**Preliminary Results of Review**

In accordance with 19 CFR 351.221(b)(4)(i), we calculated an individual subsidy rate for Atar and Corticella/Combattenti. Pasta Lensi had no countervailable subsidies. For the period January 1, 2004, through December 31, 2004, we preliminarily find the net subsidy rates for the producers/exporters under review to be those specified in the chart shown below:

| Producer/exporter | Net subsidy rate |
|---|---|
| Pasta Lensi S.r.l ..... | 0.00 percent. |
| Corticella Molini e Pastifici S.p.a./ Pasta Combattenti S.p.a. | 0.12 percent (*de minimis*). |
| Atar S.r.l ..... | 0.20 percent (*de minimis*). |

If the final results of this review remain the same as these preliminary results, because the countervailing duty rates for all of the above-noted companies are less than 0.5 percent and, consequently are either zero or *de minimis*, we will instruct CBP to liquidate entries during the period January 1, 2004, through December 31, 2004, without regard to countervailing duties in accordance with 19 CFR 351.106(c)(1). The Department will issue appropriate instructions directly to CBP within 15 days of publication of these final results of this review.

For all other companies that were not reviewed (except Barilla G. e R. F.lli S.p.A. and Gruppo Agricoltura Sana S.r.l., which are excluded from the order), the Department has directed CBP to assess countervailing duties on all entries between January 1, 2004, and December 31, 2004, at the rates in effect at the time of entry.

The Department also intends to instruct CBP to collect cash deposits of estimated countervailing duties. For the companies noted above (except Pasta Lensi) the cash deposit rate is zero because each company's rate is *de minimis*. If the revocation in part becomes final for Pasta Lensi, suspension of liquidation will cease and, consequently, no duties will be collected.

For all non-reviewed firms (except Barilla G. e R. F.lli S.p.A. and Gruppo Agricoltura Sana S.r.l., which are excluded from the order), we will instruct CBP to collect cash deposits of estimated countervailing duties at the most recent company-specific or ''all others'' rate applicable to the company. These rates shall apply to all non-reviewed companies until a review of a company assigned these rates is requested.

**Public Comment**

Pursuant to 19 CFR 351.224(b), the Department will disclose to parties to the proceeding any calculations performed in connection with these preliminary results within five days after the date of the public announcement of this notice.

Pursuant to 19 CFR 351.309(c)(ii), 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 no later than five days after the date of filing the case briefs, in accordance with 19 CFR 351.309(d). 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, pursuant to 19 CFR 351.310(c). Any hearing, if requested, will be held two days after the scheduled date for submission of rebuttal briefs.

The Department will publish a notice of the final results of this administrative review within 120 days from the publication of these preliminary results, in accordance with section 751(a)(3) of the Act.

We are issuing and publishing these results in accordance with sections 751(a)(1) and 777(i)(1) of the Act and 19 CFR 351.221(b)(4).

Dated: March 31, 2006.

**David M. Spooner,**

*Assistant Secretary for Import Administration.*

[FR Doc. E6–5031 Filed 4–5–06; 8:45 am]

**BILLING CODE 3510–DS–P**

## DEPARTMENT OF COMMERCE

### International Trade Administration

**[C–489–502]**

### Notice of Preliminary Results of Countervailing Duty Administrative Review: Certain Welded Carbon Steel Standard Pipe from Turkey

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

**SUMMARY:** The Department of Commerce (''the Department'') is conducting an administrative review of the countervailing duty (''CVD'') order on certain welded carbon steel standard pipe from Turkey for the period January 1, 2004, through December 31, 2004. For information on the net subsidy rate for the reviewed company, see the ''Preliminary Results of Review'' section, infra. If the final results remain the same as the preliminary results of this review, we will instruct U.S. Customs and Border Protection (''CBP'') to assess countervailing duties as detailed in the ''Preliminary Results of Review'' section, *infra*. Interested parties are invited to comment on these preliminary results. (*See* the ''Public Comment'' section, *infra*).

**EFFECTIVE DATE:** April 6, 2006.

**FOR FURTHER INFORMATION CONTACT:** Kristen Johnson, AD/CVD Operations, Office 3, Import Administration, International Trade Administration, U.S. Department of Commerce, Room 4014, 14th Street and Constitution Avenue, NW., Washington, DC 20230; telephone: (202) 482–4793.

**SUPPLEMENTARY INFORMATION:**

**Background**

On March 7, 1986, the Department published in the **Federal Register** the CVD order on certain welded carbon steel pipe and tube products from Turkey. *See Countervailing Duty Order: Certain Welded Carbon Steel Pipe and Tube Products from Turkey*, 51 FR 7984 (March 7, 1986) (''*Turkey Pipe Order*''). On March 1, 2005, the Department published a notice of opportunity to request an administrative review of this CVD order. *See Antidumping or Countervailing Duty Order, Finding, or Suspended Investigation; Opportunity to Request Administrative Review*, 70 FR 9918 (March 1, 2005). On March 31, 2005, we received a timely request for review from the Borusan Group (''Borusan''), a Turkish producer and exporter of subject merchandise. On April 22, 2005, the Department initiated an administrative review of the CVD order on certain welded carbon steel standard pipe from Turkey, covering the period January 1, 2004, through December 31, 2004. *See Initiation of Antidumping and Countervailing Duty Administrative Reviews*, 70 FR 20862 (April 22, 2005).

On June 13, 2005, the Department issued a questionnaire to Borusan and the Government of the Republic of Turkey (''GOT''); we received their questionnaire responses on August 22, 2005. On October 26, 2005, we issued supplemental questionnaires to Borusan and the GOT. We received the supplemental questionnaire response from Borusan on November 25, 2005,

and from the GOT on November 28, 2005.

On November 7, 2005, the Department published in the **Federal Register** an extension of the deadline for the preliminary results. *See Certain Welded Carbon Steel Standard Pipe from Turkey: Extension of Time Limit for Preliminary Results of Countervailing Duty Administrative Review*, 70 FR 67455 (November 7, 2005).

On February 15 through February 23, 2006, we conducted verification in Ankara, Turkey, of the questionnaire responses submitted by the GOT, and in Istanbul, Turkey, of the questionnaire responses submitted by Borusan.

In accordance with 19 CFR 351.213(b), this review covers only those producers or exporters of the subject merchandise for which a review was specifically requested. The only company subject to this review is Borusan. During the period of review (''the POR''), Borusan was comprised of Borusan Birlesik Boru Fabrikalari A.S. (''BBBF''), Mannesmann Boru Endustrisi T.A.S. (''MB''), Borusan Mannesmann Boru Sanayi ve Ticaret A.S. (''BMB''), and Istikbal Ticaret T.A.S. (''Istikbal''). This review covers fourteen programs.

**Scope of the Order**

The products covered by this order are certain welded carbon steel pipe and tube with an outside diameter of 0.375 inch or more, but not over 16 inches, of any wall thickness (pipe and tube) from Turkey. These products are currently provided for under the Harmonized Tariff Schedule of the United States (''HTSUS'') as item numbers 7306.30.10, 7306.30.50, and 7306.90.10. Although the HTSUS subheadings are provided for convenience and customs purposes, the written description of the merchandise is dispositive.

**Period of Review**

The period for which we are measuring subsidies is January 1, 2004, through December 31, 2004.

**Company History**

As noted above, Borusan is composed of BBBF, MB, BMB, and Istikbal. During the POR, BBBF produced the subject merchandise, which was first sold to Istikbal, an export sales company, and then resold to an unaffiliated customer in the United States. MB ceased production of the subject merchandise in November 2003, and a year later, was merged into BBBF on November 30, 2004. BBBF was subsequently renamed Borusan Mannesmann Boru Sanayi ve Ticaret A.S. (*i.e.*, BMB) on December 13, 2004, and continued to produce the subject merchandise and export the merchandise through Istikbal.

Prior to the November 2004 merger, BBBF and MB were affiliated through their parent company, Borusan Mannesmann Boru Yatirim Holding A.S. (''BMBYH''). BMBYH, a holding company, is majority–owned by Borusan Holding A.S.[1] Post merger and company name change, BMB continued to be owned by BMBYH. During the POR, Istikbal was majority–owned by Borusan Holding A.S.[2]

**Subsidies Valuation Information**

**Benchmark Interest Rates**

To determine whether government–provided loans under review conferred a benefit, the Department uses, where possible, company–specific interest rates for comparable commercial loans. See 19 CFR 351.505(a). Borusan provided the interest rates it paid on short–term Turkish Lira (''TL'')-denominated and foreign currency (''FX'')-denominated commercial loans. We preliminarily find that the company–specific FX–denominated short–term loans are comparable to the export credit FX–denominated loans against which Borusan paid interest during the POR. However, Borusan's short–term TL–denominated commercial loans, outstanding during the POR, were revolving, open account loans and not comparable to the maturity of the export financing loans that Borusan received from the Export Credit Bank of Turkey (''Export Bank'').

Where no company–specific benchmark interest rates are available, the Department's regulations direct us to use a national average interest rate as the benchmark. *See* 19 CFR 351.505(a)(3)(ii). According to the GOT, however, there is no official national average short–term interest rate available. *See* the March 31, 2006, Memorandum to the File concerning the Verification of the Questionnaire Responses Submitted by the Government of the Republic of Turkey (''GOT Verification Report'') at 3.[3] Therefore, we have calculated the benchmark interest rate for short–term TL–denominated loans based on short–term interest rate data for 2004, as reported by *The Economist*. Specifically, from issues of *The Economist*, we sourced a short–term interest rate for each quarter of 2004.[4] We then simple averaged those quarterly rates to calculate an annual short–term interest rate for Turkey. *See* the March 31, 2006, Memorandum to the File concerning the Calculations for the Preliminary Results of the Review of the Countervailing Duty Order on Certain Welded Carbon Steel Standard Pipe from Turkey (''Preliminary Calculations''). This methodology is consistent with the Department's practice. *See e.g.*, *Certain Welded Carbon Steel Pipes and Tubes from Turkey; Final Results of Countervailing Duty Administrative Review*, 65 FR 49230 (August 11, 2000) (''*1998 Pipe Final*''); and *Carbon and Certain Alloy Steel Wire Rod from Turkey; Final Negative Countervailing Duty Determination*, 67 FR 55815 (August 30, 2002) (''*Wire Rod*''), and accompanying Issues and Decision Memorandum, at 3–4 (''*Wire Rod Memorandum*'').

Further, it is the Department's practice to normally compare effective interest rates rather than nominal rates in making the loan comparison. See Countervailing Duties; Final Rule, 63 FR 65348, 65362 (November 25, 1998) (''*Preamble*''). ''Effective'' interest rates are intended to take account of the actual cost of the loan, including the amount of any fees, commissions, compensating balances, government charges, or penalties paid in addition to the ''nominal'' interest rate.

The short–term TL interest rates sourced from *The Economist* do not include commissions or fees paid to commercial banks, *i.e.*, they are nominal rates. *See Wire Rod Memorandum* at 4. For Pre–Shipment Export Credits, discussed *infra*, commercial banks, through which the loans are extended, can add a maximum 2.0 percent to the interest rate for TL–denominated loan as their commission. *See* GOT Verification Report at 4. Therefore, for these preliminary results, we compared the benchmark TL interest rate, inclusive of the 2.0 percent commission, to the interest rate that Borusan was charged on the Pre–Shipment Export Credit TL–denominated loans to make the comparison on an effective interest rate basis.[5] Where a company–specific benchmark interest rate was used[6] to

[1] Mannesmannrohren-Werke A.G., a publicly traded company in Germany, also has ownership in BMBYH.

[2] Borusan Holding A.S. is owned by the family of Asim Kocabiyik, the company's founder.

[3] A public version of the verification report is available on the public file in the Department's Central Records Unit (room B-099).

[4] In each issue, *The Economist* reports short-term interest date on a percentage per annum basis for select countries.

[5] Borusan also received TL-denominated export credit loans under the Foreign Trade Companies Short-Term Export Credit program and the Pre-Export Credit program (*see infra*). However, those loans are extended directly by Turkey's Export Bank and, therefore, not subject to a intermediary bank commission charge.

[6] For these preliminary results, we used a company-specific benchmark interest rate to

determine whether government–provided export loans under review conferred a benefit, that comparison of interest rates was also made on an effective basis.

**Analysis of Programs**

I. Programs Preliminarily Determined To Be Countervailable

A. *Deduction from Taxable Income for Export Revenue*

Addendum 4108 of Article 40 of the Income Tax Law allows companies that operate internationally to claim, directly on their corporate income tax returns, a tax deduction equal to 0.5 percent of the foreign exchange revenue earned from exports and other international activities.[7] The income tax deduction for export earnings may either be taken as a lump sum or be used to cover certain undocumented expenses, which were incurred through international activities, that would otherwise be non–deductible for tax purposes (*e.g.*, expenses paid in cash, such as for lodging, gasoline, and food).

Consistent with *Wire Rod*, we preliminarily find that this tax deduction is a countervailable subsidy. See *Wire Rod Memorandum* at 4; *see also Certain Welded Carbon Steel Pipe and Tube and Welded Carbon Steel Line Pipe from Turkey; Final Results and Partial Rescission of Countervailing Duty Administrative Review*, 63 FR 18885, 18886–87 (April 16, 1998) (''*1996 Pipe Final*''). The deduction provides a financial contribution within the meaning of section 771(5)(D)(ii) of the Tariff Act of 1930, as amended (''the Act'') because it represents revenue forgone by the GOT. The deduction provides a benefit in the amount of the tax savings to the company pursuant to section 771(5)(E) of the Act. It is specific under section 771(5A)(B) of the Act because its receipt is contingent upon export performance. In this review, no new information or evidence of changed circumstances has been submitted to warrant reconsideration of the Department's prior findings.

During the POR, BBBF, MB, and Istikbal filed separate corporate income tax returns for tax year 2003. However, only Istikbal utilized the deduction for export earnings on its 2003 tax return. BBBF and MB did not have direct exports of merchandise during 2003 and, therefore, could not claim the deduction for export earnings on their respective 2003 tax returns.

The Department typically treats a tax deduction as a recurring benefit in accordance with 19 CFR 351.524(c)(1). To calculate the countervailable subsidy rate for this program, we calculated the tax savings realized by Istikbal in 2004, as a result of the deduction for export earnings. We then divided that benefit by Borusan's total export sales for 2004. On this basis, we preliminarily determine the net countervailable subsidy for this program to be 0.09 percent *ad valorem*.

B. *Pre–Shipment Export Credits*

Turkey's Export Bank provides short–term pre–shipment export loans to exporters through intermediary commercial banks.[8] This loan program is designed to support export–related firms. Loans are made to exporters who commit to export within a specified period of time. Generally, loans are extended for a period of up to 180 days, and cover up to 100 percent of the FOB export value. These loans are denominated in either TL or FX. The interest rates charged on these pre–shipment loans are set by the Export Bank. In several previous determinations, the Department found this program to be countervailable because receipt of the loans is contingent upon export performance and the interest rates paid on these loans are less than the amount the recipient would pay on comparable commercial loans. *See 1998 Pipe Final*, 65 FR 49231; and *Certain Pasta from Turkey: Final Results of Countervailing Duty Administrative Review*, 66 FR 64398 (December 13, 2001) (''*1999 Pasta from Turkey*''), and accompanying Issues and Decision Memorandum, at 3–4 (''*1999 Pasta Memorandum*'').

We also found that the pre–shipment loan program is an untied export loan program because the loans are not specifically tied to a particular destination at the time of approval and the borrower only has to show that the export commitment was satisfied (*i.e.*, exports amounting to the FOB value of the credit) during the credit period to close out the loan with the bank. *See e.g.*, *Wire Rod Memorandum* at 5. In this review, no new information or evidence of changed circumstances has been submitted to warrant reconsideration of the Department's prior findings. *See* GOT Verification Report at 3.

During the POR, BBBF paid interest against pre–shipment export loans denominated in both TL and FX. MB paid interest against pre–shipment TL–denominated loans.

Pursuant to section 771(5)(E)(ii) of the Act, a benefit shall be treated as conferred ''in the case of a loan, if there is a difference between the amount the recipient of the loan pays on the loan and the amount the recipient would pay on a comparable commercial loan that the recipient could actually obtain on the market.'' To calculate the amount of interest the recipient would pay on a comparable TL–denominated commercial loan, in absence of a company–specific interest rate on comparable TL–denominated commercial loans, we have used, as the benchmark rate, a simple average of the 2004 quarterly short–term interest rates for Turkey as reported by *The Economist*. *See* ''Benchmark Interest Rates'' section, *supra*, for more information. To calculate the amount of interest the recipient would pay on a comparable FX–denominated commercial loan, we have used a company–specific interest rate as the benchmark rate. *See Id*.

Using these benchmark rates, we continue to find the pre–shipment export loans countervailable because the interest rate charged is less than the rate for comparable commercial loans that the company could actually obtain on the market. Therefore, the loans constitute a financial contribution in the form of a direct transfer of funds from the GOT, under section 771(5)(D)(i) of the Act. A benefit exists under section 771(5)(E)(ii) of the Act in the amount of the difference between the payments of interest that BBBF and MB made on their loans during the POR and the payments the each company would have made on comparable commercial loans. The program is also specific in accordance with section 771(5A)(B) of the Act because receipt of the loans is contingent upon export performance.

To determine the benefit, we calculated the countervailable subsidy as the difference between the actual interest paid on the pre–shipment loans during the POR and the interest that would have been paid using the benchmark interest rates. We then added the benefits and divided the sum by Borusan's total export sales for 2004. On this basis, we preliminarily determine the countervailable subsidy under this program to be 0.07 percent ad valorem.

C. *Foreign Trade Companies Short–Term Export Credits*[9]

conduct the loan comparison for loans denominated in a foreign currency.

[7] These actions include construction, repair, installation, and transportation activities that occur abroad.

[8] As discussed in the ''Benchmark Interest Rates'' section, *supra*, the intermediary bank can add a commission fee rate to the loan program's interest rate, which is set by the Export Bank.

[9] This program was previously known as ''Export Credit Through the Foreign Trade Corporate Companies Rediscount Credit Facility'' or ''Foreign Trade Corporate Companies Credit Facility.''

The Foreign Trade Company (''FTC'') loan program was implemented to assist large export trading companies with their export financing needs. This program is specifically designed to benefit Foreign Trade Corporate Companies (''FTCC'') and Sectoral Foreign Trade Companies (''SFTC'').[10] An FTCC is a company whose export performance was at least U.S. $75 million in the previous year. For eligible companies, the Export Bank will provide short–term export credits based on their past export performance. Under this credit program, the Export Bank extends short–term export credits directly to exporters in TL and FX, up to 100 percent of FOB export commitment. The program's interest rates are set by the Export Bank and the maturity of the loans is usually 180 days. To qualify for a FTC loan, in addition to submitting the necessary application documents, a company must provide a bank letter of guarantee, equivalent to the loan's principal and interest amount.

Istikbal acquired FTCC status in April 2003 and was the only Borusan company to receive FTC credits. During the POR, Istikbal paid interest against FTC loans denominated in both TL and FX.

Consistent with previous determinations, we preliminarily find that these loans confer a countervailable subsidy within the meaning of section 771(5) of the Act. *See e.g., Wire Rod Memorandum* at 6–7. The loans constitute a financial contribution in the form of a direct transfer of funds from the GOT, under section 771(5)(D)(i) of the Act. A benefit exists under section 771(5)(E)(ii) of the Act in the amount of the difference between the payments of interest that Istikbal made on its loans during the POR and the payments the company would have made on comparable commercial loans. The program is also specific in accordance with section 771(5A)(B) of the Act because receipt of the loans is contingent upon export performance.

Further, like the pre–shipment loans, the FTC loans are not tied to a particular export destination. *See* GOT Verification Report at 3. Therefore, we have treated this program as an untied export loan program which renders it countervailable regardless of whether the loans were used for exports to the United States. *See Wire Rod Memorandum* at 6–7.

Pursuant to 19 CFR 351.505(a)(1), we have calculated the benefit as the difference between the payments of interest that Istikbal made on its FTC loans during the POR and the payments the company would have made on comparable commercial loans. In accordance with section 771(6)(A) of the Act, we subtracted from the benefit amount the fees which Istikbal paid to commercial banks for the required letters of guarantee. We then divided the resulting benefit by Borusan's total export value for 2004. On this basis, we preliminarily find that the countervailable subsidy for this program is 0.09 percent *ad valorem*.[11]

D. *Pre–Export Credits*[12]

This program is similar to the FTC credit program described above; however, companies classified as either FTC or SFTC are not eligible for pre–export loans. Under the pre–export credit program, a company's past export performance is considered in evaluating a company's eligibility and establishing the company's credit limit. Like FTC loans, the Export Bank directly extends to companies pre–export loans, which are denominated in either TL or FX and have a maturity of 180 days.[13] To quality for a pre–export loan, in addition to submitting the necessary application documents, a company must provide a bank letter of guarantee, equivalent to the loan's principal and interest amount. During the POR, BBBF paid interest against pre–export loans that were denominated in both TL and FX.

Consistent with previous determinations, we preliminarily find that these loans confer a countervailable subsidy within the meaning of section 771(5) of the Act. *See e.g., Wire Rod Memorandum* at 7–8. The loans constitute a financial contribution in the form of a direct transfer of funds from the GOT, under section 771(5)(D)(i) of the Act. A benefit exists under section 771(5)(E)(ii) of the Act in the amount of the difference between the payments of interest that BBBF made on its loans during the POR and the payments the company would have made on comparable commercial loans. The program is also specific in accordance with section 771(5A)(B) of the Act because receipt of the loans is contingent upon export performance.

Further, these loans are not tied to a particular export destination. *See* GOT Verification Report at 3. Therefore, we have treated this program as an untied export loan program which renders it countervailable regardless of whether the loans were used for exports to the United States.

Pursuant to 19 CFR 351.505(a)(1), we have calculated the benefit as the difference between the payments of interest that BBBF made on its pre–export loans during the POR and the payments the company would have made on comparable commercial loans.[14] In accordance with section 771(6)(A) of the Act, we subtracted from the benefit amount the fees which BBBF paid to commercial banks for the required letters of guarantee. We then divided the resulting benefit by Borusan's total export value for 2004. On this basis, we preliminarily find that the countervailable subsidy for this program is 0.02 percent *ad valorem*.

II. Program Preliminarily Determined To Be Not Countervailable

A. *Investment Allowance Under Article 19 of Law 4842*

In *Wire Rod*, the Department investigated investment allowances provided for under Investment Incentive Certificates, which were granted under the General Incentives Encouragement Program (''GIEP''), and found certain investment allowances to be countervailable and others to be non–countervailable.[15]

During the POR of the instant review, investment allowances were no longer provided for under the GIEP via an Investment Incentive Certificate. With Article 19 of Law 4842, published on April 24, 2003, the obligation to have an Investment Incentive Certificate to benefit from an investment allowance was abolished and the ability to claim an investment allowance on a corporate income tax return was made available to all taxpayers at a uniform rate.[16] Specifically, by the provisions of Article 19, taxpayers without regard to region or sector, and without any requirement of an Investment Incentive Certificate, are eligible to claim an investment

[10] A grouping of small- and medium-sized companies that operate together in a similar sector.

[11] *See* ''Benchmark Interest Rates,'' *supra*, (discussing the benchmark rates used in these preliminary results).

[12] This loan program was formerly known as ''Past Performance Related Export Credits.''

[13] The Export Bank also sets the interest rates for this export loan program.

[14] *See* ''Benchmark Interest Rates,'' *supra* (discussing the benchmark rates used in these preliminary results).

[15] Specifically, in *Wire Rod*, we determined that because the criteria governing the minimum investment allowance (*i.e.*, 40 percent) were identical to those of the GIEP itself, our analysis of the minimum investment allowance was identical to that for the GIEP, which we found to be non-countervailable. Therefore, because we found that the GIEP is not countervailable, we also found that the minimum investment allowance is not countervailable. *See Wire Rod Memorandum* at 14-16. Investment allowances greater than 40 percent were found to be countervailable. *See Id.* at 8-11.

[16] Expenses for investments covered by an Investment Incentive Certificate continued to be subject to the previous investment allowance rules if the application for the certificate was made before the effective date of Law 4842.

allowance at the rate of 40 percent. There is no special application or approval process to claim and receive the investment allowance. The amount of the investment allowance is indicated on a company's tax return. The amount of the deduction is 40 percent of the costs of depreciable economic assets that are purchased or produced for use in the company's operations. *See* GOT Verification Report at 8.

BBBF and MB both took an Article 19 investment allowance deduction on their respective 2003 tax returns that were filed during the POR. We analyzed whether this investment allowance is *de jure* specific, within the meaning of section 771(5A)(D) of the Act. As discussed above, Article 19 of Law 4842 does not limit access to the investment allowance deduction to an enterprise, industry, group of industries, or region. Eligibility for the investment allowance is automatic as a company calculates the 40 percent deduction of its depreciable economic assets and reports that amount on its income tax return. A company's annual income tax return is subject to a statutory tax audit. The conditions under which a company can enjoy the investment allowance are delineated in the law and use of the investment allowance is clearly indicated in the income tax return and tax audit report.

At verification, we confirmed BBBF's and MB's usage of the investment allowance provided for under Article 19, through an examination of each company's 2003 annual income tax return and accompanied 2003 tax audit report. *See* the March 31, 2006, Memorandum to the File concerning the Verification of the Questionnaire Responses Submitted by the Borusan Group (''Borusan Verification Report'') at 11–12.[17]

Based on our analysis of Article 19 of Law 4842 and the process by which companies realize the investment allowance, we preliminarily determine that the investment allowance under Article 19 of Law 4842 is not specific under section 771(5A)(D) of the Act and, therefore, is not countervailable.

B. *Investment Allowance Under Investment Incentive Certificate*

In *Wire Rod*, the Department determined that the threshold requirement for eligibility of any GIEP benefit is the receipt of an Investment Incentive Certificate, which specifies the benefit programs (*e.g.*, investment allowance and customs duty exemption) a certificate holder can receive. The Department further determined that particular investment allowances extended under the GIEP are countervailable and others are non–countervailable. *See Wire Rod Memorandum* at 8–11 and 14–16. During the POR, MB had an Investment Incentive Certificate, received prior to the effective date of Article 19 of Law 4842, that provided for a 40 percent investment allowance, which the company claimed on its 2003 income tax return filed during the POR. MB was eligible for a 40 percent investment allowance because of its location in a developed region.[18]

In *Wire Rod*, we determined that because the criteria governing the minimum investment allowance (*i.e.*, 40 percent for a developed region) were identical to those of the GIEP itself, our analysis of the minimum investment allowance was identical to that for the GIEP, which we found to be non–countervailable. Therefore, because we found that the GIEP was not countervailable, we also found the minimum investment allowance to be not countervailable. *See Id.* at 14–16. In this review, no new information or evidence of changed circumstances has been submitted to warrant reconsideration of the Department's prior findings.

## III. Programs Preliminary Determined To Not Confer Countervailable Benefits

A. *Export Credit Insurance*

Through this program, exporters can obtain export credit insurance from Turkey's Export Bank. These are one-year blanket insurance policies that cover up to 90 percent of losses incurred due to political risk (*e.g.*, loss resulting from a war) and commercial risk (*e.g.*, the insolvency of the buyer). The insurance provided under this program is post–shipment insurance because the Export Bank becomes liable only if the loss occurs on or after the date of shipment. Beginning in February 1997, use of the export credit insurance program became voluntary for borrowers under the pre–shipment export financing programs.

During the POR, Istikbal had in place an export credit insurance program. We verified that the company did not submit an insurance claim or receive a reimbursement under the program in 2004. We also verified with the Export Bank that for 2002, 2003, and 2004, the premiums paid for the export credit insurance and other income generated by the program exceeded the insurance claims paid to participating companies and operating costs of the program. *See* GOT Verification Report at 5. On this basis, consistent with *Wire Rod* and *1999 Pasta Final*, and in accordance with 19 CFR 351.520(a)(1), we preliminarily find that the export credit insurance program did not confer countervailable benefits during the POR. *See Wire Rod Memorandum* at 18; and *1999 Pasta Memorandum* at 7.

B. *Inward Processing Certificate Exemption*

Under the Inward Processing Certificate (''IPC'')[19] 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. Companies may choose whether to be exempted from the applicable duties and taxes or have them refunded upon export. Under the exemption system, companies provide a letter of guarantee that is returned to the companies upon fulfillment of the committed export.

To participate in this program, a company must hold an IPC, which lists the amount of raw materials to be imported and the amount of product to be exported. The input/output usage rates listed on the IPC are set by the GOT working in conjunction with Turkey's Exporter Associations, which are quasi–governmental organizations whose leadership are subject to GOT approval. The input/output usage rates vary by product and industry and are determined using data from capacity reports submitted by companies that apply for IPCs. The input/output usage rates are subject to periodic review and verification by the GOT. In the case of the pipe and tube industry, the input/output usage rates were last modified in June 2001. *See* Borusan Verification Report at 12–13. The GOT uses the input/output usage rates to ensure that a company's expected export quantities are sufficient to cover the quantity of inputs imported duty–free under the program. An IPC specifies the maximum quantity of inputs that can be imported under the program. Further, under the IPC program, the value of imported inputs may not exceed the value of the exported products.

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

[17] A public version of the verification report is available on the public file in the Department's Central Records Unit (room B-099).

[18] Companies located in a normal region received a 60 percent allowance and those in a priority region received a 100 percent allowance. The different regions were determined by the GOT.

[19] The IPC program is governed by the following GOT provisions: Customs Code No. 4458 (Articles 80, 108, 111, 115, and 121), IPC Council of Ministers' Decree No. 2005/8391, and Communique of IPR No. Export 2005/1.

allowances for waste, or if the exemption covers charges other than imported charges that are imposed on the input. In regard to the VAT exemption granted under this program, pursuant to 19 CFR 351.517(a), in the case of the exemption upon export of indirect taxes, a benefit exists to the extent that the Department determines that the amount exempted exceeds the amount levied with respect to the production and distribution of like products when sold for domestic consumption.

During the POR, Borusan used IPCs to receive duty and VAT exemptions on certain imported inputs used in the production of steel pipes and tubes. Borusan did not receive any duty or VAT refunds under the program during the POR. There is no indication that Borusan used the imported inputs for any other product besides those exported or that the amount of exempted inputs imported under the program were excessive.

At verification, we learned that the GOT sets the waste/usage rate for each imported raw material.[20] The usage ratios are developed on an industry and product basis. These rates are used to determine the amount of each raw material input required to produce a given unit of exported product. In setting the rates, the GOT relies on company capacity reports and conducts on–site inspections of production facilities. The GOT periodically reviews the waste/usage rates. A company may request that a raw material ratio be modified if there have been improvements in productivity and efficiency of the company's facilities. At verification, we confirmed, through examination of the company's production records, that the waste rate established by the GOT, in June 2001, reflects Borusan's actual production experience. *See* Borusan Verification Report at 12–14 and GOT Verification Report at 10–11.

On this basis, we preliminarily determine that the tax and duty exemptions that Borusan received on imported inputs under the IPC program did not confer countervailable benefits as Borusan consumed the imported inputs in the production of the exported product, making normal allowance for waste. We further preliminarily find that the VAT exemption did not confer countervailable benefits on Borusan because the exemption does not exceed the amount levied with respect to the production and distribution of like products when sold for domestic consumption.

During our verification meeting with the GOT, we learned of a previously unreported form of IPC, *i.e.*, a D3 license, in which the GOT provides exemptions and refunds on quantities of imported inputs that are incorporated into products sold on the domestic market. Using records available at the GOT's UFT, we identified Borusan's D3 licenses that were open during the POR. *See* GOT Verification Report at 12. During Borusan's verification, we examined each of the D3 licenses. We confirmed that Borusan did not use the licenses to import any raw materials during the POR. We also confirmed that, under the D3 certificates, Borusan was exempt from paying import duties and VAT by providing a bank letter of guarantee. *See* Borusan Verification Report at 13–14.

As the issuance of a D3 license is not based on exportation, we preliminarily find that this aspect of the IPC program is not an export program but rather falls under 19 CFR 351.510. Pursuant to 19 CFR 351.510(a)(1), in the case of a program, other than an export program, that provides for the full or partial exemption or remission of an indirect tax or an import charge, a benefit exists to the extent that the taxes or import charges paid by a firm are less than the taxes the firm would have paid in the absence of the program. Further, under 19 CFR 351.510(b)(1), the Department normally will consider the benefit as having been received at the time the recipient firm otherwise would be required to pay the indirect tax or import charge. Because Borusan did not import any goods under a D3 certificate during the POR, we preliminarily determine that this aspect of the IPC program was not used. We will, however, continue to examine the use of D3 licenses under the IPC program in future CVD proceedings involving Turkish producers/exporters.

## IV. Programs Preliminarily Determined To Not Be Used

We examined the following programs and preliminarily determine that Borusan did not apply for or receive benefits under these programs during the POR:

A. VAT Support Program (Incentive Premium on Domestically Obtained Goods)[21]
B. Post–Shipment Export Loans
C. Pre–Shipment Rediscount Loans
D. Subsidized Turkish Lira Credit Facilities
E. Subsidized Credit for Proportion of Fixed Expenditures
F. Regional Subsidies.

**Preliminary Results of Review**

In accordance with 19 CFR 351.221(b)(4)(i), we have calculated a subsidy rate for Borusan for calendar year 2004. We preliminarily determine that the total estimated net countervailable subsidy rate is 0.27 percent *ad valorem*, which is *de minimis*, pursuant to 19 CFR 351.106(c).

If the final results of this review remain the same as these preliminary results, the Department intends to instruct CBP within 15 days of publication of the final results of this review, to liquidate without regard to countervailing duties all shipments of subject merchandise produced by Borusan entered, or withdrawn from warehouse, for consumption from January 1, 2004, through December 31, 2004. The Department will also instruct CBP not to collect cash deposits of estimated countervailing duties on all shipments of the subject merchandise produced by Borusan, entered, or withdrawn from warehouse, for consumption on or after the date of publication of the final results of this review.

We will also instruct CBP to continue to collect cash deposits for non–reviewed companies 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 most recently completed administrative proceeding conducted under the URAA. If such a review has not been conducted, the rate established in the most recently completed administrative proceeding conducted pursuant to the statutory provisions that were in effect prior to the URAA amendments is applicable. *See Certain Welded Carbon Steel Pipe and Tube Products from Turkey; Final Results of Countervailing Duty Administrative Review*, 53 FR 9791

[20] Specifically, the Undersecretariat for Foreign Trade (''UFT'') works in conjunction with various exporter associations (quasi-governmental organizations comprised of industry officials) and the Chamber of Industries (independent non-governmental organization) to set the waste/loss ratios. For example, the Chamber of Industries issues the company-specific capacity reports, which a company must submit to the UFT for consideration of a certificate. To obtain a capacity report, a company first establishes a production plan and then requests an inspection of its production facilities to confirm production capability, efficiency, annual consumption and production capacity, etc. Each capacity report has an expiration date and an updated capacity report is generated every three or four years.

[21] Although we found this program to be terminated in *Wire Rod*, residual payments for purchases made prior to the program's termination were permitted. *See Wire Rod Memorandum* at 11.

(March 25, 1988). These rates shall apply to all non–reviewed companies until a review of a company assigned these rates is requested.

**Public Comment**

Pursuant to 19 CFR 351.224(b), the Department will disclose to parties to the proceeding any calculations performed in connection with these preliminary results within five days after the date of the public announcement of this notice. Pursuant to 19 CFR 351.309, interested parties may submit written comments in response to these preliminary results. Unless otherwise indicated by the Department, case briefs must be submitted within 30 days after the date of publication of this notice. Rebuttal briefs, limited to arguments raised in case briefs, must be submitted no later than five days after the time limit for filing case briefs, unless otherwise specified by the Department. Parties who submit argument in this proceeding are requested to submit with the argument: (1) A statement of the issues, and (2) a brief summary of the argument. Parties submitting case and/or rebuttal briefs are requested to provide the Department copies of the public version on disk. Case and rebuttal briefs must be served on interested parties in accordance with 19 CFR 351.303(f). Also, pursuant to 19 CFR 351.310, within 30 days of the date of publication of this notice, interested parties may request a public hearing on arguments to be raised in the case and rebuttal briefs. Unless the Secretary specifies otherwise, the hearing, if requested, will be held two days after the date for submission of rebuttal briefs, that is, 37 days after the date of publication of these preliminary results.

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. *See* 19 CFR 351.305(b)(3). The Department will publish the final results of this administrative review, including the results of its analysis of arguments made in any case or rebuttal briefs.

This administrative review is issued and published in accordance with section 751(a)(1), 777(i)(1) of the Act, and 19 CFR 351.221(b)(4).

Dated: March 31, 2006.

**David M. Spooner,**

*Assistant Secretaryfor Import Administration.*

[FR Doc. E6–5028 Filed 4–5–06; 8:45 am]

**BILLING CODE 3510–DS–S**

## DEPARTMENT OF COMMERCE

### National Oceanic and Atmospheric Administration

**[I.D. 031406G]**

### Endangered Species; File No. 1527

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

**ACTION:** Notice; issuance of permit.

**SUMMARY:** Notice is hereby given that John A. Musick, Ph.D., Virginia Institute of Marine Science (VIMS), Gloucester Point, VA 23062, has been issued a permit to take loggerhead (*Caretta caretta*), Kemp's ridley (*Lepidochelys kempii*), leatherback (*Dermochelys coriacea*), green (*Chelonia mydas*), and hawksbill (*Eretmochelys imbricata*) sea turtles for purposes of scientific research.

**ADDRESSES:** The permit and related documents are available for review upon written request or by appointment in the following office(s):

Permits, Conservation and Education Division, Office of Protected Resources, NMFS, 1315 East-West Highway, Silver Spring, MD 20910; phone (301)713–2289; fax (301)427–2521; and

Northeast Regional Office, NMFS, One Blackburn Drive, Gloucester, MA 01930-2298; phone (978)281-9328; fax (978)281-9394.

**FOR FURTHER INFORMATION CONTACT:** Patrick Opay or Kate Swails, (301)713–2289.

**SUPPLEMENTARY INFORMATION:** On August 24, 2005, notice was published in the **Federal Register** (70 FR 49577) that a request for a scientific research permit to take loggerhead, Kemp's ridley, green, leatherback, and hawksbill sea turtles had been submitted by the applicant. The requested permit has been issued under the authority of the Endangered Species Act of 1973, as amended (ESA; 16 U.S.C. 1531 *et seq.*) and the regulations governing the taking, importing, and exporting of endangered and threatened species (50 CFR parts 222–226).

The research will take place in the waters of the Chesapeake Bay, and the local Virginia and Maryland tributaries to the Bay. Researchers will capture up to 100 loggerhead, 30 Kemp's ridley, 10 leatherback, 10 green, and 5 hawksbill sea turtles each year over the course of the permit. The turtles will be captured by relocation trawlers as part of dredging activities authorized under separate permits, or incidentally captured in pound net fisheries and then turned over to the applicant. Turtles will be measured, weighed, blood sampled, flipper tagged, and PIT tagged. A subset of these animals will have satellite and/or radio/sonic transmitters attached to their carapace. Twenty loggerhead sea turtles will be used in a whelk gear bycatch reduction study. The research will identify sea turtle's relative abundance over time; detect changes in size and age composition; monitor and document movement and migration patterns; and study sea turtle interactions with whelk pot gear. The permit is issued for 5 years.Issuance of this permit, as required by the ESA, was based on a finding that such permit (1) was applied for in good faith, (2) will not operate to the disadvantage of any endangered or threatened species, and (3) is consistent with the purposes and policies set forth in section 2 of the ESA.

Dated: March 31, 2006.

**Stephen L. Leathery,**

*Chief, Permits, Conservation and Education Division, Office of Protected Resources, National Marine Fisheries Service.*

[FR Doc. E6–5025 Filed 4–5–06; 8:45 am]

**BILLING CODE 3510–22–S**

## DEPARTMENT OF COMMERCE

### National Oceanic and Atmospheric Administration

**[I.D. 011306B]**

### Endangered Species; File No. 1552

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

**ACTION:** Notice; issuance of permit.

**SUMMARY:** Notice is hereby given that NMFS, Southeast Fisheries Science Center (SEFSC), 75 Virginia Beach Drive, Miami, Florida 33149 has been issued a permit to take green (*Chelonia mydas*), loggerhead (*Caretta caretta*), Kemp's ridley (*Lepidochelys kempii*), hawksbill (*Eretmochelys imbricata*), leatherback (*Dermochelys coriacea*), olive ridley (*Lepidochelys olivacea*), and unidentified hardshell sea turtles for purposes of scientific research.

**ADDRESSES:** The permit and related documents are available for review upon written request or by appointment in the following offices: