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Investigation  
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**DATE:** March 19, 2018

**MEMORANDUM TO:** Gary Taverman  
Deputy Assistant Secretary  
for Antidumping and Countervailing Duty Operations,  
performing the non-exclusive functions and duties of the  
Assistant Secretary for Enforcement and Compliance

**FROM:** James Maeder  
Associate Deputy Assistant Secretary  
for Antidumping and Countervailing Duty Operations  
performing the duties of Deputy Assistant Secretary  
for Antidumping and Countervailing Duty Operations

**SUBJECT:** Countervailing Duty Investigation of Carbon and Alloy Steel Wire  
Rod from the Republic of Turkey: Issues and Decision Memorandum  
for the Final Affirmative Determination

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## **I. SUMMARY**

The Department of Commerce (Commerce) determines that countervailable subsidies are being provided above the *de minimis* level to producers and exporters of carbon and alloy steel wire rod (wire rod) from the Republic of Turkey (Turkey), as provided for in section 705 of the Tariff Act of 1930, as amended (the Act). Below is a complete list of issues in this investigation for which we received comments from interested parties:

- Comment 1: Whether Commerce Should Adjust the Benchmark Prices for Natural Gas
- Comment 2: Whether Commerce Should Alter the Calculation of Habas' Benefit under the Rediscounted Loan Program
- Comment 3: Whether Commerce Should Countervail the Minimum Wage Support Program
- Comment 4: Whether Commerce Should Adjust Icdas' Sales Denominator

## II. BACKGROUND

### A. Case History

On September 5, 2017, we published the *Preliminary Determination* for this investigation.<sup>1</sup> In the *Preliminary Determination*, we calculated an above *de minimis* subsidy rate for Habas Sinai Ve Tibbi Gazlar Istih. (Habas), while the subsidy rate for Icdas Celik Eberji Tersane Ve Ulasim San (Icdas) was *de minimis*. As Habas was the only company for which we calculated a rate, the preliminary duty rate for Habas also served as the all-others rate. We conducted verifications of the questionnaire responses submitted by the Government of Turkey (GOT), Icdas, and Habas between January 18, 2018 and February 1, 2018.<sup>2</sup>

We received case briefs from Habas and Icdas on March 9, 2018. Nucor Corporation, one of the petitioners in this investigation, filed a rebuttal brief on March 13, 2018.

### B. Period of Investigation

The period of investigation (POI) is January 1, 2016, through December 31, 2016.

## III. SCOPE OF THE INVESTIGATION

The product covered by this investigation is wire rod from Turkey. For a full description of the scope of this investigation, see Appendix I of the accompanying *Federal Register* notice.

## IV. FINAL DETERMINATION OF CRITICAL CIRCUMSTANCES

In the *Preliminary Determination*, based on an examination of export data provided by both Icdas and Habas, we found that each company did not have a massive increase in their shipments to the United States as defined by 19 CFR 351.206(h). However, based on data from Global Trade Atlas (GTA), we found that there was a massive increase in shipments for the “all others” companies. For this final determination, we continue to find that critical circumstances exist for the “all others” companies. With respect to Icdas, after an analysis of additional data provided by the company up through the month of the publication of the *Preliminary Determination*, we continue to find that critical circumstances do not exist for the company.<sup>3</sup>

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<sup>1</sup> See *Carbon and Alloy Steel Wire Rod from the Republic of Turkey: Preliminary Affirmative Countervailing Duty Determination and Preliminary Affirmative Critical Circumstances Determination, in Part*, 82 FR 41929 (September 5, 2017) (*Preliminary Determination*) and accompanying Preliminary Decision Memorandum (PDM).

<sup>2</sup> See Memoranda to the File, “Verification of the Questionnaire Responses of the Government of the Republic of Turkey; Countervailing Duty Investigation of Carbon Alloy and Steel Wire Rod from the Republic of Turkey;” “Verification of the Questionnaire Responses of Icdas Celik Enerji Tersane ve Ulasim Sanayi A.S.; Countervailing Duty Investigation of Carbon Alloy and Steel Wire Rod from the Republic of Turkey” (Icdas Verification Report); and “Countervailing Duty Investigation of Carbon and Alloy Steel Wire Rod from Turkey: Verification of the Questionnaire Responses of Habas Sinai ve Tibbi Gazlar Istihsal Endustrisi A.S.” (Habas Verification Report), each dated March 1, 2018.

<sup>3</sup> See Commerce Memorandum, “Countervailing Duty Investigation of Carbon and Alloy Steel Wire Rod from the Republic of Turkey: Critical Circumstances Analysis for the Final Determination,” dated March 19, 2018.

However, for this final determination we have not adopted our finding from the *Preliminary Determination* that critical circumstances do not exist for Habas. Instead, we are finding that critical circumstances do exist for Habas based on an application of facts otherwise available and adverse facts available, because the company did not provide further requested data through the end of September 2017, the month in which the *Preliminary Determination* was published. See below in the “Use of Facts Otherwise Available with Adverse Inferences” section of this memorandum.

Accordingly, we are basing our affirmative critical circumstances determination in this final determination with regard to Habas on our finding that the company received countervailable benefits under a program that are contingent upon export performance and inconsistent with the World Trade Organization (WTO) Agreement on Subsidies and Countervailing Measures (the SCM Agreement), specifically under the rediscount loans from the Export Credit Bank of Turkey program,<sup>4</sup> and our determination based on facts otherwise available, described further below, that Habas had massive imports of subject merchandise over a relatively short period pursuant to section 705(a)(2)(B) of the Act and 19 CFR 351.206(h) and (i), we find that critical circumstances exist for Habas pursuant to section 705(a)(2) of the Act. Accordingly, following the publication of this final determination, Commerce will order U.S. Customs and Border Protection (CBP), pursuant to section 705(c)(4) of the Act, to suspend liquidation of all entries of subject merchandise from Habas entered, or withdrawn from warehouse, for consumption on or after June 7, 2017, which is 90 days before the date on which suspension of liquidation was first ordered.

## **V. SUBSIDIES VALUATION**

### **A. Allocation Period**

Commerce has made no changes to the allocation period and the allocation methodology used in the *Preliminary Determination* and no issues were raised by interested parties in case briefs regarding the allocation period or the allocation methodology. For a description of the allocation period and the methodology used for this final determination, see the *Preliminary Determination*.<sup>5</sup>

### **B. Attribution of Subsidies**

With respect to Icdas, Commerce is no longer finding that cross-ownership exists between Icdas and an affiliated holding company with which it was found to be cross-owned in the *Preliminary Determination*. See Comment 4. Commerce has made no further changes to the methodologies used in the *Preliminary Determination* for attributing subsidies. For descriptions of those methodologies used for this final determination, see the *Preliminary Determination*.<sup>6</sup>

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<sup>4</sup> See section 705(a)(2)(A) of the Act.

<sup>5</sup> See PDM at 12.

<sup>6</sup> *Id.* at 5-6.

## C. Denominators

In accordance with 19 CFR 351.525(b), Commerce considers the basis for the respondent's receipt of benefits under each program when attributing subsidies, *e.g.*, to the respondent's export or total sales, or portions thereof. The denominators we used to calculate the countervailable subsidy rates for the various subsidy programs described below are explained in the Final Calculation Memoranda prepared for this final determination.<sup>7</sup>

## VI. BENCHMARKS AND DISCOUNT RATES

Commerce made changes to the benchmarks but not the discount rates used in the *Preliminary Determination*. For a description of the benchmarks and discount rates used for this final determination, *see* Comment 1, below.

## VII. USE OF FACTS OTHERWISE AVAILABLE WITH ADVERSE INFERENCES

Commerce relied on "facts otherwise available," including adverse facts available (AFA), for its specificity finding regarding the Minimum Wage Support Program in the *Preliminary Determination*.<sup>8</sup> For a description of this decision, *see* the *Preliminary Determination*. We have not made any changes to our decision to use facts otherwise available and AFA with respect to this program. *See* Comment 3, below.

In addition to the application of AFA with respect to the specificity of the Minimum Wage Support Program, for this final determination we are using facts otherwise available and AFA with respect to our finding regarding critical circumstances for Habas. In the *Preliminary Determination*, we found that critical circumstances did not exist for the company because it did not have "massive imports" over a "relatively short period," pursuant to section 703(e)(1)(B) of the Act. In the *Preliminary Determination*, we compared Habas' import volumes of the subject merchandise for the three months immediately preceding the filing of the petition (*i.e.*, the "base period") to a comparable period of three months following the filing of the petition (*i.e.*, the "comparison period"). Based on this comparison, we preliminarily found that Habas did not have a massive increase in imports over this period.<sup>9</sup>

In order to conduct a more comprehensive critical circumstances analysis for the purposes of the final determination, we issued instructions to both Icdas and Habas to provide further shipment information, from the period of September 2016 through the last day of the month of publication of the *Preliminary Determination* (*i.e.*, September 2017).<sup>10</sup> We informed both company respondents

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<sup>7</sup> *See* Memorandum, "Countervailing Duty Investigation of Carbon and Alloy Steel Wire Rod from Turkey: Habas Final Calculation," dated concurrently with this memorandum (Habas Final Calculation Memo); *see also*, Memorandum, "Countervailing Duty Investigation of Carbon and Alloy Steel Wire Rod from Turkey: Icdas Final Calculation," dated concurrently with this memorandum.

<sup>8</sup> *See* PDM at 10-14.

<sup>9</sup> *See* PDM 5-6; *see also* Commerce Memorandum, "Countervailing Duty Investigation of Carbon and Alloy Steel Wire Rod from the Republic of Turkey: Critical Circumstances Analysis," dated August 25, 2017.

<sup>10</sup> *See* Commerce Letter to Icdas, "Countervailing Duty Investigation on Carbon and Alloy Steel Wire Rod from the Republic of Turkey: Request for Monthly Quantity and Value Shipment Data," dated July 14, 2017; *see also* Commerce

that their export information for the months following the issuing of their respective instructions should be submitted no later than 15 calendar days after the last day of the given reporting month, and that no further requests for such data would be issued.<sup>11</sup> Although we received information in a timely manner from Icdas,<sup>12</sup> Habas provided no further submissions of data for the months of August and September, 2017. This information was requested because it is necessary for Commerce’s analysis of whether critical circumstances exist with respect to Habas’ shipments of wire rod to the United States. Thus, we find that Habas withheld requested information and that necessary information is not available on the record.<sup>13</sup> As such, we find that the application of facts available is warranted in this scenario. Moreover, by not providing the updated information, Habas did not act to the best of its ability to comply with Commerce’s request for information, we find that the application of an adverse inference is warranted. Accordingly, on the basis of AFA, we find that Habas had a massive increase in exports to the United States over a relatively short period.

Finally, Commerce is applying AFA with respect to an unreported grant program used by both Icdas and Habas that was discovered at verification. In the initial questionnaire issued to the respondents, we asked that the companies report any subsidies not already being investigated. Prior to verification, Commerce issued outlines to the companies indicating that we would “check the accuracy and completeness of the information provided” in their questionnaire responses.<sup>14</sup> We conducted this completeness test at verification, and found that both companies received the same AD/CVD assistance grant during the AUL period. Subsequent to verification, Commerce issued verification reports that identified this grant as being used by both companies to offset costs related to AD/CVD proceedings during the AUL period of this investigation, prior to the POI. Both reports indicate that the companies were aware of this grant at the time they submitted responses to Commerce’s initial questionnaire, but chose not to report the grants because Commerce had found the receipt of these grants expensed in prior, separate proceedings<sup>15</sup> (*i.e.*, *Rebar II* for Habas, and *Rebar I 2014 AR* for Icdas). We find that the companies’ line of reasoning deprives Commerce of the ability in *this* proceeding, based on the record of *this* investigation, to investigate subsidy programs during the AUL. Further, the question asked of Icdas and Habas did not ask the companies to make their own determinations regarding the countervailability of a subsidy; that is the sole responsibility of Commerce in the context of a CVD investigation. Here the companies substituted their own judgment for that of Commerce, and precluded Commerce from analyzing and determining on its own in this investigation whether the program in question is countervailable. As such, we find that Icdas and Habas failed to provide information regarding this assistance discovered at its verification when first requested to do so, and thus, section 776(a)(2)(B) of the Act applies. We further find that by not divulging the receipt of this unreported assistance prior to the

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Letter to Habas, “Countervailing Duty Investigation on Carbon and Alloy Steel Wire Rod from the Republic of Turkey: Request for Monthly Quantity and Value Shipment Data,” dated July 14, 2017.

<sup>11</sup> *Id.*

<sup>12</sup> See Letter from Icdas, “Carbon and Alloy Steel Wire Rod from Turkey; Response of Icdas to the Department’s Request for Quantity & Value Shipment Data,” dated October 11, 2017.

<sup>13</sup> See sections 776(a)(1) and (2)(A) of the Act.

<sup>14</sup> See Letter to Icdas, “Countervailing Duty Investigation of Carbon Alloy Steel Wire Rod from the Republic of Turkey: Verification of Icdas Celik Enerji Tersane ve Ulasim Sanayi A.S.,” dated January 15, 2018; *see also* Letter to Habas, “Countervailing Duty Investigation of Carbon Alloy Steel Wire Rod from the Republic of Turkey: Revised Verification Agenda for Habas Sinai ve Gazlar Istihsal Endustrisi A.S.,” dated January 24, 2018.

<sup>15</sup> See Icdas Verification Report at 11; *see also* Habas Verification Report at 10.



commencement of verification, the companies failed to cooperate by not acting to the best of their ability. Thus, pursuant to section 776(b) of the Act, we are determining, as AFA, that the unreported assistance in question is countervailable. We note that this is consistent with our past practice regarding this program, where we were able to conduct a complete investigation of this program and found it to be meet the elements of a subsidy, namely, financial contribution, benefit, and specificity.<sup>16</sup>

It is the Department's practice in CVD proceedings to compute an AFA rate for non-cooperating companies using the highest calculated program-specific rates determined for the cooperating respondents in the instant investigation, or, if not available, rates calculated in prior CVD cases involving the same country.<sup>17</sup> When selecting AFA rates, section 776(d) of the Act provides that Commerce may use any countervailable subsidy rate applied for the same or similar program in a CVD proceeding involving the same country, or, if there is no same or similar program, use a countervailable subsidy rate for a subsidy program from a proceeding that the administering authority considers reasonable to use, including the highest of such rates.<sup>18</sup> Accordingly, when selecting AFA rates, if we have cooperating respondents, as we do in this investigation, we first determine if there is an identical program in the investigation and use the highest calculated rate for the identical program. If there is no identical program that resulted in a subsidy rate above zero for a cooperating respondent in the investigation, we then determine if an identical program was used in another CVD proceeding involving the same country, and apply the highest calculated rate for the identical program (excluding *de minimis* rates).<sup>19</sup> If no such rate exists, we then determine if there is a similar/comparable program (based on the treatment of the benefit) in another CVD proceeding involving the same country and apply the highest calculated above-de minimis rate for the similar/comparable program. Finally, where no such rate is available, we apply the highest

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<sup>16</sup> See *Steel Concrete Reinforcing Bar from the Republic of Turkey: Preliminary Affirmative Countervailing Duty Determination and Alignment of Final Countervailing Duty Determination With Final Antidumping Duty Determination*, 82 FR 12195 (March 1, 2017) and accompanying PDM at 14-16 (unchanged in the *Rebar II* final determination); see also *Steel Concrete Reinforcing Bar from the Republic of Turkey: Final Results and Partial Rescission of Countervailing Duty Administrative Review; 2014*, 82 FR 26907 (June 12, 2017) and accompanying IDM at 4-6.

<sup>17</sup> See, e.g., *Certain Tow-Behind Lawn Groomers and Certain Parts Thereof from the People's Republic of China: Preliminary Affirmative Countervailing Duty Determination and Alignment of Final Countervailing Duty Determination with Final Antidumping Duty Determination*, 73 FR 70971, 70975 (November 24, 2008) (unchanged in *Certain Tow-Behind Lawn Groomers and Certain Parts Thereof from the People's Republic of China: Final Affirmative Countervailing Duty Determination*, 74 FR 29180 (June 19, 2009) and the accompanying IDM at "Application of Facts Available, Including the Application of Adverse Inferences"); see also *Aluminum Extrusions from the People's Republic of China: Final Affirmative Countervailing Duty Determination*, 76 FR 18521 (April 4, 2011), and the accompanying IDM (Aluminum Extrusions IDM) at "Application of Adverse Inferences: Non-Cooperative Companies."

<sup>18</sup> See, e.g., *Certain Frozen Warmwater Shrimp from the People's Republic of China: Final Affirmative Countervailing Duty Determination*, 78 FR 50391 (August 19, 2013) (*Shrimp from the PRC*) and the accompanying IDM at 13; see also *Essar Steel Ltd. v. United States*, 753 F.3d 1368, 1373-1374 (Fed. Cir. 2014) (upholding Commerce's use of hierarchical methodology for selecting an AFA rate).

<sup>19</sup> For purposes of selecting AFA program rates, we normally treat rates less than 0.5 percent to be *de minimis*. See, e.g., *Pre-Stressed Concrete Steel Wire Strand from the People's Republic of China: Final Affirmative Countervailing Duty Determination*, 75 FR 28557 (May 21, 2010), and accompanying Issues and Decision Memorandum at "1. Grant Under the Tertiary Technological Renovation Grants for Discounts Program" and "2. Grant Under the Elimination of Backward Production Capacity Award Fund."

calculated above-*de minimis* rate from any non-company specific program in a CVD case involving the same country that the company's industry could conceivably use.<sup>20</sup>

Section 776(c) of the Act provides that, when Commerce relies on secondary information rather than on information obtained in the course of an investigation or review, it shall, to the extent practicable, corroborate that information from independent sources that are reasonably at its disposal. Secondary information is defined as "information derived from the petition that gave rise to the investigation or review, the final determination concerning the subject merchandise, or any previous review under section 751 concerning the subject merchandise."<sup>21</sup> The SAA provides that to "corroborate" secondary information, Commerce will satisfy itself that the secondary information to be used has probative value.<sup>22</sup>

Commerce will, to the extent practicable, examine the reliability and relevance of the information to be used. The SAA emphasizes, however, that Commerce need not prove that the selected facts available are the best alternative information.<sup>23</sup> Furthermore, Commerce is not required to estimate what the countervailable subsidy rate would have been if the interested party failing to cooperate had cooperated or to demonstrate that the countervailable subsidy rate reflects an "alleged commercial reality" of the interested party.<sup>24</sup>

With regard to the reliability aspect of corroboration, unlike other types of information, such as publicly available data on the national inflation rate of a given country or national average interest rates, there typically are no independent sources for data on company-specific benefits resulting from countervailable subsidy programs. With respect to the relevance aspect of corroboration, Commerce will consider information reasonably at its disposal in considering the relevance of information used to calculate a countervailable subsidy benefit. Commerce will not use information where circumstances indicate that the information is not appropriate as AFA.<sup>25</sup>

In determining the AFA rate we will apply to both companies, we are guided by Commerce's methodology detailed above. For the program referenced above, we are applying the highest above-*de minimis* subsidy rate calculated for the same or comparable programs in a Turkey CVD investigation or administrative review. For this final determination, we are able to match, based on the program's name, as well as the treatment of the benefit for this program in prior proceedings, a rate for grants in Turkey of 3.79 percent. This is the highest rate determined for a grant program in a prior CVD proceeding regarding Turkey.<sup>26</sup>

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<sup>20</sup> See Shrimp IDM at 13-14.

<sup>21</sup> See SAA at 870.

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

<sup>23</sup> *Id.* at 869-870.

<sup>24</sup> See section 776(d) of the Act.

<sup>25</sup> See, e.g., *Fresh Cut Flowers from Mexico; Final Results of Antidumping Duty Administrative Review*, 61 FR 6812 (February 22, 1996).

<sup>26</sup> See *Final Affirmative Countervailing Duty Determination: Certain Pasta ("Pasta") from Turkey*, 61 FR 30366 (June 14, 1996) calculated for respondent Maktas Makarnacilik ve Ticaret (Maktas) for the grant program, "Pasta Export Grants; see also *Countervailing Duty Investigation of Certain Hot-Rolled Steel Flat Products from the Republic of Turkey: Final Affirmative Determination*, 81 FR 53433 (August 12, 2016) and the accompanying IDM at 10.

## VIII. ANALYSIS OF PROGRAMS

### A. *Programs Determined to be Countervailable*

For the descriptions, analyses, and calculation methodologies of these programs, *see the Preliminary Determination*. Except where noted, no issues were raised by interested parties in case briefs regarding these programs. The final program rates for Icdas and Habas are as follows:

#### 1. Natural Gas for Less Than Adequate Remuneration

Nucor and Habas submitted comments in their briefs with respect to the benchmarks used to measure the benefit for this program. As explained below in Comment 1, Commerce has determined that it is appropriate to select a different benchmark for this program since the *Preliminary Determination*.

Icdas: not used

Habas: less than 0.005 percent

#### 2. Deductions from Taxable Income for Export Revenue

Icdas: not used

Habas: 0.08 percent

#### 3. Rediscount Program

Habas submitted comments in its brief with respect to making corrections to the calculation of the benefit for this program. As explained below in Comment 2, Commerce has made changes to the calculation since the *Preliminary Determination*.

Icdas: less than 0.005 percent

Habas: less than 0.005 percent

#### 4. Minimum Wage Support

Nucor, Icdas, and Habas submitted comments in their briefs with respect to the application of AFA in finding this program countervailable. As explained below in Comment 3, Commerce has made no changes to the methodology used to calculate or attribute subsidies under this program since the *Preliminary Determination*.

Icdas: 0.02 percent

Habas: less than 0.005 percent



5. AD/CVD Offset Program<sup>27</sup>

Icdas: 3.79 percent

Habas 3.79 percent

B. *Programs Determined to be Not Countervailable*

1. Electricity for More Than Adequate Remuneration (MTAR)
  - a. Electricity for MTAR – Sales on the Grid
  - b. Electricity for MTAR – Sales to Public Buyers
2. Inward Processing Regime (Duty Drawback)
3. Payments from Turkish Employers' Association of Metal Industries (MESS – Social Security Premium Support)
4. Payments from MESS – Occupational Health and Safety Support
5. Payments from MESS – Environment Support

C. *Programs Determined to Not Confer a Measurable Benefit During the POI*

1. Assistance Received for Operating Renewable Energy Resources Power Plant
2. Social Security Premium Support

D. *Programs Determined to Not Confer Countervailable Benefits*

1. Regional Investment Scheme
2. General Investment Incentive Scheme

E. *Programs Determined to be Not Used During the POI*

1. Provision of Electricity for LTAR
2. Electricity for MTAR – Sales via BOO, BOT, and TOR Contracts
3. Provision of Steam Coal for LTAR
4. Provision of Land for LTAR
5. Turkish Development Bank Loans
6. Pre-Shipment Export Credits
7. Foreign Trade Company Export Loans
8. Pre-Export Credits
9. Short-Term Export Credit Discount Program
10. Large-Scale Investment Scheme
11. Incentives Provided under Turkish Law No. 5746
12. Withholding of Income Tax on Wages and Salaries
13. Exemption from Property Tax

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<sup>27</sup> As described above, this program is first being found countervailable in the final determination; the program was unreported to Commerce prior to the preliminary determination.

14. Tax, Duty, and Land Benefits for Wire Rod Producers Located in Free Zones
15. Industrial R&D Projects Grant Program
16. Other Government Loans and Grants

## IX. ANALYSIS OF COMMENTS

### Comment 1: Whether Commerce Should Adjust the Benchmark Prices for Natural Gas

#### *Habas' Comments:*

- Commerce's reliance on the reasoning that the International Energy Agency (IEA) information was a more accurate benchmark, is based on *Turkey Rebar II*. The reasoning in *Turkey Rebar II*, however, did not argue that the IEA information was more accurate, rather, Commerce decided against using the Global Trade Atlas (GTA) data in *Rebar II* because it could not reliably convert from the GTA data to units that would enable comparison with prices Habas paid to Botas.<sup>28</sup>
- In this investigation, Habas has addressed the *Turkey Rebar II* short-coming in its July 26, 2017 benchmark submission, which included exhibits that capture international trade in natural gas from GTA as well as European imports of natural gas from Russia, from Eurostat.<sup>29</sup>
- The petitioners' have failed to put the narrative portion of the IEA report on record, so there is no information regarding the methodology used in the IEA report.<sup>30</sup>
- The petitioners have provided industrial values of natural gas, however, the present investigation specifically focuses on Habas' natural gas purchases for the generation of electricity. The significant differences in prices between power-generating and the industrial sector suggest that prices for the industrial sector should not be used to measure the price that would be available to Habas as a power-generating consumer of natural gas.<sup>31</sup>
- The IEA information provided by the petitioners has no industrial prices for the first quarter of 2016 and the petitioners have attempted to fill this gap by indexing the second quarter of 2016 according to the index for retail price of natural gas. Industrial prices and retail prices do not follow the same trends.<sup>32</sup>
- Habas has provided comprehensive data from reliable sources to which Habas' prices can be compared for principal trading countries to which Turkey is connected by pipeline. Habas also provided conversion factors among all reported units.<sup>33</sup>
- Should Commerce continue to use the benchmark information provided by the petitioners, it must correct two technical errors: 1) Commerce erred in transcribing the retail price for

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<sup>28</sup> See Habas' Case Brief, "Carbon and Alloy Steel Wire Rod from Turkey," dated March 9, 2018 (Habas' Case Brief) at 8-9.

<sup>29</sup> *Id.* at 10.

<sup>30</sup> *Id.* at 13-14.

<sup>31</sup> *Id.* at 14-15.

<sup>32</sup> *Id.* at 15-16.

<sup>33</sup> *Id.* at 17.

Ireland, Luxembourg, and Slovenia, and 2) Commerce inadvertently calculated the USD tax amount for Belgium as zero.<sup>34</sup>

- The petitioners' submission of information should be rejected and the information therein should be considered improperly filed and unusable for the final determination.<sup>35</sup>

*Nucor's Rebuttal:*

- Commerce should reject the GTA data submitted by Habas because the data is not on a standardized basis for comparison, likely contains non-comparable compressed natural gas in containers, and the accuracy of the underlying data and the conversion factors needed to use it as a benchmark for Habas' gas purchases is questionable.<sup>36</sup>
- Commerce should reject European gas imports from Russia because Commerce explicitly stated in *Cold-Rolled Steel Flat Products from Russia* that the market for natural gas in Russia is distorted and concluded that the use of Russian natural gas prices "does not meet the statutory and regulatory requirement for the use of market-determined prices to measure the adequacy of remuneration."<sup>37</sup>
- The IEA information submitted by the petitioners on the record of this investigation contains all the necessary pages in the IEA report related to natural gas prices and the methodology used.<sup>38</sup>
- The petitioners use of an inflator specific to retail natural gas prices to estimate first quarter 2016 natural gas prices is not fatally arbitrary as Habas' suggests. The petitioners have provided a natural gas-specific inflator from the same sources as the underlying data in order to deflate a price by a single quarter of a year.<sup>39</sup>
- Commerce has relied on IEA data in many antidumping and countervailing duty cases and it has been upheld in the courts. Therefore, the IEA data is well-vetted, complete, and represents the highest-quality benchmark data on the record, and Commerce should continue to use this data for the final determination.<sup>40</sup>
- If Commerce does not continue to use an annual benchmark, the IEA data provided allows for quarterly benchmark comparisons. Though annual data is more appropriate for use in the benchmark calculations, quarterly data can still be used in the benchmark analysis.<sup>41</sup>
- The petitioners' benchmark information was properly and timely submitted to Commerce. Habas' submission however, was not timely and contained new factual information completely unrelated to the benchmark data submitted by the petitioner.<sup>42</sup>

**Commerce's Position:** First, as an initial point, we disagree with Habas' assertion that Commerce's reasoning for choosing the IEA data provided by the petitioners over the GTA benchmark information was flawed. Commerce's decision in the *Preliminary Determination* to

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<sup>34</sup> *Id.* at 17.

<sup>35</sup> *Id.* at 4.

<sup>36</sup> See Nucor's Rebuttal Brief, "Carbon and Alloy Steel Wire Rod from the Republic of Turkey: Rebuttal Brief of Nucor Corporation," dated March 13, 2018 (Nucor's Rebuttal Brief) at 6-12.

<sup>37</sup> *Id.* at 13.

<sup>38</sup> *Id.* at 4.

<sup>39</sup> *Id.* at 14-15.

<sup>40</sup> *Id.* at 5-6.

<sup>41</sup> *Id.* at 14.

<sup>42</sup> *Id.* at 3.

choose the IEA data over the GTA data was based on its finding that the IEA data were more accurate than GTA data, citing its decision in *Turkey Rebar II*, where Commerce stated that the GTA data “was reported in several different units” and that the GTA data “includes shipments of compressed natural gas (CNG),” which is not used by Habas in their production of electricity.”<sup>43</sup> In that investigation, we concluded that the IEA benchmark information should be used instead of the GTA data because it “includes country-specific industrial natural gas prices for all OECD countries, as well as ‘zone aggregate’ natural gas prices for OECD regional groups (e.g., Europe). . . .”<sup>44</sup> In this instance, though Habas states that for this investigation it corrected the conversion deficiencies with respect to the GTA data and provided a report from a consultancy to support its conversion factors.<sup>45</sup> Nevertheless, Habas still did not address the problem that the harmonized tariff schedule number 2711.21, on which Habas’ GTA data is based, likely covers both natural gas and compressed natural gas. This potentially distorting pricing data remains in its analysis. Therefore, as in *Turkey Rebar II*, we cannot determine that the GTA data provided by Habas, does not contain CNG prices that distort the value of the data presented by Habas. Additionally, as a result of our finding that the GTA data is unusable for this investigation, Nucor’s arguments surrounding the timeliness of the GTA data are moot.

Furthermore, we disagree with Habas’ arguments surrounding the validity of the contents within IEA report. First, we find that in accordance with 19 CFR 351.301(b)(2), the petitioners’ submission of the IEA benchmark information is timely, because Commerce specifically extended the time period for rebuttal benchmark information in response to a request from the petitioners.<sup>46</sup> Additionally, we find that the IEA data contains information related to natural gas prices and the methodology used to determine those prices. It also contains price information specific to user categories. Though Habas states that the IEA information only contains data specific to industrial users and does not have Habas specific categories (e.g., power generators),<sup>47</sup> the GTA data does not list any specific user categories. Further, Commerce has used IEA benchmark data for natural gas in the past,<sup>48</sup> finding that the IEA data is “thoroughly analyzed and annotated, and published and distributed as a part of a comprehensive energy price report.”<sup>49</sup> Moreover, as the comments made by Habas in this investigation surrounding the quarterly data reporting in petitioners’ submission of the IEA information mirror the arguments made in *Turkey Rebar II*, we reiterate our position from that investigation and find that the IEA quarterly data were outside the scope of the benchmark information requested, and that for the purposes of this investigation, can only be considered as support for the petitioners’ argument in favor of an annual benchmark. Therefore, Habas’ specific arguments regarding the reliability and utility of the IEA quarterly data are moot. We note that

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<sup>43</sup> See *Concrete Reinforcing Bar from the Republic of Turkey*, 82 FR 23188 (May 22, 2017) and accompanying Issues and Decision Memorandum (*Turkey Rebar II*) at Comment 4.

<sup>44</sup> *Id.*

<sup>45</sup> See Habas’ Benchmark Data Submission, “Habas Benchmark Data,” dated July 26, 2017 (Habas Benchmark Submission) at 6 and Exhibit 6.

<sup>46</sup> See Commerce Memorandum, “Carbon and Alloy Steel Wire Rod from the Republic of Turkey: Request for Extension of Time for New Subsidy Allegations,” dated August 4, 2017. We note that while this memorandum is mistitled in that it refers to new subsidy allegations, the content of the memorandum refers to the petitioners’ request for an extension of time to file rebuttal benchmark information.

<sup>47</sup> *Id.* at 14-15.

<sup>48</sup> See Nucor’s Rebuttal Brief at 5.

<sup>49</sup> See *Turkey Rebar II* at Comment 4.

Habas' concern with the IEA quarterly data are not transferrable to the IEA annual data. Though we disagree with Habas' reasoning surrounding the validity of IEA information, we also find that the IEA information is not the best information on the record of this investigation to determine benchmark pricing for natural gas.

Having decided against using the GTA data and IEA data, Commerce finds the most appropriate data in this instance is the Russian Eurostat data. Preferably, we would utilize data regarding prices of natural gas that are actually available to purchasers in Turkey. This would be most in line with Commerce's regulations, which state a preference for selecting benchmark prices "that would be available to purchasers in the country in question."<sup>50</sup> In selecting natural gas prices that are actually available to purchasers in Turkey, for the basis of determining benchmark pricing record evidence in this investigation indicates that natural gas, exclusive of CNG and liquified natural gas (LNG), is only imported into Turkey *via* pipeline from Azerbaijan, Iran, and Russia.<sup>51</sup>

Habas provided timely information on Russian natural gases export prices available in Europe from Eurostat. We find that the Russian export prices are the best available data on record to be relied upon for benchmark purposes because the information on the record shows that natural gas from Russia is available to purchasers in via pipeline and the data only contains natural gas, exclusive of CNG and LNG. Though Commerce has previously determined in *Cold-rolled Steel from Russia* that the Russian natural gas domestic market is distorted for purposes of providing prices to serve as a tier one, 19 CFR 351.511(a)(2)(i), benchmark in that investigation,<sup>52</sup> this does not necessarily lead to the conclusion that such distortion extends to the export market.<sup>53</sup> Commerce's regulations distinguish between tier (i), in-country prices, which could include imports to that country, and tier (ii), world market prices.<sup>54</sup> This distinction reflects the potentially different commercial dynamics governing such prices. The fact that domestic, in-country prices, including imports for a good or service have been found to be distorted for purposes of this analysis does not lead to the conclusion that the prices for goods exported from that market are also necessarily distorted. Rather, such export prices could reflect, under this analysis, the commercial realities on the world market for such goods or services, thereby permitting its use as an appropriate tier (ii) benchmark. Additionally, the Eurostat information allows for the removal of benchmark data that cover exports of natural gas to Turkey. We find this necessary for our benchmark analysis as we previously found the natural gas market within Turkey to be distorted in the *Preliminary Determination*.<sup>55</sup> Therefore, based on the record of this investigation, we do not find that it would be appropriate to disregard the Russia Eurostat data. Because the record includes usable export price from Russia, a source of natural gas

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<sup>50</sup> See 19 CFR 351.511(a)(2)(ii).

<sup>51</sup> See Letter from the GOT, "Response of the Government of Turkey in Countervailing Duty Investigation on Carbon and Certain Alloy Steel Wire Rod from the Republic of Turkey," dated July 27, 2017 at pages 22-23 of Exhibit 7C (BOTAS 2015 Annual Report). We note that while Habas provided a similar pipeline map in its benchmark submission, dating from 2003, many of the pipelines identified therein are only *proposed* pipelines, and do not represent actual sources of natural gas in the Turkish market. See Letter from Habas, "Wire Rod from Turkey; Habas Benchmark Data," dated July 27, 2017 at Exhibit 1.

<sup>52</sup> See *Countervailing Duty Investigation of Certain Cold-Rolled Steel Flat Products from the Russian Republic: Final Affirmative Countervailing Duty Determination and Final Negative Critical Circumstances Determination*, 81 FR 49935 (July 29, 2016) (*Cold-rolled Steel from Russia*) and the accompanying IDM at Comment 5.

<sup>53</sup> See *Countervailing Duty Investigation of Fine Denier Polyester Staple Fiber from the People's Republic of China: Final Affirmative Determination*, 83 FR 3120 (January 23, 2018) and accompanying IDM at Comment 4.

<sup>54</sup> See 19 CFR 351.511 (a)(2)(i) and (ii).

<sup>55</sup> See PDM at 17.

that is actually available in Turkey, we find that it is appropriate to rely on this data for the benchmark calculation in this final determination.

Finally, because we are using Russian Eurostat data for the calculation of natural gas benchmark prices, Habas' request that Commerce correct certain errors in the *Preliminary Determination* regarding the use of IEA data in the benchmark calculation is moot.

### **Comment 2: Whether Commerce Should Alter the Calculation of Habas' Benefit under the Rediscounted Loan Program**

#### *Habas' Comments:*

- For the loans with the sequence numbers 1 and 4, Commerce subtracted the expense incurred with respect to loan with the sequence numbers 1 and 2. Commerce should revise this calculation so that the expenses that are subtracted are those connected with the loans being countervailed.<sup>56</sup>

**Commerce's Position:** We agree with Habas that Commerce erred in the *Preliminary Determination* by not correctly calculating some of the expenses connected to the loans identified by Habas. Accordingly, for this final determination, Commerce will make the necessary corrections regarding these expenses and their respective loans.

### **Comment 3: Whether Commerce Should Countervail the Minimum Wage Support Program**

#### *Habas' Comments:*

- Commerce erred in its *Preliminary Determination* when it found that the GOT failed to respond sufficiently to its questions regarding the Minimum Wage Support Program.
- The GOT provided full details on the usage of this program by the respondent companies.
- The GOT explained that the program is available on a countrywide basis and that the program is not available on an industry-specific basis.
- In response to Commerce's questions regarding industry-specific utilization rates for this program, the GOT responded fully by claiming that such data does not exist.
- As the GOT explained that usage data regarding this program does not exist, Commerce should not find that the GOT failed to cooperate to the best of its ability by not providing non-existent data.
- Commerce failed to verify the GOT's claim that the requested data was not available, and the GOT was never informed of any deficiency in its response as required by law.
- Without sufficient notification of any deficiency in the GOT's response, Commerce cannot apply AFA.

#### *Icdas' Comments:*

- Despite finding that the Minimum Wage Support Program was not *de jure* specific in the *Preliminary Determination*, Commerce erred in finding it *de facto* specific based on an AFA finding that contradicts the record.

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<sup>56</sup> See Nucor's Rebuttal Brief at 18.



- Record evidence demonstrates that this program is not specific because it is available countrywide to any employer that employs insured persons by law, regardless of export performance, use of domestic inputs, industry category, or regional location.
- The program has no eligibility criteria or application process, and is not otherwise targeted or preferential.
- Because the Social Security Institution automatically calculates the support provided to each employer, it is equivalent to a corporate wide tax cut for all businesses with employees in Turkey.
- The program cannot be found to be *de facto* specific because, by definition, all industries receive it.
- Provisional Article 68(1) of Law 5510, which Icdas provided, confirms the company's explanation regarding this program.

*Nucor's Rebuttal:*

- Commerce correctly adverse facts available in the *Preliminary Determination* in finding the Minimum Wage Support Program *de facto* specific, because the GOT withheld requested information.
- The SAA explains that “{w}here a party has not cooperated, Commerce... may employ adverse inferences about the missing information to ensure that the party does not obtain a more favorable result by failing to cooperate than if it had cooperated fully. In employing adverse inferences, one factor {Commerce} will consider is the extent to which a party may benefit from its own lack of cooperation.”<sup>57</sup>
- Habas is incorrect in arguing that the GOT did in fact provide necessary specificity data regarding this program.
- Icdas misplaces its argument by stating that this program is generally available, based solely on a *de jure* analysis.
- Neither company's arguments ameliorate the GOT's failure to provide the data essential for conducting a *de facto* specificity analysis, despite the GOT having multiple opportunities to do so.
- In prior investigations, Commerce has applied adverse facts available where respondent governments have failed to provide usage data.<sup>58</sup>

**Commerce's Position:** We continue to find that the application of AFA in finding the Minimum Wage Support Program to be *de facto* specific under section 771(5A)(D)(iii) of the Act is appropriate. Because the GOT failed to comply with Commerce's request, the information on the record with respect to this program is incomplete. As we noted in the *Preliminary Determination*, as

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<sup>57</sup> See Statement of Administrative Action (SAA) accompanying the Uruguay Round Agreements Act (URAA), H.R. Doc. No. 103-316, Vol. 1 at 870 reprinted at 1994 U.S.C.C.A.N. 4040, 4199 (1994); see also *Fine Furniture (Shanghai) Ltd. v. United States*, 748 F.3d 1365, 1373 (Fed. Cir. 2014) (The goal of the statute is “to encourage future cooperation by ‘ensur[ing] that the party does not obtain a more favorable result by failing to cooperate than if it had cooperated fully.’”).

<sup>58</sup> See *Countervailing Duty Investigation of Certain Cold-Rolled Steel Flat Products from the Russian Federation: Final Affirmative Countervailing Duty Determination and Final Negative Critical Circumstances Determination*, 81 FR 49935 (July 29, 2016) and accompanying IDM at Comment 12; see also *Aluminum Extrusions from the People's Republic of China: Final Affirmative Countervailing Duty Determination*, 76 FR 18521 (April 4, 2011) and accompanying IDM at “VI. Use of Facts Otherwise Available and Adverse Inferences.”

part of our initial questionnaire issued to the GOT we asked the GOT to report any additional forms of assistance provided to producers of wire rod in addition to those already being investigated. In its initial response, the GOT provided several instances of such assistance, but made no reference to the Minimum Wage Support Program. Nonetheless, both company respondents reported the use of this program.<sup>59</sup> As such, when we issued our supplemental questionnaire to the GOT, we asked that it provide a full response to the relevant appendices with respect to this program.<sup>60</sup>

As we stated in the *Preliminary Determination*, the usage and distribution questions in the standard questions appendix:

solicit information necessary to determine the nature and operation of a subsidy program throughout the country, including the total amount of assistance provided throughout the country, the total number of users of a program within the country, as well as the use of the program on an industry basis.<sup>61</sup>

This finding is equally true at the final determination. The GOT's assertion that "no records are kept" regarding the use of this program across industries, or the total number of users of the program, does not comport with a finding that the GOT undertook its best efforts to provide the information requested, because the GOT was able to provide the amount of the benefits received by the individual companies under investigation. Although the GOT had multiple opportunities to provide the necessary information for Commerce to make a determination regarding this program's *de facto* specificity, the fact remains that the GOT, the only entity in a position to provide the necessary information to conduct our *de facto* specificity analysis, has not provided the requested information for our analysis of whether: 1) The actual recipients of the subsidy, whether considered on an enterprise or industry basis, are limited in number; 2) An enterprise or industry is a predominant user of the subsidy; 3) An enterprise or industry receives a disproportionately large amount of the subsidy; or 4) The manner in which the authority providing the subsidy has exercised discretion in the decision to grant the subsidy indicates that an enterprise or industry is favored over another.<sup>62</sup> Thus, as discussed in this Comment and more fully fleshed out in the *Preliminary Determination*,<sup>63</sup> we continue to find that the application of facts available pursuant to section 776(a) is warranted because the GOT withheld requested information. Further, we find that pursuant to section 776(b) of the Act, an adverse inference is warranted in this situation because the GOT failed to cooperate by not acting to the best of its ability to comply with Commerce's request for information in this investigation.

We agree with Icdas that, based on the information on the record, this program appears to be broadly available to companies throughout the Turkish economy. As we explained in the *Preliminary Determination*, it is apparent that the program is not specific on a *de jure* basis.<sup>64</sup> But availability is not the same thing as use, and therein lies the distinguishing feature between a *de jure*

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<sup>59</sup> See Icdas' Initial Questionnaire Response at 48; see also Habas' Initial Questionnaire Response at 40.

<sup>60</sup> See "Countervailing Duty Investigation of Carbon and Alloy Steel Wire Rod from the Republic of Turkey: Supplemental Questionnaire," dated August 11, 2017.

<sup>61</sup> See PDM at 13.

<sup>62</sup> See section 771(5A)(D)(iii) of the Act.

<sup>63</sup> See PDM at "Application of AFA: Minimum Wage Incentive Program."

<sup>64</sup> *Id.* at 20.

and *de facto* specificity analysis. The qualification for a company's use of this program is dependent on employing qualified persons making minimum wage,<sup>65</sup> and there is no indication that the distribution of such qualified persons is evenly distributed across sectors or industries. For example, some industries may employ more minimum wage earners than others, and those industries may therefore account for a disproportionately large amount of the total subsidies provided. Thus, Commerce requires the information requested from, but not provided by, the GOT to analyze *de facto* specificity on a basis other than FA.

The GOT was provided two opportunities to provide the requested information. The GOT's decision not to report the full extent of this program's distribution of benefits throughout the Turkish economy was inconsistent with both the instructions in Commerce's initial questionnaire, as well as the supplemental questionnaire issued to the GOT.<sup>66</sup>

#### **Comment 4: Whether Commerce Should Adjust Icdas' Sales Denominator**

##### *Icdas' Comments:*

- The sales denominators used in the *Preliminary Determination* to measure the benefit to Icdas and its cross-owned companies under the Minimum Wage Support Program are under-inclusive and artificially inflate the benefit allocated to Icdas' subsidiaries.
- Benefits received from the Minimum Wage Support Program apply to all employees of Icdas and its cross-owned companies and all sales, not just subject merchandise.
- Commerce should allocate the benefits received by Icdas' cross-owned companies based on Icdas' total consolidated sales.
- With respect to one holding company in particular, Commerce erred in attributing the benefit solely to that company's sales, rather than the consolidated sales of the company and Icdas.
- By attributing the benefit solely to the holding company's sales, rather than the consolidated sales, Commerce calculated an artificially high margin for the company's use of the Minimum Wage Support Program.
- The Minimum Wage Support Program applies to all employees of a company, and thus should be attributed to all of a company's sales, and not just sales of subject merchandise.

##### *Nucor's Rebuttal:*

- Commerce described the methodologies it used to determine the appropriate denominators used for Icdas' affiliates in the Icdas Preliminary Calculation Memorandum,<sup>67</sup> and should continue to apply those methodologies for the final determination.

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<sup>65</sup> See Letter from the GOT, "Response of the Government of Turkey in Countervailing Duty Investigation on Carbon and Certain Alloy Steel Wire Rod from the Republic of Turkey" at 24, dated August 18, 2017

<sup>66</sup> See, e.g., *Countervailing Duty Investigation of Stainless Steel Sheet and Strip from the People's Republic of China: Final Affirmative Determination, and Final Affirmative Critical Circumstances Determination, in Part*, 82 FR 9714 (February 8, 2017) and the accompanying IDM at 35 ("If the Department had to treat {such} intentional "non-responses" as deficiencies, and had to provide a second chance to submit withheld information, parties would be able to essentially grant themselves an extension to any deadline, simply by not responding, knowing that they would be provided additional time "to remedy" the "deficiency," after the Department issued a supplemental questionnaire.").

<sup>67</sup> See Commerce Memorandum, "Countervailing Duty Investigation of Carbon and Alloy Steel Wire Rod from the Republic of Turkey; Preliminary Determination Calculations for Icdas Celik Eberji Tersane Ve Ulasim San," dated August 25, 2017.

**Commerce's Position:** In the *Preliminary Determination*, we identified three of Icdas' cross-owned companies as suppliers of scrap metal products that were primarily dedicated to the production of Icdas' downstream steel products, and attributed benefits received by those companies to Icdas in accordance with 19 CFR 351.525(b)(6)(iv). That regulation describes the methodology used to attribute subsidies by creating a denominator that is the sum of the input sales by the cross-owned companies and the downstream products produced by both corporations (minus any intercompany sales). At the time of the *Preliminary Determination*, due to the proprietary nature of Icdas' sales categorizations, we described the construction of this denominator in the Icdas Preliminary Calculation Memorandum.

We noted in the Icdas Preliminary Calculation Memorandum that, because two of the input suppliers did not report the sales values of the inputs sold to Icdas, we would only use Icdas' sales of downstream merchandise as the denominator for calculating the *ad valorem* subsidy rate applicable to these two companies. For the third input supplier, which identified steel sales to affiliates, we summed the value of those sales with Icdas' sales of downstream products. Icdas has identified several categories of sales that it believes were incorrectly excluded from the summation of the company's downstream steel sales, resulting in an artificially inflated denominator. Because Icdas identified these specific items as proprietary, we cannot discuss them in detail in this memorandum.<sup>68</sup> However, we disagree with Icdas that these sales items should be included in the value of Icdas' downstream steel products, because they are not sales of steel to unaffiliated companies. Moreover, we disagree with Icdas' assertion that our attribution methodology is incorrect because the Minimum Wage Support Program applies to all employees of a company. With regard to the benefit received by Icdas itself, we applied the benefit to Icdas' total sales for the POI in accordance with 19 CFR 351.525(b)(6)(i). For the cross-owned input suppliers, we appropriately applied the applicable regulation, 19 CFR 351.525(b)(6)(iv), which, as we described above, calls for a denominator that consists of the combined sales of the input and downstream products of the corporations.

With respect to one holding company, the identify of which is proprietary, we are reversing our finding in the *Preliminary Determination* that the company is cross-owned with Icdas. In response to our initial questionnaire, Icdas reported several companies with which it was affiliated *via* common shareholdings among family members, including the holding company in question.<sup>69</sup> After reviewing this response, we requested that Icdas provide full questionnaire responses for several companies with which it reported affiliation, so that we might review relevant information regarding cross-ownership and the receipt of subsidies. Since the *Preliminary Determination*, we have again reviewed the ownership information provided in the Icdas Affiliation Response and the response from the holding company.<sup>70</sup> After further review, we conclude that cross-ownership does not exist between Icdas and the affiliated holding company at issue here, because this holding company is not a parent to Icdas and there is no common ownership between the two companies that would cause us

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<sup>68</sup> See Icdas Final Calculation Memorandum.

<sup>69</sup> See Letter from Icdas, "Carbon Alloy Steel Wire Rod from the Republic of Turkey; Icdas Celik Enerji Tersane ve Ulasim Sanayi A.S.'s Response to Section III of the CVD Questionnaire Identifying Affiliated Parties," dated June 22, 2017 (Icdas Affiliation Response), at Exhibits 1 and 2.

<sup>70</sup> See Letter from Icdas, "Carbon Alloy Steel Wire Rod from the Republic of Turkey; Icdas Response to Request for Additional Information Providing Affiliated Parties' Response to Section III of the CVD Questionnaire," dated August 11, 2017.

to conclude that either company “could use or direct the individual assets of the other corporation(s) in essentially the same ways it can use its own assets.”<sup>71</sup> As such, we do not address Icdas’ arguments regarding the use of a different denominator for measuring benefits received by this company, as the point is moot.

## **X. RECOMMENDATION**

We recommend approving the above positions and adjusting all related countervailable subsidy rates accordingly. If these positions are accepted, we will publish the final determination in the *Federal Register* and will notify the U.S. International Trade Commission of our determination.



\_\_\_\_\_  
Agree

\_\_\_\_\_  
Disagree

3/19/2018

X



Signed by: GARY TAVERMAN

Gary Taverman

Deputy Assistant Secretary

for Antidumping and Countervailing Duty Operations,  
performing the non-exclusive functions and duties of the  
Assistant Secretary for Enforcement and Compliance

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<sup>71</sup> See 19 CFR 351.525(b)(6)(vi).