



C-489-819

Administrative Review
POR: 9/15/2014 - 12/31/2014
Public Document
OFIII: KJ, SMB

December 5, 2016

MEMORANDUM TO: Paul Piquado
Assistant Secretary
for Enforcement and Compliance

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

SUBJECT: Decision Memorandum for Preliminary Results of Countervailing
Duty 2014 Administrative Review of Steel Concrete Reinforcing
Bar from the Republic of Turkey

I. Summary

The Department of Commerce (the Department) is conducting an administrative review of the countervailing duty (CVD) order on steel concrete reinforcing bar (rebar) from the Republic of Turkey (Turkey). The period of review (POR) is September 15, 2014, through December 31, 2014. We preliminarily find that Icdas Celik Enerji Tersane ve Ulasim Sanayi A.S. (Icdas) and Kaptan Demir Celik Endustrisi ve Ticaret A.S. (Kaptan Demir) each received a *de minimis* net subsidy rate during the POR.¹

II. Background

On November 6, 2014, we published the CVD *Order* on rebar from Turkey.² On November 3, 2015, we published the notice of opportunity to request an administrative review of this order for the period September 15, 2014, through December 31, 2014.³ On November 30, 2015, the Rebar Trade Action Coalition (RTAC or Petitioner⁴) requested a review of 18 exporters/producers of subject merchandise.⁵ Also, on November 30, 2015, Colakoglu Metalurji A.S. (Colakoglu) and

¹ For Icdas, we preliminarily calculate a *de minimis* rate, which, when rounded to the hundredth place, is zero.

² See *Steel Concrete Reinforcing Bar from the Republic of Turkey: Countervailing Duty Order*, 79 FR 65926 (November 6, 2014) (*Order*).

³ See *Antidumping or Countervailing Duty Order, Finding, or Suspended Investigation; Opportunity to Request Administrative Review*, 80 FR 67706 (November 3, 2015).

⁴ The members of RTAC are Nucor Corporation, Gerdau Ameristeel US Inc., Commercial Metals Company, and Byer Steel Corporation.

⁵ See Letter from RTAC regarding “*Steel Concrete Reinforcing Bar from Turkey: Request for Administrative Review*,” dated November 30, 2015. See also Letter from RTAC regarding “*Steel Concrete Reinforcing Bar from Turkey: Clarification of Request for Administrative Review*,” dated December 21, 2015.



Icdas each filed a request for review with the Department.⁶ On January 7, 2016, we published the notice initiating a review of 19 producers/exporters of rebar from Turkey.⁷ In the *Initiation Notice*, we stated that we intended to select respondents based on entry data sourced from U.S. Customs and Border Protection (CBP).⁸ On January 20, 2016, RTAC timely filed new subsidy allegations.⁹ On January 27, 2016, we released the CBP data and requested comments from interested parties.¹⁰ No party submitted comments to the Department. On February 18, 2016, we selected as the mandatory respondents in this review Icdas and Kaptan Demir.¹¹

Though the assessment period covered by this review is September 15, 2014, through December 31, 2014, we are measuring subsidies for the period January 1, 2014, through December 31, 2014, as stated in the Department's initial questionnaire, which was issued on February 19, 2016.¹² We received timely responses to the initial questionnaire from the Government of Turkey (GOT), Icdas and its responding cross-owned affiliates (collectively, the Icdas Companies), and Kaptan Demir and its responding cross-owned affiliates (collectively, Kaptan Demir Companies).¹³ On March 18, 2016, we issued a questionnaire to the Icdas Companies and the Kaptan Demir Companies, respectively, regarding certain of their affiliated companies.¹⁴ On March 29, 2016, we initiated on the new subsidy allegations (NSA) and issued a NSA

⁶ See Letter from Colakoglu regarding "*Steel Concrete Reinforcing Bar from the Republic of Turkey*:" Colakoglu's Request for CVD Administrative Review," dated November 30, 2015, and Letter from Icdas regarding "*Steel Concrete Reinforcing Bar from the Republic of Turkey*:" Icdas' Request for CVD Administrative Review," dated November 30, 2015. Petitioner requested a review of Icdas. Colakoglu was not included in Petitioner's review request.

⁷ See *Initiation of Antidumping and Countervailing Duty Administrative Reviews*, 81 FR 736 (January 7, 2016) (*Initiation Notice*).

⁸ *Id.*

⁹ See Letter from RTAC regarding "New Subsidy Allegation," dated January 20, 2016. See also Letter from RTAC regarding "Supplemental Information in Support of New Subsidy Allegation," dated January 27, 2016.

¹⁰ See Department Memorandum regarding "Results of Customs and Border Protection Query Results," dated January 27, 2016.

¹¹ See Department Memorandum regarding "First Administrative Review of the Countervailing Duty Order on Steel Concrete Reinforcing Bar from Turkey: Respondent Selection," dated February 18, 2016.

¹² See Department Letter to the GOT regarding "Countervailing Duty Questionnaire," dated February 19, 2016 (Initial Questionnaire).

¹³ From the GOT, see Letter from the GOT regarding "Response of the Government of Turkey in the 2014 CVD Administrative Review of Steel Concrete Reinforcing Bar from Turkey," dated April 6, 2016 (GOT Initial Response). From the Icdas Companies, see Letter from the Icdas Companies regarding "Response to Section III of the CVD Questionnaire Identifying Affiliated Parties," dated March 4, 2016 (Icdas Companies Affiliated Parties Response); Letter from the Icdas Companies regarding "Response to Section III of the CVD Questionnaire," dated April 7, 2016 (Icdas Companies Primary Response); and Letter from the Icdas Companies regarding "Affiliated Companies Response to Section III of the CVD Questionnaire," dated April 15, 2016 (Icdas Companies Affiliates Primary Response). From the Kaptan Demir Companies, see Letter from the Kaptan Demir Companies regarding "Response to Section III of the CVD Questionnaire Identifying Affiliated Parties," dated March 11, 2016 (Kaptan Demir Companies Affiliated Parties Response); Letter from the Kaptan Demir Companies regarding "Response to Section III of the CVD Questionnaire," dated April 7, 2016 (Kaptan Demir Companies Primary Response); and Letter from the Kaptan Demir Companies regarding "Kaptan Affiliated Company's Response to Sec. III of the CVD Questionnaire," dated April 15, 2016 (Kaptan Demir Affiliates Primary Response).

¹⁴ See Department Letter to the Icdas Companies regarding "Questionnaire for Affiliated Companies," dated March 18, 2016 (Icdas Companies Affiliates Questionnaire); and Department Letter to the Kaptan Demir Companies regarding "Questionnaire for Affiliated Companies," dated March 18, 2016 (Kaptan Demir Companies Affiliates Questionnaire).

questionnaire to the parties.¹⁵ All parties timely responded to the NSA questionnaire.¹⁶ Subsequently, we issued several supplemental questionnaires to the GOT,¹⁷ the Icdas Companies,¹⁸ and the Kaptan Demir Companies.¹⁹ All parties timely responded to the supplemental questionnaires.²⁰

¹⁵ See Department Memorandum regarding “New Subsidy Allegations,” dated March 29, 2016 (NSA Memorandum), and Department Letter to the GOT, Icdas, and Kaptan Demir regarding “New Subsidies Questionnaire,” dated March 29, 2016 (NSA Questionnaire).

¹⁶ See Letter from the GOT regarding “Response of the Government of Turkey to the NSA Questionnaire in the 2014 CVD Administrative Review of Imports of Steel Concrete Reinforcing Bar from Turkey,” dated April 26, 2016 (GOT NSA Response); Letter from the Icdas Companies regarding “Response to NSA CVD Questionnaire,” dated April 26, 2016 (Icdas Companies NSA Response); and Letter from the Kaptan Demir Companies regarding “Response to NSA CVD Questionnaire,” dated April 21, 2016 (Kaptan Demir Companies NSA Response).

¹⁷ See Department Letter to the GOT regarding “First Supplemental Questionnaire,” dated May 24, 2016 (GOT First Supplemental Questionnaire); Department Letter to the GOT regarding “Second Supplemental Questionnaire,” dated August 11, 2016 (GOT Second Supplemental Questionnaire); and Department Letter to the GOT regarding “Third Supplemental Questionnaire,” dated September 6, 2016 (GOT Third Supplemental Questionnaire).

¹⁸ See Department Letter to the Icdas Companies regarding “Supplemental Questionnaire on Affiliated Companies,” dated March 8, 2016 (Icdas Companies Affiliates Supplemental Questionnaire); Department Letter to the Icdas Companies regarding “First Supplemental Questionnaire,” dated May 24, 2016 (Icdas Companies First Supplemental Questionnaire); Department Letter to the Icdas Companies regarding “Second Supplemental Questionnaire,” dated August 18, 2016 (Icdas Companies Second Supplemental Questionnaire); and Department Letter to the Icdas Companies regarding “Third Supplemental Questionnaire,” dated October 11, 2016 (Icdas Companies Third Supplemental Questionnaire).

¹⁹ See Department Letter to the Kaptan Demir Companies regarding “Supplemental Questionnaire on Affiliated Companies,” dated May 24, 2016 (Kaptan Demir Companies Affiliates Supplemental Questionnaire); Department Letter to the Kaptan Demir Companies regarding “First Supplemental Questionnaire,” dated May 24, 2016 (Kaptan Demir Companies First Supplemental Questionnaire); Department Letter to the Kaptan Demir Companies regarding “Second Supplemental Questionnaire,” dated June 6, 2016 (Kaptan Demir Companies Second Supplemental Questionnaire); Department Letter to the Kaptan Demir Companies regarding “Third Supplemental Questionnaire,” dated August 12, 2016 (Kaptan Demir Companies Third Supplemental Questionnaire); and Department Letter to the Kaptan Demir Companies regarding “Fourth Supplemental Questionnaire,” dated September 7, 2016 (Kaptan Demir Companies Fourth Supplemental Questionnaire).

²⁰ From the GOT, *see* Letter from the GOT regarding “First Supplemental Questionnaire Response of the Government of Turkey in 2014 CVD Administrative Review on Imports of Steel Concrete Reinforcing Bar from Turkey,” dated June 13, 2016 (GOT First Supplemental Response); Letter from the GOT regarding “Second Supplemental Questionnaire Response of the Government of Turkey in 2014 CVD Administrative Review on Imports of Steel Concrete Reinforcing Bar from Turkey,” dated September 1, 2016 (GOT Second Supplemental Response); and Letter from the GOT regarding “Third Supplemental Questionnaire Response of the Government of Turkey in 2014 CVD Administrative Review on Imports of Steel Concrete Reinforcing Bar from Turkey,” dated September 19, 2016 (GOT Third Supplemental Response). From the Icdas Companies, *see* Letter from the Icdas Companies regarding “Response to First Supplemental CVD Questionnaire,” dated June 13, 2016 (Icdas Companies First Supplemental Response); Letter from the Icdas Companies regarding “Response to Part VI of the First Supplemental CVD Questionnaire,” dated June 15, 2016 (Icdas Companies Part VI Response); Letter from the Icdas Companies regarding “Response to Second Supplemental Questionnaire,” dated September 8, 2016 (Icdas Companies Second Supplemental Response); and Letter from the Icdas Companies regarding “Response to Third Supplemental Questionnaire,” dated October 18, 2016 (Icdas Companies Third Supplemental Response). From the Kaptan Demir Companies, *see* Letter from the Kaptan Demir Companies regarding “Response to Supplemental CVD Questionnaire,” dated June 8, 2016 (Kaptan Demir Companies First Supplemental Response); Letter from the Kaptan Demir Companies regarding “Response to Supplemental CVD Questionnaire,” dated June 13, 2016 (Kaptan Demir Companies Second Supplemental Response); Letter from the Kaptan Demir Companies regarding “Kaptan’s Response to the Third Supplemental CVD Questionnaire,” dated August 29, 2016 (Kaptan Demir Companies Third Supplemental Response); and Letter from the Kaptan Demir Companies regarding “Kaptan’s Response to the Fourth Supplemental CVD Questionnaire,” dated September 15, 2016 (Kaptan Demir Companies Fourth Supplemental Response).

On April 6, 2016, Petitioner timely withdrew its request for review of the following six companies: Ege Celik Endustrisi Sanayi ve Ticaret A.S. (Ege Celik), Ekinciler Demir ve Celik Sanayi A.S. (Ekinciler Demir), Mettech Metalurji Madencilik Muhendislik Uretim Danismanlik ve Ticaret Limited Sirketi (Mettech), Asil Celik Sanayi ve Ticaret A.S. (Asil Celik),²¹ Duferco Celik Ticaret Limited (Duferco Celik), and DufEnergy Trading SA (formerly known as Duferco Investment Services SA) (DufEnergy).²² On April 22, 2016, we published a notice partially rescinding this administrative review for Ege Celik, Ekinciler Demir, Mettech, Asil Celik, Duferco Celik, and DufEnergy.²³

On August 10, 2016, we placed on the record of this review natural gas pricing data for calendar year 2014, which were obtained from Global Trade Information Services (GTIS).²⁴ Icdas and Kaptan Demir submitted international natural gas and lignite coal pricing data on August 24, 2016.²⁵ On November 7, 2016, Petitioner submitted benchmark pricing data for electricity, lignite, and natural gas.²⁶ On November 17, 2016, Icdas submitted comments on the Petitioner's factual submission.²⁷ Additionally, Petitioner filed pre-preliminary comments on November 21, 2016.²⁸ In response to Petitioner's filing, the Icdas Companies and the GOT filed rebuttal pre-preliminary comments on November 28, 2016, and December 2, 2016.²⁹

As explained in a memorandum placed on the record of this review, the Department tolled its deadlines by four business days due to the closure of the Federal Government in January, 2016.³⁰ On June 28, 2016, we extended the deadline for the preliminary results of this administrative review from August 5, 2016, to December 5, 2016.³¹

²¹ Also known as Asil Celik Sanayi ve Ticaret A S and/or Asil Celik Sanayi ve Ticaret AS. See *Initiation Notice*, 81 FR at 740.

²² See Letter from Petitioner regarding "*Steel Concrete Reinforcing Bar from the Republic of Turkey: Withdrawal of Requests for Administrative Review*," dated April 6, 2016.

²³ See *Steel Concrete Reinforcing Bar from the Republic of Turkey: Notice of Partial Rescission of Countervailing Duty Administrative Review, 2014*, 81 FR 23675 (April 22, 2016).

²⁴ See Department Memorandum regarding "Placing Natural Gas Price Data from GTIS on the Record," dated August 10, 2016.

²⁵ See Letter from the Icdas Companies and Kaptan Demir Companies regarding "Turkish Respondents' Submission of GTIS Data," dated August 24, 2016.

²⁶ See Letter from Petitioner regarding "*Steel Concrete Reinforcing Bar from the Republic of Turkey: Submission of Factual Information*," dated November 7, 2016.

²⁷ See Letter from Icdas regarding "Rebuttal Comments on Petitioner's Factual Submission Dated November 7, 2016," dated November 17, 2016.

²⁸ See Letter from Petitioner regarding "Pre-Preliminary Comments," dated November 21, 2016.

²⁹ See Letter from the Icdas Companies regarding "Rebuttal Comments on Petitioner's Pre-Preliminary Comments," dated November 28, 2016; and Letter from the GOT regarding "Government of Turkey's Views Regarding the Pre-Preliminary Comments of the Petitioner," dated December 2, 2016.

³⁰ See Department Memorandum from Ronald Lorentzen, Acting Assistant Secretary for Enforcement and Compliance, regarding "Tolling of Administrative Deadlines as a Result of the Government Closure during Snowstorm Jonas," dated January 27, 2016.

³¹ See Department Memorandum to Christian Marsh, Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations, regarding "*Steel Concrete Reinforcing Bar from Turkey: Extension of Deadline for Preliminary Results of Countervailing Duty Administrative Review*," dated June 28, 2016.

III. Scope of the Order

The merchandise subject to this order is steel concrete reinforcing bar imported in either straight length or coil form (rebar) regardless of metallurgy, length, diameter, or grade. The subject merchandise is classifiable in the Harmonized Tariff Schedule of the United States (HTSUS) primarily under item numbers 7213.10.0000, 7214.20.0000, and 7228.30.8010.

The subject merchandise may also enter under other HTSUS numbers including 7215.90.1000, 7215.90.5000, 7221.00.0015, 7221.00.0030, 7221.00.0045, 7222.11.0001, 7222.11.0057, 7222.11.0059, 7222.30.0001, 7227.20.0080, 7227.90.6085, 7228.20.1000, and 7228.60.6000. Specifically excluded are plain rounds (*i.e.*, non-deformed or smooth rebar). Also excluded from the scope is deformed steel wire meeting ASTM A1064/A1064M with no bar markings (*e.g.*, mill mark, size, or grade) and without being subject to an elongation test. HTSUS numbers are provided for convenience and customs purposes; however, the written description of the scope remains dispositive.

IV. Subsidies Valuation Information

A. Allocation Period

The Department normally allocates the benefits from non-recurring subsidies over the average useful life (AUL) of renewable physical assets used in the production of subject merchandise. The AUL in this proceeding is 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.³² No party in this review disputed the allocation period.

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), based on the nature of the program, 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. Based on this test, we did not allocate any benefits over the AUL in the instant review.

B. Cross-Ownership

In accordance with 19 CFR 351.525(b)(6)(i), the Department will normally attribute a subsidy to the products produced by the company that received the subsidy. However, 19 CFR 351.525(b)(6)(ii)-(v) directs that the Department will 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

³² See *Steel Concrete Reinforcing Bar from the Republic of Turkey: Final Affirmative Countervailing Duty Determination and Final Affirmative Critical Circumstances Determination*, 79 FR 54963 (September 15, 2014) (*Rebar from Turkey Final Determination*), and accompanying Issues and Decision Memorandum (IDM) at "Allocation Period."

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.

In accordance with 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.³³

Thus, the Department's regulations make clear that the agency must look at the facts presented in each case to determine whether cross-ownership exists. The U.S. Court of International Trade (CIT) has upheld the Department's authority to attribute subsidies based on whether a company could use or direct the subsidy benefits of another company in essentially the same way it could use its own subsidy benefits.³⁴

1. Icdas

Icdas is a privately owned corporation and parent company of a group of companies whose operations include steel manufacturing, steel trading, ocean and inland transportation, vessel services, freight brokerage, insurance, electricity generation, electricity trading, and travel, catering, and accommodation services.³⁵ Within the group, Icdas is the only manufacturer of the subject rebar and the sole exporter of rebar to the United States.³⁶ In this review, Icdas responded on behalf of itself and the following affiliates: Icdas Elektrik Enerjisi Uretim Yatirim A.S. (Icdas Elektrik) (electricity generation company), Icdas Elektrik Enerjisi Toptan Satış İthalat (Icdas Toptan) (electricity trading company), Artmak Denizcilik Ticaret ve Sanayi A.Ş. (Artmak) (transportation company and raw material supplier), and Artim Demir İnşaat Turizm Sanayi ve Ticaret Ltd. Sti (Artim Demir) (domestic steel trader and raw material supplier).³⁷

³³ See *Countervailing Duties, Final Rule*, 63 FR 65348, 65401 (November 25, 1998) (*Preamble*).

³⁴ See *Fabrique de Fer de Charleroi, SA v. United States*, 166 F. Supp. 2d 593, 600-604 (CIT 2001).

³⁵ See Icdas Companies Primary Response at 3-7.

³⁶ *Id.*, at 7 and 9.

³⁷ See Icdas Companies Primary Response; Icdas Companies Affiliates Primary Response; Icdas Companies NSA Response; and Icdas Companies First Supplemental Response.

Icdas and the above-named affiliates have common family ownership, corporate officers, and interlocking directorates.³⁸ Consistent with our analysis in the *Rebar from Turkey Final Determination*, we preliminarily find that Icdas and its affiliates are cross-owned within the meaning of 19 CFR 351.525(b)(6)(vi) through common family ownership and control.³⁹ Though there is cross-ownership, we preliminarily find no record evidence indicating that Icdas Elektrik, Icdas Toptan, Artmak, and Artim Demir benefitted from countervailable subsidies either during the POR or over the AUL. Consequently, there are no attributed benefits from these companies included in our subsidy analysis for Icdas.

Concerning the other Icdas-affiliated companies, which are involved in domestic market sales, port loading and handling services, transportation and accommodation services, vessel services, insurance, freight brokerage, and travel and catering services,⁴⁰ we preliminarily find that these companies do not meet any of the conditions of 19 CFR 351.525(b)(6)(ii)-(v). Therefore, these companies are not included in our subsidy analysis.

2. Kaptan Demir

Kaptan Demir is the parent company of a group of companies involved in steel, shipping, port operations, and energy.⁴¹ Kaptan Demir was established by the Çebi family in 1964, and the company and its affiliates are all privately owned.⁴² In this review, Kaptan Demir responded on behalf of itself and the following affiliates: Kaptan Metal Dış Ticaret ve Nakliyat A.Ş. (Kaptan Metal) (export trading and transportation company), and Kaptan İş Makinaları Hurda Alım Satım Ltd. Şti. (Kaptan Is Makinalari) (scrap metal trading company) (collectively, the Kaptan Demir Companies).⁴³

Kaptan Demir produced subject merchandise at two steel mills in Marmara Eregli (Eregli mill) and Corlu (Corlu mill) in Turkey's Tekirdağ province.⁴⁴ All sales of subject merchandise to the U.S. were exported directly by either Kaptan Demir or Kaptan Metal.⁴⁵

Kaptan Demir and the above-named affiliates have common family ownership, corporate officers, and boards of directors.⁴⁶ Consistent with our analysis in the *Rebar Investigation*, we preliminarily find that Kaptan Demir and its affiliates are cross-owned within the meaning of 19 CFR 351.525(b)(6)(vi) through common family ownership and control. Though there is cross-ownership, we preliminarily find no record evidence indicating that Kaptan Is Makinalari benefitted from countervailable subsidies either during the POR or over the AUL. Consequently,

³⁸ See Icdas Companies Primary Response at 6.

³⁹ See *Steel Concrete Reinforcing Bar from the Republic of Turkey: Final Affirmative Countervailing Duty Determination Final Affirmative Critical Circumstances Determination*, 79 FR 54963 (September 15, 2014) (*Rebar from Turkey Final Determination*), and accompanying Issues and Decision Memorandum (IDM) at 6.

⁴⁰ See Icdas Companies Primary Response at 4-5.

⁴¹ See Kaptan Demir Companies Primary Response at 12.

⁴² *Id.*, at 9 and 12.

⁴³ *Id.*, at 7 and Exhibit CVD-1. See also Kaptan Demir Affiliates Primary Response at 1.

⁴⁴ See Kaptan Demir Companies Primary Response at 8.

⁴⁵ *Id.*

⁴⁶ *Id.*, at Exhibits CVD-1, CVD-2, and CVD-6. See also Kaptan Demir Companies Second Supplemental Response at 2.

there are no attributed benefits from these companies included in our subsidy analysis for Kaptan Demir.

Concerning the other Kaptan Demir-affiliated companies, which are involved in shipping, port operations, energy, storage, construction, recycling, trading, and journalism,⁴⁷ we preliminarily find that these companies do not meet any of the conditions of 19 CFR 351.525(b)(6)(ii)-(v). Therefore, these companies are not included in our subsidy analysis.

Additionally, record evidence indicates that Kaptan Demir is the majority owner of Çebi Enerji Elektrik Üretimi A.Ş. (Cebi Enerji), an electric power generation company.⁴⁸ The record also indicates that Cebi Enerji did not provide Kaptan Demir with electricity or any other input that was primarily dedicated to the production of subject merchandise.⁴⁹ Thus, despite the fact that Kaptan Demir is the majority owner of Cebi Enerji, we preliminarily determine that Cebi Enerji does not meet any of the attribution criteria enumerated under 351.525(b)(6)(ii)-(v). Therefore, we have not included Cebi Enerji in the subsidy analysis for Kaptan Demir.

C. Denominators

In accordance with 19 CFR 351.525(b)(1)-(5), the Department considers the basis for a respondent's receipt of benefits under each program when attributing subsidies, *e.g.*, to the respondent's export sales (where the program is determined to be countervailable as an export subsidy) or total sales (where the program is determined to be countervailable as a domestic subsidy). In the "Analysis of Programs – Program Preliminarily Determined To Be Countervailable" section below, we describe the denominator used to calculate the countervailable subsidy rates.

D. Loan Benchmarks and Discount Rates

1. Benchmarks for Short-Term Financing

We are examining export financing provided by the GOT. To determine whether government-provided loans confer a benefit, we use, where possible, company-specific interest rates for comparable commercial loans.⁵⁰ When loans are denominated in a foreign currency, 19 CFR 351.505(a)(2)(i) directs us to use a benchmark denominated in the same foreign currency as the loan. As discussed below at "Rediscount Program," Icdas and Kaptan Demir reported that they paid interest against rediscount export loans, which were outstanding during the POR. Each respondent submitted the weighted-average interest rate that it paid on comparable short-term, US dollar (USD) commercial loans during the POR. As such, we used the weighted-average interest rate that Icdas and Kaptan Demir provided for comparable short-term USD loans as the benchmark to calculate the benefit each company received under the Rediscount Program, in accordance with 19 CFR 351.505(a)(2)(ii).

⁴⁷ See Kaptan Demir Companies Primary Response at Exhibit CVD-1.

⁴⁸ See Kaptan Demir Companies Affiliated Parties Response at Exhibit 2.

⁴⁹ See Kaptan Demir Companies Primary Response at 11-13, 20, and CVD-1. See also Kaptan Demir Companies Affiliated Parties Response at 4 and Exhibit 1.

⁵⁰ See 19 CFR 351.505(a)(2)(ii).

V. Analysis of Programs

Based on our analysis and the responses to our questionnaires, we preliminarily find the following:

A. **Program Preliminarily Determined To Be Countervailable**

1. Rediscount Program

Icdas and Kaptan Demir reported that they paid interest on rediscount export loans, which were outstanding during the POR.⁵¹ This loan program is administered by the Export Credit Bank of Turkey (Turk Eximbank) and provides financial support to Turkish exporters, manufacturer-exporters, and manufacturers supplying exporters.⁵² Under this program the Turk Eximbank provides pre-shipment financing through intermediary commercial banks in foreign currency or Turkish Lira, and requires collateral from the borrower in the form of promissory notes/bonds payable to Turk Eximbank.⁵³

The Department found this export loan program to be countervailable in the *Rebar from Turkey Final Determination*.⁵⁴ In this review, the GOT reported that there were no changes affecting the countervailability of the program during the POR.⁵⁵ We therefore continue to find that this export loan program confers a countervailable subsidy within the meaning of section 771(5) of the Act. The loans constitute a financial contribution in the form of a direct transfer of funds from the GOT under 771(5)(D)(i) of the Act. The program is also specific in accordance with section 771(5A)(B) of the Act because receipt of the loans is contingent upon export performance.

A benefit exists under section 771(5)(E)(ii) of the Act and 19 CFR 351.505(a)(1) equal to the difference between the amount of interest the company would have paid on comparable commercial loans and the amount of interest the company paid on the rediscount loans during the POR. Because a borrower pays the interest due upfront when the loan is received, to compute the benefit, we applied a discounted benchmark interest rate calculated using each respondent's short-term weighted-average commercial USD interest rate, as discussed above at "Benchmarks for Short-Term Financing." For each respondent, we summed the benefits from the loans and from that amount, in accordance with section 771(6)(A) of the Act, subtracted the fees that each respondent paid for guarantees required for receipt of the loans. We then divided the adjusted benefit amount for each respondent by its total export sales (fob) for 2014. On this basis, we preliminarily calculate a net countervailable subsidy rate of 0.00 percent *ad valorem* for the Icdas⁵⁶ and 0.02 percent *ad valorem* for the Kapan Demir Companies, which is *de minimis*.⁵⁷

⁵¹ See Icdas Primary Response at 31. See also Kaptan Demir Companies Primary Response at 28.

⁵² See *Rebar from Turkey Final Determination*, and accompanying IDM at "Rediscount Program."

⁵³ *Id.*

⁵⁴ *Id.*

⁵⁵ See GOT Initial Response at 23-24.

⁵⁶ See Department Memorandum regarding "Preliminary Results Calculations for Icdas Celik Enerji Tersane ve Ulasim Sanayi A.S.," dated concurrently with this Preliminary Decision Memorandum (Icdas Preliminary Calculations).

⁵⁷ See Department Memorandum regarding "Preliminary Results Calculations for Kaptan Demir Celik Endustrisi ve

B. Programs Preliminarily Determined To Not Be Countervailable

1. Assistance to Offset Costs Related to AD/CVD Investigations

Icdas reported that it received financial assistance from the Turkish Steel Exporter's Association (TSEA) in 2014, to offset legal costs related to the Department's antidumping (AD) and CVD rebar investigations.⁵⁸ Both Icdas and the GOT stated that the TSEA is a non-profit business and trade association.⁵⁹ In response to our inquiry regarding TSEA's funding sources, the GOT reported that TSEA's income sources are: (1) Entrance Fee (*i.e.*, membership fee); (2) Yearly Contribution; (3) Proportional Payment (*i.e.*, a payment which is based on a percentage of exports made each year); and (4) Other Incomes (*i.e.*, other relative dues and proportional payments; income related to documents and certificates; rental income; and income from fixture sale).⁶⁰

We preliminarily find that there is no evidence on the record of a monetary contribution from the GOT to TSEA's financial accounts. We thus preliminarily determine that there is no financial contribution from the GOT to Icdas through the assistance that Icdas received from the TSEA. As such, we preliminarily conclude that assistance to offset costs related to AD/CVD investigations by the TSEA is not a countervailable subsidy under section 771(5) of the Act. Since we preliminarily find no financial contribution, we need not address specificity and benefit. Even if the assistance provided was specific and conferred a benefit, the Department would not find the program to be countervailable on the basis that there is no financial contribution.

2. Purchase of Electricity for More Than Adequate Remuneration (MTAR) - Sales on the Grid

We initiated on the new subsidy allegation that Turkish rebar producers, which are also power generators, receive subsidies from the GOT in the form of government purchases of electricity for MTAR.⁶¹ In its allegation, Petitioner alleged that the GOT pays above-market prices for the electricity that private power producers sell to the government-operated transmission grid pursuant to autoproducer or production licenses.⁶² The Icdas Companies reported that, during the POR, Icdas, Icdas Elektrik, and Icdas Toptan sold electricity through the Turkish Electricity Transmission Corporation (TEIAS), the government agency that operates the electricity grid.⁶³

Ticaret A.S.," dated concurrently with this Preliminary Decision Memorandum (Kaptan Demir Preliminary Calculations).

⁵⁸ See Icdas Companies Primary Response at 36; Icdas Companies Part VI Response at 14-16; and Icdas Companies Second Supplemental Response at 9-10.

⁵⁹ See Icdas Companies Part VI Response at 15; and GOT First Supplemental Response at 50-51.

⁶⁰ See GOT Second Supplemental Response at 6; and GOT Third Supplemental Response at 1-2.

⁶¹ See NSA Memorandum.

⁶² *Id.*, at 2-4.

⁶³ See Icdas Companies NSA Response at 1. Icdas and Icdas Elektrik both produce and sell electricity. Icdas Toptan is a trading company that has a supplier license and sells the electricity produced by the other group companies. *Id.* See also GOT NSA Response at 1.

The GOT and the Icdas Companies reported that power producers and suppliers sell electricity to unidentified third parties *via* the grid through the Day Ahead Market (DAM) and the Balancing Power Market (BPM).⁶⁴ Through its Market Financial Settlement Center (MFSC),⁶⁵ TEIAS handles the financial settlement of the transactions in the markets (*i.e.*, managing payment, invoicing, and other financial activities).⁶⁶ The MFSC operates the Market Management System (MMS), an online software system where market participants (*i.e.*, sellers and buyers) place offers and bids for the quantity of electricity they want to sell or buy on an hourly basis in both markets.⁶⁷ The MMS generates market prices based on competitive bidding among the parties.⁶⁸ The GOT and the Icdas Companies further explained that, at month's end, generation and consumption meters of all market participants are read and the results entered into the MMS. TEIAS then provides to each party a Settlement Notice that reports the amount of electricity that should be invoiced by each participant and the balances that should be paid by each participant.⁶⁹ Because none of the market participants know to whom they sold or from whom they purchased electricity, *i.e.*, parties either sell or buy from the pool,⁷⁰ TEIAS calculates the amount of receivables and payables to be accrued and prepares the related invoices.⁷¹ As such, TEIAS invoices the power producer for its payables, the power producer invoices TEIAS for its receivables, and TEIAS invoices the buyers.⁷² Payments of the electricity invoices by the parties are handled not by TEIAS or the MFSC, but by participating banks, which provide the cash exchange services.⁷³

We examined the *Balancing and Settlement Regulation (BSR)* and the *Electricity Market Law*, which explain the role and responsibility of TEIAS as the market and system operator.⁷⁴ Article 11(3) of the *BSR* states that the market operator “shall carry out the settlement transactions and calculate the amount of receivables and payables to be accrued for balancing mechanism and energy imbalances, and prepare the related receivable-payable notices.”⁷⁵ Article 9(a) of the *BSR* further states that the market operator “shall not incur any loss or profit due to these procedures executed on behalf of wholesale electricity market.”⁷⁶ We noted that TEIAS' 2014 Annual Report affirms that the credits and the debits to be accrued to the market participants within the scope of the balancing and settlement activities are carried out in accordance with the

⁶⁴ See GOT First Supplemental Response at 3-13; Icdas NSA Response at 1-4; Icdas First Supplemental Response at 11-22; and Icdas Second Supplemental Response at 3-8.

⁶⁵ MFSC operated under TEIAS until March 2015, when the Energy Markets Operating Corporation (EPIAS) and Energy Exchange Istanbul (EXIST) were established and assumed the financial settlement operations in the electricity market. See GOT NSA Response at 2; and Icdas NSA Response at 2.

⁶⁶ See GOT NSA Response at 3-6; GOT First Supplemental Response at 3-6; Icdas NSA Response at 1-4; Icdas First Supplemental Response at 11-22; and Icdas Second Supplemental Response at 3-8.

⁶⁷ See GOT First Supplemental Response at 7-8; Icdas NSA Response at 1-4; Icdas First Supplemental Response at 11-22; and Icdas Second Supplemental Response at 3-8.

⁶⁸ See GOT First Supplemental Response at 3-8; Icdas NSA Response at 1-4; Icdas First Supplemental Response at 11-22; and Icdas Second Supplemental Response at 3-8.

⁶⁹ See Icdas First Supplemental Response at 15.

⁷⁰ See Icdas Second Supplemental Response at 4-6.

⁷¹ See GOT NSA Response at Exhibit 2 (at Article 9(a) and Article 113(1)).

⁷² See GOT First Supplemental Response at 8; Icdas First Supplemental Response at 21-22; and Icdas Second Supplemental Response at 5.

⁷³ See GOT NSA Response at Exhibit 2 (at “Part Seven – Provisions Regarding Financial Matters”).

⁷⁴ *Id.*, at Exhibit 1 (*Electricity Market Law (Law No. 6446)*) and Exhibit 2 (*BSR*).

⁷⁵ *Id.*, at Exhibit 2 (*BSR*).

⁷⁶ *Id.*

BSR, where the amount of the total credits to be accrued to the market participants have to be equal to the amount of the total debts.⁷⁷ Thus, while TEIAS does collect transmission and system usage fees,⁷⁸ as stated under Turkish Law, TEIAS has otherwise no inflow or outflow of money with regard to the electricity purchase transactions between the sellers and buyers.⁷⁹ Therefore, as the GOT explained, TEIAS can neither purchase nor sell electricity.⁸⁰

On the basis of the record evidence, we preliminarily find that the electricity transmitted through the grid by the power producers is purchased not by TEIAS but, rather, by the buyers in the marketplace through the MFSC, which acts as a bridge between the sellers and the buyers. As stated under Turkish law, TEIAS' responsibilities are to transmit electricity, serve as the market clearing agent, and maintain market equilibrium, as specified in the *BSR*. Based on the record evidence, we find that TEIAS does not purchase or take title to the electricity being sold by power producers, but rather TEIAS transmits the electricity from the sellers to the buyers and handles the related financial reconciliation, which involves issuing invoices. The record indicates that power producers invoice TEIAS not because TEIAS purchased electricity from them, but because the sellers invoice the net amount to TEIAS based on the electricity consumption of unspecified buyers and, concurrently, the buyers receive an invoice from TEIAS on behalf of the sellers through the financial settlement process.⁸¹ Further as noted above, TEIAS can neither make losses nor earn profits from its activities and does not have cash flow, other than the collection of transmission fees and charges. As such, we preliminarily conclude that TEIAS' role is to manage and operate the electricity market to facilitate the buying and selling of electricity by market participants as outlined in the *BSR*. Thus, based on the evidence, we preliminarily determine that TEIAS' role in facilitating purchases of electricity on the grid does not constitute a government purchase of electricity for MTAR and, therefore, does not constitute a government financial contribution to power producers under section 771(5)(D)(iv) of the Act.

C. Program Preliminarily Determined To Not Be Countervailable For a Respondent

1. Provision of Natural Gas for Less Than Adequate Remuneration (LTAR)

In the *Rebar from Turkey Final Determination*, the Department examined whether the mandatory respondents received countervailable subsidies as a result of purchasing natural gas from Boru Hatlari Ile Petrol Tasima AS (BOTAS) for LTAR.⁸² In the investigation, the Department found BOTAS to be a government authority that provides a financial contribution within the meaning of section 771(5)(D)(iii) of the Act.⁸³ The Department also determined that the provision of natural gas by BOTAS was predominantly used by, and disproportionately benefited, the power

⁷⁷ See Icdas NSA Response at Exhibit 3 for TEIAS' 2014 Annual Report (page 137 at "Financial Issues in the Electricity Market Operation").

⁷⁸ See GOT First Supplemental Response at 8-9; and GOT NSA Response at Exhibit 1 for the *Electricity Market Law* (Law No. 6446) at Article 17, which lists the fees and charges to be paid by all system users.

⁷⁹ See GOT First Supplemental Response at 4, 6, and 8; and Icdas Second Supplemental Response at 5-6.

⁸⁰ See GOT NSA Response at 2.

⁸¹ See GOT First Supplemental Response at 8; Icdas First Supplemental Response at 21-22; and Icdas Second Supplemental Response at 5. See also GOT NSA Response at Exhibit 2 (*BSR* at Article 9(a) and Article 113(1)).

⁸² See *Rebar from Turkey Final Determination*, and accompanying IDM at 8.

⁸³ *Id.*

production sector and, thus, found the program to be *de facto* specific to the power production sector under sections 771 (5A)(D)(iii)(II) and (III) of the Act.⁸⁴ Accordingly, in the *Rebar from Turkey Final Determination*, the Department determined that sales of natural gas by BOTAS to Habas Sinai ve Tibbi Gazlar Istihsal Endustrisi A.S., a respondent firm that operated as a power producer during the period of investigation, conferred a countervailable benefit under section 771(5)(E)(iv) of the Act to the extent that the prices charged by BOTAS were less than the benchmark price.⁸⁵

During the POR of the instant review, Kaptan Demir purchased natural gas from BOTAS as well as from private natural gas companies.⁸⁶ Kaptan Demir purchased the natural gas acquired from BOTAS for its Ereğli mill, where natural gas-powered furnaces were used to reheat billets.⁸⁷ Kaptan Demir purchased natural gas from private companies for use in its Corlu mill, which used natural gas in a rolling mill billet reheater.⁸⁸ Additionally, Kaptan Demir reported that Cebi Enerji, an affiliate that is majority-owned by Kaptan Demir, purchased natural gas from BOTAS for use in its power generating facility.⁸⁹

Concerning Cebi Enerji, record evidence indicates that the company operated as a power generator during the POR.⁹⁰ However, as noted above in the “Cross-Ownership” section, because during the POR Cebi Enerji did not produce subject merchandise or supply an input to Kaptan Demir (*i.e.*, electricity) that was primarily dedicated to the production of subject merchandise, we preliminarily find that Cebi Enerji does not meet any of the attribution criteria enumerated under 19 CFR 351.525(b)(6)(ii)-(v). Therefore, we have not included the natural gas that Cebi Enerji purchased from BOTAS during the POR in our subsidy analysis.

With regard to Kaptan Demir, we preliminarily determine that it did not operate as a power generator during the POR but rather as an industrial consumer of natural gas. Thus, in light of this finding, we examined whether BOTAS sold natural gas to the industrial sector in a manner that was *de jure* or *de facto* specific.

We find that there is no evidence on the record indicating that BOTAS’ provision of natural gas is *de jure* specific to any enterprise of industry within the meaning of section 771(5A)(D)(i) of the Act. Thus, we next examined whether BOTAS’s provision of natural gas was *de facto* specific to the industrial sector under 771(5A)(D)(iii) of the Act. We have no evidence indicating that BOTAS restricts its sales of natural gas to a limited number of enterprises or industries within the meaning of section 771(5A)(D)(iii)(I) of the Act. Aggregate usage information from the GOT indicates that during the POR the power sector consumed 54 percent of BOTAS’ natural gas, followed by the residential sector at 22 percent, and the industrial sector at 21 percent.⁹¹ Even assuming *arguendo* that the “industrial sector” constitutes a discreet industrial group, we preliminarily determine that BOTAS’ the provision of natural gas was not

⁸⁴ *Id.*, at 8-9.

⁸⁵ *Id.*

⁸⁶ See Kaptan Demir Companies Primary Response at 19-20.

⁸⁷ *Id.*

⁸⁸ *Id.*

⁸⁹ *Id.*

⁹⁰ *Id.*, at 11-13, 20. See also Kaptan Demir Companies First Supplemental Response Exhibit S-5.

⁹¹ See GOT Initial Response at Exhibit 2 at 116.

predominantly used by and did not disproportionately benefit the industrial sector within the meaning of sections 771 (5A)(D)(iii)(II) and (III) of the Act. On this basis, we preliminarily determine that BOTAS' sales of natural gas to Kaptan Demir were not specific.

The Icdas Companies reported that they did not purchase any natural gas from BOTAS during the POR.⁹²

D. Program for Which Additional Information Is Required

1. Purchase of Electricity for MTAR – Sales to Public Buyers

The Icdas Companies reported that they sold electricity to public buyers during the POR.⁹³ We preliminarily determine that we require additional information regarding the direct sale of electricity to such entities. We intend to issue a supplemental questionnaire regarding the companies' electricity sales to public buyers and will issue a post-preliminary decision memorandum.

E. Programs Preliminarily Determined To Not Confer Countervailable Benefits

1. Reduction and Exemption of Licensing Fees for Renewable Resource Power Plants

In 2007, Icdas received a license fee exemption for its renewable energy sources production facility application.⁹⁴ We preliminarily find that the benefit received from that exemption was expensed in the year of receipt and did not provide a benefit to the Icdas Companies in the POR.⁹⁵

2. Investment Incentive Certificates

Icdas reported that it had several Investment Incentive Certificates during the POR, but that none of them was related to the subject merchandise.⁹⁶ At our request, Icdas provided a copy of each Investment Incentive Certificate.⁹⁷ The certificates indicate that, at the time of bestowal, they were tied to the production of and/or investment in non-subject merchandise.⁹⁸ We thus preliminarily find that any benefits received by Icdas under these certificates are tied to non-subject merchandise. We note that this approach is consistent with the Department's analysis of Investment Incentive Certificates in past cases.⁹⁹

⁹² See Icdas Companies Primary Response at 17-18; and Icdas Companies Affiliates Primary Response at 12-13.

⁹³ See Icdas Companies First Supplemental Response at Exhibit S1-19.

⁹⁴ *Id.*, at 36-37.

⁹⁵ See Icdas Preliminary Calculations.

⁹⁶ See Icdas Companies Part VI Response at 14.

⁹⁷ See Icdas Companies Second Supplemental Response at 10-11.

⁹⁸ *Id.*

⁹⁹ See, e.g., *Circular Welded Carbon Steel Pipes and Tubes from Turkey: Final Results of Countervailing Duty Administrative Review*, 77 FR 46713 (August 6, 2012), and accompanying IDM at "Investment Encouragement Program (IEP): Customs Duty Exemptions."

F. Programs Preliminary Determined To Not Be Used

1. Purchase of Electricity for MTAR – Sales *via* Build-Operate-Own (BOO), Build-Operate-Transfer (BOT), and Transfer of Operating Rights (TOR) Contracts

As noted above, we initiated on the new subsidy allegation that Turkish rebar producers, which are also power generators, receive subsidies from the GOT in the form of purchases of electricity for MTAR.¹⁰⁰ In its allegation, Petitioner alleged that the GOT pays above-market prices for the electricity that private power producers sell to the government pursuant to BOO, BOT, and TOR contracts.¹⁰¹

The GOT reported that the respondent companies did not have any BOO, BOT, or TOR contracts and, therefore, the GOT did not purchase electricity from the respondent companies under those schemes during the POR.¹⁰² The Icdas Companies and Kaptan Demir Companies also reported that they did not have any BOO, BOT, or TOR contracts with the GOT for the sale of electricity during the POR.¹⁰³ We thus preliminarily find that this aspect of the program was not used.

2. Provision of Lignite for LTAR

Icdas and Icdas Elektrik reported that, in the POR, they did not purchase lignite from Turkish Coal Enterprises (TKI), a state-owned enterprise, but rather from private domestic coal companies.¹⁰⁴ The Icdas Companies reported that none of them had a contract with TKI which covered the POR.¹⁰⁵ The GOT reported that none of the respondent companies under review purchased lignite from TKI either directly or through a supplier during the POR.¹⁰⁶ The Kaptan Demir Companies reported that they did not purchase lignite from TKI during the POR.¹⁰⁷

In the Department's first supplemental questionnaire to the GOT, we asked the GOT to respond with regard to the specific domestic companies from which the Icdas Companies purchased lignite.¹⁰⁸ The GOT responded that TKI did not sell lignite to the domestic coal companies at issue.¹⁰⁹ In the Department's second supplemental questionnaire to the GOT, we asked the GOT to explain how TKI concluded that it did not sell lignite to the domestic companies.¹¹⁰ The GOT responded that TKI maintains databases regarding its sales of lignite and that TKI queried those databases for the relevant companies.¹¹¹ The GOT stated that TKI also reviewed its sales

¹⁰⁰ See NSA Memorandum.

¹⁰¹ *Id.*, at 2-4.

¹⁰² See GOT NSA Response at 1.

¹⁰³ See Icdas Companies NSA Response at 1; and Kaptan Demir Companies NSA Response at 1-3, for the companies' response that they had no sales of electricity to the government during the POR.

¹⁰⁴ See Icdas Companies Primary Response at 27.

¹⁰⁵ See Icdas Companies Second Supplemental Response at 2-3.

¹⁰⁶ See GOT Initial Response at 20-21.

¹⁰⁷ See Kaptan Demir Companies Primary Response at 27.

¹⁰⁸ See GOT First Supplemental Questionnaire at 3.

¹⁰⁹ See GOT First Supplemental Response at 2-3.

¹¹⁰ See GOT Second Supplemental Questionnaire at 3.

¹¹¹ See GOT Second Supplemental Response at 1.

contracts, because TKI only sells to companies with which it has a signed contract.¹¹² Further, the GOT explained that TKI does not provide lignite to trading companies or coal suppliers.¹¹³ Based on its examination of the records, the GOT stated that TKI concluded that, during the POR, it did not sell lignite to the domestic companies which sold lignite to the Icdas Companies.¹¹⁴

On the basis of the foregoing record evidence, we preliminarily find that the Icdas Companies did not use the Provision of Lignite for LTAR program during the POR.

Regarding the following listed programs, both the Icdas Companies and the Kaptan Demir Companies reported non-use of the programs during the POR and AUL.

3. Purchase of Electricity Generated from Renewable Resources for MTAR¹¹⁵
4. Deductions from Taxable Income for Export Revenue
5. Research and Development Grant Program
6. Export Credits, Loans, and Insurance from Turk Eximbank
 - a. Pre-Shipment Export Credits
 - b. Foreign Trade Company Export Loans
 - c. Pre-Export Credits
 - d. Short-term Export Credit Discount Program
 - e. Export Insurance
7. Regional Investment Incentives
 - a. VAT and Customs Duty Exemptions
 - b. Income Tax Reductions
 - c. Social Security Support
 - d. Land Allocation
8. Large-Scale Investment Incentives
 - a. VAT and Customs Duty Exemptions
 - b. Tax Reduction
 - c. Income Tax Withholding Allowance
 - d. Social Security and Interest Support
 - e. Land Allocation

¹¹² *Id.*, at 1-2.

¹¹³ *Id.*

¹¹⁴ *Id.*

¹¹⁵ Icdas reported that its RES facility did not become operational until 2016. *See* Icdas Companies First Supplemental Response at 36.

9. Strategic Investment Incentives

- a. VAT and Customs Duty Exemptions
- b. Tax Reduction
- c. Income Tax Withholding Allowance
- d. Social Security and Interest Support
- e. Land Allocation
- f. VAT Refunds

10. Incentives for Research & Development (R&D) Activities

- a. Tax Breaks and Other Assistance
- b. Product Development R&D Support – UFT

11. Regional Development Subsidies

- a. Provision of Land for LTAR
- b. Provision of Electricity for LTAR
- c. Withholding of Income Tax on Wages and Salaries
- d. Exemption from Property Tax
- e. Employers' Share in Insurance Premiums
- f. Preferential Tax Benefits for Turkish Rebar Producers Located in Free Zones
- g. Preferential Lending to Turkish Rebar Producers Located in Free Zones
- h. Exemptions from Foreign Exchange Restrictions to Turkish Rebar Producers Located in Free Zones
- i. Preferential Rates for Land Rent and Purchase to Turkish Rebar Producers Located in Free Zones

VI. Conclusion

We recommend that you approve the preliminary results described above.

____XX____

Agree

Disagree

12/5/2016

X 

Signed by: PAUL PIQUADO

Paul Piquado

Assistant Secretary

for Enforcement and Compliance