A. BNDES Programa de Modernizacao de Siderurgia Brasilera - Fund for the Modernization of the Steel Industry

B. Belgo Mineira BNDES Financing for the Acquisition of Dedini Siderurgicia de Piracicaba

In 1998, Belgo Mineira purchased 51 percent of Dedini. Prior to this transaction, Belgo Mineira owned 49 percent of the outstanding shares in Dedini. Although the petitioners alleged that Belgo Mineira purchased the remaining 51 percent of Dedini using preferential loans from BNDES, the GOB confirmed that Belgo Mineira used no BNDES financing for this purchase. Based on these facts, we determine that BNDES financing for the acquisition of Dedini does not exist.

Verification

In accordance with section 782(i)(1) of the Act, we will verify the information submitted by the respondents prior to making our final determination.

ITC Notification

In accordance with section 703(f) of the Act, we will notify the ITC of our determination. In addition, we are making available to the ITC all nonprivileged and nonproprietary information relating to this investigation. We will allow the ITC access to all privileged and business proprietary information in our files, provided the ITC confirms that it will not disclose such information, either publicly or under an administrative protective order, without the written consent of the Assistant Secretary for Import Administration.

In accordance with section 705(b)(3) of the Act, if our final determination is negative, the ITC will make its final determination within 75 days after the Department makes its final determination.

Public Comment

Case briefs for this investigation must be submitted no later than one week after the issuance of the last verification report. Rebuttal briefs must be filed within five days after the deadline for submission of case briefs. A list of authorities relied upon, a table of contents, and an executive summary of issues should accompany any briefs submitted to the Department. Executive summaries should be limited to five pages total, including footnotes. Section 774 of the Act provides that the Department will hold a public hearing to afford interested parties an opportunity to comment on arguments raised in case or rebuttal briefs, provided that such a hearing is requested by an interested party. If a request for a hearing is made in this investigation, the hearing will tentatively be held two days after the deadline for submission of the rebuttal briefs at the U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230. Parties should confirm by telephone the time, date, and place of the hearing 48 hours before the scheduled time.

Interested parties who wish to request a hearing, or to participate if one is requested, must submit a written request to the Assistant Secretary for Import Administration, U.S. Department of Commerce, Room 1870, within 30 days of the publication of this notice. Requests should contain: (1) the party's name, address, and telephone number; (2) the number of participants; and (3) a list of the issues to be discussed. Oral presentations will be limited to issues raised in the briefs.

This determination is published pursuant to sections 703(f) and 777(i) of the Act.

February 2, 2002

Faryar Shirzad,

Assistant Secretary for Import Administration.

[FR Doc. 02–3118 Filed 2–7–02; 8:45 am]

BILLING CODE 3510–DS–S

DEPARTMENT OF COMMERCE

International Trade Administration

[C–489–809]

Preliminary Negative Countervailing Duty Determination: Carbon and Certain Alloy Steel Wire Rod From Turkey

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

ACTION: Notice of preliminary negative countervailing duty determination.

SUMMARY: The Department of Commerce preliminarily determines that countervailable subsidies are not being provided to producers or exporters of carbon and certain alloy steel wire rod from Turkey.

EFFECTIVE DATE: February 8, 2002.

FOR FURTHER INFORMATION CONTACT: Jennifer D. Jones or S. Anthony Grasso, Office of Antidumping/Countervailing Duty Enforcement, Group 1, Import Administration, U.S. Department of Commerce, Room 3099, 14th Street and Constitution Avenue, N.W., Washington,D.C. 20230; telephone (202) 482–4194 and (202) 482–3853, respectively.

SUPPLEMENTARY INFORMATION:

The Applicable Statute

Unless otherwise indicated, all citations to the statute are references to the provisions of the Tariff Act of 1930, as amended by the Uruguay Round Agreements Act (''URAA'') effective January 1, 1995 (''the Act''). In addition, unless otherwise indicated, all citations to the Department of Commerce's (''the Department's'') regulations are to 19 CFR Part 351 (April 2001).

Petitioners

The petitioners in this investigation are Co-Steel Raritan, Inc., GS Industries, Keystone Consolidated Industries, Inc., and North Star Steel Texas, Inc. (collectively, ''petitioners'').

Case History

The following events have occurred since the publication of the notice of initiation in the Federal Register. See Notice of Initiation of Countervailing Duty Investigations: Carbon and Certain Alloy Steel Wire Rod from Brazil, Canada, Germany, Trinidad and Tobago, and Turkey, 66 FR 49931 (October 1, 2001) (''Initiation Notice'').

On October 9, 2001, we issued countervailing duty (''CVD'') questionnaires to the Government of the Republic of Turkey (''GRT'') and the producers/exporters of the subject merchandise. Due to the large number of producers and exporters of carbon and certain alloy steel wire rod (''wire rod'' or ''subject merchandise'') in Turkey, we decided to limit the number of responding companies to the two producers/exporters with the largest volumes of exports to the United States during the period of investigation: Colakoglu Metalurji, A.S. (''Colakoglu'') and Habas Sinai ve Tibbi Gazlar Istihsal Endustrisi, A.S. (''Habas''). See October 5, 2001 memorandum to Susan Kuhbach, Respondent Selection, which is on file in the Department's Central Records Unit in Room B–099 of the main Department building (''CRU'').

Also on October 9, we received a request from the petitioners to amend the scope of this investigation to exclude certain wire rod. The petitioners submitted further clarification with respect to their scope amendment request on November 28, 2001. Additionally on November 28, the five largest U.S. tire manufacturers and the industry trade association, the Rubber Manufacturers Association (''the tire manufacturers''), submitted comments on the proposed exclusion. Counsel for the GRT and the companies submitted comments on this scope amendment request also on November

28. On January 28, 2002, the tire manufacturers submitted a response to the petitioners' amendment request.

On November 14, 2001, we postponed the preliminary determination of this investigation until February 1, 2002. See Carbon and Certain Alloy Steel Wire Rod From Brazil, Canada, Germany, Trinidad and Tobago, and Turkey: Postponement of Preliminary Determinations of Countervailing Duty Investigations, 66 FR 57036 (November 14, 2001).

The Department received the GRT and company responses to the Department's questionnaires on November 30, 2001. On December 6, 2001, the petitioners submitted comments regarding these questionnaire responses. The Department issued supplemental questionnaires to the GRT and the companies on December 13, 2001, and received responses to those questionnaires on January 7, 2002. On January 14, 2002, the petitioners submitted comments regarding these questionnaire responses. The Department issued additional supplemental questionnaires to the companies on January 17, 2002, and received responses to those questionnaires on January 18, 2002. On January 24, 2002, the respondents submitted replies to the petitioners' January 14, 2002 comments. Because of the lack of time between the Department's receipt of these replies and the date of our preliminary determination, we were unable to analyze these comments fully for the preliminary determination. However, we will consider them in their entirety for our final determination.

On December 5, 2001, the petitioners filed a critical circumstances allegation with respect to Brazil, Germany, and Turkey. In a letter filed on December 21, 2001, the petitioners extended this allegation to include Trinidad and Tobago. On December 17, 2001, independently of each other, the American Wire Producers Association and Saarstahl AG submitted letters in opposition to the petitioners' critical circumstances allegation. The petitioners filed supplemental critical circumstances information and arguments relating to Turkey on December 19, 2001.

Period of Investigation

The period for which we are measuring subsidies is calendar year 2000.

Scope of Investigation

The merchandise covered by this investigation is certain hot-rolled products of carbon steel and alloy steel, in coils, of approximately round cross section, 5.00 mm or more, but less than 19.0 mm, in solid cross-sectional diameter.

Specifically excluded are steel products possessing the above-noted physical characteristics and meeting the Harmonized Tariff Schedule of the United States (''HTSUS'') definitions for (a) stainless steel; (b) tool steel; (c) high nickel steel; (d) ball bearing steel; and (e) concrete reinforcing bars and rods. Also excluded are (f) free machining steel products (i.e., products that contain by weight one or more of the following elements: 0.03 percent or more of lead, 0.05 percent or more of bismuth, 0.08 percent or more of sulfur, more than 0.04 percent of phosphorus, more than 0.05 percent of selenium, or more than 0.01 percent of tellurium). All products meeting the physical description of subject merchandise that are not specifically excluded are included in this scope.

The products under investigation are currently classifiable under subheadings 7213.91.3010, 7213.91.3090, 7213.91.4510, 7213.91.4590, 7213.91.6010, 7213.91.6090, 7213.99.0031, 7213.99.0038, 7213.99.0090, 7227.20.0010, 7227.20.0090, 7227.90.6051 and 7227.90.6058 of the HTSUS. Although the HTSUS subheadings are provided for convenience and customs purposes, the written description of the scope of these investigations is dispositive.

Scope Comments

In the Initiation Notice, we invited comments on the scope of this proceeding. As noted above, on October 9, 2001, we received a request from the petitioners to amend the scope of this investigation and the companion CVD and antidumping duty (''AD'') wire rod investigations. Specifically, the petitioners requested that the scope be amended to exclude high carbon, high tensile 1080 grade tire cord and tire bead quality wire rod actually used in the production of tire cord and bead, as defined by specific dimensional characteristics and specifications.

On November 28, 2001, the petitioners further clarified and modified their October 9 request. The petitioners suggested the following five modifications and clarifications: (1) Expand the end-use language of the scope exclusion request to exclude 1080 grade tire cord and tire bead quality that is used in the production of tire cord, tire bead, and rubber reinforcement applications; (2) clarify that the scope exclusion requires a carbon segregation per heat average of 3.0 or better to comport with recognized industry standards; (3) replace the surface quality requirement for tire cord and tire bead with simplified language specifying maximum surface defect length; (4) modify the maximum soluble aluminum from 0.03 to 0.01 for tire bead wire rod; and (5) reduce the maximum residual element requirements to 0.15 percent from 0.18 percent for both tire bead and tire cord wire rod and add an exception for chromium-added tire bead wire rod to allow a residual of 0.10 percent for copper and nickel and a chromium content of 0.24 to 0.30 percent.

Also on November 28, 2001, the tire manufacturers submitted a letter to the Department in response to petitioners' October 9, 2001 submission regarding the scope exclusion. In this letter, the tire manufacturers supported the petitioners' request to exclude certain 1080 grade tire cord and tire bead wire rod used in the production of tire cord and bead.

Additionally, the tire manufacturers requested that the Department clarify whether 1090 grade was covered by the petitioners' exclusion request. The tire manufacturers further requested an exclusion from the scope of this investigation for 1070 grade wire rod and related grades (0.69 percent or more of carbon) because, according to the tire manufacturers, domestic production cannot meet the requirements of the tire industry.

The tire manufacturers stated their opposition to defining scope exclusions on the basis of actual end use of the product. Instead, the tire manufacturers support excluding the product if it is imported pursuant to a purchase order from a tire manufacturer or a tire cord wire manufacturer in the Untied States. Finally, the tire manufacturers urged the Department to adopt the following specifications to define the excluded product: A maximum nitrogen content of 0.0008 percent for tire cord and 0.0004 percent for tire bead; maximum weight for copper, nickel, and chromium, in the aggregate, of 0.0005 percent for both types of wire rod. In their view, there should be no additional specifications and tests, as proposed by the petitioners.

On January 28, 2002, the tire manufacturers responded to the petitioners' November 28, 2001 letter. The tire manufacturers continue to have three major concerns about the product exclusion requested by the petitioners. First, the tire manufacturers urge that 1070 grade tire cord quality wire rod be excluded (as it was in the 1999 Section 201 investigation). Second, they continue to object to defining the exclusion by actual end use. Finally, they reiterate their earlier position on the chemical specifications for the excluded product.

At this point in the proceeding, we recognize that the interested parties have both advocated excluding certain tire rod and tire core quality wire rod. However, the Department continues to examine this issue. Therefore, for this preliminary determination we have not amended the scope, and this preliminary determination applies to the scope as described in the Initiation Notice.

We plan to reach a decision as early as possible in these proceedings. Interested parties will be advised of our intentions prior to the final determination and will have the opportunity to comment.

Injury Test

Because Turkey is a ''Subsidies Agreement Country'' within the meaning of section 701(b) of the Act, the International Trade Commission (''ITC'') is required to determine whether imports of the subject merchandise from Turkey materially injure, or threaten material injury to, a U.S. industry. On October 15, 2001, the ITC transmitted to the Department its preliminary determination that there is a reasonable indication that an industry in the United States is being materially injured by reason of imports from Turkey of the subject merchandise. See Carbon and Certain Alloy Steel Wire Rod From Brazil, Canada, Egypt, Germany, Indonesia, Mexico, Moldova, South Africa, Trinidad and Tobago, Turkey, Ukraine, and Venezuela, Investigations Nos. 701–TA–417–421 and 731–TA–953–963, Determinations and Views of the Commission, USITC Publication No. 3456, 66 FR 54539 (October 29, 2001).

Critical Circumstances

The petitioners have alleged that critical circumstances within the meaning of section 703(e) of the Act exist with respect to the subject merchandise.

We need not address the critical circumstances allegation at this time. Because our preliminary determination is negative, we are not ordering a suspension of liquidation pursuant to section 703(d) of the Act. Consequently, retroactive suspension of liquidation pursuant to section 703(e)(2) of the Act is not applicable.

Subsidies Valuation Information

Allocation Period

Pursuant to 19 CFR 351.524(b), non-recurring subsidies are allocated over a period corresponding to the average useful life (''AUL'') of the renewable physical assets used to produce the subject merchandise. 19 CFR 351.524(d)(2) creates a rebuttable presumption that the AUL will be taken from the U.S. Internal Revenue Service's 1977 Class Life Asset Depreciation Range System (the ''IRS Tables''). For wire rod, the IRS Tables prescribe an AUL of 15 years. None of the responding companies or interested parties disputed this allocation period. Therefore, we have used the 15–year allocation period for all respondents.

Attribution of Subsidies

19 CFR 351.525(a)(6) directs that the Department will attribute subsidies received by certain affiliated companies to the combined sales of those companies. Based on our review of the responses, we find that ''cross ownership'' does not exist with respect to certain Colakoglu or Habas affiliates, as discussed below.

Colakoglu: Colakoglu reports that it has numerous subsidiaries and affiliations with various companies. However, our analysis indicates no basis to attribute any subsidies received by these other subsidiaries or affiliates to the production of the subject merchandise. Specifically, although cross-ownership may exist with these other companies, they do not produce the subject merchandise as required in 19 CFR 351.525(b)(6), nor do they meet any of the other criteria specified in 19 CFR 351.525(b)(6).

Habas: Habas reports that it has numerous subsidiaries and affiliations with various companies. However, our analysis indicates no basis to attribute any subsidies received by these other subsidiaries or affiliates to the production of the subject merchandise. Specifically, although cross-ownership may exist with these other companies, they do not produce the subject merchandise as required in 19 CFR 351.525(b)(6), nor do they meet any of the other criteria specified in 19 CFR 351.525(b)(6).

Benchmark Interest Rates for Short-term Loans

The Department uses company-specific interest rates, where possible, to determine whether government-provided loans under investigation confer a benefit. (See 19 CFR 351.505(a)(2)). In this case, neither Colakoglu nor Habas submitted company-specific benchmark interest rates for lira denominated loans.

Where no company-specific benchmark interest rates are available, 19 CFR 351.505(a)(3)(ii) directs us to use a national average interest rate as the benchmark. The GRT does not maintain or publish data concerning the predominant national average short-term interest rates in Turkey. Therefore, we have calculated benchmark interest rates for lira denominated loans based on the short-term interest rates in Turkey for 2000 as reported weekly by The Economist. This methodology is consistent with Certain Welded Carbon Steel Pipes and Tubes and Welded Carbon Steel Line Pipe from Turkey; Final Results of Countervailing Duty Administrative Review, 65 FR 49230 (August 11, 2000) (''1998 Pipe Final'') and Certain Pasta From Turkey; Final Results of Countervailing Duty Administrative Review, 66 FR 64398 (December 13, 2001) (''1999 Pasta Final'').

We note that short-term interest rates in Turkey fluctuated significantly during the POI. Consequently, we have calculated monthly benchmark rates. Therefore, for example, the interest rate paid on a government loan obtained in January 2000 has been compared to the interest rate paid on a benchmark loan obtained the same month.

With respect to US dollar denominated loans, Habas has provided the interest rates it paid on short-term US dollar denominated commercial loans. In accordance with 19 CFR 351.505(a)(2), we have used these interest rates as the benchmark rate for Habas.

Pursuant to 771(5)(E)(ii) of the Act, the Department uses a ''comparable commercial loan that the recipient could actually obtain on the market'' as the benchmark in determining whether a government provided loan confers a benefit. In the preamble of the Department's regulations, it states that it is the Department's practice to normally compare effective interest rates rather than nominal rates in making this comparison. However, where effective rates are not available, the preamble reads that we will compare nominal rates or, as a last resort, nominal to effective rates. See 63 CFR at 65362 (November 25, 1998).

For our preliminary determination, the respondents argue that we should use the effective rates paid by the companies on the government loans being investigated. These effective rates include required commissions and fees paid to the intermediary banks that guarantee the loans (as required by the Turkish Eximbank). As noted above, we would normally use the effective rates paid on the government loan. However, our benchmark rates drawn from The Economist do not include these commissions or fees. At this time, we have insufficient information on the record to either adjust the rates reported by the respondents or the benchmark rates drawn from The Economist to account for these commissions and fees. However, we will examine this issue for the final determination and make adjustments if appropriate.

Regarding Pre-Shipment Loans from the Turkish Eximbank, Habas reported only effective rates, i.e., inclusive of the commissions and fees paid to intermediary banks. Thus, for these loans, we compared the effective rates to our nominal benchmark rates. However, in all other instances, we compared the benchmark rates to the companies' reported rates, exclusive of the commissions and fees paid to intermediary banks, i.e., we made our comparison on a nominal basis.

Adjusting for Inflation

During the POI, the inflation rate in Turkey exceeded 25 percent, as shown in the International Monetary Fund'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 Final and 1999 Pasta Final, 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 POI. Next, we adjusted the monthly sales values in the same way and added these adjusted values, thus obtaining total sales for the POI valued at December 2000 prices. In these calculations, we used the Wholesale Price Index Wholesale Price Index as reported in the IFS.

Analysis of Programs

Based upon our analysis of the petition and the responses to our questionnaires, we determine the following:

I. Programs Preliminarily Determined To Be Countervailable

A. Deduction from Taxable Income for Export Revenue

According to Article 40 of the Income Tax Law, documented expenditures made to earn business income are deductible from taxable income. On January 1, 1995, Article 19 of Law No. 4108 amended Article 40 to allow taxpayers to deduct expenses related to export, construction, maintenance, assembly or transportation activities abroad, in an amount not to exceed 0.5 percent of the hard currency income resulting from these activities, in addition to other expenses specified in this article.

Consistent with Certain Welded Carbon Steel Pipes and Tubes and Welded Carbon Steel Line Pipe from Turkey; Final Results and Partial Rescission of Countervailing Duty Administrative Reviews, 63 FR 18885, 18886 (April 16, 1998) (''1996 Pipe Final''), we have preliminarily determined that this tax exemption is a countervailable subsidy. First, the exemption provides a financial contribution within the meaning of section 771(5)(D)(ii) of the Act and 19 CFR 351.509(a) because it represents revenue forgone by the GRT. The exemption provides a benefit in the amount of the tax saving to the company pursuant to section 771(5)(E) of the Act and 19 CFR 351.509(a). Also, the subsidy is specific under section 771(5A)(B) of the Act because its receipt is contingent upon export performance.

Of the companies investigated, only Habas utilized this tax exemption on the tax return it filed in 2000. The Department typically treats tax exemptions as recurring grants in accordance with 19 CFR 351.524(c)(1). To calculate the countervailable subsidy under this program, we divided the tax savings realized during the POI by the company's export sales during the POI, 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 0.11 percent ad valorem for Habas.

B. Export Credit Bank of Turkey (''Turkish Eximbank'') Subsidies

1. Pre-Shipment Export Loans

Through this program, the Turkish Eximbank extends short-term US dollar and Lira denominated loans to exporters through intermediary commercial banks. Turkish Eximbank allocates certain credit lines to these intermediary banks. 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. Exporters, manufacturers-exporters, and export-oriented manufacturers are eligible to participate in this program provided they exported a specified amount during the previous calendar year and they commit to future exports within a specified period of time. Like all other export-related short-term loans, the pre-shipment export loans are exempted from the Resource Utilization Support Fund tax (''KKDF''), Banking and Insurance tax (''BIST''), and stamp tax (see Foreign Exchange Loan Assistance, infra).

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, 1999 Pasta Final, Decision Memorandum at p. 4 (December 13, 2001). The loans provide a financial contribution in the form of a direct transfer of funds from the GRT, pursuant to section 771(5)(D)(i) of the Act, that bestow 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. (See section 771(5)(E)(ii) of the Act). In 1999 Pasta 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 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, 18072 (April 6, 2000)). In this investigation, no new information has been provided that would warrant reconsideration of these determinations.

Pursuant to 19 CFR 351.505(a), we have calculated the benefit as the difference between the payments of interest and taxes that Colakoglu and Habas made on their pre-shipment export loans during the POI 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 POI, 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 Colakoglu and 0.11 percent ad valorem for Habas.

2. Foreign Trade Corporate Companies Rediscount Credit Facility

The Foreign Trade Corporate Companies Rediscount Credit Facility was implemented to assist large export trading companies in their export financing needs. This program is specifically designed to benefit the Foreign Trade Corporate Companies (''FTCC'') and the Sectoral Foreign Trade Companies (''SFTC''). An FTCC is a company whose export performance equaled or exceeded US dollar 50 million in the previous year. An SFTC is a company that includes at least ten small- and medium-scale enterprises operating in similar sectors together. The goal of the Foreign Trade Corporate Companies Rediscount Credit Facility is to promote exportation and diversify export products and markets while enabling the exporters to benefit from favorable borrowing rates which would increase the competitiveness of exporters in foreign markets.

For the eligible companies, the Turkish Eximbank will provide short-term export credits based on their past export performance. Through this credit program, the Turkish Eximbank extends short-term export credit directly to exporters in lira and foreign currencies up to 100 percent of FOB export commitments with a repayment period up to 180 days. Additionally, companies are exempt from taxes, duties, and related fees associated with the operations and processes of obtaining these credits under the provisions of the Export Encouragement Decree and Communiques. Of the companies investigated, only Colakoglu received Eximbank short-term export credits under this program.

We have preliminarily determined that this program is a countervailable subsidy within the meaning of section 771(5) of the Act. The loans constitute a financial contribution in the form of a direct transfer of funds under section 771(5)(D)(i) of the Act. A benefit exists under section 771(E)(ii) of the act in the amount of difference between the payment of interest and taxes that Colakoglu made on its Foreign Trade Corporate Companies Rediscount loan during the POI and the payment the company would have made on a comparable commercial loan. The program is specific pursuant to section 771(5A)(B) of the Act because receipt of the loans is contingent upon export performance.

Pursuant to 19 CFR 351.505(a), we have calculated the benefit as the difference between the payment of interest and taxes that Colakoglu made on its Foreign Trade Corporate Companies Rediscount loan during the POI and the payment the company would have made on a comparable commercial loan. This benefit was divided by Colakoglu's total exports to the United States during the POI, adjusting for inflation as described in the Subsidies Valuation Information section above. On this basis, we determine the countervailable subsidy from this program to be 0.00 percent ad valorem for Colakoglu.

C. Foreign Exchange Loan Assistance

The Turkish Undersecretariat of Foreign Trade Regulation 95/7, Article 14, allows the Turkish Central Bank, commercial banks, insurance companies, and other organizations to exempt certain fees on loans or credits used in export-related and foreign-exchange earning activities. Specifically, loans obtained for these activities are exempt from the KKDF tax, the BIST, and stamp tax. Both the KKDF and BIST taxes are calculated based on a certain percentage of the interest paid on the qualifying loan. The stamp tax is calculated based on a certain percentage of the principal amount.

In prior proceedings, the Department has treated the KKDF, BIST, and stamp tax exemptions, collectively, under the ''Foreign Exchange Loan Assistance program'' when these exemptions were linked to underlying loans which were countervailable. (See, e.g., Certain Welded Carbon Steel Pipes and Tubes and Welded Carbon Steel Line Pipe from Turkey; Final Results of Countervailing Duty Administrative Review, 64 FR 44496, 44497 (August 16, 1999) (''1997 Pipe Final'')). Alternatively, the Department has treated these exemptions under the name of the countervailable loan on which these fees are calculated, such as ''pre-shipment export loans.'' More recently, in 1999 Pasta Final, the Department treated these exemptions separately, under ''KKDF,'' ''BIST,'' and ''stamp tax'' exemptions. Furthermore, in 1999 Pasta Final, because these exemptions are allowed both on loans at preferential interest rates (see Pre-Shipment Export Loans, supra) and on loans at non-preferential interest rates, we included the countervailable benefit from these exemptions in the benefit on the underlying countervailable loan, when applicable, and as separate benefits when linked to non-countervailable loans. We continue to follow this methodology in the instant investigation. Therefore, tax exemptions on preferential rate, pre-shipment export loans, foreign trade corporate rediscount facilities, and export-related guarantees (see taxes, duties and credit charges exemption, infra) have been included in the calculation of the countervailable benefit for those programs. This discussion, therefore, addresses only KKDF tax exemptions and BIST tax exemptions on non-preferential export-related loans. For a discussion of the stamp tax exemption, see ''Programs Preliminarily Determined to be not Countervailable,'' infra.

1. KKDF Tax Exemptions

In prior proceedings, the Department has found that KKDF tax exemptions confer a countervailable subsidy within the meaning of section 771(5) of the Act. (See, e.g., 1999 Pasta Final; Certain Welded Carbon Steel Pipes and Tubes and Welded Carbon Steel Line Pipe from Turkey; Preliminary Results and Partial Recission Administrative Review, 62 FR 64808, 64810 (December 9, 1997) (''1996 Pipe Prelim''); and Certain Welded Carbon Steel Pipes and Tubes and Welded Carbon Steel Line Pipe from Turkey; Preliminary Results of Countervailing Duty Administrative Review, 62 FR 16782, 16785 (April 8, 1997) (''1995 Pipe Prelim'')). Nothing on the record of the instant investigation directs us to reexamine our prior decisions.

Therefore, we preliminarily determine, according to section 771(5)(D)(ii) of the Act, that the KKDF tax exemptions provide a financial contribution in the form of revenue forgone by the GRT. We further preliminarily determine, according to section 771(5)(E)(ii)of the Act, that they provide a benefit in the amount of the tax exemptions. Finally, because the tax exemptions are contingent upon export performance, we preliminarily determine that they are specific in accordance with section 771(5A)(B) of the Act. Thus, we preliminarily determine that KKDF tax exemptions are countervailable.

During the POI, Colakoglu received and paid interest on US dollar export-related loans from various commercial banks; Habas received and paid interest on both Lira and US dollar export-related loans from various commercial banks. The Department treats tax exemptions as recurring grants in accordance with 19 CFR 351.524(c)(1). To calculate the countervailable subsidy on KKDF tax exemptions, we divided the total amount of the exemptions received by each respondent on export-related loans outstanding during the POI by the value of each respondent's exports during the POI, adjusting for inflation as described in the Subsidies Valuation Information section, supra. On this basis, we preliminarily determine the countervailable subsidy from this program to be 0.05 percent ad valorem for Colakoglu and 0.01 percent ad valorem for Habas.

2. BIST Exemption

In prior proceedings, the Department has found that BIST exemptions confer a countervailable subsidy within the meaning of section 771(5) of the Act. (See, e.g., 1999 Pasta Final; 1996 Pipe Prelim, 62 FR 64808, 64810; and 1995 Pipe Prelim, 62 FR 16782, 16785). Nothing on the record of the instant investigation directs us to reexamine our prior decisions. We therefore preliminarily determine, according to section 771(5)(D)(ii) of the Act, that the BIST exemptions provide a financial contribution in the form of revenue forgone by the GRT. We also preliminarily determine, according to section 771(5)(E)(ii)of the Act, that they provide a benefit in the amount of the tax exemptions. Finally, because the tax exemptions are contingent upon export performance, we preliminarily determine that they are specific in accordance with section 771(5A)(B) of the Act. Therefore, we preliminarily determine that BIST exemptions are countervailable.

During the POI, Colakoglu received and paid interest on US dollar export-related loans from various commercial banks; Habas received and paid interest on both Lira and US dollar export-related loans from various commercial banks. The Department treats tax exemptions as recurring grants in accordance with 19 CFR 351.524(c)(1). To calculate the countervailable subsidy on BIST tax exemptions, we divided the total amount of the exemptions received by each respondent on export-related loans outstanding during the POI by the value of each respondent's exports during the POI, adjusting for inflation as described in the Subsidies Valuation Information section, supra. On this basis, we preliminarily determine the countervailable subsidy from this program to be 0.08 percent ad valorem for Colakoglu and 0.03 percent ad valorem for Habas.

3. Foreign Currency Expenditure Tax Exemption (''FCET'')

Although we received no information from the GRT regarding this program, Colakoglu reported having received this exemption as a countervailable benefit during the POI. We will be requesting additional information on this program from the GRT. Based solely on Colakoglu's response, we preliminarily determine that it received a countervailable benefit in the amount of the exemption granted under this program. We preliminarily determine that this program provides a financial contribution in the form of foregone revenue under section 771(D)(ii) of the Act. Furthermore, we preliminarily determine that this program is specific under section 771(5A)(B) of the Act because it is an export subsidy.

The Department treats tax exemptions as recurring grants in accordance with 19 CFR 351.524(c)(1). To calculate the countervailable subsidy on Colakoglu's FCET exemptions, we divided the total amount of the exemptions received by Colakoglu on export-related loans outstanding during the POI by the value of Colakoglu's exports during the POI, adjusting for inflation as described in the Subsidies Valuation Information section, supra. On this basis, we preliminarily determine the countervailable subsidy from this program to be 0.00% percent ad valorem for Colakoglu.

D. Taxes, Duties, and Credit Charges Exemptions

The GRT states that in order to benefit from the Taxes, Duties, and Credit Charges Exemption program, a company must hold an ''investment incentive certificate'' and demonstrate that it can achieve U.S. $10,000 of exports within two years upon the completion of the physical investment. According to the GRT, during the investment stage, there are certain taxes, such as for operations and processes of obtaining standard credits through banks, and other official dues, such as land registration and company registration. Under this program, a company that holds an investment incentive certificate and commits to export U.S. $10,000, is exempt from paying these taxes otherwise due. These exemptions are conferred under Temporary Article 2 of the Law No. 3505 (December 31, 1988).

Colakoglu, in its January 24, 2002, submission, and the GRT, in its January 7, 2002, response, state that this program falls under the umbrella of the General Incentive Program (''GIP''). Moreover, Colakoglu and the GRT argue that the petitioners and the Department are confusing this program with the Investment Allowance program also under the GIP. We agree with Colakoglu and the GRT that this program is part of the GIP. However, we do not agree that this program is actually part of the Investment Allowance program. In the ''Verification Report of the Government of Turkey,'' dated March 25, 1996, on the record of Certain Welded Carbon Steel Pipes and Tubes and Welded Carbon Steel Line Pipe From Turkey; Final Results of Countervailing Duty Administrative Reviews, 62 FR 43984 (August 18, 1997), under the section ''Taxes, Fees (Duties), Charge Exemption,'' it states that companies that obtain financing for their investment projects are exempted from paying taxes, duties, and charges that they would otherwise have to pay if they make an export commitment. Moreover, it quotes government officials as stating that this is the only GIP program with an export requirement. This position coincides with the GRT's statements in the instant investigation that in order to benefit from this program a company must make an export commitment. See GRT's November 30, 2001 Questionnaire Response at 36, 39. This export commitment is what distinguishes this program from the Investment Allowance program.

During the POI, Habas obtained a loan from a foreign bank for investment in a power plant. Habas posted bank guarantees issued by a Turkish bank on this loan. The letters of guarantee, in accordance with this program, were exempt from the stamp tax, the KKDF, and the BIST.

As discussed below, we preliminarily determine the stamp tax exemption to be non-countervailable. See Stamp Tax, infra. As previously discussed under the Foreign Exchange Loan Assistance program, we preliminarily are determining that exemptions from paying the KKDF and the BIST are countervailable subsidies within the meaning of section 771(5) of the Act. These exemptions, according to section 771(5)(D)(ii) of the Act, represent revenue forgone by the GRT and provide a benefit, according to 771(5)(E)(ii) of the Act, in the amount of the tax savings to the company. Also, this subsidy program is specific in accordance with 771(5A)(B) of the Act because its receipt is contingent upon export performance.

The Department typically treats tax exemptions as recurring grants in accordance with 19 CFR 351.524(c)(1). Thus, to calculate the countervailable subsidy, we divided the tax savings realized during the POI by the company's export sales during the POI. On this basis, we determine the countervailable subsidy from this program to be 0.36 percent ad valorem for Habas.

Colakoglu reported certain tax exemption in response to our questions about this program. Based on our analysis of Colakoglu's response, the reported exemptions related to the company's export financing. Therefore, we have calculated the benefit for Colakoglu under export loan programs described above.

II. Programs Preliminarily Determined To Be Not Countervailable

A. General Incentives Encouragement Program (''GIEP'')

Under the GIEP, which is the successor to GIP examined in Certain Pasta from Turkey; Final Affirmative

Countervailing Duty Determination, 61 FR 30366 (June 14, 1996) (''Pasta Investigation Final'') and the 1998 Pipe Final, companies engaging in a wide variety of investment projects, including the expansion or modernization of production facilities, infrastructure improvement, and research and development, 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. These certificates are granted on a project basis; therefore, a company may have more than one certificate. The application for a certificate includes a description of the investment project, a feasibility study, and a list of the machinery and equipment that the company plans to buy in connection with the project. The Department has previously found that some parts of the GIP/GIEP programs are not countervailable while other parts of the program are countervailable. (See Pasta Investigation Final, 63 FR 30366, 30369–30372).

Investment Allowances

In 1963, the Turkish Income Tax Law, Articles 1–5, initiated the investment allowance which allows a company who has qualified for an ''Investment Incentive Certificate'' to deduct certain investment expenditures from its taxable income. These allowances fall under the umbrella of GIEP. An investment must meet certain qualifications to be deductible: for example, investments which generally qualify under this program are those related to buildings, machinery, equipment, and vehicles related to the main activity of the business. Furthermore, varying levels of deduction are granted depending upon the location, type of investment, or amount of investment: (1) a 40 percent allowance is available in developed regions; (2) a 100 percent allowance is available in Priority Development Regions and Organized Industrial Regions; and (3) an allowance of up to 200 percent for certain industrial investments of at least US $250 million. Investments qualifying for the maximum 200 percent allowance must meet two of the following criteria: provide international competitiveness, necessitate high technology, produce a high amount of value added, increase tax revenues, or increase employment.

We note that the investigation of the 200 percent investment allowance is limited to those companies who have qualified for the allowance based on the ''international competitiveness'' criterion. (See September 24, 2001 Initiation Checklist). Neither Colakoglu nor Habas reported receiving the entire 200 percent investment allowance during the POI.

During the POI, both Colakoglu and Habas used certain GIEP Investment Allowance benefits. Colakoglu reports receiving an Investment Allowance based on its investment providing international competitiveness, increasing tax revenues and increasing employment. Habas reports receiving Investment Allowances based on its investments providing international competitiveness, necessitating high technology and increasing employment. The tax deduction which Colakoglu used during the POI resulted from an investment incentive certificate approved in 1998. The tax deduction which Habas used during the POI resulted from multiple investment incentive certificates approved in the following years: 1994 -1997, 1999, and 2000. In both 1998 Pipe Final and 1999 Pasta Final, we analyzed the specificity of the Investment Allowances by examining the specificity of the investment incentive certificates. We have applied the same type of analysis to the Investment Allowances used by Habas and Colakoglu in this investigation.

In order to determine whether the Investment Allowance benefits are specific, in law or in fact, to an enterprise or industry, according to section 771(5A)(D) of the Act, as we did in the 1998 Pipe Final and 1999 Pasta Final, we examined the following factors as applicable to the investment incentive certificates: (1) whether the enabling legislation expressly limits access to the subsidy to an enterprise or industry; (2) whether the actual recipients of the subsidy, whether considered on an enterprise or industry basis, are limited in number; (3) whether an enterprise or industry is a predominant user of the subsidy; (4) whether an enterprise or industry receives a disproportionately large amount of the subsidy; and (5) whether 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 others.

Consistent with the Department's treatment of de jure specificity in 1998 Pipe Final and 1999 Pasta Final, we find that this program's enabling legislation does not expressly limit access to an enterprise or industry; therefore, the subsidy is not de jure specific.

In determining whether this program is de facto specific, we examined information supplied by the GRT, including a breakdown of the number of companies within each industry and region that received investment incentive certificates for 1998 - 2000. This data shows that more than 10,000 certificates were issued to different companies in numerous and varied industries and regions throughout Turkey. Similarly, when compared to the number of certificates issued to other sectors, including agriculture, mining, and services, e.g., there is no record evidence which indicates that either respondent, or the steel industry as a whole, received a disproportionate number of certificates. Instead, we find the record evidence in this investigation indicates that investment incentive certificates were widely and evenly distributed with no one sector, enterprise, or region receiving a disproportionate amount.

Therefore, we preliminarily determine that the steel industry did not receive a disproportionate number of investment incentive certificates during the time period 1998–2000 when compared to the overall number of certificates issued. On this basis, we preliminarily determine that the Investment Allowances received under investment incentive certificates issued between 1998–2000 are not specific pursuant to section 771(5A) of the Act and, therefore, not countervailable.

Although the GRT has not provided in the instant investigation distribution information for investment incentive certificates granted prior to 1998, we note that in the 1998 Pipe Final, we confirmed that the iron and steel industry did not disproportionately benefit from investment incentive certificates for the year 1996. Based on our finding in 1998 Pipe Final, we preliminarily determine that the steel industry did not receive a disproportionate number of investment incentive certificates during 1996. On this basis, we preliminarily determine that the Investment Allowances received under investment incentive certificates issued in 1996 are not specific under section 771(5A) of the Act and, therefore, are not countervailable.

Finally, we note that Habas received certain Investment Allowances based on investment incentive certificates issued in 1994, 1995, and 1997. Because we do not have distribution information for these investment incentive certificates, we are unable to analyze the specificity of this program in 1994, 1995, and 1997. However, we are issuing a request for this information which we will analyze for the final determination.

B. Export Credit Bank of Turkey Subsidies

Export Credit Insurance Program

Through this program, exporters can obtain short-term export credit insurance from the Turkish Eximbank. 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 Turkish Eximbank 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 above) to use the export credit insurance program. However, since February 1997, use of the export credit insurance program is voluntary for borrowers under the pre-shipment export loan programs.

In the 1999 Pasta Final, the Department found that for the calendar year 1999 the premiums paid for the export credit insurance and other income generated by the program exceeded the insurance claims paid to participating companies. Upon review of information provided by the GRT in the current investigation, we preliminarily find that for the year 2000 the premiums paid for the export credit insurance and other income generated by the program also exceeded the insurance claims paid to participating companies. On this basis, consistent with the 1999 Pasta Final, and in accordance with 19 CFR 351.520(a)(1), we preliminarily find the export credit insurance program to be not countervailable.

C. Foreign Exchange Loan Assistance

Stamp Tax

In the 1999 Pasta Final, we found this program to be non-countervailable. Specifically, in the 1999 Pasta Final, we found that the stamp tax exemption is an indirect tax as defined in 19 CFR 351.102(b). In accordance with 19 CFR 351.517(a), the non-excessive exemption of indirect taxes upon exports is not countervailable. Nothing on the record of the current investigation indicates that the stamp tax exemptions on export-related loans were excessive. Therefore, consistent with the 1999 Pasta Final, we preliminarily determine that the stamp tax exemption on pre-shipment and other export-related loans is not countervailable.

D. Customs Duty Exemption

A Customs Duty Exemption program was first established in Turkey on January 24, 1980, by the Export Promotion Decree numbered 8/82. On December 23, 1999, the GRT issued ''Resolution Concerning Domestic Processing Regime,'' Resolution Number 99/13819, with the intent of increasing Turkish exports by allowing procurement of raw materials at world market prices. Under this program, companies are exempt from paying customs duties and value added taxes (''VAT'') on raw material imports to be used in the production of exported goods. In place of payments, a company will provide a letter of guarantee worth twice the value of the imported raw material. The guarantee letter is returned to the company upon fulfillment of the committed export.

To participate in this program a company must hold an ''Inward Processing Certificate,'' which lists the amount of raw materials to be imported and the amount of product to be exported. The key issues determining eligibility for this exemption are whether a company has fulfilled its commitments made in previous inward processing certificates granted to the company and whether the kind and amount of the good to be exported is appropriate to the kind and amount of raw material to be imported. In cases where excess raw materials are requested, an appropriate amount of raw material will be calculated and approved. Additionally, according to the import processing system, the value of imported raw material cannot exceed the value of the committed export.

In regard to the customs duty exemption granted under this program, pursuant to 19 CFR 351.519(a)(1)(ii), a benefit exists to the extent that the exemption extends to inputs that are not consumed in the production of the exported product, making normal allowances for waste, or if the exemption covers charges other than import charges that are imposed on the input. In regard to the VAT exemption granted under this program, pursuant to 19 CFR 351.518(a)(1), a benefit exists to the extent that the exemption extends to inputs that are not consumed in the production of the exported product, making normal allowance for waste, or if the exemption covers taxes other than indirect taxes that are imposed on the input.

Colakoglu and Habas imported raw materials used in the production of wire rod under Inward Processing Certificates. However, there is no indication that either company used these raw material inputs for any other product besides those exported or that the amount received under these exemptions was otherwise excessive. On this basis, we preliminarily determine that the tax and duty exemption on raw material imports under the Inward Processing Certificates are not countervailable.

III. Programs Preliminarily Determined Not To Have Been Used

Based on the information provided in the responses, we determine no responding companies applied for or received benefits under the following programs during the POI:

A. General Incentives Encouragement Program

1. Incentive Program on Domestically Obtained Goods

2. 200% Investment Allowances

3. Subsidized Credit Facility

4. Incentives Granted to Less Developed and Industrial Belt Regions

a. Law 4325 Land Allocation

b. Electricity Discounts

c. Special Incentives for East and Southeast Turkey

B. Export Credit Bank of Turkey Subsidies

1. Past Performance Related Foreign Currency Loans

2. Revolving Export Credits

3. Buyers Credits

C. Payments for Exports on Turkish Ships/State Aid for Exports Program

D. Energy Incentive

IV. Program Preliminarily Determined to Have Been Terminated

Based on the information provided in the responses, we preliminarily determine that the following program has been terminated:

General Incentives Encouragement ProgramRUSF

a. RUSF Vat Rebates of 15% for Domestically Sourced Machinery & Equipment

b. RUSF Payments of 15% of a Company's Investment

c. Payments to Exporters in the amount of 4% of FOB Value of Certain Export Receipts

V. Program Preliminarily Determined to Not Exist

Based on the information provided in the responses, we preliminarily determine that the following program does not exist:

Advanced Refunds of Tax Savings

Verification

In accordance with section 782(i)(1) of the Act, we will verify the information submitted by the respondents prior to making our final determination.

ITC Notification

In accordance with section 703(f) of the Act, we will notify the ITC of our determination. In addition, we are making available to the ITC all nonprivileged and nonproprietary information relating to this investigation. We will allow the ITC access to all privileged and business proprietary information in our files, provided the ITC confirms that it will not disclose such information, either publicly or under an administrative protective order, without the written consent of the Assistant Secretary for Import Administration.

In accordance with section 705(b)(3) of the Act, if our preliminary determination is negative, the ITC will make its final determination within 75 days after the Department makes its final determination.

Public Comment

Case briefs for this investigation must be submitted no later than one week after the issuance of the last verification report. Rebuttal briefs must be filed within five days after the deadline for submission of case briefs. A list of authorities relied upon, a table of contents, and an executive summary of issues should accompany any briefs submitted to the Department. Executive summaries should be limited to five pages total, including footnotes. Section 774 of the Act provides that the Department will hold a public hearing to afford interested parties an opportunity to comment on arguments raised in case or rebuttal briefs, provided that such a hearing is requested by an interested party. If a request for a hearing is made in this investigation, the hearing will tentatively be held two days after the deadline for submission of the rebuttal briefs at the U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230. Parties should confirm by telephone the time, date, and place of the hearing 48 hours before the scheduled time.

Interested parties who wish to request a hearing, or to participate if one is requested, must submit a written request to the Assistant Secretary for Import Administration, U.S. Department of Commerce, Room 1870, within 30 days of the publication of this notice. Requests should contain: (1) the party's name, address, and telephone number; (2) the number of participants; and (3) a list of the issues to be discussed. Oral presentations will be limited to issues raised in the briefs.

This determination is published pursuant to sections 703(f) and 777(i) of the Act.

February 2, 2002

Faryar Shirzad,

Assistant Secretary for Import Administration.

[FR Doc. 02–3119 Filed 2–7–02; 8:45 am]

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DEPARTMENT OF COMMERCE

International Trade Administration

C–122–841

Preliminary Affirmative Countervailing Duty Determination: Carbon and Certain Alloy Steel Wire Rod From Canada.

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

ACTION: Notice of preliminary affirmative countervailing duty determination.

SUMMARY: The Department of Commerce preliminarily determines that countervailable subsidies are being provided to producers or exporters of carbon and certain alloy steel wire rod from Canada. For information on the estimated countervailing duty rates, see infra section on ''Suspension of Liquidation.''

DATES: February 8, 2002.

FOR FURTHER INFORMATION CONTACT: Sally Hastings or Andrew Covington, Office of Antidumping/Countervailing Duty Enforcement, Group 1, Import Administration, U.S. Department of Commerce, Room 3099, 14th Street and Constitution Avenue, N.W., Washington, D.C. 20230; telephone (202) 482–3464 and (202) 482–3534, respectively.

The Applicable Statute

Unless otherwise indicated, all citations to the statute are references to the provisions of the Tariff Act of 1930, as amended by the Uruguay Round Agreements Act (''URAA'') effective January 1, 1995 (''the Act''). In addition, unless otherwise indicated, all citations to the Department's regulations are to 19 CFR Part 351 (April 2001).

Petitioners

The petitioners in this investigation are Co–Steel Raritan, Inc., GS Industries, Keystone Consolidated Industries, Inc., and North Star Steel Texas, Inc. (collectively, ''petitioners'').

Case History

The following events have occurred since the publication of the notice of initiation in the Federal Register. See Notice of Initiation of Countervailing Duty Investigations: Carbon and Certain Alloy Steel Wire Rod from Brazil, Canada, Germany, Trinidad and Tobago, and Turkey, 66 FR 49931 (October 1, 2001) (''Initiation Notice'').

On October 9, the Department of Commerce (''the Department'') received a request from the petitioners to amend the scope of this investigation to exclude certain wire rod. The petitioners submitted further clarification with respect to their scope amendment request on November 28, 2001. Also on November 28, 2001, the five largest U.S. tire manufacturers and the industry trade association, the Rubber Manufacturers Association, submitted comments on the proposed exclusion. The tire manufacturers submitted additional comments on January 28, 2002.

On October 11, 2001, the Department issued countervailing duty (''CVD'') questionnaires to the Government of Canada (''GOC'') and the producers/exporters of the subject merchandise. Due to the large number of producers and exporters of carbon and certain alloy steel wire rod (''wire rod'' or ''subject merchandise'') in Canada, we decided to limit the number of responding companies to the three producers/exporters with the largest volumes of exports to the United States during the period of investigation: Ispat Sidbec Inc. (''Ispat Sidbec''), Ivaco Inc. (''Ivaco'') and Stelco Inc. (''Stelco''). See October 4, 2001 memorandum to Susan Kuhbach, Respondent Selection, which is on file in the Department's Central