



A-122-853
AR: 05/01/2012-04/30/2013
Public Document
AD/CVDOps/II/KJ/RT

MEMORANDUM TO: Paul Piquado
Assistant Secretary
for Enforcement and Compliance

FROM: Christian Marsh 
Deputy Assistant Secretary
for Antidumping and Countervailing Duty Operations

SUBJECT: Decision Memorandum for Preliminary Results of Antidumping Duty
Administrative Review: Citric Acid and Certain Citrate Salts from
Canada

SUMMARY

The Department of Commerce (the Department) is conducting an administrative review of the antidumping duty order on citric acid and certain citrate salts (citric acid) from Canada. The review covers one producer and exporter of the subject merchandise, Jungbunzlauer Canada Inc. (JBL Canada). The period of review (POR) is May 1, 2012, through April 30, 2013. We preliminarily determined that JBL Canada made sales below normal value (NV) during this POR.

BACKGROUND

In response to the Department's notice of opportunity to request an administrative review,¹ on May 22, 2013, JBL Canada requested an administrative review of the antidumping duty order on citric acid from Canada with respect to its exports of subject merchandise to the United States during the period May 1, 2012, through April 30, 2013. On May 31, 2013, Archer Daniels Midland Company, Cargill, Incorporated, and Tate & Lyle Ingredients Americas LLC, domestic producers of the subject merchandise and petitioners in the original less-than-fair-value investigation (the petitioners), requested an administrative review with respect to JBL Canada.² Accordingly, we published in the Federal Register a notice of initiation of an administrative review of the antidumping duty order on citric acid from Canada covering the period May 1, 2012, through April 30, 2013.³

¹ See Antidumping or Countervailing Duty Order, Finding, or Suspended Investigation; Opportunity To Request Administrative Review, 78 FR 25423 (May 1, 2013).

² See JBL Canada's and the petitioners' letters to the Department dated May 22 and May 31, 2013, respectively.

³ See Initiation of Antidumping and Countervailing Duty Administrative Reviews and Request for Revocation in Part, 78 FR 38924 (June 28, 2013) (Initiation Notice).

On July 16, 2013, we issued the antidumping duty questionnaire to JBL Canada. On August 22, and September 5, 2013, JBL Canada timely submitted its responses to our questionnaire.

On July 29, 2013, the petitioners requested, pursuant to 19 CFR 351.213(j), that the Department determine whether antidumping duties have been absorbed by JBL Canada during the POR. We issued a letter concerning duty absorption to JBL Canada on September 10, 2013, to which JBL Canada responded on October 24, 2013. See “Duty Absorption” section below.

On October 18, 2013, the petitioners requested that the Department verify JBL Canada’s questionnaire responses, pursuant to 19 CFR 351.307(b). We did not verify JBL Canada’s questionnaire responses, however, because we conducted such verification in the immediately preceding (third) administrative review, and the petitioners did not show good cause for conducting verification again in the current review, pursuant to section 782(i)(3)(B) of the Act.

On October 30, 2013, we issued a supplemental questionnaire to JBL Canada, to which it timely responded on November 21, 2013.

As explained in the memorandum from the Assistant Secretary for Enforcement and Compliance, the Department exercised its discretion to toll deadlines for the duration of the closure of the Federal Government from October 1, through October 16, 2013.⁴ Therefore, all deadlines in this segment of the proceeding have been extended by 16 days. If the new deadline falls on a non-business day, in accordance with the Department's practice, the deadline will become the next business day. The revised deadline for the preliminary results of this review is now February 18, 2014.

We are conducting the administrative review of the order in accordance with section 751(a) of the Tariff Act of 1930, as amended (the Act).

SCOPE OF THE ORDER

The scope of this order includes all grades and granulation sizes of citric acid, sodium citrate, and potassium citrate in their unblended forms, whether dry or in solution, and regardless of packaging type. The scope also includes blends of citric acid, sodium citrate, and potassium citrate; as well as blends with other ingredients, such as sugar, where the unblended form(s) of citric acid, sodium citrate, and potassium citrate constitute 40 percent or more, by weight, of the blend. The scope of this order also includes all forms of crude calcium citrate, including dicalcium citrate monohydrate, and tricalcium citrate tetrahydrate, which are intermediate products in the production of citric acid, sodium citrate, and potassium citrate. The scope of this order does not include calcium citrate that satisfies the standards set forth in the United States Pharmacopeia and has been mixed with a functional excipient, such as dextrose or starch, where the excipient constitutes at least 2 percent, by weight, of the product. The scope of this order includes the hydrous and anhydrous forms of citric acid, the dihydrate and anhydrous forms of sodium citrate, otherwise known as citric acid sodium salt, and the monohydrate and monopotassium forms of potassium citrate. Sodium citrate also

⁴ See Memorandum for the Record from Paul Piquado, Assistant Secretary for Enforcement and Compliance, “Deadlines Affected by the Shutdown of the Federal Government” (Oct. 18, 2013).

includes both trisodium citrate and monosodium citrate, which are also known as citric acid trisodium salt and citric acid monosodium salt, respectively. Citric acid and sodium citrate are classifiable under 2918.14.0000 and 2918.15.1000 of the Harmonized Tariff Schedule of the United States (HTSUS), respectively. Potassium citrate and crude calcium citrate are classifiable under 2918.15.5000 and 3824.90.9290 of the HTSUS, respectively. Blends that include citric acid, sodium citrate, and potassium citrate are classifiable under 3824.90.9290 of the HTSUS. Although the HTSUS subheadings are provided for convenience and customs purposes, our written description of the scope of this order is dispositive.

DUTY ABSORPTION

On July 29, 2013, the petitioners requested that the Department determine whether antidumping duties had been absorbed during the POR. Section 751(a)(4) of the Tariff Act of 1930, as amended (the Act), provides for the Department, if requested, to determine during an administrative review initiated two or four years after the publication of the order, whether antidumping duties have been absorbed by a foreign producer or exporter, if the subject merchandise is sold in the United States through an affiliated importer. This review was initiated four years after the publication of the order.⁵

In determining whether the antidumping duties have been absorbed by JBL Canada, we presume the duties will be absorbed for constructed export price (CEP) sales that have been made at less than NV. This presumption can be rebutted with evidence (e.g., an agreement between the affiliated importer and unaffiliated purchaser) that the unaffiliated purchaser will pay the full duty ultimately assessed on the subject merchandise.⁶ On September 10, 2013, we requested proof that JBL Canada's unaffiliated purchasers would ultimately pay the antidumping duties to be assessed on entries during the POR. On October 24, 2013, JBL Canada responded to our request for information and stated that the sales documentation on the record of this review shows that antidumping duties are not being absorbed by JBL Canada through its affiliated U.S. importer.⁷ Based on our review of the documentation contained in JBL Canada's questionnaire response, and in JBL Canada's Duty Absorption Response, we preliminarily determine that antidumping duties were not absorbed during the POR.⁸ Because much of the information contained in JBL Canada's September 20, 2011, duty absorption response is business proprietary, additional discussion of this issue is contained in the memorandum entitled "Preliminary Results Margin Calculation for Jungbunzlauer Canada Inc." (Preliminary Results Calculation Memo), dated contemporaneously with this notice.

⁵ See Initiation Notice, 78 FR 38924; Citric Acid and Certain Citrate Salts from Canada and the People's Republic of China: Antidumping Duty Orders, 74 FR 25703 (May 29, 2009).

⁶ See, e.g., Certain Stainless Steel Butt-Weld Pipe Fittings from Taiwan: Preliminary Results of Antidumping Duty Administrative Review and Notice of Intent to Rescind in Part, 70 FR 39735, 39737 (July 11, 2005), unchanged in Notice of Final Results and Final Rescission in Part of Antidumping Duty Administrative Review: Certain Stainless Steel Butt-Weld Pipe Fittings From Taiwan, 70 FR 73727 (December 13, 2005).

⁷ See JBL Canada's Letter Re: Fourth Administrative Review of Antidumping Order on Citric Acid and Certain Citrate Salts from Canada: Response to Duty Absorption Inquiry, October 24, 2013 (Duty Absorption Response).

⁸ See, e.g., Certain Frozen Warmwater Shrimp From the Socialist Republic of Vietnam: Preliminary Results, Partial Rescission, and Request for Revocation, in Part, of the Fourth Administrative Review, 75 FR 12206, 12207-08 (March 15, 2010), unchanged in Certain Frozen Warmwater Shrimp from the Socialist Republic of Vietnam: Final Results and Partial Rescission of Antidumping Duty Administrative Review, 75 FR 47771 (August 9, 2010).

DISCUSSION OF THE METHODOLOGY

Fair Value Comparisons

Pursuant to section 773(a)(1)(B) of the Act and 19 CFR 351.414(c)(1) and (d) (2013), to determine whether JBL Canada's sales of citric acid from Canada were made in the United States at less than NV, we compared the constructed export price (CEP) to the NV, as described in the "Constructed Export Price" and "Normal Value" sections of this memorandum, below.

A. *Determination of Comparison Method*

Pursuant to 19 CFR 351.414(c)(1), the Department calculates dumping margins by comparing weighted-average NVs to weighted-average export prices (EPs) (or CEPs) (the average-to-average method) unless the Department determines that another method is appropriate in a particular situation. In antidumping investigations, the Department examines whether to use the average-to-transaction method as an alternative comparison method using an analysis consistent with section 777A(d)(1)(B) of the Act. Although section 777A(d)(1)(B) of the Act does not strictly govern the Department's examination of this question in the context of administrative reviews, the Department nevertheless finds that the issue arising under 19 CFR 351.414(c)(1) in administrative reviews is, in fact, analogous to the issue in antidumping investigations.⁹ In recent investigations and reviews, the Department applied a "differential pricing" analysis for determining whether application of average-to-transaction comparisons is appropriate in a particular situation pursuant to 19 CFR 351.414(c)(1) and consistent with section 777A(d)(1)(B) of the Act.¹⁰ The Department finds the differential pricing analysis used in those recent proceedings may be instructive for purposes of examining whether to apply an alternative comparison method in this administrative review. The Department will continue to develop its approach in this area based on comments received in this and other proceedings, and on the Department's additional experience with addressing the potential masking of dumping that can occur when the Department uses the average-to-average method in calculating weighted-average dumping margins.

The differential pricing analysis used in these preliminary results requires a finding of a pattern of EPs (or CEPs) for comparable merchandise that differs significantly among purchasers, regions, or time periods. If such a pattern is found, then the differential pricing analysis evaluates whether such differences can be taken into account when using the average-to-average method to calculate the weighted-average dumping margin. The differential pricing analysis used here evaluates all purchasers, regions, and time periods to determine whether a pattern of prices that differ significantly exists. The analysis incorporates default group definitions for purchasers, regions, time

⁹ See Ball Bearings and Parts Thereof From France, Germany, and Italy: Final Results of Antidumping Duty Administrative Reviews; 2010–2011, 77 FR 73415 (December 10, 2012), and accompanying Issues and Decision Memorandum at Comment 1.

¹⁰ See, e.g., Xanthan Gum From the People's Republic of China: Final Determination of Sales at Less Than Fair Value, 78 FR 33351 (June 4, 2013), and accompanying Issues and Decision Memorandum at Comment 3; Certain Lined Paper Products From the People's Republic of China: Preliminary Results and Rescission in Part of Antidumping Duty Administrative Review; 2011–2012, 78 FR 34640 (June 10, 2013), unchanged in Certain Lined Paper Products From the People's Republic of China: Notice of Final Results and Partial Rescission of Antidumping Duty Administrative Review; 2011–2012, 78 FR 65274 (October 31, 2013).

periods, and comparable merchandise. Purchasers are based on the reported customer names. Regions are defined using the reported destination code (i.e., zip code) and are grouped into regions based upon standard definitions published by the U.S. Census Bureau. Time periods are defined by the quarter within the period of review being examined based upon the reported date of sale. For purposes of analyzing sales transactions by purchaser, region and time period, comparable merchandise is considered using the product control number and any characteristics of the sales, other than purchaser, region and time period, that the Department uses in making comparisons between EP (or CEP) and NV for the individual dumping margins.

In the first stage of the differential pricing analysis used here, the “Cohen’s *d* test” is applied. The Cohen’s *d* test is a generally recognized statistical measure of the extent of the difference between the mean of a test group and the mean of a comparison group. First, for comparable merchandise, the Cohen’s *d* test is applied when the test and comparison groups of data each have at least two observations, and when the sales quantity for the comparison group accounts for at least five percent of the total sales quantity of the comparable merchandise. Then, the Cohen’s *d* coefficient is calculated to evaluate the extent to which the net prices to a particular purchaser, region or time period differ significantly from the net prices of all other sales of comparable merchandise. The extent of these differences can be quantified by one of three fixed thresholds defined by the Cohen’s *d* test: small, medium, or large. Of these thresholds, the large threshold provides the strongest indication that there is a significant difference between the means of the test and comparison groups, while the small threshold provides the weakest indication that such a difference exists. For this analysis, the difference was considered significant if the calculated Cohen’s *d* coefficient is equal to or exceeds the large (i.e., 0.8) threshold.

Next, the “ratio test” assesses the extent of the significant price differences for all sales as measured by the Cohen’s *d* test. If the value of sales to purchasers, regions, and time periods that pass the Cohen’s *d* test account for 66 percent or more of the value of total sales, then the identified pattern of EPs that differ significantly supports the consideration of the application of the average-to-transaction method to all sales as an alternative to the average-to-average method. If the value of sales to purchasers, regions, and time periods that pass the Cohen’s *d* test accounts for more than 33 percent and less than 66 percent of the value of total sales, then the results support consideration of the application of an average-to-transaction method to those sales identified as passing the Cohen’s *d* test as an alternative to the average-to-average method, and application of the average-to-average method to those sales identified as not passing the Cohen’s *d* test. If 33 percent or less of the value of total sales passes the Cohen’s *d* test, then the results of the Cohen’s *d* test do not support consideration of an alternative to the average-to-average method.

If both tests in the first stage (i.e., the Cohen’s *d* test and the ratio test) demonstrate the existence of a pattern of EPs that differ significantly such that an alternative comparison method should be considered, then in the second stage of the differential pricing analysis, we examine whether using only the average-to-average method can appropriately account for such differences. In considering this question, the Department tests whether using an alternative method, based on the results of the Cohen’s *d* and ratio tests described above, yields a meaningful difference in the weighted-average dumping margin as compared to that resulting from the use of the average-to-average method only. If the difference between the two calculations is meaningful, this demonstrates that the average-to-average method cannot account for differences such as those observed in this analysis, and,

therefore, an alternative method would be appropriate. A difference in the weighted-average dumping margins is considered meaningful if 1) there is a 25 percent relative change in the weighted-average dumping margin between the average-to-average method and the appropriate alternative method, or 2) the resulting weighted-average dumping margin moves across the de minimis threshold.

Interested parties may present arguments and justifications in relation to the above-described differential pricing approach used in these preliminary results, including arguments for modifying the group definitions used in this proceeding.

B. *Results of the Differential Pricing Analysis*

Based on the results of the differential pricing analysis, the Department finds that more than 66 percent of JBL Canada's export sales indicated the existence of a pattern of CEPs for comparable merchandise that differ significantly among purchasers, regions, or time periods. Therefore, the results support consideration of the application of an average-to-transaction methodology to all sales. Because there is a meaningful difference in the weighted-average dumping margin when calculated using the average-to-average method and the average-to-transaction method (*i.e.*, the resulting weighted-average dumping margin moves across the de minimis threshold), the Department preliminarily determines that it is appropriate to apply the average-to-transaction method in making comparisons of CEP and NV for JBL Canada.

Product Comparisons

In accordance with section 771(16) of the Act, we considered all products produced by JBL Canada covered by the description in the "Scope of the Order" to be foreign like products for purposes of determining appropriate product comparisons to U.S. sales. Pursuant to 19 CFR 351.414(e) and (f), we compared JBL Canada's U.S. sales of citric acid made during a particular month to its sales of citric acid made in the home market in the same month. Where there were no contemporaneous sales within the same month, pursuant to 19 CFR 351.414(f)(2), we compared JBL Canada's U.S. sales of citric acid to its sales of citric acid made in the home market in the most recent of the three months prior to the month of the U.S. sales. Finally, if JBL Canada did not make home market sales of citric acid during any of these months, pursuant to 19 CFR 351.414(f)(3), we compared JBL Canada's U.S. sales of citric acid to JBL Canada's home market sales of citric acid in the earlier of the two months following the month of the U.S. sales in which JBL Canada made a home market sale of citric acid. In making the product comparisons, we matched foreign like products based on the physical characteristics reported by JBL Canada in the following order: type, form, grade, and particle size.

JBL Canada reported that, within the meaning of section 771(16)(A) of the Act, all of its U.S. sales during the POR were identical based on the product matching criteria (*i.e.*, type, form, grade, and particle size) to contemporaneous sales in the home market. Accordingly, in calculating JBL Canada's NV, we made product comparisons without having to account for cost differences associated with differences in the physical characteristics of the merchandise pursuant to section 773(a)(6)(C)(ii) of the Act.

Constructed Export Price

In accordance with section 772(b) of the Act, we calculated CEP for those sales where the subject merchandise was first sold or agreed to be sold in the United States before or after the date of importation by or for the account of the producer or exporter or by a seller affiliated with the producer or exporter, to a purchaser not affiliated with the producer or exporter. We based CEP on packed prices to unaffiliated purchasers in the United States. In accordance with 19 CFR 351.401(c), we adjusted the starting prices for billing adjustments and rebates, where appropriate. We made deductions for movement expenses in accordance with section 772(c)(2)(A) of the Act, which included, where appropriate, foreign and U.S. inland freight, U.S. brokerage, insurance, and warehousing expenses. In accordance with section 772(d)(1) of the Act and 19 CFR 351.402(b), we deducted selling expenses associated with economic activities occurring in the United States, including direct selling expenses (*i.e.*, credit expenses) and indirect selling expenses (including inventory carrying costs). We also deducted from CEP an amount for profit in accordance with section 772(d)(3) of the Act. In accordance with sections 772(f)(1) and (f)(2)(C)(iii) of the Act, we calculated the CEP profit percentage using information from JBL Canada's and its U.S. sales affiliate's (JBL Inc.'s) audited financial statements.¹¹

Consistent with our normal practice, we recalculated indirect selling expenses incurred on U.S. sales by adding the administrative and financial expenses incurred by JBL Inc. to the total indirect selling expense figure because these expenses support the selling functions of JBL Inc.¹²

Normal Value

A. *Home Market Viability and Selection of Comparison Market*

To determine whether there is a sufficient volume of sales in the home market to serve as a viable basis for calculating NV, we compared the volume of home market sales of the foreign like product to the volume of U.S. sales of the subject merchandise, in accordance with section 773(a)(1)(C) of the Act. Based on this comparison, we determined that, pursuant to 19 CFR 351.404(b), JBL Canada had a viable home market during the POR. Consequently, pursuant to section 773(a)(1)(B)(i) of the Act and 19 CFR 351.404(c)(1)(i), we based NV on home market sales.

B. *Level of Trade*

Section 773(a)(1)(B)(i) of the Act states that, to the extent practicable, the Department will calculate NV based on sales of foreign like products at the same level of trade (LOT) as the EP or CEP. Sales are made at different LOTs if they are made at different marketing stages (or their equivalent).¹³ Substantial differences in selling activities are a necessary, but not sufficient, condition for

¹¹ See Preliminary Results Calculation Memo.

¹² See Certain Frozen Warmwater Shrimp from Ecuador: Final Results of Antidumping Duty Administrative Review, 72 FR 52070 (September 12, 2007); First Administrative Review of Certain Activated Carbon from the People's Republic of China: Final Results of Antidumping Duty Administrative Review, 74 FR 57995 (November 10, 2009), and accompanying Issues and Decision Memorandum at Comment 5b.

¹³ See 19 CFR 351.412(c)(2).

determining that there is a difference in the stages of marketing.¹⁴ To determine whether the comparison-market sales were at different stages in the marketing process than the U.S. sales, we reviewed the distribution system in each market (*i.e.*, the chain of distribution), including selling functions, class of customer (customer category), and the level of selling expenses for each type of sale.

Pursuant to section 773(a)(1)(B)(i) of the Act, in identifying LOTs for EP and comparison-market sales (*i.e.*, where NV is based on either home market or third country prices),¹⁵ we consider the starting prices before any adjustments. For CEP sales, we consider only the selling activities reflected in the price after the deduction of expenses and profit under section 772(d) of the Act.¹⁶ When the Department is unable to match U.S. sales of the foreign like product in the comparison market at the same LOT as the EP or CEP, the Department may compare the U.S. sales to sales at a different LOT in the comparison market. In comparing EP or CEP sales at a different LOT in the comparison market, where available data make it practicable, we make an LOT adjustment under section 773(a)(7)(A) of the Act. Finally, for CEP sales only, if the NV LOT is at a more advanced stage of distribution than the LOT of the CEP and there is no basis for determining whether the difference in LOTs between NV and CEP affects price comparability (*i.e.*, no LOT adjustment was practicable), the Department shall grant a CEP offset, as provided in section 773(a)(7)(B) of the Act.¹⁷

In this administrative review, we obtained information from JBL Canada regarding the marketing stages involved in making its reported home market and U.S. sales, including a description of the selling activities performed by the respondent and its affiliates for each channel of distribution.

During the POR, JBL Canada reported that it sold citric acid to end-users and distributors through two channels of distribution in both the U.S. and home markets. JBL Canada stated that its selling process was essentially the same for both channels of distribution. Because the details of JBL Canada's reported selling functions for each channel of distribution are business proprietary, our analysis of these selling functions for purposes of determining whether different LOTs exist is contained in a separate memorandum entitled "Business Proprietary Issues for the Preliminary Results in the Antidumping Duty Administrative Review of Citric Acid and Certain Citrate Salts from Canada," dated contemporaneously with this memorandum.

Based on our analysis, we found that the selling functions JBL Canada performed for each of its channels of distribution in the U.S. market were essentially the same, with the exception of one selling function which we determined was not sufficient to warrant an LOT distinction between these channels. Therefore, we determined preliminarily that there is only one LOT (for CEP sales) in the U.S. market. Similarly, we found that the selling functions that JBL Canada (and its affiliates) performed for each of the channels of distribution in the home market were essentially the same, with the exception of certain selling activities which we determined were not sufficient to warrant an

¹⁴ See *id.*; see also Notice of Final Determination of Sales at Less Than Fair Value: Certain Cut-to-Length Carbon Steel Plate From South Africa, 62 FR 61731, 61732 (November 19, 1997) (Plate from South Africa).

¹⁵ Where NV is based on constructed value (CV), we determine the NV LOT based on the LOT of the sales from which we derive selling expenses, general and administrative expenses, and profit for CV, where possible.

¹⁶ See Micron Technology, Inc. v. United States, 243 F.3d 1301, 1314 (Fed. Cir. 2001).

¹⁷ See Plate from South Africa, 62 FR at 61732-33.

LOT distinction between these channels. Therefore, we preliminarily determined that there is only one LOT in the home market.

In comparing the home market LOT to the CEP LOT, we found that the selling activities performed by JBL Canada (and its affiliates) for its CEP sales were significantly fewer than the selling activities that it performed for its home market sales, and that the home-market LOT was more remote from the factory than the CEP LOT. Accordingly, we considered the CEP LOT to be different from the home-market LOT and to be at a less advanced stage of distribution than the home-market LOT.

Therefore, we could not match CEP sales to sales at the same LOT in the home market, nor could we determine an LOT adjustment based on JBL Canada's home market sales because there is only one LOT in the home market, and it is not possible to determine if there is a pattern of consistent price differences between the sales on which NV is based and the home market sales at the LOT of the export transaction.¹⁸ Furthermore, we have no other information that provides an appropriate basis for determining a LOT adjustment. Consequently, because the available data do not form an appropriate basis for making an LOT adjustment but the home market LOT is at a more advanced stage of distribution than the CEP LOT, we find it is appropriate to make a CEP offset to NV in accordance with section 773(a)(7)(B) of the Act. The CEP offset is calculated as the lesser of: (1) the indirect selling expenses incurred on the home market sales, or (2) the indirect selling expenses deducted from the starting price in calculating CEP.

C. *Calculation of Normal Value Based on Comparison-Market Prices*

We based NV for JBL Canada on packed prices to unaffiliated customers in the home market. We made deductions, where appropriate, from the starting price for billing adjustments, in accordance with 19 CFR 351.401(c). We made deductions, where appropriate, from the starting price for movement expenses, including inland freight and inland insurance, under section 773(a)(6)(B)(ii) of the Act. Pursuant to section 773(a)(6)(C) of the Act, we made deductions for imputed credit expenses.

We also deducted home market packing costs and added U.S. packing costs, in accordance with sections 773(a)(6)(A) and (B) of the Act. Finally, as discussed in the "Level of Trade" section above, we made a CEP offset pursuant to section 773(a)(7)(B) of the Act and 19 CFR 351.412(f). We calculated the CEP offset as the lesser of the indirect selling expenses incurred on the home market sales or the indirect selling expenses deducted from the starting price in calculating CEP, revised as described under the "Constructed Export Price" section of this memorandum.

Currency Conversion

We made currency conversions into U.S. dollars in accordance with section 773A of the Act and 19 CFR 351.415, based on the exchange rates in effect on the dates of the U.S. sales, as certified by the Federal Reserve Bank.

¹⁸ See section 773(a)(7)(A) of the Act.

Conclusion

We recommend applying the above methodology for these preliminary results.

✓
Agree

Disagree

Paul Piquado
Paul Piquado
Assistant Secretary
for Enforcement and Compliance

14 FEBRUARY 2014
(Date)