

7225.99.0090 if of alloy steel. Although the subheadings are provided for convenience, our written description of the scope is dispositive.

#### Analysis

Pursuant to section 751(d) of the Act, the Department may partially revoke an antidumping duty order based on a review under section 751(b) of the Act. Section 782(h)(2) of the Act and section 351.222(g)(1)(i) of the Department's regulations provide that the Secretary may revoke an order, in whole or in part, based on changed circumstances if "(p)roducers accounting for substantially all of the production of the domestic like product to which the order (or the part of the order to be revoked) \* \* \* have expressed a lack of interest in the order, in whole or in part \* \* \*." In this context, the Department has interpreted "substantially all" production normally to mean at least 85 percent of domestic production of the like product (*see* Oil Country Tubular Goods From Mexico: Preliminary Results of Changed Circumstances Antidumping Duty Administrative Review, 64 FR 14213, 14214 (March 24, 1999)).

In order to determine whether "substantially all" of the domestic producers supported revocation of the order with respect to the merchandise in question, the Department solicited comments from all parties (*see* Initiation of Changed Circumstances Review, 66 FR 29088). As noted above, the Department received comments from UPI and from National Steel. Petitioners' submissions contain no evidence indicating that at least 85 percent of the domestic industry of the like product have no interest in the continuance of the order with respect to the merchandise in question. Based on the existence of objections of UPI and National Steel, producers of the domestic like product by admission of petitioners themselves, we have preliminarily determined that there are no grounds for concluding that at least 85 percent of the domestic industry of the like product supports the partial revocation of the order.

#### Preliminary Results of Review and Intent To Not Revoke the Antidumping Duty Order

Based on the submissions by the producers, the Department has preliminarily determined that there are no grounds for assuming that producers supporting a partial revocation of the order account for at least 85 percent of domestic production of the like product. Under the definition given above, there are no grounds for assuming that partial

revocation of the order with respect to the merchandise in question is supported by "substantially all" of the domestic producers of the like product. As a result, we preliminarily determine that changed circumstances sufficient to warrant partial revocation of the antidumping duty order on tin mill products from Japan with respect to the merchandise in question do not exist.

The current requirements for the cash deposit of estimated antidumping duties on the subject merchandise will remain in effect until the publication of the final results of the next administrative review.

Parties wishing to comment on these results must submit briefs to the Department within 30 days after the publication of this notice in the **Federal Register**. Parties will have five days subsequent to this due date to submit rebuttal briefs. Parties who submit comments or rebuttal briefs in this proceeding are requested to submit with the argument (1) a statement of the issue and (2) a brief summary of the argument (no longer than five pages, including footnotes). Any requests for hearing must be filed within 30 days of the publication of this notice in the **Federal Register**.

In accordance with 19 CFR 351.216(e), the Department will issue its final results of review within 270 days after the date on which the changed circumstance review was initiated (*i.e.*, no later than February 15, 2002).

This notice is published in accordance with sections 751(b)(1) and (d) and 777(i) of the Act, and with 19 CFR 351.221(c)(3).

Dated: July 20, 2001.

**Faryar Shirzad,**

*Assistant Secretary for Import Administration.*

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**BILLING CODE 3510-DS-P**

#### DEPARTMENT OF COMMERCE

##### International Trade Administration

[C-489-806]

#### Certain Pasta From Turkey: Preliminary Results of Countervailing Duty Administrative Review

**AGENCY:** Import Administration, International Trade Administration, Department of Commerce.

**ACTION:** Notice of preliminary results of countervailing duty administrative review.

**SUMMARY:** The Department of Commerce is conducting an administrative review of the countervailing duty order on

certain pasta from Turkey for the period January 1, 1999 through December 31, 1999. We have preliminarily determined that certain producers/exporters have received net subsidies during the period of review. If the final results remain the same as these preliminary results, we will instruct the Customs Service to assess countervailing duties as detailed in the Preliminary Results of Review section of this notice. Interested parties are invited to comment on these preliminary results (*see* the Public Comment section of this notice).

**EFFECTIVE DATE:** August 8, 2001.

**FURTHER INFORMATION CONTACT:** Annika O'Hara or Melanie Brown, Office of AD/CVD Enforcement 1, Import Administration, U.S. Department of Commerce, Room 3099, 14th Street and Constitution Avenue, NW., Washington, DC 20230; telephone: (202) 482-3798 and (202) 482-4987, respectively.

#### SUPPLEMENTARY INFORMATION:

##### Applicable Statute and Regulations

Unless otherwise indicated, all citations to the Tariff Act of 1930, as amended ("the Act"), are references to the provisions effective January 1, 1995, the effective date of the amendments made to the Act by the Uruguay Round Agreements Act ("URAA"). In addition, unless otherwise indicated, all citations to the Department of Commerce's ("the Department") regulations are to 19 CFR part 351 (April 2000).

##### Case History

On July 24, 1996, the Department published in the **Federal Register** (61 FR 38546) the countervailing duty order on certain pasta from Turkey. On July 20, 2000, the Department published in the **Federal Register**, a notice of "Opportunity to Request Administrative Review" of this countervailing duty order (65 FR 45035). We received requests for review and initiated the review for calendar year 1999, on September 6, 2000 (65 FR 53980). In accordance with 19 CFR 351.213(b), this review of the order covers the following producers or exporters of the subject merchandise for which a review was specifically requested: Filiz Gida Sanayi ve Ticaret A.S. ("Filiz"), Beslen Makarna Gida Sanayi ve Ticaret A.S. and Beslen Pazarlama Gida Sanayi ve Ticaret A.S. ("Beslen"), Pastavilla Makarnacilik Sanayi ve Ticaret A.S. ("Pastavilla"), and Maktas Makarnacilik ve Ticaret A.S. ("Maktas").

On October 2, 2000, we issued countervailing duty questionnaires to the Government of Turkey ("GRT") and the above-named companies under review. We received responses to our

questionnaires on November 22, 2000, and issued supplemental questionnaires on December 20, 2000. Responses to the supplemental questionnaires were received on January 9 and 10, 2001. Between April 3 and 6, 2001, we issued a second set of supplemental questionnaires to all the respondents except Beslen. The responses to these supplemental questionnaires were received between April 25 and May 2, 2001.

### Scope of Order

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

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

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

### Scope Ruling

To date, the Department has issued the following scope ruling:

On October 26, 1998, the Department self-initiated a scope inquiry to determine whether a package weighing over five pounds as a result of allowable industry tolerances may be within the scope of the countervailing duty order. On May 24, 1999, we issued a final scope ruling finding that, effective October 26, 1998, pasta in packages weighing or labeled up to (and including) five pounds four ounces is within the scope of the countervailing duty order. (See May 24, 1999 memorandum from John Brinkman to Richard Moreland, which is on file in the Central Records Unit ("CRU") in Room B-099 of the main Commerce building.)

### Period of Review

The period of review ("POR") for which we are measuring subsidies is

from January 1, 1999 through December 31, 1999.

### Change in Ownership

Pursuant to the finding of the U.S. Court of Appeals for the Federal Circuit ("CAFC") in *Delverde Srl v. United States*, 202 F.3d 1360, 1365 (Fed. Cir. 2000), *reh'g en banc denied* (June 20, 2000) ("*Delverde III*"), the Department has developed a new change-in-ownership methodology, first announced in a remand determination on December 4, 2000, following the CAFC's decision in *Delverde III*, and also applied in *Grain-Oriented Electrical Steel from Italy; Final Results of Countervailing Duty Administrative Review*, 66 FR 2885 (January 12, 2001).

The first step under this new methodology is to determine whether the legal person (entity) to which the subsidies were given is, in fact, distinct from the legal person that produced the subject merchandise exported to the United States. If we determine the two persons are distinct, we then analyze whether a subsidy has been provided to the purchasing entity as a result of the change-in-ownership transaction. If we find, however, that the original subsidy recipient and the current producer/exporter are the same person, then that person benefits from the original subsidies, and its exports are subject to countervailing duties to offset those subsidies. In other words, we will determine that a "financial contribution" and a "benefit" have been received by the "person" under investigation. Assuming that the original subsidy has not been fully amortized under the Department's normal allocation methodology as of the period of investigation or review, the Department would then continue to countervail the remaining benefits of that subsidy.

Pastavilla underwent a change in ownership through a private-to-private transaction in 1995 when a Turkish business conglomerate, the Koç Group, bought the company from its founders. The ownership of Filiz changed in a 1996 private-to-private transaction in which Italian pasta manufacturer Barilla became the majority shareholder of Filiz. Regarding Beslen, the Turkish Grain Board ("TMO"), a government-owned enterprise, acquired 45 percent of the shares in Beslen in 1990. The remaining shares were—and still are—owned by Okan Holding, a privately owned holding company. In 1998, the TMO transferred its shares in Beslen to the Turkish Privatization Board, apparently in preparation for privatization of the shares.

We have not made a finding for the purpose of these preliminary results as to whether the pre-sale entities are distinct persons from the post-sale entities because the respondents have not reported receiving any subsidies prior to the changes in ownership (e.g., non-recurring grants or long-term loans provided to the previous owner of the company) from which they continued to benefit during the POR.

On this basis, we find that application of the change-in-ownership methodology is not relevant in this review.

### Subsidies Valuation Information

**Benchmark Interest Rates for Short-term Loans:** In the POR, Pastavilla had outstanding pre-shipment loans denominated in Turkish lira ("TL") while Maktas had pre-shipment loans denominated in both TL and foreign currencies. See section I.1 below.

The Department uses company-specific interest rates as the benchmark rate, where possible, in accordance with 19 CFR 351.505. Because short-term interest rates in Turkey fluctuated significantly during the POR, we have used monthly benchmark rates, e.g., the interest rate paid on a pre-shipment loan obtained in January 1999 has been compared to the interest rate paid on a benchmark loan obtained the same month. Maktas has argued that the Department should use the costs it paid on discounted checks as the benchmark interest rate for its TL-denominated pre-shipment loans. In the calculation of these preliminary results, we have used the discounts paid on such checks as the benchmark rate. We have increased these rates to reflect taxes that are normally paid on short-term loans in Turkey (i.e., the Resource Utilization Support Fund ("KKDF") tax, the Banking and Insurance Transactions ("BIST") tax, and the stamp tax) but are not charged on pre-shipment and other export-related short-term loans (see section I.2 below).

Pastavilla did not obtain any comparable commercial short-term loans in the same months as it obtained its pre-shipment loans and we, therefore, lack company-specific benchmark interest rates for Pastavilla. 19 CFR 351.505(3)(ii) directs us to use a national average interest rate as the benchmark where there are no company-specific rates. The GRT does not maintain or publish data concerning the predominant national average short-term interest rates in Turkey. We have, therefore, calculated a monthly benchmark interest rate based on the short-term interest rates in Turkey for 1999 as reported weekly by The

Economist. This is consistent with the methodology used in *Certain Welded Carbon Steel Pipes and Tubes and Welded Carbon Steel Line Pipe from Turkey; Preliminary Results of Countervailing Duty Administrative Review*, 65 FR 18070 (April 6, 2000) ("1998 Pipe & Tube"). As in the case of Maktas, we have increased these interest rates to reflect the tax exemptions on pre-shipment loans.

With respect to pre-shipment loans denominated in foreign currencies, Maktas has provided the interest rates paid on comparable commercial short-term loans denominated in the same currencies. In accordance with 19 CFR 351.505, we have used these interest rates as the benchmark rates for the foreign currency pre-shipment loans.

**Benefits to Mills:** All the respondents owned mills for processing wheat into semolina, which is the principal input product in pasta. None of the mills was separately incorporated, *i.e.*, both the semolina and the downstream product (pasta) were produced within a single corporate entity.

On this basis and in accordance with 19 CFR 351.525(b)(6)(ii), the Department has attributed subsidies provided for the production of semolina and pasta to the sales by the corporate entities that received them.

**Adjusting for Inflation:** During the POR, the inflation rate in Turkey exceeded 50 percent, as shown in the IMF's International Financial Statistics ("IFS"). Adjusting the subsidy benefits and the sales figures for inflation neutralizes any potential distortion in our subsidy calculations caused by high inflation and the timing of the receipt of the subsidy. Consistent with the methodology used in *1998 Pipe & Tube*, we calculated the *ad valorem* subsidy rates for each program by multiplying the benefit in the month of receipt by the rate of inflation from the month of receipt until the end of the POR. Next, we adjusted the monthly sales values in the same way and added these adjusted values, thus obtaining total sales for the POR valued at December 1999 prices. In these calculations, we used the Wholesale Price Index ("WPI") as reported in the IFS.

## Analysis of Programs

### I. Programs Preliminarily Determined To Confer Subsidies

#### 1. Pre-shipment Export Loans

In order to meet the financing needs of Turkish exporters, the Export Credit Bank of Turkey provides short-term pre-shipment loans to exporters through intermediary commercial banks. The term for TL-denominated loans is 120

days, whereas the term for loans denominated in foreign currencies is 180 days. Both types of loans may cover up to 100 percent of the FOB export value. The interest rate charged on the loans is established by the Export Credit Bank and is changed periodically. The intermediary commercial banks, which take the risk that the borrower may default, can require additional fees to offset this risk and may also charge a commission. Like all other export-related short-term loans, the pre-shipment export loans are exempted from the KKDF, BIST, and stamp taxes (*see* Subsidies Valuation Information section above).

Maktas and Pastavilla had outstanding pre-shipment export loans in the POR.

The Department has previously found that these loans confer a countervailable subsidy within the meaning of section 771(5) of the Act because the interest rate paid on these loans is less than the amount the recipient would pay on a comparable commercial loan. *See Final Affirmative Countervailing Duty Determination: Certain Pasta ("Pasta") from Turkey*, 61 FR 30366 (June 14, 1996) ("*Pasta Investigation Final*"). The loans are a direct transfer of funds from the GRT bestowing a benefit in the amount of the difference between the benchmark interest rate (including the taxes listed above) and the interest rate and fees paid by the recipient companies. In *Pasta Investigation Final*, we found the pre-shipment export loans to be specific in accordance with section 771(5A)(B) of the Act because receipt of these loans is contingent upon export performance. We have also previously found that these loans are not tied to a particular export destination and have, therefore, treated this program as an untied export loan program which renders it countervailable regardless of whether or not the loans were used for exports to the United States. *See 1998 Pipe & Tube*, 67 FR at 18072. In this review, no new information has been provided that would warrant reconsideration of these determinations.

Pursuant to 19 CFR 351.505, we have calculated the benefit as the difference between the payments of interest and taxes that Maktas and Pastavilla made on their pre-shipment export loans during the POR and the payments the companies would have made on comparable commercial loans. We divided the resulting benefit by the value of each company's exports during the POR, adjusting for inflation as described in the Subsidies Valuation Information section above. On this basis, we preliminarily determine the countervailable subsidy from this

program to be 5.45 percent *ad valorem* for Maktas and 1.73 percent *ad valorem* for Pastavilla.

#### 2. Exemption from KKDF, BIST, and Stamp Taxes on Export-related Loans

Pursuant to Article 4 of Resolution no. 94/5782 of June 13, 1994, Turkish companies are exempted from paying the KKDF, BIST, and stamp taxes on export-related short-term loans regardless of whether the loans are denominated in TL or foreign currencies. These exemptions are allowed both on loans at preferential interest rates (such as the pre-shipment export loans discussed above) and on loans at non-preferential interest rates.

Maktas reported receiving tax exemptions on short-term export-related loans provided at non-preferential interest rates. (Tax exemptions on preferential-rate pre-shipment export loans have been included in the calculation of the countervailable benefit for these loans, as described above.)

We have preliminarily determined that these tax exemptions confer a countervailable subsidy within the meaning of section 771(5) of the Act. They constitute revenue forgone by the GRT and provide a benefit in the amount of the tax exemptions.

We have preliminarily determined that the tax exemptions are specific in accordance with section 771(5A)(B) of the Act because their receipt is contingent upon exportation.

The Department typically treats tax exemptions as recurring grants in accordance with 19 CFR 351.524(c)(1). To calculate the countervailable subsidy, we divided the total amount of the tax exemptions received by Maktas on short-term export-related loans outstanding during the POR by the value of Maktas' exports during the POR, adjusting for inflation as described in the Subsidies Valuation Information section above. On this basis, we preliminarily determine the countervailable subsidy from this program to be 5.31 percent *ad valorem* for Maktas.

#### 3. VAT Support for Domestic Machinery and Equipment Purchases

Under the General Investment Encouragement Program ("GIEP"),<sup>1</sup> companies engaging in a wide variety of investment projects such as expanding or modernizing their production facilities, improving infrastructure, undertaking research and development,

<sup>1</sup> GIEP is the successor to GIP (General Incentives Program) which the Department examined in *Pasta Investigation Final* and *1998 Pipe & Tube*.

etc., can obtain an Investment Incentive Certificate for the project from the GRT. This certificate makes the company eligible for certain benefit programs as specified on each certificate. (A company may have more than one certificate depending on the number of investment projects.) The application for a certificate should include a description of the investment project, a feasibility study, a list of the machinery and equipment that the company plans to buy in connection with the project, etc. In order to receive a certificate, the company must commit to a certain level of investment and deposit a certain amount of money with the GRT (smaller investments and deposits are required for companies in areas designated as "priority development regions").

The Department has previously determined that some parts of the GIP/GIEP program are not countervailable (see section II.4 below) while other parts of the program are countervailable. "VAT Support for Domestic Machinery and Equipment Purchases," a program rebating the full VAT on domestically produced machinery and equipment, is countervailable. In some instances, a 10 percent premium is added to the VAT rebate.

In *1998 Pipe & Tube*, we determined that the VAT Support Program was countervailable under section 771(5)(D)(ii) of the Act because the VAT rebates constituted revenue forgone by the GRT. We also found the program to be specific under section 771(5A)(C) of the Act because the receipt of the rebates was contingent upon the use of domestically produced goods. A precursor to this program, "Incentive Premium on Domestically Obtained Goods," which functioned in a similar manner, was found countervailable for the same reasons in *Pasta Investigation Final*.

In *1998 Pipe & Tube*, we found that the VAT Support Program changed on August 1, 1998. As of that date, any company holding an Investment Incentive Certificate issued on or after August 1, 1998, could claim a full VAT exemption on *all* machinery and equipment acquired for the investment project, regardless of whether it is imported or domestically produced. This new program, which is called "VAT Exemption for Imported and Locally Purchased Machinery and Equipment," is further discussed under section II.5 below.

However, in *1998 Pipe & Tube*, we also found that companies could still receive benefits under the old system, i.e., VAT rebates exclusively on domestically produced machinery and equipment, if the Investment Incentive

Certificate was issued before August 1, 1998.

Pastavilla received benefits under the old VAT Support Program during the POR. As noted above, the Department has previously determined that these rebates confer a countervailable subsidy within the meaning of section 771(5) of the Act. They are a direct transfer of funds from the GRT bestowing a benefit in the amount of the rebate. As noted above, this program has previously been found to be specific. In this review, no new information has been provided that would warrant reconsideration of this determination.

We have previously treated the VAT rebates on domestic machinery and equipment as recurring grants because once a company has received an Investment Incentive Certificate, it becomes eligible for the VAT Support Program. See *1998 Pipe & Tube*. The receipt of benefits is automatic; companies do not have to apply for new certificates each year. In the current review, no new information has been placed on the record that would cause us to depart from this treatment. Therefore, to calculate the countervailable subsidy, we divided the amount received by Pastavilla in the POR by the value of the company's total sales in the POR, adjusting for inflation as described in the Subsidies Valuation Information section above. On this basis, we preliminarily determine the countervailable subsidy from this program to be 0.04 percent *ad valorem* for Pastavilla.

## II. Programs Preliminarily Determined To Be Not Countervailable

### 1. Export Credit Insurance

Exporters can obtain short-term export credit insurance from the Export Credit Bank of Turkey. These are one-year blanket insurance policies which cover up to 90 percent of losses incurred due to political risks (e.g., cancellation of the buyer's import permit or license and losses resulting from war, revolution, etc.) and commercial risks (e.g., the insolvency of the buyer or the refusal or failure of the buyer to take delivery of the goods). The insurance provided under this program is a post-shipment insurance because the Export Credit Bank becomes liable only if the loss occurs on or after the date of shipment.

The premium rates differ depending on the following factors: (1) whether the buyer is a public or a private entity, (2) the risk classification of the buyer's country, (3) the payment terms, and (4) the length of the credit period. Previously, it was obligatory for

companies taking pre-shipment export loans (see section I.1 above) to use the export credit program. However, since February 1997, use of the export credit insurance program is voluntary for borrowers under the pre-shipment export loan program.

The export credit insurance program was not used in the investigation of this case (see *Pasta Investigation Final*) or in *1998 Pipe & Tube*. In this review, Maktas and Filiz have reported buying export credit insurance from the Export Credit Bank, although neither company received any reimbursements under the program during the POR.

The GRT has provided information for the time period 1995–1999 showing that, in each of these years, the premiums paid for the export credit insurance and other income generated by the program exceeded the insurance claims paid to participating companies. The 1999 annual report of the Export Credit Bank also shows that the bank's operating income (which includes the operating income for the export credit insurance program) exceeds its long-term operating costs. On this basis, in accordance with 19 CFR 351.520(a)(1), we preliminarily find the export credit insurance program to be not countervailable.

### 2. Purchases of Domestic Wheat from the TMO under Decree 98/11033

There are three main ways for Turkish pasta producers to obtain wheat for semolina: (1) from the TMO, (2) from local growers and traders, or (3) through imports. Prices on Turkish wheat are set above world market price as part of a price support scheme benefitting domestic wheat growers. However, companies holding an Inward Processing License may obtain cheaper wheat by either importing it under a duty-drawback program (see section II.3 below) or by purchasing Turkish wheat from the TMO under Decree 98/11033 at prices below normal domestic prices. The GRT and Maktas, the only company using this program in the POR, have stated that the price of wheat purchased under this decree is at or above the price generated in international tender auctions held by the TMO to sell Turkish wheat to foreign buyers, i.e., a world market price. Companies using Inward Processing Licenses must export the finished product regardless of whether they import wheat under the duty drawback program or buy it from the TMO under Decree 98/11033.

Under 19 CFR 351.516(a)(1), price preferences for inputs used in the production of goods for export confer a countervailable benefit if the inputs are provided at more favorable terms or

conditions than inputs used in the production of goods for domestic consumption, unless "such terms or conditions are not more favorable than those commercially available on world markets to exporters." As explained above, the prices that Maktas paid for wheat purchased under Decree 98/11033 were equivalent to, or higher than, the prices that foreign buyers paid for Turkish wheat at auctions. We preliminarily regard these prices to be world market, but before issuing the final results of this review, we will seek more information from the GRT about the auctions and we will also request support documentation for the prices paid at the auctions.

On this basis, we preliminarily determine that the provision of wheat under Decree 98/11033 is not countervailable.

### 3. Wheat Imports Under Inward Processing Licenses

As described above, Turkish companies holding an Inward Processing License may import wheat duty-free under a duty drawback program provided that they export the finished product. Maktas and Pastavilla imported wheat under an Inward Processing License in the POR.

According to 19 CFR 351.519, a benefit exists to the extent that the amount of the remission or drawback exceeds the amount of import charges on the imported input or to the extent that the exemption extends to inputs that are not consumed in the production of the exported products. Maktas and Pastavilla imported wheat (which is processed into semolina, the main input product in pasta) under the Inward Processing Licenses. There is no indication that either company received excessive remissions of the import duty, which normally is 50 percent on imported wheat. On this basis, we preliminarily determine that wheat imports under the Inward Processing Licenses are not countervailable. However, before issuing the final results of this review, the Department will request Maktas and Pastavilla to document that they did not receive excessive remissions of the import duty under this program.

### 4. Certain GIEP Benefits: Investment Allowances, Customs Duty Exemptions, and Stamp Tax Exemptions

In *Pasta Investigation Final*, we determined that certain GIEP (formerly GIP) benefits, were not countervailable because there were no *de jure* limitations on the types of industries eligible for these benefits (see 61 FR at 30371). Further, we determined that the

pasta industry was not a dominant user of the program, nor did it receive a disproportionate number of the Investment Incentive Certificates issued by the GRT during the time period 1991–1994. In other words, we found that the certificates were not *de facto* specific to the pasta industry.

In the POR, Filiz used certain GIEP benefits (Investment Allowance, which is a form of corporate income tax deduction, and Customs Duty Exemptions) under an Investment Incentive Certificate issued in 1994. In *Pasta Investigation Final*, we found the Customs Duty Exemptions to be not countervailable because, as explained above, there was neither *de jure*, nor *de facto*, specificity for certificates issued in 1994. In the current review, no new information has been placed on the record that would cause us to change this determination.

Regarding the Investment Allowances portion of the GIP/GIEP program, none of the respondents in the investigation used this program. However, these allowances were used in 1998 *Pipe & Tube* where we analyzed them by examining the specificity of the Investment Incentive Certificates. We have applied the same type of analysis to the Investment Allowances used by Filiz in this review. Because we found in *Pasta Investigation Final* that certificates issued in 1994 were not specific, we preliminarily determine that the Investment Allowances used by Filiz under its 1994 Investment Incentive Certificate are not countervailable.

During the POR, Filiz also used an Investment Incentive Certificate issued in 1998. Pastavilla used certificates issued between 1996 and 1999, and Maktas used a certificate issued in 1996. The GIP/GIEP programs used by these companies included Investment Allowances and Customs Duty Exemptions. Beslen also held Investment Incentive Certificates issued during the same general time period (Beslen's data regarding its certificates is proprietary and, therefore, cannot be discussed in further detail in this notice). Beslen received Customs Duty Exemptions and Stamp Tax Exemptions under its certificates. (The VAT support reported by the respondents in the context of the GIEP program has been dealt with elsewhere in this notice.)

Consistent with *Pasta Investigation Final* and 1998 *Pipe & Tube*, we have analyzed the countervailability of the Investment Allowances, Customs Duty Exemptions, and Stamp Tax Exemptions in terms of the specificity of the Investment Incentive Certificates issued between 1996 and 1999. Based on

information gathered from the Turkish Treasury Department's website (<http://www.hazine.gov.tr>), we preliminarily determine that the food and beverages industry did not receive a disproportionate number of Investment Incentive Certificates during the time period 1996–1999. On this basis, we preliminarily determine that the Investment Allowances, Customs Duty Exemptions, and Stamp Tax Exemptions received under Investment Incentive Certificates issued between 1996 and 1999 are not countervailable.

### 5. VAT Exemption on Imported and Locally Purchased Machinery and Equipment

As discussed in section I.3 above, the VAT Support Program changed on August 1, 1998. From that date, the program, renamed "VAT Exemption on Imported and Locally Purchased Machinery and Equipment," entitles holders of Investment Incentive Certificates issued on or after August 1, 1998, to claim full VAT exemption on all machinery and equipment acquired for the investment project, regardless of whether it is imported or domestically produced.

During the POR, Pastavilla used this new program under an Investment Incentive Certificate issued in 1999. Because benefits under the program are no longer tied to the purchase of domestically produced machinery and equipment and because the food and beverages industry did not receive a disproportionate number of Investment Incentive Certificates during the relevant time period (see section II.4 above), we preliminarily find the "VAT Exemption for Imported and Locally Purchased Machinery and Equipment" program to be not countervailable.

### III. Programs Preliminarily Determined To Be Not Used

1. Pasta Export Grants.
2. Export Credit Through the Foreign Trade Corporate Companies' Rediscount Credit Facility.
3. Performance Foreign Currency Export Loans.
4. Corporate Tax Deferrals.
5. Subsidized Credits for a Proportion of Fixed Expenditures.
6. Subsidized Credits in Foreign Currencies.
7. Direct Payments to Exporters for Wheat Products to Compensate for High Domestic Input Prices.
8. GIP/GIEP Program:
  - a. Exemption from Certain Customs Duties and Fund Levies.
  - b. Exemption from Certain Taxes, Duties and Fees (Other Tax Exemptions).

- c. Subsidized Turkish Lire Credit Facilities.
- d. Land Allocation.
- e. Energy Support.
- f. Payment of Certain Obligations of Firms Undertaking Large Investments.

#### IV. Programs Preliminarily Determined To Have Been Terminated

The GRT has stated that the following programs have been terminated. Before issuing the final results in this administrative review, we will seek confirmation through official government documents and other sources that these programs no longer exist.

1. Free Wheat Program.
2. Payments for Exports on Turkish Ships/State Aid for Exports Program.
3. Tax Exemption Based on Exports Earnings (Corporate Tax Law 3946).
4. Advance Refunds of Tax Savings.
5. Exemption from Mass Housing Fund Levy (Duty Exemptions).
6. GIP/GIEP Program:
  - a. Interest Spread Return Program.
  - b. Resource Utilization Support Fund.

#### Preliminary Results of Review

In accordance with 19 CFR 351.221(b)(4)(i), we calculated an individual subsidy rate for each producer/exporter subject to this administrative review. For the period January 1, 1999 through December 31, 1999, we preliminarily determine the net subsidy rates for producers/exporters under review to be those specified in the chart shown below. If the final results of this review remain the same as these preliminary results, the Department intends to instruct the Customs Service ("Customs") to assess countervailing duties at these net subsidy rates. Because the rates for Beslen and Filiz are zero, we plan to instruct Customs to liquidate entries from these companies during the POR without regard to countervailing duties.

The Department also intends to instruct Customs to collect cash deposits of estimated countervailing duties at these rates on the FOB value of all shipments of the subject merchandise from the producers/exporters under review that are entered, or withdrawn from warehouse, for consumption on or after the date of publication of the final results of this administrative review.

Company	Ad valorem rate (percent)
Beslen Makarna Gida Sanayi ve Ticaret A.S. and Beslen Pazarlama Gida Sanayi ve Ticaret A.S .....	0.00

Company	Ad valorem rate (percent)
Filiz Gida Sanayi ve Ticaret A.S .....	0.00
Maktas Makarnacilik ve Ticaret A.S .....	10.76
Pastavilla Makarnacilik Sanayi ve Ticaret A.S .....	1.77

The calculations will be disclosed to the interested parties in accordance with 19 CFR 351.224(b).

For companies that were not named in our notice initiating this administrative review, the Department has directed Customs to assess countervailing duties on all entries between January 1, 1999 and December 31, 1999 at the rates in effect at the time of entry.

For all non-reviewed firms, we will instruct Customs to collect cash deposits of estimated countervailing duties at the most recent company-specific or country-wide rate applicable to the company. Accordingly, the cash deposit rates that will be applied to non-reviewed companies covered by this order are those established in the *Notice of Countervailing Duty Order: Certain Pasta ("Pasta") From Turkey*, 61 FR 38546 (July 24, 1996) or the company-specific rate published in the most recent final results of an administrative review in which a company participated. These rates shall apply to all non-reviewed companies until a review of a company assigned these rates is requested.

#### Public Comment

Interested parties may submit written arguments in case briefs within 30 days of the date of publication of this notice. Rebuttal briefs, limited to issues raised in case briefs, may be filed not later than five days after the date of filing the case briefs. Parties who submit briefs in this proceeding should provide a summary of the arguments not to exceed five pages and a table of statutes, regulations, and cases cited. Copies of case briefs and rebuttal briefs must be served on interested parties in accordance with 19 CFR 351.303(f).

Interested parties may request a hearing within 30 days after the date of publication of this notice. Any hearing, if requested, will be held two days after the scheduled date for submission of rebuttal briefs.

Representatives of parties to the proceeding may request disclosure of proprietary information under administrative protective order no later than 10 days after the representative's client or employer becomes a party to the proceeding, but in no event later

than the date the case briefs, under 19 CFR 351.309(c)(ii), are due.

The Department will publish a notice of the final results of this administrative review within 120 days from the publication of these preliminary results.

This administrative review and notice are in accordance with sections 751(a)(1) and 777(i)(1) of the Act.

Dated: July 31, 2001.

**Faryar Shirzad,**

*Assistant Secretary for Import Administration.*

[FR Doc. 01-19777 Filed 8-7-01; 8:45 am]

**BILLING CODE 3510-DS-P**

## DEPARTMENT OF COMMERCE

### National Oceanic and Atmospheric Administration

[I.D. 080201A]

#### Notice of Public Meeting

**AGENCY:** National Marine Fisheries Service (NMFS), National Oceanic and Atmospheric Administration (NOAA), Commerce.

**ACTION:** Notice of meeting of the North Pacific Research Board Voting Members to nominate a new member.

**SUMMARY:** The North Pacific Research Board (Board) will meet August 14, 2001, at 3 p.m. at the U.S. Department of Agriculture (USDA) Forest Conference Room, Room 541B, Federal Building, Juneau, AK in order to nominate a new Board member. The meeting is open to the public. Members of the public may address the Board or submit written comments.

**DATES:** August 14, 2001, 3 p.m., Alaska local time.

**ADDRESSES:** Inquiries related to the Board's meeting should be submitted to Bill Hines, International Coordinator, Alaska Region, NMFS, P.O. Box 21668, Juneau, AK, 99802, Attn: Lori Gravel, or delivered to Room 453 of the Federal Building, 709 West 9th Street, Juneau, AK.

**FOR FURTHER INFORMATION CONTACT:** Bill Hines, 907-586-7224 or email at William.Hines@noaa.gov.

#### SUPPLEMENTARY INFORMATION:

##### Background

Section 401(a) of Public Law (Pub.L.) 105-83, as amended by Pub.L. 106-113, established the Environmental Improvement and Restoration Fund. Twenty percent of the interest proceeds from this fund, which contains one half of the amount awarded to the United States in the case, *United States v.*