

**DEPARTMENT OF COMMERCE****International Trade Administration**

[C-475-819]

**Certain Pasta From Italy: Final Results of the Tenth (2005) Countervailing Duty Administrative Review**

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

**SUMMARY:** On August 6, 2007, the U.S. Department of Commerce ("the Department") published in the **Federal Register** its preliminary results of the administrative review of the countervailing duty order on certain pasta from Italy for the period January 1, 2005, through December 31, 2005. See *Certain Pasta from Italy: Preliminary Results of the Tenth Countervailing Duty Administrative Review*, 72 FR 43616 (August 6, 2007) ("Preliminary Results"). We preliminarily found that Pastificio Antonio Pallante S.r.L. ("Pallante") and De Matteis Agroalimentare S.p.A. ("De Matteis") received countervailable subsidies in this review, and Atar S.r.L. ("Atar") did not receive any countervailable subsidies in this review and its rate is, consequently, zero. Based on our analysis of the comments received, we have revised the net subsidy rate for De Matteis. Therefore, the final results differ from the preliminary results. The final net subsidy rates for the reviewed companies are listed below in the section entitled "Final Results of Review."

**EFFECTIVE DATE:** February 7, 2008.

**FOR FURTHER INFORMATION CONTACT:** Andrew McAllister or Brandon Farlander, AD/CVD Operations, Office 1, Import Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC 20230; telephone: (202) 482-1174 and (202) 482-0182, respectively.

**SUPPLEMENTARY INFORMATION:****Background**

Since the publication of the *Preliminary Results*, we sent supplemental questionnaires to De Matteis and the Government of Italy ("GOI") on August 1, 2007, and received responses on August 9, 2007, and a further clarification from De Matteis on September 10, 2007. Also, on October 25, 2007, the Department requested additional clarification on De Matteis' September 10 response. We received a response on November 5, 2007.

We invited interested parties to comment on the preliminary results.

Case briefs were received from De Matteis and petitioners on September 19, 2007. A rebuttal brief was received from De Matteis on September 24, 2007. The Department did not conduct a hearing in this review because none was requested.

**Period of Review**

The period of review ("POR") for which we are measuring subsidies is January 1, 2005, through December 31, 2005.

**Scope of the Order**

Imports covered by the order are shipments of certain non-egg dry pasta in packages of five pounds four ounces or less, whether or not enriched or fortified or containing milk or other optional ingredients such as chopped vegetables, vegetable purees, milk, gluten, diastasis, vitamins, coloring and flavorings, and up to two percent egg white. The pasta covered by this scope is typically sold in the retail market, in fiberboard or cardboard cartons, or polyethylene or polypropylene bags of varying dimensions.

Excluded from the scope of the order are refrigerated, frozen, or canned pastas, as well as all forms of egg pasta, with the exception of non-egg dry pasta containing up to two percent egg white. Also excluded are imports of organic pasta from Italy that are accompanied by the appropriate certificate issued by the Istituto Mediterraneo Di Certificazione, Bioagricoop S.r.l., QC&I International Services, Ecocert Italia, Consorzio per il Controllo dei Prodotti Biologici, Associazione Italiana per l'Agricoltura Biologica, or Codex S.r.l. In addition, based on publicly available information, the Department has determined that, as of August 4, 2004, imports of organic pasta from Italy that are accompanied by the appropriate certificate issued by Bioagricert S.r.l. are also excluded from this order. See Memorandum from Eric B. Greynolds to Melissa G. Skinner, dated August 4, 2004, which is on file in the Department's Central Records Unit ("CRU") in Room B-099 of the main Department building. In addition, based on publicly available information, the Department has determined that, as of March 13, 2003, imports of organic pasta from Italy that are accompanied by the appropriate certificate issued by Istituto per la Certificazione Etica e Ambientale (ICEA) are also excluded from this order. See Memorandum from Audrey Twyman to Susan Kuhbach, dated February 28, 2006, entitled "Recognition of Istituto per la Certificazione Etica e Ambientale (ICEA) as a Public Authority for Certifying Organic Pasta from Italy" which is on

file in the Department's Central Records Unit ("CRU") in Room B-099 of the main Department building.

The merchandise subject to review is currently classifiable under items 1901.90.90.95 and 1902.19.20 of the *Harmonized Tariff Schedule of the United States* ("HTSUS"). Although the HTSUS subheadings are provided for convenience and customs purposes, the written description of the merchandise subject to the order is dispositive.

**Scope Rulings**

*The Department has issued the following scope rulings to date:*

(1) On August 25, 1997, the Department issued a scope ruling that multicolored pasta, imported in kitchen display bottles of decorative glass that are sealed with cork or paraffin and bound with raffia, is excluded from the scope of the antidumping and countervailing duty orders. See Memorandum from Edward Easton to Richard Moreland, dated August 25, 1997, which is on file in the CRU.

(2) On July 30, 1998, the Department issued a scope ruling finding that multipacks consisting of six one-pound packages of pasta that are shrink-wrapped into a single package are within the scope of the antidumping and countervailing duty orders. See Letter from Susan H. Kuhbach to Barbara P. Sidari, dated July 30, 1998, which is available in the CRU.

(3) On October 26, 1998, the Department self-initiated a scope inquiry to determine whether a package weighing over five pounds as a result of allowable industry tolerances is within the scope of the antidumping and countervailing duty orders. On May 24, 1999, we issued a final scope ruling finding that, effective October 26, 1998, pasta in packages weighing or labeled up to (and including) five pounds four ounces is within the scope of the antidumping and countervailing duty orders. See Memorandum from John Brinkmann to Richard Moreland, dated May 24, 1999, which is available in the CRU.

(4) On April 27, 2000, the Department self-initiated an anti-circumvention inquiry to determine whether Pastificio Fratelli Pagani S.p.A.'s importation of pasta in bulk and subsequent repackaging in the United States into packages of five pounds or less constitutes circumvention with respect to the antidumping and countervailing duty orders on pasta from Italy pursuant to section 781(a) of the Tariff Act of 1930, as amended ("the Act"), and 19 CFR 351.225(b). See *Certain Pasta from Italy: Notice of Initiation of Anti-Circumvention Inquiry of the*

*Antidumping and Countervailing Duty Orders*, 65 FR 26179 (May 5, 2000). On September 19, 2003, we published an affirmative finding of the anti-circumvention inquiry. See *Anti-Circumvention Inquiry of the Antidumping and Countervailing Duty Orders on Certain Pasta from Italy: Affirmative Final Determinations of Circumvention of Antidumping and Countervailing Duty Orders*, 68 FR 54888 (September 19, 2003).

### Changes Since the Preliminary Results

There has been one change since the *Preliminary Results* which affects De Matteis' rate. All issues raised in this review are addressed in the accompanying "Issues and Decision Memorandum for the Final Results of the Tenth (2005) Administrative Review of the Countervailing Duty Order on Certain Pasta from Italy" from Stephen J. Claeys, Deputy Assistant Secretary for Import Administration, to David M. Spooner, Assistant Secretary for Import Administration (January 31, 2008), which is hereby adopted by this notice ("Decision Memo"). Parties can find a complete discussion of all issues raised in this review and the corresponding recommendations in this public memorandum which is on file in room B-099 of the main Department building.

In addition, a complete version of the Decision Memo can be accessed directly on the Web at <http://ia.ita.doc.gov/frn>. The paper copy and electronic version of the Decision Memo are identical in content.

### Final Results of Review

In accordance with 19 CFR 351.221(b)(4)(i), we calculated an individual subsidy rate for Pallante and De Matteis. See Memorandum to the File, "Calculations for the Final Results for De Matteis Agroalimentare S.p.A." (January 31, 2008) for the revised rate calculation for De Matteis. Pallante's rate did not change from the preliminary results and Atar had no countervailable subsidies. We did not calculate an individual rate for Agritalia because a review was not requested for Agritalia. Agritalia was only asked to participate because of the possible effect of subsidies it received on its suppliers who are included in this review. We have found that Agritalia did not receive any subsidies which affected any suppliers' rates. Listed below are the programs we examined in the review and our findings with respect to each of these programs. For a complete analysis of the programs found to be countervailable, and the basis for the Department's determination, see the Decision Memo. For the period January

1, 2005, through December 31, 2005, we 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 (percent)
De Matteis Agroalimentare S.p.A. ....	1.83
Pastificio Antonio Pallante S.r.l. ....	2.02
Atar S.r.l. ....	0.00

The calculations will be disclosed to the interested parties in accordance with 19 CFR 351.224(b).

Because the countervailing duty rate for Atar is zero, we will instruct U.S. Customs and Border Protection ("CBP") to liquidate entries for Atar during the period January 1, 2005, through December 31, 2005, without regard to countervailing duties in accordance with 19 CFR 351.106(c). For Pallante and De Matteis, the Department will instruct CBP to assess countervailing duties at these net subsidy rates. The Department will issue appropriate instructions directly to CBP 15 days after 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, and Pasta Lensi S.r.l. which was revoked from the order), the Department has directed CBP to assess countervailing duties on all entries between January 1, 2005, and December 31, 2005, at the rates in effect at the time of entry. Agritalia has been reviewed previously and has its own exporter-specific rate of 2.92 percent.

The Department also intends to instruct CBP to collect cash deposits of estimated countervailing duties. Since the countervailable subsidy rate for Atar is zero, the Department will instruct CBP to continue to suspend liquidation of entries, but to collect no cash deposits of estimated countervailing duties for Atar on all shipments of the subject merchandise that are entered, or withdrawn from warehouse, for consumption on or after the date of publication of the final results of this administrative review.

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, and Pasta Lensi S.r.l. which was revoked 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.

This notice serves as a reminder to parties subject to administrative protective order ("APO") of their responsibility concerning the disposition of proprietary information disclosed under APO in accordance with 19 CFR 351.305(a)(3). Timely written notification of return or destruction of APO materials or conversion to judicial protective order is hereby requested. Failure to comply with the regulations and the terms of an APO is a sanctionable violation.

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

Dated: January 31, 2008.

**David M. Spooner,**

*Assistant Secretary for Import Administration.*

### APPENDIX

#### List of Comments and Issues in the Decision Memorandum

Comment 1: De Matteis Received Additional Subsidies Under Law 662/96 and Law 488/92.

Comment 2: The Department Should Countervail Subsidies Received by Agritalia's Cross-Owned Companies.

Comment 3: The Benefits Under Law 488/92 Received by De Matteis Should be Allocated Over Total Sales.

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### DEPARTMENT OF COMMERCE

#### International Trade Administration

[A-533-824]

#### Certain Polyethylene Terephthalate Film, Sheet and Strip from India: Final Results of Antidumping Duty Administrative Review

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

**SUMMARY:** On August 7, 2007, the Department of Commerce (Department) published in the **Federal Register** its preliminary results of the administrative review of the antidumping duty order on polyethylene terephthalate film, sheet and strip (PET film) from India. See *Certain Polyethylene Terephthalate Film, Sheet and Strip From India: Preliminary Results of Antidumping Duty Administrative Review*, 72 FR 44086 (August 7, 2007) (*Preliminary Results*).

The review covers one respondent, MTZ Polyfilms, Ltd. (MTZ).