



C-489-806  
Administrative Review  
POR: 1/1/2014 – 12/31/2014  
**Public Document**  
AD/CVD Office I: MK

August 3, 2016

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 Preliminary Results of Countervailing  
Duty 2014 Administrative Review of Pasta from Turkey

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## **I. Summary**

The Department of Commerce (the Department) is conducting an administrative review of the countervailing duty (CVD) order on pasta from Turkey. The period of review (POR) is January 1, 2014, through December 31, 2014. We preliminarily find that Bessan Makarna Gıda San. Ve Tic. A.Ş. received countervailable subsidies during the POR.

## **II. Background**

On July 24, 1996, we published the CVD *Order* on pasta from Turkey.<sup>1</sup> On July 1, 2015, we published a notice of “Opportunity to Request Administrative Review” for the CVD *Order*.<sup>2</sup> Subsequently, Bessan Makarna Gıda San. Ve Tic. A.Ş. (Bessan) requested an administrative review of itself.<sup>3</sup> In accordance with 19 CFR 351.221(c)(1)(i), we published a notice initiating the review on September 2, 2015.<sup>4</sup> On September 21, 2015, we released data we obtained from U.S. Customs and Border Protection (CBP) regarding entries of the subject merchandise from Turkey during the POR.

We issued the initial questionnaire to the Government of Turkey (GOT) and Bessan on October 26, 2015.<sup>5</sup> The GOT and Bessan timely responded to the initial questionnaire.<sup>6</sup> Subsequently,

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<sup>1</sup> See *Notice of Countervailing Duty Order: Certain Pasta From Turkey*, 61 FR 38546 (July 24, 1996) (*Order*).

<sup>2</sup> See *Antidumping or Countervailing Duty Order, Finding, or Suspended Investigation: Opportunity To Request Administrative Review*, 80 FR 37583 (July 1, 2015).

<sup>3</sup> See Letter from Bessan, “Request for Administrative Review; Countervailing Duty Order Involving Certain Pasta from Turkey,” (July 31, 2015).

<sup>4</sup> See *Initiation of Antidumping and Countervailing Duty Administrative Reviews*, 80 FR 53106 (September 2, 2015).

<sup>5</sup> See Letter from the Department to the GOT and Bessan, “Administrative Review of the Countervailing Duty Order on Certain Pasta from Turkey: Initial Questionnaire” (October 26, 2015) (initial questionnaire).



we issued a supplemental questionnaire to the GOT<sup>7</sup> and two supplemental questionnaires to Bessan.<sup>8</sup> Both parties timely responded to the supplemental questionnaires.<sup>9</sup>

As explained in a memorandum placed on the record of this proceeding, the Department tolled its deadlines by four business days due to the closure of the Federal Government in January, 2016.<sup>10</sup> On March 23, 2016, we extended the deadline for the preliminary results of this administrative review from April 5, 2016 to August 3, 2016.<sup>11</sup>

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

### **III. Scope of the Order**

The scope of the order consists of certain non-egg dry pasta in packages of five pounds (or 2.27 kilograms) or less, whether or not enriched or fortified or containing milk or other optional ingredients such as chopped vegetables, vegetable purees, milk, gluten, diastases, vitamins, coloring and flavorings, and up to two percent egg white. The pasta covered by the order is typically sold in the retail market, in fiberboard or cardboard cartons or polyethylene or polypropylene bags, of varying dimensions.

Excluded from the scope of the order are refrigerated, frozen, or canned pastas, as well as all forms of egg pasta, with the exception of non-egg dry pasta containing up to two percent egg white.

The merchandise under review is currently classifiable under subheading 1902.19.20 of the Harmonized Tariff Schedule of the United States (HTSUS). Although the HTSUS subheading is provided for convenience and customs purposes, our written description of the scope of the order is dispositive.

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<sup>6</sup> See Letter from the GOT, “Response of the Government of Turkey in 2014 Countervailing Duty Administrative Review on Imports of Certain Pasta from the Republic of Turkey,” (December 15, 2015) (GQR); see Letter from Bessan, “Response of BESSAN to Section III “Affiliated Companies” for the CVD Administrative Review Involving Certain Pasta from Turkey,” (November 9, 2015), and see Letter from Bessan, “Response of BESSAN to Section III Questionnaire for the CVD Administrative Review Involving Certain Pasta from Turkey,” (December 16, 2015) (together, BQR).

<sup>7</sup> See Letter from the Department to the GOT, “Administrative Review of the Countervailing Duty Order on Certain Pasta from Turkey: Supplemental Questionnaire (April 13, 2016) (GSQ1).

<sup>8</sup> See Letter from the Department to Bessan, “Administrative Review of the Countervailing Duty Order on Certain Pasta from Turkey (January 1, 2014-December 31, 2014),” (February 5, 2016), and see Letter from the Department to the GOT, “Administrative Review of the Countervailing Duty Order on Certain Pasta from Turkey: Second Supplemental Questionnaire,” (April 13, 2016) (BSQ2).

<sup>9</sup> See Letter from the GOT, “Response of the Government of Turkey in 2014 Countervailing Duty Administrative Review on Imports of Certain Pasta from the Republic of Turkey,” (May 9, 2016) (GSQR1); see Letter from Bessan, “Response of BESSAN to Second Supplemental Questionnaire for the CVD Administrative Review Involving Certain Pasta from Turkey,” (April 27, 2016) (BSQR2).

<sup>10</sup> See Memorandum for the Record, from Ron Lorentzen, “Tolling of Administrative Deadlines as a Result of the Government Closure during Snowstorm “Jonas”,” dated January 27, 2016.

<sup>11</sup> See Memorandum to Gary Taverman, Associate Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations, “Certain Pasta from Turkey: Extension of Deadline for Preliminary Results of Countervailing Duty Administrative Review” (March 23, 2016).

## Rulings Relevant to Scope

To date, the Department issued the following rulings and determinations, among others, concerning the scope of the *Order*:

- (1) pasta in packages weighing (or labeled as weighing) up to and including five pounds, four ounces is within the scope; May 24, 1999, is excluded from the scope of the *Order*.<sup>12</sup>

## **IV. Subsidy Valuation Information**

### Allocation Period

Pursuant to 19 CFR 351.524(d)(2), we will presume the allocation period for non-recurring subsidies to be the AUL of renewable physical assets for the industry concerned, as listed in the Internal Revenue Service's (IRS) 1997 Class Life Asset Depreciation Range System, as updated by the Department of the Treasury. The presumption will apply unless a party claims and establishes that the IRS tables do not reasonably reflect the company-specific AUL or the country-wide AUL for the industry under examination and that the difference between the company-specific and/or country-wide AUL and the AUL from the IRS tables is significant. The AUL period in this proceeding, as described in 19 CFR 351.524(d)(2), is 12 years, per the IRS Tables at Table B-2: Table of Class Lives and Recovery Periods.<sup>13</sup> No party in this proceeding has disputed this allocation period.

### Attribution of Subsidies

In accordance with 19 CFR 351.525(a), we calculated *ad valorem* subsidy rates by dividing the amount of the benefit allocated to the POR by the appropriate sales value during the same period. We have determined sales values on a free-on-board basis. In accordance with 19 CFR 351.525(b)(2), we attributed export subsidies only to products exported by a firm. In accordance with 19 CFR 351.525(b)(3), we have attributed domestic subsidies to all products sold by the firm, including products that were exported.

The Department's regulations at 19 CFR 351.525(b)(6)(i) state that the Department will normally attribute a subsidy to the products produced by the corporation that received the subsidy. However, 19 CFR 351.525(b)(6)(ii)-(v) directs the Department to attribute subsidies received by certain other companies to the combined sales of those companies if (1) cross-ownership exists between the companies, and (2) the cross-owned companies produce the subject merchandise, are a holding or parent company of the subject company, produce an input that is primarily dedicated to the production of the downstream product, or transfer a subsidy to a cross-owned company.

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<sup>12</sup> See Certain Pasta From Turkey: Final Results of Countervailing Duty Administrative Review, 66 FR 64398 (December 13, 2001.)

<sup>13</sup> See U.S. Internal Revenue Service Publication 946 (2008), "How to Depreciate Property," at Table B-2: Table of Class Lives and Recovery Periods.

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:

{T}he 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 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.<sup>14</sup>

Thus, the agency must look at the facts presented in each case in determining whether cross-ownership exists. The U.S. Court of International Trade 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.<sup>15</sup>

### Bessan

Bessan, a producer and exporter of subject merchandise during the POR, responded to the Department's initial questionnaire and supplemental questionnaires on its own behalf.<sup>16</sup> Bessan was not a respondent in the investigation or any previous administrative review.<sup>17</sup> Bessan was formed on July 9, 1994, and is located in Baspinar, Gaziantep, Turkey. Bessan is part of Besler Group Companies, which consists of different independent entities that are affiliated with each other through various family members as shareholders.<sup>18</sup> Bessan identified ten affiliated companies and stated that none of these companies produced subject merchandise, purchased subject merchandise from Bessan for export to the United States, or sold inputs to Bessan during the POR.<sup>19</sup> Based on the record information, we find that cross-ownership does not exist, in

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<sup>14</sup> See *Countervailing Duties; Final Rule*, 63 FR 65348, 65401 (November 25, 1998).

<sup>15</sup> See *Fabrique de Fer de Charleroi, SA v. United States*, 166 F. Supp. 2d 593, 600-604 (Ct. Int'l Trade 2001).

<sup>16</sup> See Letter from Bessan, "Response of BESSAN to Section III "Affiliated Companies" for the CVD Administrative Review Involving Certain Pasta from Turkey," (November 9, 2015)(BQR-A) at 2 and Exhibit A-1; see letter from Bessan, "Response from BESSAN to Supplemental Questionnaire for the CVD Administrative Review Involving Certain Pasta from Turkey," (February 29, 2016) (BSQR1) at 1 – 10; see letter from BESSAN, "Response from BESSAN to Second Supplemental Questionnaire for the CVD Administrative Review Involving Certain Pasta from Turkey," (April 27, 2016)(BSQR2) at 1 and Exhibits A-1, S-1, S-2, S-3, S-4, S-5, S-7, S-8, S-9a, S-9b, S-10, and S-11.

<sup>17</sup> See BQR-B at 5.

<sup>18</sup> See Letter from Bessan, "Response of BESSAN to Section III Questionnaire for the CVD Administrative Review Involving Certain Pasta from Turkey," (December 16, 2015) (BQR-B) at 2 and 5.

<sup>19</sup> See BQR-A at 2 -3.

accordance with 19 CFR 351.525(B)(6)(vi), between or among Bessan and its ten affiliates, such that we would attribute subsidies received by the cross-owned companies to Bessan under 19 CFR 351.525(6)(ii). Therefore, we are attributing subsidies received by Bessan to its own sales, in accordance with 19 CFR 351.525(b)(6)(i).

## **V. Analysis of Programs**

Based on the responses to our questionnaires, we preliminarily determine the following:

### **A. Programs Preliminarily Determined To Be Countervailable**

#### *1. Export Subsidy Program for Agricultural Products*

Bessan reported that, during the POR, it received grants under the Export Subsidy Program for Agricultural Products. Under this program, the GOT issues disbursements to companies based on the exportation of certain agricultural products, including pasta, flowers, vegetables, fruit, olive oil, meats, and chocolates. Articles 4 and 6 of Communiqué 2014/6 (Communiqué), issued by the Money-Credit and Coordination Council, specify the eligible products, terms of eligibility, and regulations in effect for this program during the POR.<sup>20</sup> According to the GOT, the legal basis of the Communiqué is the Council of Minister's Decree No. 94/ 6401.<sup>21</sup> The program is administered by the Ministry of Economy, General Directorate of Export.<sup>22</sup>

Companies wishing to take advantage of this program must apply through the applicable exporter's union. Once the company's application is accepted, an account is opened for the exporter at the Central Bank of the Republic of Turkey. A table provided in the Communiqué enumerates the particular products for export (and tariff numbers) for which the exporter is eligible for benefits, and specifies the various levels of benefit depending on the product, calculated on an *ad valorem* basis and subject to threshold and maximum amounts.<sup>23</sup> For each ton of eligible product exported, the GOT credits the exporter's account with a disbursement of funds according to the formula provided in the Communiqué. The formulas for disbursement vary by product; for example, on exports of pasta, an exporter will receive a disbursement calculated at 120 Turkish lira (TL) per ton; for exports of olive oil, the disbursement is calculated at 50 TL per ton.<sup>24</sup>

An exporter may only use the offset amounts credited to its account to offset the company's obligations to the GOT.<sup>25</sup> Pursuant to Article 6 of the Communiqué, these obligations include taxes, tax penalties, Social Security Institute payments, communication fees (fixed phone lines, telefax, etc.), energy costs (electricity and natural gas), debts to the Savings Deposits Insurance Fund, and other debts to the government.<sup>26</sup>

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<sup>20</sup> See GQR at II-8 and Exhibit 6.

<sup>21</sup> See GQR at Exhibit 4.

<sup>22</sup> *Id.*

<sup>23</sup> *Id.* at Exhibit 5b.

<sup>24</sup> See GQR at Exhibit 5b.

<sup>25</sup> *Id.*

<sup>26</sup> See GQR at II-8 and Exhibit 6.

This program was previously found countervailable in *Pasta from Turkey 2010 AR*.<sup>27</sup> The GOT reported that no changes have been made to the program, nor has the program been replaced with a successor program, since the prior administrative review.<sup>28</sup> The GOT also provided the relevant laws for our review.<sup>29</sup> Because there is no new information or evidence of changed circumstances that warrant reconsideration of this finding, we continue to find this program countervailable.

The grants provided under this program are contingent on export performance and, therefore, are specific under section 771(5A)(A) and (B) of the Act. We also determine that this program constitutes a financial contribution in the form of direct transfer of funds from the government within the meaning of section 771(5)(D)(i) of the Act. Participating companies receive a benefit within the meaning of section 771(5)(E) of the Act from the GOT in the amount of the grant.

Because an exporter accepted into this program can expect to receive payments in its account on an ongoing basis from year to year, *i.e.*, with each export of eligible products, we are treating the benefits under this program as recurring, in accordance with 19 CFR 351.524(c).<sup>30</sup> To calculate the countervailable subsidy rate, we summed all of the grants received by Bessan on its exports during the POR. We divided this total by the value of Bessan's exports during the POR. On this basis, we preliminarily determine the countervailable subsidy rate of 2.11 percent *ad valorem* for Bessan.<sup>31</sup>

## 2. Investment Encouragement Program (IEP): Customs Duty and VAT Exemptions

Bessan reported receiving benefits under the Investment Encouragement Program (IEP) during the POR and other years during the AUL period.<sup>32</sup> Pursuant to the Council of Ministers' Decree No. 2012/3305 (in force since June 15, 2012), which replaced Decision No. 2009/15199, and as administered by the Ministry of Economy,<sup>33</sup> producers who receive "Investment Encouragement Certificates" are eligible for certain benefit programs as specified on each certificate. A company may have more than one certificate depending on the number of investment projects. Applicants provide a description of the investment project, a feasibility study, a list of the machinery and equipment that the company plans to buy in connection with the project, etc. In order to receive a certificate, the company must commit to a certain level of investment and deposit a certain amount of money with the GOT.<sup>34</sup>

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<sup>27</sup> See *Certain Pasta from Turkey: Preliminary Results of Countervailing Duty 2010 Administrative Review*, 77 FR 46386 (August 3, 2012) (*Pasta from Turkey 2010 AR*) (unchanged in *Certain Pasta From Turkey: Final Results of Countervailing Duty Administrative Review*; 2010, 77 FR 69792 (November 21, 2012) (*Final Results of Review 2010*)).

<sup>28</sup> See GQR at II-12.

<sup>29</sup> See GQR at Exhibit 6.

<sup>30</sup> See *Pasta from Turkey 2010 AR*.

<sup>31</sup> See Memorandum to the File, "Preliminary Calculation Memorandum for Bessan Makarna Gıda San. Ve Tic. A.Ş.," dated concurrently with this memorandum (Bessan Calculation Memorandum).

<sup>32</sup> See BQR-B at 14-15.

<sup>33</sup> See GQR at Exhibit 7b.

<sup>34</sup> See BQR-B at 14-15, and Exhibit 10.

<sup>34</sup> See GQR at II-17.

<sup>34</sup> *Id.*

Under this program, Turkish provinces are divided into six regions, with varying investment thresholds and program benefits. These thresholds and benefits apply to applicants based on the location of individual applicants (*i.e.*, in one of the six regions). Once an applicant meets the investment requirement applicable to its location, it may apply for an Investment Incentive Certificate. If such a certificate is obtained by the applicant, it may be entitled to a full rebate of VAT and import duties on machinery and equipment, among other potential benefits.<sup>35</sup>

The GOT provides Investment Incentive Certificates under several categories: “Regional,” “Large Investments,” “Strategic Investments,” and “General.” Bessan’s certificate indicates that it was granted under the “General” category. Companies seeking an Investment Incentive Certificate under the “General” category are required to meet a minimum investment threshold that varies depending on the region in which the applicant is located. In Regions 1 and 2, the minimum is TL one million; in regions 3 through 6, the minimum is TL 500,000.<sup>36</sup> Under the other four categories, there are varying investment and other eligibility requirements. Bessan reported that it received certificates under this program after 2009, pursuant to which it was granted exemptions of VAT and import duties on imports of equipment.<sup>37</sup>

This program, previously known as the General Investment Encouragement Program (GIEP), was found countervailable in the *Pasta from Turkey Investigation* and the *Pasta from Turkey 1999 AR*.<sup>38</sup> This program was found specific because receipt of the rebates was contingent upon the use of domestically produced goods.<sup>39</sup> In June 2012, this program was replaced with Decree No. 2012/3305, which removed the requirement that goods be produced domestically. Subsequently, in *OCTG from Turkey*, the Department found this program specific to certain enterprises in certain geographic regions due to the different investment requirements and the availability of differing benefits based on the region in which the company is located, within the meaning of sections 771(5A)(D)(i) and (iv) of the Act and, thus, countervailable.<sup>40</sup> There is no new information on the record that warrants reconsidering the countervailability of this program. Accordingly, we continue to find that this program is specific based on the eligibility requirements that include investment thresholds that vary based on company location. In exempting VAT and import duties, the program provides a financial contribution in the form of revenue forgone and a benefit in the amount of VAT and import duty savings, within the meaning of sections 771(5)(D)(ii) and 771(5)(E) of the Act, respectively.

Under its Investment Incentive Certificate, Bessan reported purchases of domestic and imported equipment with VAT and import duty exemptions in 2012, 2013, and during the POR.<sup>41</sup> We consider such benefits to be non-recurring, as provided in 19 CFR 351.524(b) and 351.524(c)(2)(iii), because they are tied to the company’s capital assets. To calculate the countervailable subsidy rate, we first conducted the “0.5 percent” test provided in 19 CFR

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<sup>35</sup> See GQR at II-17.

<sup>36</sup> See GQR at Exhibit 7b.

<sup>37</sup> See BQR-B at 14-15.

<sup>38</sup> See *Pasta from Turkey Investigation*, 61 FR 38546 (July 24, 1996) (*Pasta from Turkey Investigation*); and *Certain Pasta from Turkey: Final Results of Countervailing Duty 1999 Administrative Review*, 66 FR 64398 (December 13, 2001) (*Pasta from Turkey 1999 AR*).

<sup>39</sup> *Id.*

<sup>40</sup> See *Oil Country Tubular Goods from Turkey Investigation*, 79 FR 41964 (August 27, 2014) (*OCTG from Turkey*).

<sup>41</sup> *Id.* and Exhibits 10-12.

351.524(a)(2): for each year in which Bessan reported receiving benefits, we summed the benefits and divided them by Bessan's total sales for the year. Because none of the benefits Bessan received pass the "0.5 percent" test, all benefits are allocated to the year of receipt. Thus, for purposes of calculating the countervailable subsidy rate, we summed all of the benefits that Bessan received for purchases of equipment during the POR and divided this total by Bessan's total sales during the POR. On this basis, we preliminarily determine the countervailable subsidy rate of 0.10 percent *ad valorem* for Bessan.<sup>42</sup>

## **B. Programs Found to be Not Countervailable**

### *1. Banking and Insurance Transaction (BIST) Tax Exemption on Export-Related Loans*

Bessan reported receiving BIST tax exemptions on export-related loans during the POR.<sup>43</sup> The program was found countervailable in *Pasta from Turkey 1999 AR*;<sup>44</sup> however, the program was found not countervailable in *Wire Rod from Turkey 2002 AR*.<sup>45</sup> In *Wire Rod from Turkey 2002 AR*, the Department found that the BIST tax is an indirect tax that is exempted in relation to export transactions.<sup>46</sup> According to 19 CFR 351.517(a), "{i}n the case of the exemption or remission upon export of indirect taxes, a benefit exists to the extent that the Secretary determines that the amount remitted or exempted exceeds the amount levied with respect to the production and distribution of like products when sold for domestic consumption." In *Wire Rod from Turkey 2002*, we found that the exemption of the BIST tax did not exceed the amount levied with respect to the production and distribution of like products when sold for domestic consumption.<sup>47</sup> There is no new information or evidence on the record that warrants reconsideration of this finding. Accordingly, we preliminarily continue to find that this program is not countervailable.

### *2. Social Security and General Health Insurance Law No. 5510*

Bessan reported receiving a five percent reduction in its social security tax obligations under this program during the POR.<sup>48</sup> According to "Social Security and General Health Insurance Law" No. 5510, employers may deduct five percent of their share of social security payments, provided that they file all of their Social Security documents and pay all of their Social Security premiums on a timely basis and they have no debt or other outstanding obligations to the Social Security Administration.<sup>49</sup>

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<sup>42</sup> See Memorandum to the File, "Preliminary Calculation Memorandum for Bessan Makarna Gida San. Ve Tic. A.Ş.," dated concurrently with this memorandum (Bessan Calculation Memorandum).

<sup>43</sup> See BQR at 13.

<sup>44</sup> See *Pasta from Turkey 1999 AR*.

<sup>45</sup> *Id.*

<sup>46</sup> See Carbon and Certain Alloy Steel Wire Rod from Turkey: Final Results of Countervailing Duty 2002 Administrative Review, 67 FR 5976 (February 8, 2002) and the accompanying Issues and Decision Memorandum (*Wire Rod from Turkey 2002 AR*).

<sup>47</sup> See *Id.*

<sup>48</sup> See BQR at 20.

<sup>49</sup> See Decision Memorandum for Final Results of Countervailing Duty (CVD) 2011 Administrative Review: Circular Welded Carbon Steel Pipes and Tubes from Turkey (2013) at 19.



In *Pipe and Tube from Turkey, 2011 Review*, the Department found that this program is not countervailable because the eligibility criteria under the program do not give rise to a specific subsidy under section 771(5A) of the Act.<sup>50</sup> There is no new information or evidence on the record that would warrant reconsideration of this determination. Thus, we continue to find that this program is not countervailable.

### 3. *Employment Law No. 4857*

Bessan reported receiving a benefit under this program during the POR.<sup>51</sup> Under Law 4857, in effect since 2003, the GOT encourages companies to employ handicapped workers by exempting the employer's share of the insurance premium paid to the Undersecretariat of Treasury (Treasury) for the handicapped workers. Under Article 30 of Law 4857, most recently amended in May 2008, "employers in private businesses employing 50 or more employees are obliged to employ three percent handicapped and in public businesses four percent handicapped and two percent ex-convicts in jobs appropriate for their professions and physical and psychological status."<sup>52</sup>

The Department found this program to be not specific and, therefore, not countervailable in *Welded Carbon Steel Pipe from Turkey 2008 AR*.<sup>53</sup> There is no new information on the record that would warrant reconsideration of this determination. Thus, we continue to find that this program is not countervailable.

### C. **Program Preliminarily Determined Not to Confer a Measurable Benefit During the POR**

#### *Unemployment Insurance Law No. 4447*

Bessan reported receiving a very small amount of benefits during the POR under Unemployment Insurance Law No. 4447.<sup>54</sup> The program provides reductions in the employer's share of social security insurance premiums for certain workers, specifically men aged 18-29 and women over 18. Dividing the benefits Bessan received in 2014 by Bessan's total sales during 2014 yields a subsidy rate of less than 0.005 percent *ad valorem* during the POR. Under our practice, this level of benefits is considered to be not measurable and excluded from the net subsidy rate. Consequently, at this time, we are not making any determinations as to this program's countervailability.

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<sup>50</sup> See Circular Welded Carbon Steel Pipes and Tubes From Turkey: Notice of Court Decision Not in Harmony With Final Results of Countervailing Duty Administrative Review and Notice of Amended Final Results of Countervailing Duty Administrative Review; 2011, 80 FR 43709 (July 23, 2015) and accompanying Issues and Decision Memorandum (*Pipe and Tube from Turkey, 2011 Review*) at 19.

<sup>51</sup> See BQR at 21.

<sup>52</sup> See *Certain Welded Carbon Steel Standard Pipe from Turkey: Preliminary Results of Countervailing Duty 2008 Administrative Review* (2010) at 4, unchanged in *Certain Welded Carbon Steel Standard Pipe from Turkey: Final Results of Countervailing Duty Administrative Review*, 75 FR 44766 (July 29, 2010) and accompanying Issues and Dispute Memorandum (*Welded Carbon Steel Pipe from Turkey 2008 AR*).

<sup>53</sup> See *Welded Carbon Steel Pipe from Turkey 2008 AR*.

<sup>54</sup> See BQR at 21.

#### **D. Programs Preliminarily Determined To Have Been Not Used By Respondent**

We also preliminarily determine the following programs to have been not used by Bessan:

1. Pre-Shipment Export Credits
2. Deduction from Taxable Income for Export Revenue
3. Law 5084: Incentive for Employers' Share in Insurance Premium
4. Resource Utilization Support Fund Tax Exemption on Export-Related Loans
5. Incentive Premium on Domestically Obtained Goods
6. Resource Utilization Support Fund
7. Pasta Export Grants
8. Normal Foreign Currency Export Loans
9. Performance Foreign Currency Export Loans
10. Components of the General Incentives Program (GIP) Program:
  - a. Additional Refunds of VAT
  - b. Postponement of VAT on Imported Goods
  - c. Exemption from Certain Taxes, Duties, Fees (Other Tax Exemptions)
  - d. Payment of Certain Obligations of Firms Undertaking Large Investments
  - e. Subsidized Turkish Lira Credit Facilities
  - f. Land Allocation
  - g. Interest Spread Return Program
  - h. Energy Support
11. Exemption from Mass Housing Fund Levy (Duty Exemptions)
12. Direct Payments to Exporters of Wheat Products to Compensate for High Domestic Input Prices
13. Export Credit through Foreign Trade Corporate Companies Rediscount Credit Facility
14. Corporate Tax Deferral
15. Subsidized Credit for Proportion of Fixed Expenditures
16. Subsidized Credit in Foreign Currencies

**VI. Recommendation**

We recommend applying the above methodology for these preliminary results.

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Agree

\_\_\_\_\_  
Disagree

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Ronald K. Lorentzen  
Acting Assistant Secretary  
for Enforcement and Compliance

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(Date)