



Verification report – Contributor

Case AS0022: Single-mode Optical Fibre Cables from the PRC

Period of Investigation (POI):	1 January 2021 – 31 December 2021
Injury Period:	1 January 2018 – 31 December 2021
Date of report:	18 April 2023
Case team contact details:	AS0022@traderemedies.gov.uk
Company verified:	Corning Optik Iletisim Sanayi Limited Sirketi

For further details, please see the [Notice of initiation](#) on the public file.



Contents

Executive Summary..... 3

Purpose of verification..... 3

Confidential information..... 4

Verification 4

A. Company structure and associations 4

B. Goods..... 6

C. Costs 7

Conclusion 9



Executive Summary

On 26 April 2022, the Trade Remedies Authority (TRA) initiated an anti-subsidy investigation (AS0022) into alleged subsidy of optical fibre cable (OFC) imported into the United Kingdom (UK) originating from the People's Republic of China (PRC).

On 12 December 2022, the TRA published a note to the [public file](#) inviting overseas producers and sellers of OFC in the Republic of Türkiye to assist in providing information for use in the creation of cost benchmarks in this case.

Corning Türkiye is a producer and exporter of the like goods operating in the Republic of Türkiye. Its parent company, Corning Incorporated, responded with a streamlined questionnaire specific to our benchmarking exercise and co-operated fully with the investigation. All communication with the Turkish producer was routed through the parent company, although verification activities undertaken by the TRA were on information pertaining to Corning Türkiye.

As part of the investigation, the TRA sought to verify the response, including the data annex submitted with the questionnaire. This report details the evidence gathered and the key findings from the verification of the company's information.

The TRA was able to conduct verification remotely and contact the company by email to request clarifications or further information to aid the verification process.

The verification activities we have undertaken have led us to conclude that we have a reasonable level of assurance on the accuracy, relevance and completeness of the information provided by the company. We will therefore use the submitted questionnaire data for any relevant purpose in this investigation.

Purpose of verification

The purpose of the TRA's verification activity is to provide the assurance that the information provided by the company is verifiable and can be used. We will draw a reasonable level of assurance on the completeness, accuracy and relevance of information deemed verifiable. Such information may then be considered in our assessments and to determine benchmarks to be used in our analysis of calculating a countervailing amount, if applicable.

We have carried out verification activities using desk-based procedures. This verification report documents the work we have completed, the checks the case team has carried out and conclusions we have reached about the reliability of information provided by the company.



Confidential information

The verified party must provide a non-confidential version of the verification report marked as “non-confidential” in the header of the non-confidential verification report.

If any information contained in the verification report is considered confidential, the party should delete or redact those sections and provide a non-confidential summary of the information which has been removed. It must provide reasons as to why the particular information is considered confidential (see also [public guidance](#)).

The non-confidential version of the verification report will be placed on the [public file](#).

Verification

Please find below a summary of work that has been completed and the checks that have been carried out by the case team to determine whether the information provided by the company in its questionnaire response is verifiable.

A. Company structure and associations

What information was considered

Information considered for company structure and associations:

- Company details
- General company structure, ownership, and management.
- Associations with other companies.
- Published Financial Statements

If you have redacted or removed any information, please provide reasons as to why the information is considered confidential (see [Confidential information](#)):

How the information was checked



Company details, including structure, ownership, and management The TRA has cross checked company details provided in Corning Türkiye’s questionnaire response with its published financial statements and company website. We found that company details such as establishment dates, ownership, corporate structure and facility locations were consistent across all sources. We have also been able to confirm Corning Türkiye’s immediate parent company is Corning Venture S.a.r.l and its ultimate controlling company is Corning Incorporated.

Associations with other companies

The TRA compared the submitted company list with the company associations stated in the published financial statements for Corning Türkiye and the parent

company Corning Incorporated, as well as the published financial statements of all listed associated parties that are publicly available.

Accounting practices and policy

The TRA established that the published accounts for Corning Türkiye have been prepared in accordance with Turkish GAAP and have been audited by PricewaterhouseCoopers. The auditor gave an unqualified opinion of its financial statements during the financial year of 1st January 2021 to 31st December 2021.

If you have redacted or removed any information, please provide reasons as to why the information is considered confidential (see [Confidential information](#)):

Exceptions/Findings/Adjustments

There were no exceptions, findings, and adjustments to report with regards to the company information or company associations provided.

If you have redacted or removed any information, please provide reasons as to why the information is considered confidential (see [Confidential information](#)):

Conclusions



The information relating to company structure and associations provided by the company is verifiable. Based on the work we have done, we have a reasonable level of assurance that the information can be treated as complete, relevant and accurate and can therefore be used by the TRA to calculate margins or any other purpose in this investigation.

If you have redacted or removed any information, please provide reasons as to why the information is considered confidential (see [Confidential information](#)):

B. Goods

What information was considered

Regarding goods allocation to the PCNs:

- The internal product code system used by Corning Türkiye • Allocation of products to PCNs

If you have redacted or removed any information, please provide reasons as to why the information is considered confidential (see [Confidential information](#)):

How the information was checked

Internal product code system

The TRA confirmed that the characteristics described in Corning Türkiye's internal product code system are consistent with the identifying characteristics of the PCNs.

Allocation of products to PCNs

The TRA compared the process used to allocate internal product codes to PCNs against product descriptions available in the company's online sales brochures, as well as PCN allocation breakdown and technical specification documents sent to us by the company. This process informed our assessment of whether Corning Türkiye had followed the PCN structure correctly in its questionnaire response. We did not find any instances of misallocated products for any PCNs.

If you have redacted or removed any information, please provide reasons as to why the information is considered confidential (see [Confidential information](#)):



Exceptions/Findings/Adjustments

There were no exceptions, findings, and adjustments to report with regards to goods and PCN allocation provided by Corning Türkiye.

If you have redacted or removed any information, please provide reasons as to why the information is considered confidential (see [Confidential information](#)):

Conclusions

The information relating to Corning Türkiye’s goods provided by the company is verifiable. Based on the work we have done, we have a reasonable level of assurance that the information can be treated as complete, relevant and accurate and can therefore be used by the TRA to calculate margins or for any other purpose in this investigation.

If you have redacted or removed any information, please provide reasons as to why the information is considered confidential (see [Confidential information](#)):

C. Costs

What information was considered

Upwards verification

- The cost to make the like good
- Published financial statements
- Management accounts

Downwards verification

- The cost to make
- Raw materials
- Transactional cost documentation



If you have redacted or removed any information, please provide reasons as to why the information is considered confidential (see [Confidential information](#)):

How the information was checked

We conduct upward and downward verification of company information wherever possible. We conduct upwards verification to reconcile the questionnaire response to published financial statements to assess completeness of the information. We conduct downward verification on a selected sample of transactions from the questionnaire response by checking the transactions to their source documentation to determine accuracy.

Upwards verification

The TRA reconciled the total cost of sales in Corning Türkiye's published financial statements for 2021 to the cumulative annual revenue recorded in its management accounts, without identifying any variances.

We reconciled the total cost to make figure stated in Corning Türkiye's questionnaire annex to its published financial statements to within 1% of the total cost of production. This entailed the exclusion of the cost of sales for all products out of scope. We are satisfied with this minor variance and therefore have reasonable assurance that the total cost figures provided for the POI are complete and sufficiently accurate.

Downwards verification

The TRA compared the raw material cost data provided by Corning Türkiye in the questionnaire response to source documentation to verify its accuracy and relevance. This was done by requesting source documentation associated with a sample of selected raw material transactions. For each transaction, we reviewed the following items:

- Purchase orders
- Purchase Invoices
- Packing lists
- Proof of payment and a source document confirming payment.

We are satisfied that all source documentation reconciles to the transaction information provided within the questionnaire response annex without any material or unexplained variances. We are also have gained reasonable assurance that the transaction data submitted by Corning Türkiye is relevant to production of in-scope OFC products during the POI.



If you have redacted or removed any information, please provide reasons as to why the information is considered confidential (see [Confidential information](#)):

Exceptions/Findings/Adjustments

There were no exceptions, findings, and adjustments to report with regards to the cost information provided by Corning Türkiye.

If you have redacted or removed any information, please provide reasons as to why the information is considered confidential (see [Confidential information](#)):

Conclusions

The information relating to costs provided by the company is verifiable. Based on the work we have done, we have a reasonable level of assurance that the information can be treated as complete, relevant, and accurate and can therefore be used by the TRA to calculate margins or any other purpose in this investigation.

If you have redacted or removed any information, please provide reasons as to why the information is considered confidential (see [Confidential information](#)):

Conclusion

The TRA is satisfied that the company and product information we examined can be verified to source documentation.

We have been able to reconcile the questionnaire response in relation to Corning Türkiye to its accounting records with regard to the raw material cost information. We also received satisfactory responses to queries raised when verifying sampled transactional data.

In summary, we have obtained sufficient evidence to conclude that the information we have sampled is verifiable. We therefore have a reasonable level of assurance that the information submitted by Corning Türkiye is complete, relevant and sufficiently accurate for the purpose of this investigation.