normally cover only those companies specifically named. *See* 19 CFR 351.213(b). Pursuant to 19 CFR 351.212(c), for all companies for which a review was *not* requested, duties must be assessed at the cash deposit rate, and cash deposits must continue to be collected, at the rate previously ordered. As such, the countervailing duty cash deposit rate applicable to a company can no longer change, except pursuant to a request for a review of that company. *See Federal-Mogul Corporation and The Torrington Company* v. *United States,* 822 F. Supp. 782 (CIT 1993) and *Floral Trade Council* v. *United States,* 822 F. Supp. 766 (CIT 1993) (interpreting 19 CFR 353.22(e), the antidumping regulation on automatic assessment, which is identical to 19 CFR 355.22(g)). Therefore, the cash deposit rates for all companies except those covered by this review will be unchanged by the results of this review.

We will instruct Customs 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 pursuant to the statutory provisions that were in effect prior to the URAA amendments is applicable. *See Certain Hot-Rolled Lead and Bismuth Carbon Steel Products from the United Kingdom; Final Results of Countervailing Duty Administrative Review,* 60 FR 54841 (October 26, 1995). These rates shall apply to all non-reviewed companies until a review of a company assigned these rates is requested. In addition, for the period January 1, 1997 through December 31, 1997, the assessment rates applicable to all non-reviewed companies covered by this order are the cash deposit rates in effect at the time of entry.

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 publication of this notice. Pursuant to 19 CFR 351.309, interested parties may submit written comments in response to these preliminary results. Case briefs must be submitted within 30 days after the date of publication of this notice, and 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. Parties who submit argument in this proceeding are requested to submit with the argument: (1) a statement of the issue, and (2) a brief summary of the argument. 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. The Department will publish the final results of this administrative review, including the results of its analysis of issues raised in any case or rebuttal brief or at a hearing.

This administrative review is issued and published in accordance with sections 751(a)(1) and 777(i)(1) of the Act (19 U.S.C. 1675(a)(1) and 19 U.S.C. 1677f(i)(1)).

Dated: March 31, 1999.

Robert S. LaRussa,

Assistant Secretary for Import Administration.

[FR Doc. 99–8626 Filed 4–6–99; 8:45 am]

BILLING CODE 3510–DS–P

DEPARTMENT OF COMMERCE

International Trade Administration

[C–489–502]

Certain Welded Carbon Steel Pipes and Tubes and Welded Carbon Steel Line Pipe from Turkey; Preliminary Results of Countervailing Duty Administrative Reviews

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

ACTION: Notice of Preliminary Results of Countervailing Duty Administrative Reviews.

SUMMARY: The Department of Commerce (the Department) is conducting administrative reviews of the countervailing duty orders on certain welded carbon steel pipes and tubes and certain welded carbon steel line pipe from Turkey for the period January 1, 1997 through December 31, 1997. For information on the net subsidy for each reviewed company for each class or kind of merchandise, as well as for all non-reviewed companies, *see* the *Preliminary Results of Reviews* section of this notice. If the final results remain the same as these preliminary results of administrative reviews, we will instruct the U.S. Customs Service to assess countervailing duties as detailed in the *Preliminary Results of Reviews* section of this notice. Interested parties are invited to comment on these preliminary results. (*See Public Comment* section of this notice.)

EFFECTIVE DATE: April 7, 1999.

FOR FURTHER INFORMATION CONTACT: Stephanie Moore or Eric Greynolds, Group II, Office of CVD/AD Enforcement VI, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, N.W., Washington, D.C. 20230; telephone: (202) 482–3692 or (202) 482–6071, respectively.

SUPPLEMENTARY INFORMATION:

Background

On March 7, 1986, the Department published in the **Federal Register** (51 FR 7984) the countervailing duty orders on certain welded carbon steel pipes and tubes (pipe and tube) and certain welded carbon steel line pipe (line pipe) from Turkey. On March 11, 1998, the Department published a notice of ''Opportunity to Request Administrative Review'' (63 FR 11868) of these countervailing duty orders. We received a timely request to conduct a review of pipe and tube from Yucel Boru ve Profil Endustrisi A.S., and its affiliated companies, Cayirova Boru Sanayi ve Ticaret A.S., and Yucelboru Ihracat Ithalat ve Pazarlama A.S. (Yucel Boru Group). We also received a timely request to conduct a review of line pipe from Mannesmann—Sumerbank Boru Endustrisi T.A.S. (Mannesmann). We initiated the reviews covering the period January 1, 1997 through December 31, 1997 on April 24, 1998 (62 FR 20378).

In accordance with 19 CFR 351.213(b), these reviews cover only those producers or exporters of the subject merchandise for which a review was specifically requested. Accordingly, the review on pipe and tube covers the Yucel Boru Group and the review on line pipe covers Mannesmann. These reviews also cover 21 programs.

On December 7, 1998, we extended the period for completion of the preliminary results pursuant to section 751(a)(3)(A) of the Tariff Act of 1930, as amended. *See Certain Welded Carbon Steel Pipes and Tubes and Welded Carbon Steel Line Pipe from Turkey: Extension of the Time Limit for Preliminary Results of Countervailing Duty Administrative Reviews* (63 FR 67460). The deadline for the final

results of this review is no later than 120 days from the date on which these preliminary results are published in the **Federal Register**.

Applicable Statute and Regulations

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). The Department is conducting this administrative review in accordance with section 751(a) of the Act. All citations to the Department's regulations reference 19 CFR Part 351 (1998), unless otherwise indicated.

Scope of Reviews

Imports covered by these reviews are shipments from Turkey of two classes or kinds of merchandise: (1) certain welded carbon steel pipe and tube, having an outside diameter of 0.375 inch or more, but not more than 16 inches, of any wall thickness. These products, commonly referred to in the industry as standard pipe and tube or structural tubing, are produced to various American Society for Testing and Materials (ASTM) specifications, most notably A–53, A–120, A–135, A–500, or A–501; and (2) certain welded carbon steel line pipe with an outside diameter of 0.375 inch or more, but not more than 16 inches, and with a wall thickness of not less than .065 inch. These products are produced to various American Petroleum Institute (API) specifications for line pipe, most notably API–L or API–LX. These products are classifiable under the Harmonized Tariff Schedule of the United States (HTSUS) as item numbers 7306.30.10 and 7306.30.50. The HTSUS item numbers are provided for convenience and Customs purposes. The written descriptions remain dispositive.

Calculation of Benefits

Foreign Exchange Difference (''Kur Farki'' Accounts)

(I) Background

In prior reviews, the respondent companies argued that, in order to correctly calculate the *ad valorem* subsidy rates, the Department should include foreign exchange gains and losses (kur farki) resulting from their foreign sales in the denominator because such exchange differences are actual sales revenue. In support, respondents cited the Turkish generally accepted accounting principles (Turkish GAAP) requirement to include foreign exchange differences in their gross sales in the income statement. Respondents also submitted a Government of the Republic of Turkey (GRT) Standard Accounting Plan, explaining that the Turkish GAAP indicates gross sales include commodities sold or services rendered as a result of a company's main operations, as well as exchange rate differences related to export sales within the relevant period. (See, GRT, June 22, 1998 questionnaire response, Exhibit 23). However, in past reviews, the Department determined that, although the foreign exchange differences were included in the companies' income statement as part of the total revenue figure for tax purposes, foreign exchange differences are not sales revenue. *See e.g., Certain Welded Carbon Steel Pipe and Tube and Welded Carbon Steel Line Pipe from Turkey; Preliminary Results and Partial Recission of Countervailing Duty Administrative Reviews*, 62 FR 64808 (December 9, 1997) (*1996 Preliminary Results*), and *Certain Welded Carbon Steel Pipe and Tube and Welded Carbon Steel Line Pipe from Turkey; Final Results and Partial Recission of Countervailing Duty Administrative Reviews*, 63 FR 18885, 18890 (April 16, 1998) (*1996 Final Results*). *See also Certain Welded Carbon Steel Pipes and Tubes and Welded Carbon Steel Line Pipe from Turkey; Preliminary Results of Countervailing Duty Administrative Reviews*, 62 FR 16782 (April 8, 1997) (*1995 Preliminary Results*), and *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) (*1995 Final Results*).

In reviewing U.S. and international accounting standards, we find that foreign exchange differences are not viewed as sales income generated by a company's main operations. Rather, foreign exchange differences are viewed as ''other income,'' which results from foreign exchange rate changes that take place between the date a company records a sale denominated in a foreign currency at the exchange rate in effect on that day, and the exchange rate in effect on the day that the company records receipt of payment that is denominated in that foreign currency. The Financial Accounting Standards (FAS) No. 52—Foreign Currency Transactions of the Financial Accounting Standards Board (FASB) indicates that a change in exchange rates between the functional currency (Turkish Lira) and the currency in which an export transaction is denominated (*e.g.*, U.S. dollars) increases or decreases the amount of functional currency expected upon settlement of the export transaction. That increase or decrease in expected functional currency is a foreign currency transaction gain or loss that is generally included in determining net income. (Items such as currency hedging, and transactions of a long-term investment nature are excluded in determining net operating income.) (*See FASB*, Volume I, June 1, 1997). Foreign exchange gains or losses are reported in the company's income statement as a non-operating item or ''other income,'' *i.e.*, income derived from other sources, such as a sale of a fixed asset, which, in turn, is reported in net income. *Wiley, Interpretation and Application of Generally Accepted Accounting Principles*, at 767 (1998); *see also International Accounting Standard Financial Reporting in Hyper-inflationary Economies* (IAS 5) (foreign exchange gains or losses should be included in net income, which encompasses ''other income''). Therefore, inclusion of foreign currency exchange gains and losses in gross sales is inconsistent with international accounting standards. *See also Price Waterhouse, Doing Business in Turkey*, Chapter 11 (1992, as amended July 31, 1995) (lack of clearly defined commercial accounting principles and the predominance of tax law mean that Turkish law should be treated with extreme caution, and international accounting standards are preferred). Additionally, we note that *World Accounting*, Matthew Bender, Volume 3, p. TRK–11 (1998) states that receivables denominated in foreign currency should be recorded at the original national currency value and should be valued again at the end of the accounting period using the exchange rate of that date established by the Ministry of Finance. The difference in national currency value should be recorded under foreign exchange gains and losses account. More importantly, foreign exchange gains and losses have to do with financing activities and not sales activities. Therefore, consistent with U.S. international and Turkish accounting standards, we continue to determine that kur farki amounts are foreign exchange differences and not sales revenue. However, we have preliminarily determined to index both the subsidy benefits (numerator) and sales revenue (denominator) to account for the impact of high inflation in Turkey (*see* below).

(II) Modification of the Calculation Methodology

In prior reviews, to determine the benefit for each program, we deducted the foreign exchange differences, which resulted from the changes in the U.S. dollar/Turkish lira exchange rates, from the sales figure. Normally, where a country is experiencing high rates of inflation, we may make adjustments when companies index for inflation. In this case, however, despite a persistently high rate of inflation in Turkey, Turkish companies do not index any of the figures (other than fixed assets) in their financial statements to account for inflation. In the past, we have not indexed the numerator and denominator.

Upon further review, the persistently high rate of inflation in Turkey leads us to conclude that we should index the benefit (numerator) in the month of receipt and index the monthly sales (denominator) for each program. During the period of review (POR), the inflation rate in Turkey was 81 percent, as published in the 1997 Quarterly Bulletin by the Central Bank of Turkey. Indexing the benefit and the sales figures will neutralize any potential distortion in our subsidy calculations caused by high inflation and the timing of the receipt of the subsidy. We indexed the sales values and the benefit using the Wholesale Price Index (WPI) for 1997, as reported by the Central Bank of Turkey.

Analysis of Programs

I. Programs Conferring Subsidies

A. Pre-Shipment Export Credit

The Export Credit Bank of Turkey provides short-term pre-shipment export loans to exporters through intermediary commercial banks. The program is designed to support export-related industries. Loans are made to exporters who commit to export within a specified period of time. Generally, loans are extended for 120 days for industrial goods and cover 50 to 75 percent of the FOB export value. These loans are denominated in Turkish Lira (TL) and repaid in TL. The interest rate charged on these pre-shipment loans is established by Turk Eximbank and is tied to the Central Bank's rediscount rate. In *1996 Preliminary and Final Results, 1995 Preliminary and Final Results,* and *Final Affirmative Countervailing Duty Determination: Certain Pasta from Turkey* 61 FR 30366 (June 14, 1996) (*Pasta*), the Department found this program countervailable because receipt of the loans is contingent upon export performance and the interest rate paid on these loans is less than the amount the recipient would pay on a comparable commercial loan.

In *1996 Final Results* and *1995 Final Results* reviews, we found these loans to be untied and available for exported merchandise because the exporter has to only show that an export has taken place and provide the foreign currency exchange receipts from the commercial bank to close out the loan with Turk Eximbank. Because the loans are not specifically tied to a particular destination at the time of approval, we determined that the pre-shipment loan program is an untied export loan program. *See 1996 Final Results* 63 FR at 18886 and *1995 Final Results,* 62 FR at 43986. In these reviews, no new information or evidence of changed circumstances has been submitted to warrant reconsideration of that finding.

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.'' In this case, to calculate the rate the recipient would pay on a comparable commercial loan that could actually be obtained by it, *i.e.*, the benchmark interest rate, we are using company-specific interest rates on comparable commercial loans for all pre-shipment loans that were taken out by Mannesmann in both 1996 and 1997, and repaid in 1997. The rates on commercial loans, used as benchmarks, provided to Mannesmann include the customary Bank Insurance and Services Tax (BIST), which is equal to 5 percent of the interest amount paid, the Resource Utilization Support Fund (RUSF) fee equal to 6 percent of the interest amount paid, and a stamp tax equal to 0.6 percent of the principal. The Yucel Boru Group did not obtain any commercial short-term loans during the POR.

In addition, because the Department continues to consider Turkey to have high inflation based on a WPI rate of 81 percent, we also preliminarily determine that it is appropriate to use monthly average short-term interest rates (*see 1996 Preliminary Results,* 62 FR at 64809; *1995 Preliminary Results,* 62 FR at 16783, and *Pasta,* 61 FR at 30367). Therefore, where monthly company-specific interest rates for Mannesmann were not available for benchmark interest rates, we used the short-term interest rates published in *The Economist*. For all months for the Yucel Boru Group we used the short-term interest rates published in *The Economist*. The source cited in *The Economist* for its weekly short-term interest rates for Turkey is Akbank, which is a large privately-owned commercial bank in Turkey. We based the monthly interest rates used in our calculations on a simple average of the weekly figures corresponding for that month as reported in *The Economist*. While we considered other sources for short-term interest rates, including the International Monetary Fund (IMF) and the Organization for Economic Cooperation and Development (OECD), *The Economist* was the only source we found that published short-term lending rates for Turkey. Using these benchmark rates, we continue to find these 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 in the market. Therefore, this program provides both a financial contribution under section 771(5)(D)(i), and confers a benefit under section 771(5)(E)(ii) of the Act to the respondents.

Resolution Number: 94/5782, Article 4, effective June 13, 1994, allows for the exemption of certain fees that are normally charged on loans, provided that the loans are used in financing exportation and other foreign exchange earning activities. As discussed below, we have previously determined these exempted fees to be countervailable. For pre-shipment loans, which are denominated in TL, the fees that are exempted are the customary BIST, RUSF, and the stamp tax as described above. The Department's current practice is normally to compare effective interest rates rather than nominal rates. ''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. Therefore, we have added the exempted customary banking fees to the benchmark interest rates obtained from *The Economist. See e.g., Certain Iron-Metal Castings from India: Final Results of Countervailing Duty Administrative Review,* 60 FR 44843 (August 29, 1995) (*Indian Castings*). *See also 1995 Preliminary Results,* 62 FR at 16784.

To determine the benefit in these reviews, we calculated the countervailable subsidy as the difference between actual interest paid on pre-shipment loans during the POR and the interest that would have been paid using the benchmark interest rates. This difference on the loans for each

month was indexed for inflation (as described above), and the result divided by the company's total export sales, which we also indexed for inflation. On this basis, we preliminarily determine the countervailable subsidy to be 0.84 percent *ad valorem* for the Yucel Boru Group for pipe and tube, and 0.19 percent *ad valorem* for Mannesmann for line pipe.

B. Foreign Exchange Loan Assistance

As discussed above, GRT Resolution Number: 94/5782 allows commercial banks to exempt certain fees on loans used in export related activities. We previously determined that use of this program is contingent upon export performance and, therefore, countervailable within the meaning of section 771(5A)(B). *See 1996 Preliminary Results*, 62 FR at 64810, and *1995 Preliminary Results*, 62 FR at 16784.

During the POR, Mannesmann received and paid interest on foreign currency loans from a commercial bank in connection with merchandise exported to the United States and was exempted from paying the customary BIST equal to 5 percent of the amount of interest paid, the RUSF fee equal to 6 percent of the principal, and the stamp tax equal to 0.6 percent of the principal. Unlike pre-shipment loans that are denominated in TL where the RUSF fee is 6 percent of the amount of interest paid, the RUSF fee for foreign currency loans is calculated as 6 percent of the principal.

We have previously determined that the BIST and RUSF fee exemptions are financial contributions within the meaning of section 771(5)(D)(ii) of the Act in the form of revenue foregone that is otherwise due, which provides a benefit in the amount of the exemption. *See, 1996 Preliminary Results*, 62 FR at 64810, and *1995 Preliminary Results*, 62 FR at 16785. We have also determined in the 1996 and 1995 reviews that the benefits are recurring because, once the company obtains a foreign currency loan, it is automatically exempted from paying the fees.

During the POR, Mannesmann obtained foreign currency loans that were tied to destinations other than the United States, and loans that were received for both U.S. and German shipments. The Yucel Boru Group did receive foreign currency loans in connection with merchandise exported to the United States during the POR.

To calculate the benefit for this program, we computed the exempted fees based on the amount of interest or principal paid during the POR for the foreign currency loans that Mannesmann received in connection with merchandise exported to the United States and Germany. We then indexed this benefit and divided the resultant amount by the company's (indexed) monthly total exports of the subject merchandise to the United States, and the company's total export sales of the subject merchandise to Germany. On this basis, we preliminarily determine the net subsidy to be 0.66 percent *ad valorem* for Mannesmann for line pipe, and zero for the Yucel Boru Group for pipe and tube. We have requested that Mannesmann provide its monthly total export sales to Germany in order to index these sales for inflation and more accurately calculate the *ad valorem* benefit for this program in the final determination.

C. Freight Program

Decree number 93/43, effective October 13, 1993, provided freight rebate payments to exporters expressed as $50 per ton for merchandise exported on Turkish vessels, and $30 per ton for merchandise exported on non-Turkish vessels, capped at 15 percent of the FOB value of the goods. Benefits under this program were provided in the form of 30 percent TL cash and 70 percent Turkish treasury bonds with one and two-year maturity dates. Companies were eligible to receive interest on bonds on the one-year anniversary date of the issuance of the bonds and on the date of the maturity of the bonds. The program was terminated on December 31, 1994, and there were no payments on shipments made after January 1, 1995.

In the 1996 and 1995 reviews, we determined that these cash grants and bonds are countervailable export subsidies within the meaning of section 771(5A)(B) of the Act because the benefit is contingent upon export performance. The grants and bonds are a direct transfer of funds from the GRT providing a benefit in the amount of the cash grants and bonds. We also determined that the benefits under the Freight Program are ''recurring'' because, once a company exported and submitted documentation to the Central Bank, it became eligible to regularly receive cash grants or bonds. The receipt of benefits is automatic and continued throughout the life of the program. (*1996 Preliminary Results*, 62 FR at 64811 and *1995 Preliminary Results*, 62 FR at 16785). *See also Allocation Section of the General Issues Appendix in Final Affirmative Countervailing Duty Determination: Certain Steel Products from Austria*, 58 FR 37217, 37268–69 (July 9, 1993) (*General Issues Appendix*).

During the POR, Mannesmann received cash and bonds under the freight rebate program based on exports made in 1994. The one-year bond matured in 1997, and the two-year bond matured in 1998. During the POR, the Yucel Boru Group did not receive any benefits under this program in connection with exports to the United States. Normally, the Department countervails the benefit on the date of receipt because that is when the benefit affects cash flow and business decisions. *See e.g., Ferrochrome from South Africa; Final Results of Countervailing Duty Administrative Review*, 56 FR 33254, 33255 (July 19, 1991). However, the Department makes an exception in the case of an export benefit that is calculated as a percentage of the FOB value on a shipment-by-shipment basis, and the amount of the benefit to be received is known at the time of export. *See e.g., Indian Castings*, at 60 FR 44843. Although the benefit under the freight program is calculated based on tonnage and not as a percentage of export value, we have said that a benefit determined by the amount of the tonnage may also be known at the time of export.

However, as previously determined in the 1996 review, the facts in this case establish that the exporter did not know the amount of benefit ultimately to be received at the time of export. Although the freight payments were stated in U.S. dollars per ton, the benefit was not tied to the U.S. dollar. Thus, because of high inflation in Turkey, the GRT's initial decision not to commit to the exchange rate existing either on the date of export, or on the date payment was received by the exporters, demonstrates that exporters could not know with certainty the value of the benefit at the time of export. In fact, it was not until February 1995, two months after the termination of the freight program, that the GRT announced that the benefit from this program would be based on the exchange rate that was in effect on December 31, 1994, regardless of when the shipments occurred.

Therefore, because the GRT only committed to an exchange rate after the date of export, given the high rate of inflation in Turkey, there was no way Mannesmann could have predicted at the time of export the amount of TL benefit that would be received. As a result, because Mannesmann could not know the exact amount of the TL benefit, or the U.S. dollar value of that TL benefit on the date of export, Mannesmann could not make business and pricing decisions until the actual receipt of the TL benefit. The TL amount ultimately received by

Mannesmann in 1997 did not correspond to the U.S. dollar value of the benefit granted by the GRT at the time of export. Therefore, we preliminarily determine that the benefits under this program are bestowed when the cash is received with respect to the cash payments, and not on the date of exportation. This position is consistent with the Department's analysis of a similar program in *Pasta*, where we determined that the benefit should be treated as having been bestowed when the cash was received rather than earned. (*See* discussion of *Payments for Exports on Turkish Ships* program in *Pasta*, 61 FR at 30369).

With regard to the bonds portion of the rebate, we previously determined that the benefits from the bonds are bestowed on the date of maturity. *See 1995 Preliminary Results*, 62 FR at 16785. Although there were no restrictions on the sale or transfer of the bonds, there has been no secondary market to allow exporters to convert their bonds to cash because of the rate of inflation. Therefore, the exporters have no choice but to hold the bonds until maturity. *See* also *Pasta*, 61 FR at 30368.

The benefits under the freight program are made on a shipment-by-shipment basis. Therefore, where a benefit is tied or can be tied to exports to the United States, we calculate the *ad valorem* subsidy rate by dividing the benefit by the firm's total exports to the United States. *See e.g., Notice of Final Results of Countervailing Duty Administrative Review: Roses and Other Cut Flowers from Colombia*, 52 FR 48847, 48848 (December 28, 1987). We have calculated the benefit for Mannesmann from this program by dividing the total amount of cash payments, which includes interest on the bonds and matured bonds (indexed for inflation) by total exports to the United States during the POR (indexed for inflation). On this basis, we preliminarily determine the net subsidy to be 3.43 percent *ad valorem* for Mannesmann for line pipe, and zero for the Yucel Boru Group for pipe and tube.

II. Program Preliminarily Determined To Be Not Countervailable

Special Importance Sector Under Investment Allowances

During the POR, the Yucel Boru Group was entitled to receive a 100 percent investment allowance because it made an investment in a ''special importance sector.'' The special importance sector is a provision under the Investment Allowance program that allows companies a 100 percent corporate tax deduction of their fixed investment, regardless of the region in which the investment is made.

In order to determine whether the ''special importance sector'' benefits are specific, in law or in fact, to an enterprise or industry, section 771(5A)(D) directs the Department to consider the following factors:

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. 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.

An analysis of the first factor shows that the enabling legislation does not expressly limit access to an enterprise or industry; therefore, the subsidy is not specific as a matter of law.

With respect to whether the benefits are specific, the GRT provided information regarding the total number of certificates issued to the various industries within each sector, the total investment, and the total fixed investment for each industry and sector. This data shows that more than 4,500 certificates were issued to different companies in numerous and varied industries and regions throughout Turkey. The data also shows that the iron and steel industry was not a predominant user, nor did it receive a disproportionate share of the benefits during the POR. Therefore, we preliminarily determine this program not to be countervailable.

III. Programs Preliminarily Determined To Be Not Used

We examined the following programs and preliminarily determined that the producers and/or exporters of the subject merchandise did not apply for or receive benefits under these programs during the POR:

A. Resource Utilization Support Fund
B. State Aid for Exports Program
C. Advance Refunds of Tax Savings
D. Export Credit Through the Foreign Trade Corporate Companies Rediscount Credit Facility (Eximbank)
E. Past Performance Related Foreign Currency Export Loans (Eximbank)
F. Export Credit Insurance (Eximbank)
G. Subsidized Turkish Lira Credit Facilities
H. Subsidized Credit for Proportion of Fixed Expenditures
I. Fund Based Credit
J. Investment Allowances (in excess of 30% minimum)
K. Resource Utilization Support Premium (RUSP)
L. Incentive Premium on Domestically Obtained Goods
M. Deduction from Taxable Income for Export Revenues
N. Regional Subsidies
  1. Additional Refunds of VAT (VAT + 10%)
  2. Postponement of VAT on Imported Goods
  3. Land Allocation (GIP)
  4. Taxes, Fees (Duties), Charge Exemption (GIP)

IV. Program Preliminarily Determined To Be Terminated

Export Incentive Certificate Customs Duty & Other Tax Exemptions

Communique No. 96/1 dated January 5, 1996, rescinded Communique No. 95/7, which provided export incentive certificates for the exclusion of taxes and duties, effective January 1, 1996. There are no residual benefits accruing from this program. Therefore, we preliminarily determine that the program has been terminated.

Preliminary Results of Review

In accordance with 19 CFR 351.221(b)(4)(i), we calculated an individual subsidy rate for each producer/exporter subject to these administrative reviews. For the period January 1, 1997 through December 31, 1997, we preliminarily determine the net subsidy for Mannesmann to be 4.28 percent *ad valorem* for line pipe, and 0.84 percent *ad valorem* for Yucel Boru for pipes and tubes. If the final results of this review remain the same as these preliminary results, the Department intends to instruct the U.S. Customs Service (Customs) to assess countervailing duties as indicated above. The Department would also instruct Customs to collect cash deposits of estimated countervailing duties as indicated above based on the f.o.b. invoice price on all shipments of the subject merchandise from reviewed companies, entered, or withdrawn from warehouse, for consumption on or after the date of publication of the final results of this review.

Because the URAA replaced the general rule in favor of a country-wide rate with a general rule in favor of individual rates for investigated and reviewed companies, the procedures for establishing countervailing duty rates, including those for non-reviewed companies, are now essentially the same as those in antidumping cases, except as

provided for in section 777A(e)(2)(B) of the Act. The requested review will normally cover only those companies specifically named. *See* 19 CFR 351.213(b). Pursuant to 19 CFR 351.212(c), for all companies for which a review was *not* requested, duties must be assessed at the cash deposit rate, and cash deposits must continue to be collected, at the rate previously ordered. As such, the countervailing duty cash deposit rate applicable to a company can no longer change, except pursuant to a request for a review of that company. *See Federal-Mogul Corporation and The Torrington Company* v. *United States*, 822 F. Supp. 782 (CIT 1993) and *Floral Trade Council* v. *United States*, 822 F. Supp. 766 (CIT 1993). Therefore, the cash deposit rates for all companies except those covered by this review will be unchanged by the results of this review.

We will instruct Customs 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 will be the rate for that company established in the most recently completed administrative proceeding under the Act, as amended by 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 Review*, 53 FR 9791 (March 25, 1988). These rates shall apply to all non-reviewed companies until a review of a company assigned these rates is requested. In addition, for the period January 1, 1997 through December 31, 1997, the assessment rates applicable to all non-reviewed companies covered by this order are the cash deposit rates in effect at the time of entry.

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 publication of this notice. Pursuant to 19 CFR 351.309, interested parties may submit written comments in response to these preliminary results. Case briefs must be submitted within 30 days after the date of publication of this notice, and 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. 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. 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. The Department will publish the final results of these administrative reviews, including the results of its analysis of issues raised in any case or rebuttal brief or at a hearing.

These administrative reviews are issued and published in accordance with section 751(a)(1) and 777(i)(1) of the Act (19 U.S.C. 1675(a)(1) and 19 U.S.C. 1677f(i)(1)).

Dated: March 31, 1999.

Robert S. LaRussa,

Assistant Secretary for Import Administration.

[FR Doc. 99–8627 Filed 4–6–99; 8:45 am]

BILLING CODE 3510–DS–P

DEPARTMENT OF COMMERCE

International Trade Administration

Export Trade Certificate of Review

ACTION: Notice of Application.

SUMMARY: The Office of Export Trading Company Affairs (''OETCA''), International Trade Administration, Department of Commerce, has received an application for an Export Trade Certificate of Review. This notice summarizes the conduct for which certification is sought and requests comments relevant to whether the Certificate should be issued.

FOR FURTHER INFORMATION CONTACT: Morton Schnabel, Director, Office of Export Trading Company Affairs, International Trade Administration, (202) 482–5131. This is not a toll-free number.

SUPPLEMENTARY INFORMATION: Title III of the Export Trading Company Act of 1982 (15 U.S.C. 4001–21) authorizes the Secretary of Commerce to issue Export Trade Certificates of Review. A Certificate of Review protects the holder and the members identified in the Certificate from state and federal government antitrust actions and from private, treble damage antitrust actions for the export conduct specified in the Certificate and carried out in compliance with its terms and conditions. Section 302(b)(1) of the Act and 15 CFR 325.6(a) require the Secretary to publish a notice in the **Federal Register** identifying the applicant and summarizing its proposed export conduct.

Request for Public Comments

Interested parties may submit written comments relevant to the determination whether a Certificate should be issued. If the comments include any privileged or confidential business information, it must be clearly marked and a nonconfidential version of the comments (identified as such) should be included. Any comments not marked privileged or confidential business information will be deemed to be nonconfidential. An original and five copies, plus two copies of the nonconfidential version, should be submitted no later than 20 days after the date of this notice to: Office of Export Trading Company Affairs, International Trade Administration, Department of Commerce, Room 1104H, Washington, D.C. 20230. Information submitted by any person is exempt from disclosure under the Freedom of Information Act (5 U.S.C. 552). However, nonconfidential versions of the comments will be made available to the applicant if necessary for determining whether or not to issue the certificate. Comments should refer to this application as ''Export Trade Certificate of Review, application number 99–00002.'' A summary of the application follows.

Summary of the Application:

Applicant: DecoArt, Inc., Highway 150 and 27, Stanford, Kentucky 40484.

Contact: Martin R. Snyder, Attorney,

Telephone: (502) 562–7505,

Application No.: 99–00002,

Date Deemed Submitted: March 29, 1999,

Members (in addition to applicant): None.

DecoArt, Inc. seeks a Certificate to cover the following specific Export Trade, Export Markets, and Export Trade Activities and Methods of Operations.

Export Trade

1. *Products*

Artists acrylic paints and decorative finishes.

2. *Services*

All services related to the export of Products.

3. *Technology Rights*

All intellectual property rights associated with Products or Services,