

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

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

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

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

#### *Creditworthiness*

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

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

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

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

#### *ITC Notification*

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

#### *Preliminary Determination by the ITC*

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

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

Dated: June 1, 1995.

**Susan G. Esserman,**  
*Assistant Secretary for Import Administration.*

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

#### **Certain Circular Welded Carbon Steel Pipes and Tubes From Thailand: Preliminary Results of Countervailing Duty Administrative Review**

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

**ACTION:** Notice of Preliminary Results of Countervailing Duty Administrative Review.

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

are invited to comment on these preliminary results.

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

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

#### **SUPPLEMENTARY INFORMATION**

##### **Background**

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

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

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

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

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

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

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