

Duty drawback on inputs consumed in the production process of exported products is not a subsidy, unless excessive. (See Agreement on Subsidies and Countervailing Measures, Annex I, item i of the Illustrative List). Because petitioners have not alleged that the duty drawback is excessive, we are not including the Mass Housing Fund Duty Drawback in our investigation. As noted earlier, however, we are initiating an investigation of the Mass Housing Fund Levy program which provides duty exemptions for pasta producers when importing durum wheat, regardless of whether the pasta is sold domestically or exported.

#### *9. Employee Wage and Salary Tax Exemption (GIP/Regional Subsidies Programs)*

Employees working in facilities constructed in First or Second Priority areas or in priority industries are partially exempt from income tax on their wages and salaries.

Section 355.44(j) of our Proposed Regulations (see also *General Issues Appendix*) states that the provision by a government of financial assistance to workers confers a countervailable benefit to the extent that such assistance relieves a firm of an obligation which it would normally incur. Since there is no indication that this program provides benefits to the employer and not the employee, we are not including this program in our investigation.

#### *Creditworthiness*

Petitioners assert that the Department should investigate whether the pasta producers in Turkey are creditworthy. Petitioners claim there is a lack of financial information available about the producers but that their analysis shows that Turkish producers are selling below cost in their home market. The existence of dumping margins based on a comparison of U.S. prices with the producers' cost of production shows that they are also not covering their costs in their largest export market.

The Department does not consider the creditworthiness of a firm absent a specific allegation by the petitioner which is supported by information establishing a reasonable basis to believe or suspect that the firm is uncreditworthy. This information would normally cover three years prior to the year in which the company is alleged to be uncreditworthy. Because petitioners have not provided sufficient evidence of the Turkish pasta producers' uncreditworthiness, we are not including a creditworthiness analysis in our investigation at this time.

#### *Distribution of Copies of the Petition*

In accordance with section 702(b)(4)(A)(i) of the Act, copies of the public version of the petition have been provided to the representatives of Italy and Turkey. We will attempt to provide copies of the public version of the petition to all the exporters named in the petition.

#### *ITC Notification*

Pursuant to section 702(d) of the Act, we have notified the ITC of these initiations.

#### *Preliminary Determination by the ITC*

The ITC will determine by June 26, 1995, whether there is a reasonable indication that an industry in the United States is being materially injured, or is threatened with material injury, by reason of imports from Italy and Turkey of pasta. Any ITC determination which is negative will result in the investigations being terminated; otherwise, the investigations will proceed according to statutory and regulatory time limits.

This notice is published pursuant to 702(c)(2) of the Act.

Dated: June 1, 1995.

**Susan G. Esserman,**

*Assistant Secretary for Import Administration.*

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#### **[C-549-501]**

#### **Certain Circular Welded Carbon Steel Pipes and Tubes From Thailand: 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 (the Department) is conducting an administrative review of the countervailing duty order on certain circular welded carbon steel pipe and tubes from Thailand. We preliminarily determine the net subsidy to be 0.23 percent *ad valorem* for Saha Thai Pipe and Tube Company (Saha Thai) and all other companies for the period January 1, 1993, through December 31, 1993. Because the net subsidy is *de minimis*, if the final results are the same as these preliminary results of administrative review, we will instruct U.S. customs to liquidate entries without regard to countervailing duties. Interested parties

are invited to comment on these preliminary results.

**EFFECTIVE DATE:** June 8, 1995.

**FOR FURTHER INFORMATION CONTACT:** Stephen Lebowitz and Kelly Parkhill, Office of Countervailing Compliance, Import Administration, International Trade Administration, U.S. Department of Commerce, Room B099, 14th Street and Constitution Avenue, N.W., Washington, DC 20230; telephone (202) 482-1503 or 482-4126, respectively.

#### **SUPPLEMENTARY INFORMATION**

##### **Background**

On August 14, 1985, the Department published in the **Federal Register** (50 FR 32751) the countervailing duty order on certain circular welded carbon steel pipes and tubes from Thailand. On August 3, 1994, the Department published a notice of "Opportunity to Request an Administrative Review" (59 FR 39543) of this countervailing duty order. We received a timely request from Saha Thai.

We initiated the review, covering the period January 1, 1993, through December 31, 1993, on September 16, 1994 (59 FR 47609). The review covers one manufacturer/exporter of the subject merchandise and nine programs. The final results of the last administrative review in this case were published October 9, 1991 (56 FR 50852).

##### **Applicable Statute and Regulations**

The Department is conducting this administrative review in accordance with section 751(a) of the Tariff Act of 1930, as amended (the Act). Unless otherwise indicated, all citations to the statute and to the Department's regulations are in reference to the provisions as they existed on December 31, 1994.

##### **Scope of Review**

On March 29, 1994, the Department clarified the Harmonized Tariff Schedule (HTS) numbers that were applicable to the subject merchandise (see *Memorandum to Susan Esserman from Susan Kuhbach*, available in the Central Records Unit, Room B099, Main Commerce Building). This clarification was necessary because of annual changes in the HTS. The scope now reads:

Imports covered in this review are shipments of circular welded carbon steel pipes and tubes (pipes and tubes) with an outside diameter of 0.375 inch or more but not over 16 inches, of any wall thickness. These products, commonly referred to in the industry as standard pipe or structural tubing, are

produced to various ASTM specifications, most notably A-120, A-53 and A-135. During the review period, this merchandise was classified under item numbers 7306.30.10 and 7306.30.50 of the HTS. The HTS numbers are provided for convenience and Customs purposes. The written description remains dispositive.

The review covers the period January 1, 1993, through December 31, 1993.

#### Calculation Methodology for Assessment and Cash Deposit Purposes

We calculated the net subsidy on a country-wide basis by first calculating the subsidy rate for Saha Thai. As this was the only exporter of the subject merchandise, we used Saha Thai's rate as the country-wide rate. Since the country-wide rate calculated using this methodology was *de minimis*, as defined by 19 CFR § 355.7(1994), no further calculations were necessary.

#### Analysis of programs

##### I. Program Conferring Subsidies

##### Export Packing Credits

Export packing credits (EPCs) are short-term loans used for pre-shipment export financing. The loans are issued by commercial banks in baht for up to 180 days. The commercial banks are required to charge no more than a maximum interest rate of 10 percent *per annum* on the loan. Interest is paid on the due date of the loan. To obtain these loans, exporters issue promissory notes to the lending bank. The notes must be supported by an irrevocable letter of credit, a sales agreement, a purchase order, warehouse receipt, or issuance export bill. Commercial banks can lend up to the amount of the shipment. The commercial banks may rediscount 50 percent of the loan with the Bank of Thailand (BOT). On the date the loan is due, the BOT debits the commercial bank's account for the principal and the interest due. The commercial bank, in turn, debits the exporter's account or extends further credit at negotiated, commercial rates to the exporter.

If the exporter fails to export the total value of the goods by the due date, the BOT automatically charges the commercial bank a penalty retroactive to the first day of the loan. In case of non-performance by the exporter on the due date of the loan, this penalty is passed on to the exporter. During the period of review (POR), the penalty interest rate was 6.5 percent *per annum* on the entire loan. This penalty is forgiven and the exporter receives the EPC preferential rate if it makes the export shipment or receives payment in foreign currency for the product within

60 days after the due date of the promissory note. Because EPCs are available only to exporters, they are countervailable to the extent that the loans are provided at preferential rates.

To determine whether the loans are preferential, we ordinarily use as the benchmark the interest rate for the predominant source of short-term financing in the country in question. Where there is no single, predominant source of short-term financing, we may use a benchmark composed of the interest rates for two or more sources of short-term financing in the country in question, weighted, whenever possible, according to the value of the financing granted by each source. In *Final Countervailing Duty Determination and Countervailing Duty Order: Steel Wire Rope from Thailand* (56 FR 46299; Sept. 11, 1991) (*Steel Wire Rope*), the Department concluded that the minimum loan rate (MLR) and the minimum overdraft rate (MOR) as reported in the BOT Quarterly Bulletin are more representative of the prevailing short-term interest rates in Thailand than the rates used in previous cases. Based on that determination and on the recent United States Court of International Trade (CIT) decision in *Royal Thai Government and TTU Industrial Corp. v United States*, 850 F. Supp. 44 (CIT 1994), which said that the average rate of the MLR and MOR rates was the appropriate benchmark for short term loans, we are using the average of the 1993 MLR and MOR rates as reported in the BOT Quarterly Bulletin for 1993. That rate was 11.18 percent, which exceeded the maximum interest rate on EPCs of 10 percent. Therefore, we preliminarily determine that EPC loans are preferential.

To calculate the benefit provided to Saha Thai, currently the only known producer/exporter of the subject merchandise,<sup>1</sup> by the EPC loans during the POR, we compared the amount of interest actually paid to the amount that would have been paid at the benchmark rate. During the verification of the 1992 administrative review, we noted that the company had to specify the destination of the merchandise in order to receive the EPC loans. (See, *Certain Circular Welded Carbon Steel Pipes and Tubes From Thailand: Preliminary Results of Countervailing Duty Administrative Review* (60 FR 15901; March 28, 1995).) Because Saha Thai had to specify the destination of the subject merchandise for approval and because they exported

only the subject merchandise to the United States, we divided the benefit by its total exports of the subject merchandise to the United States to arrive at a net bounty or grant of 0.23 percent *ad valorem*.

##### II. Programs Preliminary Found Not To Be Used

We also examined the following programs and preliminarily determine that Saha Thai did not apply for or receive benefits under these programs for the review period.

1. Tax Certificates for Exporters
2. Electricity Discounts for Exporters
3. Tax and Duty Exemptions Under Section 28 of the Investment Promotion Act
4. Repurchase of Industrial Bills
5. Export Processing Zones
6. International Trade Promotion Fund/Export Promotion Fund
7. Reduced Business Taxes for Producers of Intermediate Goods for Export Industries
8. Additional Incentives under the IPA.

##### Preliminary Results of Review

For the period of January 1, 1993, through December 31, 1993, we preliminarily determine the net subsidy to be 0.23 percent *ad valorem* for all exporters and producers of pipe and tube from Thailand. In accordance with 19 CFR § 355.7, any rate less than 0.5% *ad valorem* is *de minimis*.

If the final results of this review remain the same as these preliminary results, the Department intends to instruct the U.S. Customs Service to liquidate, without regard to countervailing duties, all shipments of the subject merchandise from Thailand exported on or after January 1, 1993, and on or before December 31, 1993.

The Department intends to instruct the Customs Service to collect cash deposits of zero percent *ad valorem* of the f.o.b. invoice price on all shipments of this merchandise entered, or withdrawn from the warehouse, for consumption on or after the date of publication of the final results of this administrative review.

Parties to the proceeding may request disclosure of the calculation methodology and interested parties may request a hearing not later than 10 days after the date of publication of this written notice. Interested parties may submit written arguments in case briefs on these preliminary results within 30 days of the date of publication. Rebuttal briefs, limited to arguments raised in case briefs, may be submitted seven days after the time limit for filing the case brief. Any hearing, if requested, will be held seven days after the

<sup>1</sup> S.A.F. is an export trading company that is related to Saha Thai that began operations in 1993. All pipe exported by S.A.F. is produced by Saha Thai. We are treating the two companies as one corporate entity for purposes of our calculations.

scheduled date for submission of rebuttal briefs. Copies of case briefs and rebuttal briefs must be served on interested parties in accordance with 19 CFR 355.38(e).

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 355.38(c), are due. The Department will publish the final results of this administrative review including the results of its analysis of issues raised in any case or rebuttal brief or at a hearing.

The administrative review and notice are in accordance with section 751(a)(1) of the Act (19 U.S.C. 1675(a)(1)) and 19 CFR 355.22.

Dated: May 26, 1995.

**Susan G. Esserman,**

*Assistant Secretary for Import Administration.*

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[Docket Number 950531143-5143-01]

### **International Buyer Program (Formerly Known as the Foreign Buyer Program); Support for Domestic Trade Shows**

**AGENCY:** International Trade Administration, Commerce.

**ACTION:** Notice and Call for Applications for the FY'97 International Buyer Program (October 1, 1996, through September 30, 1997).

**SUMMARY:** This notice sets forth objectives, procedures and application review criteria associated with the U.S. Department of Commerce's International Buyer Program (IBP), formerly known as the Foreign Buyer Program, to support domestic trade shows: Selection in the International Buyer Program for Fiscal Year 1997.

The International Buyer Program was established to bring international buyers together with U.S. firms by promoting leading U.S. trade shows in industries with high export potential. The International Buyer Program emphasizes cooperation between the U.S. Department of Commerce (DOC) and trade show organizers to benefit U.S. firms exhibiting at selected events and provides practical, hands-on assistance to U.S. companies interested in exporting such as export counseling and market analysis. The assistance provided to show organizers includes worldwide overseas promotion of selected shows to potential international

buyers, end-users, representatives and distributors. The worldwide promotion is executed through the offices of the Commerce Department's Commercial Service of the United States of America (Commercial Service), formerly referred to as United States and Foreign Commercial Service, in 69 countries representing America's major trading partners, and also through U.S. Embassies in countries where the Commercial Service does not maintain offices. The Department expects to select approximately 22 shows for FY97 from among applicants to the program. Shows selected for the International Buyer Program will provide a venue for U.S. companies interested in expanding their sales into international markets. Successful applicants will be required to enter into a Memorandum of Understanding (MOU) that sets forth the specific actions to be performed by the show organizer and the DOC. The MOU constitutes a participation agreement between the DOC and the show organizer specifying which services are to be rendered by DOC as part of the IBP and, in turn, what responsibilities must be assumed by the show organizer. Anyone wishing to apply will be sent a copy of the MOU along with the application package. The services to be rendered by DOC will be carried out by the Commercial Service of the United States of America unless otherwise indicated.

**DATES:** Applications must be received within July 24, 1995. A contribution of \$5,000 is required for each show selected by the IBP for inclusion in the FY97 program.

**ADDRESSES:** Export Promotion Services/ International Buyer Program, Commercial Service of the United States of America, International Trade Administration, U.S. Department of Commerce, Room 2116, 14th and Constitution Avenue, N.W., Washington, D.C. 20230. Telephone: (202) 482-0481 (Facsimile applications will not be accepted.)

**FOR FURTHER INFORMATION CONTACT:** Contact Jim Boney, Product Manager, International Buyer Program, Room 2116, Export Promotion Services, U.S. and Foreign Commercial Service, International Trade Administration, U.S. Department of Commerce, 14th and Constitution Avenue, N.W., Washington, D.C. 20230. Telephone: (202) 482-0481 or Fax: (202) 482-0115.

**SUPPLEMENTARY INFORMATION:** The International Trade Administration (ITA) of the U.S. Department of Commerce is accepting applications for the International Buyer Program (IBP)

for events taking place between October 1, 1996, and September 30, 1997.

Under the IBP, the Department seeks to bring international buyers together with U.S. firms by selecting and promoting in international markets domestic trade shows in industries with high export potential. Selection of a trade show is one-time, i.e., a trade show organizer seeking selection for a recurring event must submit a new application for selection for each occurrence of the event. If the event occurs more than once in the 12-month period covering this announcement, the trade show organizer must submit a separate application for each event.

The Department will select approximately 22 events to support during this 12-month period. The Department will select those events that, in its judgment, most clearly meet the Department's objectives and selection criteria mentioned below.

Selection indicates that the Department has found the event to be a leading international trade show appropriate for participation by U.S. exporting firms and promotion in overseas markets by U.S. Embassies and Consulates. Selection does not constitute a guarantee by the U.S. Government of the show's success. Selection is not an endorsement of the show organizer except as to its International Buyer Program activities. Non-Selection should not be viewed as a finding that the event will not be successful in the promotion of U.S. exports.

### **Exclusions**

Trade shows that are either first-time or horizontal (non-industry specific) events will not be considered. Annual trade shows will not be selected for this program more than twice in any three-year period (e.g., shows selected for fiscal years 1995 and 1996 are not eligible for inclusion in this program in fiscal year 1997, but can be considered in subsequent years).

The Office of Management and Budget has approved the information collection requirements of the application to this program under the provisions of the Paperwork Reduction Act of 1980 (44 U.S.C. 3501 et. seq.) (OMB control no. 0625-0151 approved for use through 10/31/97).

### **General Selection Criteria**

Subject to Departmental budget and resource constraints, those events will be selected that, in the judgment of the Department, most clearly meet the following criteria: