

assist them in the production of export quality goods. RPPC did not respond to questions regarding its or its members' usage of this program. Therefore, as adverse facts available, we preliminarily determine a net countervailable subsidy of 7.11 percent *ad valorem*, from *In-shell Pistachios*, for RPPC.

#### *E. Duty Refunds on Imported Raw or Intermediate Materials Used in the Production of Exported Goods*

Petitioners have alleged that pursuant to the Third Five Year Development Plan (TFYDP) enacted by the GOI, duties and levies paid in connection with the importation of intermediate materials used in the production of the exported commodities and goods are refunded to exporters. RPPC did not answer any of our questions with respect to this program. Therefore, as adverse facts available, we preliminarily determine a net countervailable subsidy of 7.11 percent *ad valorem*, from *In-shell Pistachios*, for RPPC.

#### *F. Tax Exemptions*

Petitioners have alleged that the GOI provides tax exemptions to agricultural producers who are exporters. During the verification of the new shipper reviews, the Department learned that section 141 of the Direct Taxation Act exempts exporters of agricultural goods from income taxes (*see* December 4, 2002 memorandum to Melissa G. Skinner, Director, Office of AD/CVD Enforcement VI from Alicia Kinsey, Case Analyst, Verification of the Questionnaire Responses Submitted by the GOI (GOI Verification Report) at page 6, which has been placed on the record of this administrative review). RPPC stated that it was not subject to income taxation during the POR. However, RPPC has failed to provide relevant tax information for any of the 70,000 growers that are members of its cooperative. Therefore, as adverse facts available, we preliminarily determine a net countervailable subsidy of 7.11 percent *ad valorem*, from *In-shell Pistachios*, for RPPC.

#### *G. Technical Assistance from the GOI*

Petitioners have alleged that pistachio growers receive technical support as part of the GOI's program to facilitate agricultural development. Although RPPC itself stated that it did not receive any technical assistance from the GOI during the POR with respect to this program, RPPC did not provide any information regarding the usage of this program by the 70,000 members of RPPC. Therefore, as adverse facts available, we preliminarily determine a net countervailable subsidy of 7.11

percent *ad valorem*, from *In-shell Pistachios*, for RPPC.

#### *H. Provision of Credit*

Petitioners have alleged that the GOI provides loans at below market interest rates to members of the agricultural sector. RPPC states that it did not receive any loans from the GOI. In the course of this administrative review, we requested that RPPC submit financial statements for the POR. RPPC submitted financial statements covering the year ending March 19, 2001. These financial statements include a line item for "loans" and do not contain any explanatory notes. RPPC claims that these financial statements are complete and are the most current.

We find that RPPC failed to provide us with complete financial statements for the POR, as the financial statements that RPPC submitted cover only one quarter of the POR. We note that RPPC is one of the largest pistachio producers in the world and, thus, should be able to provide the Department with at least some form of financial information (*e.g.*, unaudited financial statements) for the remaining nine and one-half months of the POR, as we are well into 2003. Therefore, we preliminarily determine that there is not enough evidence on the record to confirm that RPPC's outstanding loans were not provided by the GOI, as RPPC did not submit any ledgers or journals as supporting documentation, nor did it submit any financial statements or records for the majority of the POR.

Therefore, as adverse facts available, we preliminarily determine a net countervailable subsidy of 7.11 percent *ad valorem*, from *In-shell Pistachios*, for RPPC.

## **II. Program Determined to Be Not Countervailable**

#### *A. Price Supports and/or Guaranteed Purchase of All Production*

Based on information obtained in the course of the recently-completed new shipper reviews of in-shell pistachios and in-shell roasted pistachios from Iran, we determined that this program is not countervailable (*see Pistachios New Shipper Reviews* and the accompanying Issues and Decision Memorandum at Comment 5). No information was submitted in the instant review to warrant the Department to reconsider its determination. Therefore, we continue to find this program not countervailable.

#### **Preliminary Results of Review**

In accordance with section 751(a)(1)(A) of the Act, we determined an individual rate for each producer/

exporter of the subject merchandise participating in this administrative review. We preliminarily determine the total estimated net countervailable subsidy rate to be:

#### **Producer/Exporter**

Rafsanjan Pistachio Producers Cooperative (RPPC).

#### **Net Subsidy Rate**

53.63 percent *ad valorem*.

Under section 351.526 of the Department's regulations, the Department can adjust cash deposit rates to account for program-wide changes. During the recently-completed new shipper reviews of in-shell pistachios and in-shell roasted pistachios from Iran, the Department verified that the export certificate voucher program has been terminated subsequent to the POR (*see Pistachios New Shipper Reviews* and the accompanying Issues and Decision Memorandum at Comment 13). Therefore, we are adjusting the cash deposit rate to take into account this program-wide change. Thus, in determining the cash deposit rate listed below, we have deducted the subsidies found for this program from the overall subsidy rate calculated for RPPC.

#### **Producer/Exporter**

Rafsanjan Pistachio Producers Cooperative (RPPC).

#### **Cash Deposit Rate**

49.77 percent *ad valorem*.

If the final results of this review remain the same as these preliminary results, the Department intends to instruct Customs to assess countervailing duties as indicated above. The Department also intends to instruct Customs to collect cash deposits of estimated countervailing duties as indicated above as a percentage of 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