵ *Id.*

⁴⁶ See *Countervailing Duties*, 63 FR 65348, 65393 (November 25, 1998).

⁴⁷ 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

JSWSL, JSCPL, and ARCL reported that they imported capital goods at reduced import duty rates under the EPCG program.⁴⁸ Information provided by JSWSL, JSCPL, and ARCL indicates that their EPCG licenses were not tied to the production of any type of merchandise,⁴⁹ so we are attributing the EPCG benefits received to their total exports consistent with 19 CFR 351.525(b)(5). JSWSL and JSCPL reported that they met the export requirements for certain EPCG licenses prior to December 31, 2014 (the last day of the POI) and that the GOI has formally waived the relevant import duties.⁵⁰ For a number of their licenses, however, JSWSL, JSCPL, and ARCL had not yet met their export obligation as required under the program.⁵¹ Therefore, although JSWSL, JSCPL, and ARCL received a deferral from paying import duties for the capital goods that were imported, the final waiver of the obligation to pay the duties was not demonstrated for a number of these imports.

To calculate the benefit received from the GOI's formal waiver of import duties on JSWSL and JSCPL's capital equipment where the export obligations were met prior to December 31, 2014 (the last day of the POI), we used the total amounts 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 preliminarily determined the year of receipt of the benefit to be the year in which the GOI formally waived the respondent's outstanding import duties.⁵² 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 these companies 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 amount of the waived duties 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 waived duty amount using the allocation period of 15 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 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 JSWSL, JSCPL, and ARCL 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.⁵³

Comment 9; see also *Certain Frozen Warmwater Shrimp From India: Preliminary Countervailing Duty Determination*, 78 FR 33344 (June 4, 2013) (*Shrimp India Prelim.*), and accompanying Decision Memorandum at "Duty Incentives under the Export Promotion Capital Goods ("EPCG") Program," unchanged in *Shrimp from India*.

⁴⁸ See JSWSL-IQR at 21-26.

⁴⁹ *Id.* at 21-26 and Exhibit 13; see also JSWSL-3SQR at Exhibit 53.

⁵⁰ See JSWSL-2SQR at Exhibit 39.

⁵¹ *Id.*; see also JSWSL-3SQR at Exhibit 54.

⁵² See *PET Film Final Determination*, and accompanying Issues and Decision Memorandum at Comment 5.

⁵³ See 19 CFR 351.505(d)(1); see also *Shrimp India Prelim.*, and accompanying Decision Memorandum at EPCG Program (unchanged in *Shrimp from India*).

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 respondent would have paid during the POI had it borrowed the full amount of the duty reduction or exemption at the time of importation.⁵⁴

As noted above, the time period for fulfilling the export requirement expires a certain number of 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.⁵⁵ 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 respondent met export requirements by the end of the POI; and (2) the interest that would have been 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 JSWSL, JSCPL, and ARCL under the EPCG program by the companies’ total exports during the POI. On this basis, we preliminarily determine a countervailable subsidy rate of 1.67 percent *ad valorem* for JSWSL.⁵⁶

3. State Government of Maharashtra (SGOM) Electricity Duty Exemptions

The GOI and JSWSL reported that SGOM provides a Package Scheme of Incentives (PSI), which encourages investments in new units and/or the expansion of existing production capacity located in specified underdeveloped areas in the state of Maharashtra in accordance with the terms and conditions specified by SGOM.⁵⁷ The SGOM has exempted from electricity duties certain industries and enterprises in certain less developed industrial regions in the state of Maharashtra.⁵⁸

We preliminarily determine that this program constitutes a financial contribution, in the form of revenue foregone, and is regionally specific, under sections 771(5)(D)(ii) and 771(5A)(D)(iv) of the Act, respectively.⁵⁹ JSCPL and ARCL reported that their manufacturing facilities were exempted from the payment of electricity duty during all or part of the POI, thus conferring a

⁵⁴ *Id.*

⁵⁵ See the Preliminary Calculation Memorandum for further details.

⁵⁶ See Preliminary Calculation Memorandum.

⁵⁷ See GOI-1SQR at Annexure N; see also JSWSL-IQR at 39.

⁵⁸ See GOI-1SQR at Annexure N.

⁵⁹ *Id.*

benefit pursuant to section 771(5)(E) of the Act in the amount of the exempted electricity duties.⁶⁰

To calculate the subsidy rate, we divided the benefit by the total sales of JSCPL and ARCL during the POI. On this basis, we preliminarily determine a countervailable subsidy of 0.02 percent *ad valorem* for JSWSL.⁶¹

4. *State Government of Maharashtra Subsidies for Mega Projects under the Package Scheme of Incentives- Sales Tax/VAT Deferral/Exemption*

This program defers sales tax (*i.e.*, VAT) payments for 14 years and then permits eligible companies to pay the sales tax in five equal annual installments. Alternatively, the deferred sales tax may be paid at an earlier date on an NPV basis.⁶²

We preliminarily determine that the tax savings to the company under this program provide a financial contribution in the form of revenue foregone within the meaning of section 771(5)(D)(ii) of the Act, and that the program is specific within the meaning of section 771(5A)(D)(iv) of the Act because it is limited only to those companies investing in a specified developing area (*i.e.*, certain underdeveloped regions in Maharashtra).⁶³ JSWSL stated that it is currently receiving benefits under the Package Scheme of Incentives and that it received benefits during the POI specifically via this program.⁶⁴ Thus, we preliminarily find that JSWSL received a benefit within the meaning of section 771(5)(E) of the Act in the amount of JSWSL's tax savings under this program.

To calculate the subsidy rate, we divided the 2014 amount received by JSWSL by the total POI sales of JSWSL and JSCPL. On this basis, we preliminarily determine a countervailable subsidy of 0.87 percent *ad valorem* for JSWSL.⁶⁵

B. Programs Preliminarily Determined to Have Provided No Benefit During the POI

1. *Pre- and Post-Shipment Export Financing*

JSWSL and JSCPL reported that 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.⁶⁶ The financing was denominated in rupees and in foreign currencies.⁶⁷

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.⁶⁸

⁶⁰ See JSWSL-IQR at 43-44 and Exhibit 24; *see also* JSWSL-3SQR at 17-20 and Exhibit 57.

⁶¹ See Preliminary Calculation Memorandum.

⁶² See GOI-1SQR at Annexure N.

⁶³ *Id.*

⁶⁴ See JSWSL-IQR at 51-55.

⁶⁵ See Preliminary Calculation Memorandum.

⁶⁶ See JSWSL-IQR at 27-33 and Exhibit 17.

⁶⁷ *Id.*

⁶⁸ See GOI-1SQR at Annexure J.

However, beginning on July 1, 2010, the RBI eliminated the interest rate cap and allowed participating commercial banks to set the interest rates for these export loans based on the bank's own operating and lending costs.⁶⁹ The RBI also instituted an interest subvention program for certain exporting sectors and companies, and for small and medium sized companies, valid up to March 31, 2014; however, JSWSL and JSCPL stated that neither company qualified for, or received financing through, the interest subvention program.⁷⁰ We preliminarily determine that rupee-denominated pre- and post- shipment 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 loans are specific under sections 771(5A)(A) and (B) of the Act because they are contingent upon export performance.⁷¹ However, because JSWSL, JSCPL, and ARCL did not use this benefit, we determine that the program was not used.⁷²

With respect to export financing denominated in foreign currencies, up to May 4, 2012, 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.⁷³ However, the government changed the manner in which the foreign currency-denominated export loan program operated and, effective May 5, 2012, banks were free to determine the interest rate on export loans provided in foreign currencies and now provide export credit to exporters at internationally competitive rates under the programs of "Pre-shipment Credit in Foreign Currency" and "Rediscounting of Export Bills Abroad."⁷⁴ As a result, we have previously found that the GOI terminated the foreign currency export financing program on May 5, 2012.⁷⁵

In *Shrimp from India*, the GOI supported its claim with a copy of the "Master Circular – Rupee/Foreign Currency Export Credit & Customer Service To Exporters," issued by RBI, which was also included as part of the GOI's and respondent's submissions in the instant investigation.⁷⁶ As explained below, 19 CFR 351.526(a) permits the Department to take account of program-wide changes in setting the countervailing duty deposit rate in certain circumstances. When a subsidy program is terminated, 19 CFR 351.526(d) requires that there be no residual benefits under the program and that, if a replacement program has been implemented, the benefits under the replacement program be calculable.

In *Shrimp from India*, as well as the instant investigation, information submitted by the GOI indicated that the maximum term for pre-shipment credits in foreign currencies was 360 days

⁶⁹ *Id.*

⁷⁰ *See* JSWSL-2SQR at 13.

⁷¹ *See* GOI-1SQR at Annexure J.

⁷² *See* JSWSL-2SQR at 13.

⁷³ *Id.*

⁷⁴ *Id.*

⁷⁵ *See Shrimp from India* and accompanying Issues and Decision Memorandum at "Export Financing Program" section.

⁷⁶ *Id.* *See also* GOI-1SQR at Annexure J and JSWSL-IQR at Exhibit 17.

prior to shipment, and the maximum term for post-shipment credits in foreign currencies was six months from the date of shipment.⁷⁷ Thus, the last day on which the respondents could have paid reduced interest on their foreign currency export financing was April 30, 2013 (360 days after May 5, 2012). Therefore, no residual benefits exist beyond that date. Moreover, the GOI has not implemented a replacement program.⁷⁸ Therefore, consistent with the Department's determination in *Shrimp from India*, we are determining that the respondents had no foreign currency denominated export loan benefit during the POI.

2. State Government of Maharashtra Sales Tax Program

In another CVD proceeding involving India, the Department found that certain states in India (including the state of Maharashtra) provide a package of incentives to encourage the development of certain regions within those states.⁷⁹ These incentives are provided to privately owned (as defined by the GOI to be not 100 percent government-owned) manufacturers in selected industries which are located in designated regions. One incentive is the exemption or deferral of state sales taxes. Specifically, under these state programs, companies are exempted from paying state sales taxes on purchases, and from collecting state sales taxes on sales.⁸⁰

JSCPL reported that it utilized this program, which provides a tax deferral of payable value added tax (VAT) and Central Sales Tax (CST) that is collected but not paid.⁸¹ These unpaid VAT and CST are deferred for a number of years after which the duty is required to be paid in five installments. However, a company using this program also may elect to make an early payment of the duty owed by paying the Net Present Value (NPV) of the liability that would accrue after the set number of years.⁸²

We preliminarily determine that this program constitutes a financial contribution, in the form of revenue foregone, and is regionally specific, under sections 771(5)(D)(ii) and 771(5A)(D)(iv) of the Act, respectively.⁸³

Because the tax deferrals that JSCPL received have to be repaid to the SGOM, we are treating the unpaid tax liability as an interest-free loan,⁸⁴ and thus find that JSCPL benefited from this program, pursuant to section 771(5)(E) of the Act. Accordingly, we find the benefit to be the interest that the respondent would have paid during the POI had it borrowed the full amount of the tax deferrals.⁸⁵ As noted above, the time period to repay the tax deferral is a certain number

⁷⁷ See *Shrimp from India* and accompanying Issues and Decision Memorandum at "Export Financing Program" Section; see also GOI-1SQR at Annexure J.

⁷⁸ See *Shrimp from India* and accompanying Issues and Decision Memorandum at "Export Financing Program" Section.

⁷⁹ See, e.g., *Final Results of Countervailing Duty Administrative Review: Polyethylene Terephthalate Film, Sheet, and Strip from India*, 71 FR 7534 (February 13, 2006) (2003 Review of PET Film from India), and accompanying Issues and Decision Memorandum (2003 Review of PET Film from India Decision Memorandum) at "State Sales Tax Incentives" section.

⁸⁰ *Id.*

⁸¹ See JSWSL-IQR at 39-41.

⁸² *Id.*

⁸³ See GOI-1SQR at Annexure N.

⁸⁴ See 19 CFR 351.505(d)(1).

⁸⁵ *Id.*

of years. 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 of repayment of the deferred taxes occurs at a point in time that is more than one year. As the benchmark interest rate, we used the long-term interest rates as discussed in the “Benchmarks and Discount Rates” section, above.⁸⁶ On this basis, we preliminarily determine that JSWSL received a benefit of less than 0.005 percent *ad valorem* and, thus, received no measureable benefit under this program.⁸⁷

3. *State Government of Maharashtra Waiving of Loan Interest by the State Industrial and Investment Corporation of Maharashtra Ltd (SICOM)*

The SGOM provides a package of incentives to encourage investments in new units and/or the expansion of existing production capacity located in specified underdeveloped areas in the state of Maharashtra, including the waiving of interest on loans from SICOM.⁸⁸ In prior investigations, the Department has determined that SICOM is a public entity and found that waived interest on “intercorporate deposits” was countervailable.⁸⁹ Specifically, the Department determined that a financial contribution was provided by SICOM, a public entity, pursuant to section 771(5)(D)(i) of the Act, in the amount of the waived interest.⁹⁰ The information on the record of this investigation also demonstrates that SICOM is a public entity, because the regulation governing the SGOM waiving of loan interest identifies SICOM as the implementing agency for the program.⁹¹

We preliminarily determine that the program constitutes a financial contribution pursuant to section 771(5)(D)(i) of the Act and that program is specific pursuant to section 771(5A)(D)(iv) of the Act, as it applies to certain industries and enterprises in certain less developed industrial regions in the State of Maharashtra.⁹² JSCPL reported benefiting from this program during the POI, within the meaning of section 771(5)(E) of the Act (*i.e.*, a benefit exists equal to the amount of the unpaid interest that SICOM waived).⁹³ Therefore, we find this program to be countervailable.

To calculate the countervailable subsidy, we find the benefit to be the interest that the respondent would have paid during the POI.⁹⁴ As the benchmark interest rate, we used the long-term interest rates as discussed in the “Benchmarks and Discount Rates” section, above. On this basis, we preliminarily determine that JSWSL received a benefit of less than 0.005 percent *ad valorem* and, thus, received no measureable benefit under this program.⁹⁵

⁸⁶ See the Preliminary Calculation Memorandum for further details.

⁸⁷ See Preliminary Calculation Memorandum.

⁸⁸ See GOI-1SQR at Annexure N; see also JSWSL-IQR at 39.

⁸⁹ 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) and accompanying Issues and Decision Memorandum.

⁹⁰ *Id.*

⁹¹ See JSWSL-IQR at Exhibit 26.

⁹² *Id.* at 45-49 and Exhibit 26.

⁹³ *Id.* at 45-49.

⁹⁴ See the Preliminary Calculation Memorandum for further details.

⁹⁵ *Id.*

C. Programs Preliminarily Determined Not to Be Used

The following programs were reported by the respondent as not used during the POI or the AUL.

Government of India Programs

1. Advance License Program (ALP)
2. Advance Authorization Program (AAP)
3. Duty Free Import Authorization Scheme (DFIA Scheme)
4. Subsidies for Export Oriented Units (EOUs)
 - a. Duty-Free Import of Goods, Including Capital Goods and Raw Materials
 - b. Reimbursements of Central Sales Tax Paid on Goods Manufactured in India
 - c. Duty Drawback on Fuel Procured from Domestic Oil Companies
 - d. Exemption from Payment of Central Excise Duty on Goods Manufactured in India and Procured from a Domestic Tariff Area
5. Market Development Assistance Scheme
6. Market Access Initiative
7. Focus Product Scheme
8. GOI Loan Guarantees
9. Status Certificate Program
10. Income Deduction Program (80-IB Tax Program)
11. Special Economic Zones (SEZ)
 - a. Duty-Free Importation of Capital Goods and Raw Materials, Components, Consumables, Intermediates, Spare Parts, and Packing Material
 - b. Exemption from Payment of Central Sales Tax on Purchases of Capital Goods and Raw Materials, Components, Consumables, Intermediates, Spare Parts, and Packing Material
 - c. Exemption from Electricity Duty and Cess on Electricity Supplied to a SEZ Unit
 - d. SEZ Income Tax Exemption
 - e. Service Tax Exemption
 - f. Exemption From Payment of Local Government Taxes and Duties, Such as Sales Tax and Stamp Duties
12. Steel Development Fund Loans (SDF)
13. Provision of Goods and Services for Less Than Adequate Remuneration
 - a. Provision of Captive Mining Rights for Iron Ore
 - b. Provision of Captive Mining Rights for Coal
 - c. Provision of High-Grade Iron Ore
 - d. Provision of Flat-Rolled Steel
14. Incremental Exports Incentivisation Scheme

State Government Programs

15. State Government of Andhra Pradesh Subsidy Programs
16. State Government of Gujarat Subsidy Programs
17. State Government of Maharashtra VAT Refunds under the Package Scheme of Incentives
18. State Government of Maharashtra Investment Subsidies
19. State Government of Maharashtra Infrastructure Assistance for Mega Projects
20. State Government of Maharashtra Other Subsidies under the Package Scheme of Incentives
21. State Government of Maharashtra Provision of Land for Less than Adequate Remuneration

IX. CALCULATION OF THE ALL-OTHERS RATE

Sections 703(d) and 705(c)(5)(A) of the Act state that for companies not investigated, we will determine an all-others rate by weighting the individual company subsidy rate of each of the companies investigated by each company's exports of subject merchandise to the United States. Because JSWSL was the only investigated company, we applied JSWSL's rate as the all-others rate.

X. 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 APO, without the written consent of the Assistant Secretary for Enforcement and Compliance.

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.

XI. 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.⁹⁶ Case briefs may be submitted to Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS) no later than seven days after the date on which the last verification report is issued in this proceeding and rebuttal briefs, limited to issues raised in the case briefs, may be submitted no later than five days after the deadline for case briefs.

⁹⁶ See 19 CFR 351.224(b).

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.⁹⁷ This summary should be limited to five pages total, including footnotes.

Interested parties who wish to request a hearing must do so in writing within 30 days after the publication of this preliminary determination in the *Federal Register*.⁹⁸ 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 ACCESS.⁹⁹ Electronically filed documents must be received successfully in their entirety by 5:00 p.m. Eastern Time, on the due dates established above.¹⁰⁰

XII. 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.

XIII. CONCLUSION

We recommend applying the above methodology for this preliminary determination.

✓ Agree Disagree

Paul Piquado
Paul Piquado
Assistant Secretary
for Enforcement and Compliance

15 DECEMBER 2015
(Date)

⁹⁷ See 19 CFR 351.309(c)(2) and (d)(2).

⁹⁸ See 19 CFR 351.310(c).

⁹⁹ See 19 CFR 351.303(b)(2)(i).

¹⁰⁰ See 19 CFR 351.303(b)(1).