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**UNITED STATES – COUNTERVAILING MEASURES ON CERTAIN PIPE
AND TUBE PRODUCTS (TURKEY)**

REQUEST FOR CONSULTATIONS BY TURKEY

The following communication, dated 8 March 2017, from the delegation of Turkey to the delegation of the United States and to the Chairperson of the Dispute Settlement Body, is circulated in accordance with Article 4.4 of the DSU.

My authorities have instructed me to request consultations with the Government of the United States pursuant to Articles 1 and 4 of the Understanding on Rules and Procedures Governing the Settlement of Disputes, Articles XXII:1 of the General Agreement on Tariffs and Trade 1994 ("GATT 1994"), and Article 30 of the Agreement on Subsidies and Countervailing Measures ("SCM Agreement").

A. Specific Measures at Issue

This request for consultations concerns the preliminary and final countervailing duty measures imposed by the United States on Turkish imports of Certain Oil Country Tubular Goods ("OCTG")¹; Welded Line Pipe²; Heavy Walled Rectangular Welded Carbon Steel Pipes and Tubes³; and Circular Welded Carbon Steel Pipes and Tubes,⁴ as identified in Annex 1.

These measures include the determination by the United States to initiate the identified countervailing duty proceedings, the conduct of those proceedings, any preliminary or final countervailing duty or injury determinations issued in those proceedings, any definitive countervailing duties imposed as a result of those proceedings, as well as any notices, annexes, memoranda, orders, amendments, or other instruments issued by the United States, and related practices, in connection with the measures identified in Annex 1.

B. Legal Basis of the Complaint

Turkey considers that the measures identified above, and in Annex 1, are inconsistent with the United States' obligations under the WTO Agreements. Turkey's concerns are particularly focused

¹ The United States initiated its investigation of OCTG from Turkey (C-489-817) on 29 July 2013. The final determination of the investigation and order imposing countervailing measures were published on 18 July 2014, and 10 September 2014, respectively.

² The United States initiated its investigation of Welded Line Pipe from Turkey (C-489-823) on 13 November 2014. The final determination of the investigation and order imposing countervailing measures were published on 13 October 2015, and 1 December 2015, respectively.

³ The United States initiated its investigation of Heavy Walled Rectangular Welded Carbon Steel Pipes and Tubes from Turkey (C-489-825) on 17 August 2015. The amended final determination of the investigation and order imposing countervailing measures was published on 13 September 2016.

⁴ The United States initiated its administrative review, for the calendar year 2013, of Circular Welded Carbon Steel Pipes and Tubes from Turkey (C-489-502) on 30 April 2014. The amended final results of the administrative review were published on 13 November 2015. The United States also initiated its third sunset review of the Order on Circular Welded Carbon Steel Pipes and Tubes from Turkey on 1 June 2011 and published its determination in June 2012.

on, though not necessarily limited to, the following aspects of the measures and underlying administrative proceedings:

1. Public Body Determination: The United States' determination that certain entities are "public bodies" within the meaning of SCM Agreement Article 1.1(a)(1), which were improperly confined to indicia of government control and did not consider all relevant evidence on the record, in relation to the alleged provision of hot rolled steel for less than adequate remuneration.
2. Benefit Determination: The United States' determination that sales of hot rolled steel conferred a benefit, within the meaning of Article 1.1(b), and were made for less than adequate remuneration, within the meaning of 14(d) of the SCM Agreement, including the Department's improper rejection of in-country prices for hot rolled steel as a benchmark for less than adequate remuneration.⁵
3. Specificity Determination: The United States' determination regarding specificity within the meaning of SCM Agreement Article 2.1(c), based on improper findings that the alleged provision of hot rolled steel for less than adequate remuneration was limited to certain enterprises, and the United States' failure to substantiate its determination of specificity on the basis of positive evidence, within the meaning of SCM Agreement Article 2.4.
4. Use of Facts Available: The United States' use of facts available, and application of adverse inferences, in calculating subsidy rates, which are inconsistent with Article 12.7 of the SCM Agreement.
5. Injury Determination: The United States' determination of injury based on cumulated imports, including imports from countries not subject to countervailing duty investigations or reviews, which is inconsistent with Article 15.3 of the SCM Agreement.

Turkey considers that the United States' administrative proceedings and measures are inconsistent with Article VI:3 of the GATT 1994, Articles 10, 19.4, and 32.1 of the SCM Agreement, and the specific provisions cited above. Turkey's concerns relate to both the aspects of the measures and underlying administrative proceedings cited above as well as ongoing practices applied in administrative proceedings more generally.

The United States' measures appear to nullify or impair the benefits accruing to Turkey directly or indirectly under the cited agreements.

Turkey reserves the right to raise additional claims in the course of the consultations.

Turkey looks forward to receiving the Government of the United States' reply in due course to this request for consultations and to setting mutually convenient dates for consultations.

⁵ This claim is limited to the countervailing duty determinations related to OCTG (C-489-817).

Annex I**C-489-817: Certain Oil Country Tubular Goods from Turkey**

1. *Certain Oil Country Tubular Goods from India and Turkey: Initiation of Countervailing Duty Investigations*, 78 FR 45502 (July 29, 2013).
2. *Certain Oil Country Tubular Goods from the Republic of Turkey: Preliminary Negative Countervailing Duty Determination and Alignment of Final Determination with Final Antidumping Determination*, 78 FR 77420 (December 23, 2013).
3. *Decision Memorandum for the Negative Preliminary Determination in the Countervailing Duty Investigation of Certain Oil Country Tubular Goods from the Republic of Turkey* (December 16, 2013).
4. *Countervailing Duty Investigation of Certain Oil Country Tubular Goods from the Republic of Turkey: Post-Preliminary Analysis Memorandum for Borusan Mannesmann Boru Sanayi ve Ticaret A.S. ("BMB"), Borusan Istikbal Ticaret ("Istikbal"), Borusan Mannesmann Boru Yatirim Holding A.S., and Borusan Holding A.S. (collectively, "Borusan")* (April 18, 2014).
5. *Countervailing Duty Investigation of Certain Oil Country Tubular Goods from the Republic of Turkey: Post-Preliminary Analysis Memorandum for Toscelik Profil ve Sac Endustrisi A.S. ("Toscelik Profil"), Tasyali Dis Ticaret A.S., Tasyali Elektrik Enerjisi Toptan Satis Ith. Ihr. A.S., Tasyali Holding A.S., and Tasyali Demir Celik San. A.S. (collectively, "Toscelik")* (April 18, 2014).
6. *Certain Oil Country Tubular Goods From the Republic of Turkey: Final Affirmative Countervailing Duty Determination and Final Affirmative Critical Circumstances Determination*, 79 FR 41964 (July 18, 2014).
7. *Issues and Decision Memorandum for the Final Determination in the Countervailing Duty Investigation of Certain Oil Country Tubular Goods from the Republic of Turkey* (July 10, 2014).
8. *Certain Oil Country Tubular Goods from India, Korea, the Philippines, Taiwan, Thailand, Turkey, Ukraine, and Vietnam*, Investigation Nos. 701-TA-499-500 and 731-TA-1215-1217 and 1219-1223 (Final), International Trade Commission Publication 4489 (September 2014).
9. *Certain Oil Country Tubular Goods from India and the Republic of Turkey: Countervailing Duty Orders and Amended Affirmative Final Countervailing Duty Determination for India*, 79 FR 53688 (September 10, 2014).

C-489-823: Welded Line Pipe from Turkey

1. *Welded Line Pipe from the Republic of Korea and the Republic of Turkey: Initiation of Countervailing Duty Investigations*, 79 FR 67419 (November 13, 2014).
2. *Welded Line Pipe From the Republic of Turkey: Preliminary Affirmative Countervailing Duty Determination and Alignment of Final Determination With Final Antidumping Determination*, 80 FR 14943 (March 20, 2015).
3. *Decision Memorandum for the Affirmative Preliminary Determination in the Countervailing Duty Investigation of Welded Line Pipe from the Republic of Turkey* (March 16, 2015).
4. *Welded Line Pipe from the Republic of Turkey: Final Affirmative Countervailing Duty Determination*, 80 FR 61371 (October 13, 2015).

5. *Issues and Decision Memorandum for the Final Determination in the Countervailing Duty Investigation of Welded Line Pipe from the Republic of Turkey* (October 5, 2015).
6. *Certain Welded Line Pipe from Korea and Turkey*, Investigation Nos. 701-TA-525 and 731-TA-1260-1261 (Final), International Trade Commission Publication 4580 (November 2015).
7. *Welded Line Pipe from the Republic of Turkey: Countervailing Duty Order*, 80 FR 75054 (December 1, 2015).

C-489-825: Heavy Walled Rectangular Welded Carbon Steel Pipes and Tubes from Turkey

1. *Heavy Walled Rectangular Welded Carbon Steel Pipes and Tubes from the Republic of Turkey: Initiation of Countervailing Duty Investigation*, 80 FR 49207 (August 17, 2015).
2. *Heavy Walled Rectangular Welded Carbon Steel Pipes and Tubes from the Republic of Turkey: Preliminary Affirmative Countervailing Duty Determination and Alignment of Final Determination With Final Antidumping Determination*, 80 FR 80749 (December 28, 2015).
3. *Countervailing Duty Investigation of Heavy Walled Rectangular Welded Carbon Steel Pipes and Tubes from the Republic of Turkey: Decision Memorandum for the Preliminary Determination* (December 18, 2015).
4. *Heavy Walled Rectangular Welded Carbon Steel Pipes and Tubes from the Republic of Turkey: Final Affirmative Countervailing Duty Determination*, 81 FR 47349 (July 21, 2016).
5. *Countervailing Duty Investigation of Heavy Walled Rectangular Welded Carbon Steel Pipes and Tubes from the Republic of Turkey: Issues and Decision Memorandum for the Final Determination* (July 14, 2016).
6. *Heavy Walled Rectangular Welded Carbon Steel Pipes and Tubes from Korea, Mexico, and Turkey*, Investigation Nos. 701-TA-539 and 731-TA-1280-1282 (Final), International Trade Commission Publication 4633 (September 2016).
7. *Heavy Walled Rectangular Welded Carbon Steel Pipes and Tubes From the Republic of Turkey: Amended Final Affirmative Countervailing Duty Determination and Countervailing Duty Order*, 81 FR 62874 (September 13, 2016).

C-489-502: Circular Welded Carbon Steel Pipes and Tubes from Turkey

1. *Countervailing Duty Order; Certain Welded Carbon Steel Pipe and Tube Products from Turkey*, 51 FR 7984 (March 7, 1986).
2. *Welded Carbon Steel Pipe and Tube from Turkey: Final Results of Expedited Sunset Review of Countervailing Duty Order*, 76 FR 64900 (Oct. 19, 2011).
3. *Certain Circular Welded Pipe and Tube from Brazil, India, Korea, Mexico, Taiwan, Thailand, and Turkey*, Investigation Nos. 701-TA-253 and 731-TA-132, 252, 271, 273, 532-534 and 536 (Third Review), International Trade Commission Publication 4333 (June 2012).
4. *Certain Circular Welded Pipe and Tube from Brazil, India, Korea, Mexico, Taiwan, Thailand, and Turkey*, 77 FR 39736 (July 5, 2012).
5. *Certain Circular Welded Carbon Steel Pipes and Tubes from India, Thailand, and Turkey; Certain Circular Welded Non-Alloy Steel Pipe from Brazil, Mexico, the Republic of Korea, and Taiwan; and Certain Circular Welded Carbon Steel Pipes and Tubes from*

Taiwan: Continuation of Antidumping and Countervailing Duty Orders, 77 FR 41967 (July 17, 2012).

6. *Initiation of Antidumping and Countervailing Duty Administrative Reviews and Request for Revocation in Part*, 79 FR 24398 (April 30, 2014).
 7. *Circular Welded Carbon Steel Pipes and Tubes From Turkey: Preliminary Results of Countervailing Duty Administrative Review and Preliminary Intent To Rescind in Part; Calendar Year 2013*, 80 FR 18809 (April 8, 2015).
 8. *Decision Memorandum for the Preliminary Results of Countervailing Duty (CVD) Administrative Review: Circular Welded Carbon Steel Pipes and Tubes from Turkey*, POR 01/01/13-12/31/13 (March 31, 2015).
 9. *Circular Welded Carbon Steel Pipes and Tubes From Turkey: Final Results of Countervailing Duty Administrative Review; Calendar Year 2013 and Rescission of Countervailing Duty Administrative Review, in Part*, 80 FR 61361 (October 13, 2015).
 10. *Decision Memorandum for the Final Results of Countervailing Duty Administrative Review: Circular Welded Carbon Steel Pipes and Tubes from Turkey*, POR 01/01/13-12/31/13 (October 5, 2015).
 11. *Circular Welded Carbon Steel Pipes and Tubes from Turkey: Amended Final Results of Countervailing Duty Administrative Review, 2013*, 80 FR 70186 (November 13, 2015).
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