



A-475-818  
Administrative Review  
POR: 07/01/13 – 06/30/14  
**Public Document**  
AD/CVD: OIII: JZ, GM

DATE: February 9, 2016

MEMORANDUM TO: Paul Piquado  
Assistant Secretary  
for Enforcement and Compliance

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

RE: Certain Pasta from Italy

SUBJECT: Issues and Decision Memorandum for the Final Results of the 18<sup>th</sup>  
Administrative Review of the Antidumping Duty Order on Certain  
Pasta from Italy; 2013-2014

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### Summary

We analyzed the case and rebuttal briefs submitted by the Petitioners<sup>1</sup> and respondents.<sup>2</sup> Based on our analysis of comments received, these final results differ from the *Preliminary Results*<sup>3</sup> for the Rummo Group and the two non-selected companies. The final results do not differ from the *Preliminary Results* for La Molisana S.p.A. (La Molisana). We recommend that you approve the positions described in the *Discussion of Interested Party Comments*, section II *infra*.

#### I. Background

The Department of Commerce (the Department) initiated this administrative review of the antidumping duty order on certain pasta from Italy on August 22, 2014.<sup>4</sup> On August 7, 2015, the

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<sup>1</sup> The Petitioners are New World Pasta Company and Dakota Growers Pasta Company.

<sup>2</sup> Respondents are La Molisana S.p.A. (La Molisana) and Rummo S.p.A. Molino e Pastificio and its affiliates Rummo S.p.A., Lenta Lavorazione, and Pasta Castiglioni (collectively, the Rummo Group).

<sup>3</sup> See *Certain Pasta From Italy: Preliminary Results of Antidumping Duty Administrative Review; 2013-2014*, 80 FR 47467 (August 7, 2015) (*Preliminary Results*).

<sup>4</sup> See *Initiation of Antidumping and Countervailing Duty Administrative Reviews*, 79 FR 51548 (August 29, 2014) (*Initiation Notice*).



Department published the *Preliminary Results* of this administrative review and invited interested parties to comment.<sup>5</sup> On August 10, 2015, La Molisana submitted a request for a hearing.<sup>6</sup> On October 5, 2015, La Molisana<sup>7</sup> and the Rummo Group submitted their case briefs. On October 8, 2015, La Molisana submitted a request to reject all case briefs submitted in this review by Petitioners. On October 9, 2015, the Department revised the briefing schedule.<sup>8</sup> On October 15, 2015, La Molisana, the Rummo Group and Petitioners submitted their rebuttal briefs. On October 16, 2015, Petitioners requested that the Department reject La Molisana's rebuttal brief.<sup>9</sup> On October 20, 2015, the Department rejected La Molisana's rebuttal brief, in part, and invited La Molisana to refile a revised version of its rebuttal brief. On October 22, 2015, La Molisana submitted a revised rebuttal brief. On October 28, 2015, La Molisana filed a letter requesting that the Department strike the rebuttal brief filed by Petitioners, reconsider its decision to reject a portion of La Molisana's rebuttal brief, and restore the original rebuttal brief filed by La Molisana on October 15, 2015. On October 27, 2015, La Molisana withdrew its request for a hearing. The review covers two mandatory respondents and two companies not selected for individual examination (non-selected companies).<sup>10</sup>

The period of review (POR) is July 1, 2013, through June 30, 2014.

### Scope of the Order

Imports covered by this 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 this order are refrigerated, frozen, or canned pastas, as well 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 certified by a European Union (EU) authorized body and accompanied by a National Organic Program import certificate for organic products. Effective July 1, 2008, gluten free pasta is also excluded from this order.<sup>11</sup> The merchandise subject to this order is currently classifiable under items 1902.19.20 and 1901.90.9095 of the Harmonized Tariff Schedule of the United States (HTSUS).

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<sup>5</sup> See *Preliminary Results*.

<sup>6</sup> The Rummo Group filed a request for a hearing on September 9, 2015, which the Department rejected on September 9, 2015, as being untimely filed.

<sup>7</sup> On October 6, 2015, La Molisana submitted a correction to an item stated in its case October 5, 2015 case brief.

<sup>8</sup> The Department also postponed the briefing schedule in several Memoranda to All Interested Parties, dated August 12, 2015, September 8, 2015, September 11, 2015, and September 28, 2015.

<sup>9</sup> See Petitioners' letter titled, "Request to Reject La Molisana Oct. 15, 2015 Letter Styled As a 'Rebuttal Brief,'" dated October 16, 2015.

<sup>10</sup> The mandatory companies are La Molisana and the Rummo Group; and the two non-selected companies are Pastificio Andalini S.p.A. (Andalini) and Delverde Industrie Alimentari S.p.A. (Delverde).

<sup>11</sup> See *Certain Pasta from Italy: Notice of Final Results of Antidumping Duty Changed Circumstances Review and Revocation, in Part*, 74 FR 41120 (August 14, 2009).

Although the HTSUS subheadings are provided for convenience and customs purposes, the written description of the merchandise subject to the *AD Order* is dispositive.

## II. List of Comments

### Company-Specific Issues

#### La Molisana

- Comment 1: Pasta Shape
- Comment 2: General and Administrative (G&A) Ratio
- Comment 3: Indirect Selling Expenses
- Comment 4: Direct Materials Calculation
- Comment 5: Direct Selling Expenses
- Comment 6: Applying Differential Pricing (DP) Analysis

#### The Rummo Group

- Comment 7: Treatment of Pasta Castiglioni's Home Market Control Numbers
- Comment 8: Treatment of Matching U.S. Sales with Home Market Sales
- Comment 9: Treatment of the Manufacturers, Rummo and Pasta Castiglioni
- Comment 10: Treatment of the Rummo Group's Freight Revenue
- Comment 11: Application of a Cap for Certain U.S. Market Freight Revenue (FRTREVU)
- Comment 12: Application of a Countervailing Duty Offset (CVDU) to Rummo
- Comment 13: Treatment of Negative Margins Associated with the Differential Pricing Methodology

## III. Analysis of Comments

### A. La Molisana

#### **Comment 1: Pasta Shape**

##### *La Molisana's Arguments*

- The Department erred when it did not allow La Molisana to re-characterize certain shapes as special or regular. The Department has a long-standing policy to use production speeds as the basis for determining whether a shape is special or normal. Characterizing the pasta shapes at issue as "special" fails to account for the fact that these shapes have the same production speed as other "normal" pasta cuts.
- The Department's refusal to allow La Molisana to re-characterize certain of its shapes as standard is thus arbitrary and capricious and contrary to long-established precedent.
- It is the Department's long-established practice to use a 75 percent throughput rate to distinguish pasta shape for specialty long and short pasta cuts. For example, in the *2010-2011 Pasta Review* the Department relied on throughput rate to distinguish between specialty

long and short pasta cuts.<sup>12</sup> Thus, in keeping with its practice, the Department should modify the shape analysis to reflect the shapes re-characterized by La Molisana.

#### *Petitioners' Rebuttal*

- Each pasta type reclassified by La Molisana was already classified by the Department within one of seven shape codes and 256 specific pasta shapes in the “Classification of Pasta Shapes” in Appendix III of the Antidumping Questionnaire. Only if a respondent produces a pasta shape that is not listed is the respondent permitted to request a shape classification, and only after submitting a formal request and providing specific diagrams, photographs and other evidence to the Department for a change to the model match methodology to be considered.
- La Molisana never submitted a formal request to change the model match methodology and failed to support a change to the Department’s classifications. In addition, La Molisana only reported production line speeds for the shapes it intended to reclassify, but did not provide the rated capacity for any of its production lines or descriptions or photographs of the pasta shapes in question. Instead, La Molisana unilaterally applied a simplistic analysis based on production line speed alone, without reference to shape type, pictures or production line capacity and, in so doing, reclassified several pasta shapes despite the fact that these shapes were already listed in the table contained in Appendix III of the Antidumping Questionnaire. Given that the shapes at issue already appear in the classification table, it was improper for La Molisana to attempt to reclassify the shapes into a different shape category based on a difference in production line speed.

**Department’s Position:** We disagree with La Molisana that certain pasta shapes should be re-characterized as normal pasta by production line speed. The codes for the control numbers (CONNUMs) assigned to each reported sales transaction are based on the model match physical characteristics established in the investigation and refined by the Department in the subsequent administrative reviews.<sup>13</sup> Appendix III of the Antidumping Questionnaire provides detailed instructions to respondents to classify pasta shapes according to the “Classification of Pasta Shapes” table included in Appendix III. The Antidumping Questionnaire requires respondents to follow the classifications table. We allow a respondent to report other shapes produced, but not included in the table provided by the Department. However, in such instances, we require the respondent to provide a description and picture of the pasta type, along with other supporting evidence, including the standard production capacity of the production line and the line speed. Because each pasta type reclassified by La Molisana was already classified within one of seven shape codes and 256 specific pasta shapes in the “Classification of Pasta Shapes” table, we

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<sup>12</sup> See *Certain Pasta from Italy: Notice of Final Results of 15th Antidumping Duty Administrative Review, Final No Shipment Determination and Revocation of Order, In Part*; 2010-2011, 78 FR 9364 (February 8, 2013) (*2010-2011 Pasta Review*) and accompanying Issues and Decision Memorandum at Comment 1.

<sup>13</sup> See *Notice of Preliminary Results and Partial Rescission of Antidumping Duty Administrative Review: Certain Pasta From Italy*, 63 FR 42368, 42372 (August 7, 1998), unchanged in the *First Review Final Results; Notice of Final Results and Partial Rescission of Antidumping Duty Administrative Review: Certain Pasta From Italy*, 64 FR 6615 (February 10, 1999) (*First Review Final Results*), and accompanying Issues and Decision Memorandum at Comment 7 and *Notice of Final Results of Antidumping Duty Administrative Review: Certain Pasta From Italy*, 65 FR 7349 (February 14, 2000) (*Second Review Final Results*); and *Certain Pasta From Italy: Final Results of Antidumping Duty Administrative Review*, 65 FR 77852 (December 13, 2000) (*Third Review Final Results*), and accompanying Issues and Decision Memorandum at Comment 6.

rejected La Molisana's pasta shape classification and, in our supplemental questionnaire, instructed La Molisana to:

Please assign shape codes to each of your observation in the home market and U.S. market databases according to the shape classifications included in Appendix III of the initial questionnaire. If you believe a change in the model match is warranted, you must submit a formal request to the Department for a change to the model match methodology.<sup>14</sup>

However, in its supplemental questionnaire response, La Molisana did not submit a formal request, and did not provide the record evidence to support a change to the model match methodology. Rather, to justify its unilateral re-classification from our well-established model match methodology, La Molisana cited the *2010-2011 Pasta Review*, in which the Department rejected the respondent's assignment of separate codes to distinguish specialty long and short cuts. La Molisana claims that in the instant review, the Department erred by not using production speed as the basis for determining whether a shape is special or normal.<sup>15</sup> However, La Molisana's argument is misplaced. In the *2010-2011 Pasta Review*, the Department did not allow the respondent to use a new code because the Department found that "the differences between the long and short cuts of pasta are already included in the codes listed in the Department's original questionnaire, and do not represent other materials or new shapes."<sup>16</sup> The Department further stated:

The codes for the CONNUMs assigned to each reported sales transaction should be based on the model match physical characteristics established in the investigation and refined by the Department in the subsequent first three administrative reviews, based on detailed production and cost information.<sup>17</sup> The Department's CONNUMs for the shape categories have been applied repeatedly to the pasta reviews using the same CONNUM for products sharing identical physical characteristics.<sup>18</sup> Therefore, we

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<sup>14</sup> See the Department's B & C Supplemental Questionnaire, dated November 14, 2014 at 2, 7.

<sup>15</sup> See La Molisana's case brief at 1-5.

<sup>16</sup> See *2010-2011 Pasta Review* at Comment 1.

<sup>17</sup> See *Notice of Preliminary Results and Partial Rescission of Antidumping Duty Administrative Review: Certain Pasta From Italy*, 63 FR 42368, 42372 (August 7, 1998), unchanged in the *First Review Final Results; Notice of Final Results and Partial Rescission of Antidumping Duty Administrative Review: Certain Pasta From Italy*, 64 FR 6615 (February 10, 1999) (*First Review Final Results*), and accompanying Issues and Decision Memorandum at Comment 7 and *Notice of Final Results of Antidumping Duty Administrative Review: Certain Pasta From Italy*, 65 FR 7349 (February 14, 2000) (*Second Review Final Results*); and *Certain Pasta From Italy: Final Results of Antidumping Duty Administrative Review*, 65 FR 77852 (December 13, 2000) (*Third Review Final Results*), and accompanying Issues and Decision Memorandum at Comment 6.

<sup>18</sup> See *Notice of Final Results of Antidumping Duty Administrative Review, Partial Rescission of Antidumping Duty Administrative Review and Revocation of Antidumping Duty Order in Part: Certain Pasta From Italy*, 66 FR 300 (January 3, 2002) (*Fourth Pasta Review*), and accompanying Issues and Decision Memorandum at Comment 2; *Notice of Final Results of Antidumping Duty Administrative Review and Determination Not to Revoke in Part: Certain Pasta from Italy*, 68 FR 6882 (February 11, 2003) (*Fifth Pasta Review*), and accompanying Issues and Decision Memorandum at Comment 17; and *Notice of Final Results of the Sixth Administrative Review of the Antidumping Duty Order on Certain Pasta from Italy and Determination Not to Revoke in Part*, 69 FR 6255 (February 10, 2004) (*Sixth Pasta Review*), and accompanying Issues and Decision Memorandum at Comment 51.

properly reclassified the new codes provided by Granoro into the appropriate existing codes in the original questionnaire.<sup>19</sup>

Thus, in the *2010-2011 Pasta Review*, the Department rejected the respondent's creation of a new shape code, and collapsed the shape code assigned by the respondent with the existing appropriate shape codes that were already included in the product shapes listed in the Department's initial questionnaire. In the instant review, La Molisana attempted to re-classify the Department's long-standing shape codes based on its own reported line speeds without making a formal request to change our model match methodology and without providing the requested support, such as a description and picture of the pasta type, the production line on which it is produced, the standard production capacity of that line, and the line speed for the pasta type in question.<sup>20</sup> Although a 75 percent throughput rate has been used to distinguish pasta shape for specialty long and short pasta cuts,<sup>21</sup> we have never allowed respondents to re-classify pasta shape classifications based on its own reported line speeds without providing the requisite evidence to support such a reclassification. Furthermore, we have not allowed respondents to reclassify pasta shapes that are already included in the pasta shape classification table.

Thus, based on record evidence, we find that La Molisana has not demonstrated that a reclassification of its shape codes is warranted.

## **Comment 2: General and Administrative (G&A) Ratio**

### *La Molisana's Arguments*

- The Department revised the G&A ratio reported by La Molisana by adjusting for certain items, including items accrued for other periods, but carried in the financial statement for this review. The Department erred by making these adjustments to the reported G&A ratio.
- In particular, the Department should not have rejected the gain resulting from the disposal of certain production assets. The Department and the Courts have regularly held that gains or losses on the routine disposition of assets are included in G&A.<sup>22</sup>
- La Molisana has demonstrated that this gain was the result of the disposition of unneeded production equipment, not the disposition of some asset unrelated to the production or profit from the buying and selling of items outside the ordinary course of operations. Thus, the gain in question should be included in the calculation of G&A.
- The Department should use the G&A ratio of the consolidated company which includes both La Molisana, which produces the pasta, and its related company, Fratelli Ferro Semolerie Molisane S.r.l. (Ferro), which produces semolina, that go into the production of pasta.
- The Department's practice, as upheld by the Courts, is to use the ratios of consolidated companies at the highest level of consolidation, unless unusual circumstances justify departing from this methodology.<sup>23</sup>

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<sup>19</sup> See *2010-2011 Pasta Review* and accompanying Issues and Decision Memorandum at Comment 1.

<sup>20</sup> See the Department's Antidumping Questionnaire, Appendix III, dated October 3, 2014.

<sup>21</sup> See *First Review Final Results*, and accompanying Issues and Decision Memorandum at Comment 7.

<sup>22</sup> See *Globe Metallurgical Inv. v. United States*, Slip Op. 12-114 (September 5, 2012).

### *Petitioners' Rebuttal*

- The Department revised La Molisana's G&A ratio properly. While the Department's practice is to use the highest level of consolidation when calculating the financial, interest or expense ratios in antidumping proceedings, the Department's longstanding practice is to calculate the G&A expense ratio based on unconsolidated financial statements. La Molisana mistakenly quotes the Department's practice, and applicable case precedent, regarding the calculation of the financial expense ratio and incorrectly relates it to the Department's practice for calculating the G&A expense ratio. Capital is fungible, therefore the Department calculates financial, interest or expense ratios at the highest level of consolidation to counter attempts by a respondent to shift capital from one subsidiary to parent or vice versa. Unlike capital, G&A expenses are not fungible; rather they are specific to the production operations of a company.
- The Department was correct to exclude certain items from the G&A ratio because they were extraordinary gains outside the ordinary course of business operations for La Molisana. La Molisana's parent, Ferro, purchased pasta producing assets from the bankrupt company La Molisana Industrie (LMI). In a recent Changed Circumstances Review, the Department found that La Molisana was not the successor-in-interest to LMI.<sup>24</sup> In addition, as noted in its questionnaire response, as a pasta producer, "La Molisana does not operate a mill."<sup>25</sup> Instead, La Molisana's parent, Ferro, served as the affiliated supplier of semolina, the raw material for the subject pasta and therefore, owned and operated the flour mills. Therefore the revenues derived from the "disposal" of assets owned by Ferro are properly excluded from the Department's recalculations of the G&A ratio as those assets are not related to La Molisana's pasta producing operations during the POR.

**Department's Position:** La Molisana muddles three G&A issues in its Case Brief in claiming that the Department erred in its calculation of La Molisana's G&A rate.<sup>26</sup> La Molisana alleges that: 1) the Department should adjust La Molisana's G&A rate for the corrections to prior period adjustments; 2) the Department should include the gains resulting from the disposal of no longer needed production assets, and 3) the Department should calculate G&A based on the consolidated financial statements in accordance with the Department's practice.

First, we disagree with La Molisana that the Department should allow offsets related to prior period adjustments which reflect over accruals from prior periods. We generally do not allow respondents to reduce current period expenses by corrections of overestimated costs associated with non-recurring provisions from prior years.<sup>27</sup> The Department's established practice in

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<sup>23</sup> See *American Silicon Technologies v. United States*, 334 F. 3d 1033, 1035 (Federal Circuit 2003); see also *Association of American School Paper Suppliers v. United States*, Slip Op. 09-136 (2009).

<sup>24</sup> See *Certain Pasta From Italy: Notice of Final Results of Antidumping Duty Changed Circumstances Review*, 80 FR 65985 (October 28, 2015).

<sup>25</sup> See La Molisana's Section D Response, dated Feb. 9, 2015 (DQR) at D-4.

<sup>26</sup> See La Molisana's case brief at pages 6-7 and 10.

<sup>27</sup> See *Stainless Steel Sheet and Strip in Coils from Mexico; Final Results of Antidumping Duty Administrative Review*, 74 FR 6365 (February 9, 2009) (*Mexico Coils*) and accompanying Issues and Decision Memorandum at Comment 7 (where the respondent to was not permitted to offset its G&A expenses with the reversal of a provision relating to the respondent's over-estimation of the costs associated with a disposal of fixed assets during the previous year). We note that the reference to the disposal of fixed assets is not related to the argument below regarding La Molisana's claim of disposition of production equipment.

calculating the G&A-expense rate is to include only income items as an offset to G&A that relate to the current period. Since the record is absent any evidence that the prior period adjustments in this case are normal recurring provisions, the Department considers it inappropriate to allow La Molisana to reduce its per-unit cost of producing pasta in the current period by the reversal of allegedly inaccurate estimates made in prior periods. Therefore, for these final results, we continue to exclude the prior period adjustment offsets to G&A from La Molisana's reported costs.

As for La Molisana's sale of assets, in the *Preliminary Results* we excluded a claimed offset to G&A expense for the proceeds from the sale of assets no longer needed. La Molisana disagrees with this exclusion and states that the Department regularly allows for an offset on the routine disposition of assets.<sup>28</sup> In its section D response La Molisana describes the offset as relating to the sale of an entire mill.<sup>29</sup> In La Molisana's fiscal year 2013 income statement it classifies the event as "Extraordinary Income." The footnote to the income statement describes the offset as extraordinary gains essentially from the sale of the company's manufacturing mill.<sup>30</sup> We do not consider the sale of an entire mill and the gains from it, which the respondent itself classified as "extraordinary income," to be a routine disposition of fixed assets. Rather, it is a significant non-recurring transaction, unrelated to the general operations of the company, *i.e.*, manufacturing and selling merchandise.<sup>31</sup>

We agree with Petitioners that La Molisana has taken the Department's and the CIT's past practice out of context. The Department distinguishes between the routine disposition of production assets and disposition and/or sale of complete manufacturing facilities.<sup>32</sup> As a result, we have excluded the income relating to La Molisana's sale of its milling facility from the G&A expense ratio for the final results.

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<sup>28</sup> See *Globe Metallurgical Inc. v. United States*, CIT, Slip Op 12-114 (September 5, 2012) where the Court stated: {w}hen calculating SG&A, Commerce includes "gains or losses incurred on the routine disposition of fixed assets ... because it is expected that a producer will periodically replace production equipment and, in doing so, will incur miscellaneous gains or losses. Replacing production equipment is a normal and necessary part of doing business."

<sup>29</sup> See La Molisana's Third Supplemental Section D Response, dated June 11, 2015 at page 9 and Preliminary Cost Calculation Memorandum at Attachment 3.

<sup>30</sup> See La Molisana's Supplemental Section A Response, dated December 8, 2014 at Exhibit SA-9

<sup>31</sup> See *Final Determination in the Antidumping Investigation of Chlorinated Isocyanurates from Spain*, 70 FR 24506, (May 10, 2005), and the accompanying Issues and Decision Memorandum at Comment 11, where we stated, "Delsa is in the business of manufacturing and selling merchandise, not the selling of production facilities. Although routine sales of machinery and equipment (which La Molisana sites as its basis for inclusion) are considered to be a part of normal ongoing operations for a manufacturing entity, the sale of a fully functioning production facility is not a part of a company's normal operations. As such, any significant, non-recurring income or expenses related to the sale of a fully functioning production facility are not considered to be related to the general operations of the company."

<sup>32</sup> *Id.*, where we stated, "Delsa is in the business of manufacturing and selling merchandise, not the selling of production facilities. Although routine sales of machinery and equipment (which La Molisana sites as its basis for inclusion) are considered to be a part of normal ongoing operations for a manufacturing entity, the sale of a fully functioning production facility is not a part of a company's normal operations. As such, any significant, non-recurring income or expenses related to the sale of a fully functioning production facility are not considered to be related to the general operations of the company."

Finally, we disagree with La Molisana's contention that the Department should use the consolidated financial statements to calculate the G&A rate. The antidumping duty statute does not prescribe a specific methodology for calculating the G&A expenses. Section 773(b)(3)(B) of the Act provides that, for purposes of calculating cost of production (COP), the Department shall include "an amount for selling, general and administrative (SG&A) expenses based on actual data pertaining to the production and sales of the foreign like product by the exporter in question." Where the statute is silent or ambiguous on a specific issue, the determination of a reasonable and appropriate method is left to the discretion of the Department. Because there is no bright-line definition in the Act of what constitutes G&A expenses or precisely how to calculate a G&A expense rate, the Department has developed a consistent and predictable approach to calculating and allocating G&A expenses. This methodology is to calculate the rate based on the company-wide G&A costs incurred by the producing company allocated over the producing company's company-wide cost of sales, and not on a consolidated, divisional, or product-specific basis.<sup>33</sup> Although the Department's practice is to use the highest level of consolidation when calculating the financial expense ratios in antidumping proceedings, contrary to La Molisana's claim, the Department's longstanding practice is to calculate the G&A expense ratio based on unconsolidated financial statements.<sup>34</sup>

Therefore, we disagree with La Molisana and have continued to calculate G&A expenses on a company-wide basis for these final results.

Petitioners argue that given La Molisana's acknowledgement in its brief that its parent company, Ferro, is involved in managing and administering the operations of La Molisana, *e.g.*, sharing common facilities and management, in addition to supplying the raw material, the Department should include an amount for administrative services performed on behalf of La Molisana by Ferro. While we agree the Department has included a portion of the parent's G&A expenses in the past, if the amounts reported by the respondent do not include all expenses, in this case there is no record evidence to indicate that La Molisana has not reported all G&A expenses.<sup>35</sup> Therefore, we have not added an additional amount to the G&A expenses for these final results.<sup>36</sup>

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<sup>33</sup> See, *Notice of Final Determination of Sales at Less Than Fair Value: Large Residential Washers from the Republic of Korea*, 77 FR 75988 (December 26, 2012) and accompanying Issues and Decision Memorandum at Comment 7. See also *Notice of Final Results of the Eighth Administrative Review of the Antidumping Duty Order on Certain Pasta From Italy and Determination to Revoke in Part*, 70 FR 71464 (November 29, 2005), and accompanying Issues and Decision Memorandum at Comment 5.

<sup>34</sup> *Id.*

<sup>35</sup> See *Notice of Final Results of Antidumping Duty Administrative Review: Silicon Metal from Brazil*, 71 FR 7517 (February 13, 2006) and accompanying Issues and Decision Memorandum at Comment 3 (the Department requires a respondent to report not only its own G&A expenses, but also the share of its parent's G&A expense incurred on the reporting entity's behalf).

<sup>36</sup> In response to the Department's supplemental question regarding activities provided by Ferro to La Molisana (first supplemental section D, dated May 1, 2015 at pages 10-11), La Molisana listed all activities provided by Ferro, none of which included expenses related to G&A.

### Comment 3: Indirect Selling Expenses

#### *La Molisana's Arguments*

- The Department incorrectly applied the indirect selling expenses (ISE) ratio for La Molisana. La Molisana calculated the ISE ratio it reported to the Department by dividing its reported indirect selling expense items by its total net sales. The Department, however, applied the reported ISE ratio and applied it to gross sales. The Department's misapplication of the ratio results in an overstatement of indirect selling expenses.
- The Department should adjust its calculation for the final results by multiplying the indirect selling expenses by the indirect selling expense ratio and use the resulting value in calculating normal value (NV) and U.S. price.

#### *Petitioners' Rebuttal*

- The Department must reject La Molisana's argument that the agency should recalculate the per-unit ISE by applying the ISE ratio to net prices, rather than to gross prices. La Molisana's claim is contradicted by the information on the record. La Molisana itself calculated the ISE ratio on a gross price basis using denominators that were greater than the total gross prices of all sales in the sales listing.<sup>37</sup>
- La Molisana has provided no legal basis for the Department to change course and apply the ISE ratios to net prices. In the event that the Department continues to use La Molisana's sales data for the final margin analysis, the Department should apply the highest calculated ISE amount for all of La Molisana's home market sales when conducting the sales below cost test.

**Department's Position:** We disagree with La Molisana that we should adjust our calculation for the final results by multiplying the net price by the ISE ratio. La Molisana claimed that the denominator (total sales) used in its ISE calculation was based on its net sales value; however, these net sales figures are greater than the total gross sales values La Molisana reported in its home market and U.S. sales listings. Because of this discrepancy, we cannot rely on La Molisana's claim that ISE ratios are calculated on a net price basis, and thus, we will continue to follow the approach utilized in the *Preliminary Results*, which was to apply the ISE ratio to the gross price for the final results.

### Comment 4: Direct Materials Calculation

#### *La Molisana's Arguments*

- The Department made numerous errors in calculating the value for direct materials that must be corrected in the final results. The Department used direct material costs based on third party sales prices but did not deduct G&A costs from this direct material cost, which results in the double counting of the G&A expenses for the direct material component. Thus, if the Department uses a direct material cost based on third party sales prices, it must deduct from this direct material cost an amount representing G&A costs.
- La Molisana's parent, Ferro, sold its raw materials on a delivered basis; thus the price included transportation. In contrast, the transportation costs for the sales to La Molisana did not include transportation. Rather, such transportation costs were reflected in the G&A

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<sup>37</sup> See Petitioners' rebuttal brief at 19-21.

expenses. Thus the third party sales value is artificially inflated because of the double counting of the freight expense. The Department must correct this error by either removing transportation from the G&A ratio or by using the affiliate's transfer price.

*Petitioners' Rebuttal*

- The Department adjusted La Molisana's reported material costs based on affiliated prices pursuant to the "major input rule" of section 773(f)(3) of the Act. During the POR, La Molisana purchased semolina inputs from its parent, Ferro, for the production of the subject pasta. In accordance with the statute, the Department must value La Molisana's semolina purchases at the higher of the market price, the affiliate's transfer price, or the affiliate's cost of semolina. By definition, the affiliate's COP will include G&A, and similarly the third-party market prices will include transportation costs because an unaffiliated supplier will sell semolina at delivered prices in the marketplace.

**Department's Position:** We disagree with La Molisana that the Department double counted certain G&A expenses, and that we artificially inflated Ferro's delivered cost of semolina for transportation costs, thereby overstating the COP of semolina and pasta. For the *Preliminary Results*, in accordance with the major input rule of section 773(f)(3) of the Act, we valued La Molisana's semolina inputs purchased from its affiliate, Ferro, at the higher of the market price, the affiliated transfer price (TP) or Ferro's COP of semolina. We used the market price for semolina since it was higher than the TP and the COP.

La Molisana first argues that the COP of pasta is overstated because Ferro's G&A is built into the market price, and adding G&A to the COP of pasta a second time double counts G&A. This is not the case. The G&A included in the COP of pasta is that of La Molisana, a separate entity performing a separate and additional manufacturing process.<sup>38</sup> Ferro operates a completely separate durum semolina mill where it purchases wheat and produces semolina.<sup>39</sup> Ferro incurs all the expenses associated with operating a manufacturing facility including normal G&A expenses such as accounting, company management, planning, purchasing, and plant management costs. La Molisana is a single operating unit at a single and separate location from Ferro.<sup>40</sup> As a result, La Molisana incurs its own G&A expenses related to converting semolina into pasta. Adding G&A for semolina production plus G&A for pasta production does not double count expenses; rather it equals the total G&A for the completed finish product pasta. In other words, the market price for semolina manufactured by Ferro includes an amount for G&A associated with the general operations of making semolina. And to add an additional amount of G&A associated with La Molisana's general operations in producing pasta from semolina does not include overlapping or double counting of G&A.

La Molisana's claim that the Department's comparison of transfer price to market price (*i.e.*, third party sales price) is not on an equivalent basis has no factual foundation. La Molisana argues that its purchases of semolina from Ferro do not include freight while Ferro's sales of

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<sup>38</sup> See La Molisana's Supplemental Section A Response, dated December 8, 2014 at page 2.

<sup>39</sup> *Id.* at page 1.

<sup>40</sup> *Id.*

semolina to unaffiliates (*i.e.*, the market price) do include freight.<sup>41</sup> La Molisana argues that either the market price should be reduced by the amount of freight to put the market price on the same basis as the transfer price or the market price should be disregarded and the Department should use the transfer price in the final results. However, La Molisana does not cite any evidence as support for its claim, and we are not aware of any record evidence that would establish the fact pattern alleged by Molisana in its case brief. La Molisana does not cite to any record evidence that an adjustment for freight costs is necessary in testing the arms-length nature of its affiliated semolina purchases, provide an adjustment based on record evidence, or indicate where the data supporting its claim can be found. La Molisana responded to the Department's original Section D questionnaire and two supplemental questionnaires regarding major input information under section 773(f)(3) of the Act with sales and purchase prices, and did not indicate that there were differences in freight terms.<sup>42</sup> As a result, we find that the transfer price and the market price of semolina for our major input analysis to be comparable, and have not revised the market price used in the analysis as advocated by La Molisana for these final results.

### **Comment 5: Direct Selling Expenses**

#### *La Molisana's Arguments*

- The Department's stated calculation of direct selling expenses does not agree with the computer program instructions. In the narrative of the calculation memorandum, the Department stated it had subtracted direct selling expenses from the U.S. and home market prices. In the computer instructions, however, the Department added U.S. direct selling expenses to the home market price. The Department must reconcile the language in the determination with the computer instructions and ensure that, in doing so, it does not double count direct selling expenses.

#### *Petitioners' Rebuttal*

- La Molisana has provided no evidence of "double counting" of the company's direct selling expenses by the Department, and has not provided any specific objection or instance of double-counting in the *Preliminary Results*. As such, it has not made a particularized claim upon which any relief could be granted, or any adjustment to the *Preliminary Results* made. Moreover, the Department employed its standard computer language and programs for export price sales by adding U.S. direct selling expenses (as part of the circumstances of sale adjustment when calculating foreign price in dollar).

**Department's Position:** There was no "double counting" of La Molisana's direct selling expenses for the margin calculation in the *Preliminary Results*. We did not deduct direct selling expenses from the U.S. net sales calculation for EP sales, but added U.S. direct selling expenses to the calculation of NV as part of the circumstances of sale adjustment when calculating the foreign price in U.S. dollars. Our normal value calculation formula is set forth in our calculation memorandum for the final results.<sup>43</sup>

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<sup>41</sup> See La Molisana case brief at pages 10-11.

<sup>42</sup> See La Molisana's Section D Response, dated Feb. 9, 2015, Third and Fourth Supplemental Section D Response, dated June 11, 2015.

<sup>43</sup> See Memorandum from Joy Zhang to the File titled "Sales Analysis Memorandum for the Final Results – La Molisana" (La Molisana Final Results Sales Analysis Memorandum), dated concurrently with this memorandum.

## Comment 6: Applying Differential Pricing Analysis

### *La Molisana's Arguments*

- The Department should not apply the differential pricing analysis and instead should calculate any margins using an Average-to-Average (A-to-A) method. The Department does not have the authority to conduct a differential pricing analysis using the *Cohen's d* analysis because it is fundamentally the same as zeroing, which the U.S. government agreed to not apply under the Section 129 proceeding involving this product.
- Regardless of the Department's authority for applying the *Cohen's d* analysis, the Department has not explained how the sample size is valid, has failed to take into account factors such as the seasonality of the product, and failed to take into account the specific factors of the sale and production of pasta. The Department should calculate the rate for La Molisana on an A-to-A basis.

### *Petitioners' Rebuttal*

- The Department properly applied its differential pricing tests, and found that it did not need to apply an alternative comparison methodology in this review for La Molisana. The Department found that there were no significant differences in margins calculated using the standard method or the alternative comparison method, causing the agency to continue to apply the A-to-A methodology for pricing comparisons. As such, the Department offset positive and negative margins and did not zero any negative margins. The Department's *Preliminary Results*, therefore, conform precisely to U.S. law and its WTO commitments and the Petitioners reject La Molisana's argument that the Department does not have the right to test the company's sales data for differential pricing and that Commerce erred in applying its differential pricing analysis to La Molisana's data.

**Department's Position:** Based on our data analysis, we did not find a meaningful difference in comparing the weighted-average dumping margins calculated using the A-to-A method for all U.S. sales and the weighted-average dumping margins calculated using the average-to-transaction (A-to-T) alternative method for all U.S. sales, and thus, we applied the A-to-A methodology for pricing comparisons, *i.e.*, we offset positive and negative margins and did not zero any negative margins. Therefore, La Molisana's argument that we zeroed negative margins with positive margins for the *Preliminary Results* is moot.

### B. The Rummo Group

## Comment 7: Treatment of Pasta Castiglioni's Home Market Control Numbers

### *The Rummo Group's Arguments*

- In the *Preliminary Results*, the Department redefined the home market control numbers (CONNUMH) for Rummo and its affiliate, Pasta Castiglioni (PC), to eliminate the hyphens contained in this data field because they prevented the programs from running correctly. However, it erred when adjusting the CONNUMH for PC because this change resulted in certain sales observations being excluded from consideration due to costs not being assigned to such sales.
- Specifically, in the Department's comparison market SAS program, there were no weighted-average costs assigned by CONNUM for PC's sales due to an error in

redefining the variable name for CONNUMH. To correct this issue, the Department need only add the letter “H” to the existing variable, CONNUMO for PC’s sales.

- In addition, a similar change is suggested when redefining the U.S. control number (CONNUMU) to remove hyphens, although the Rummo Group acknowledges that this error did not have any impact on the dumping margin in the *Preliminary Results*.<sup>44</sup>

*Petitioners’ Rebuttal:*

- Petitioners did not rebut this argument by the Rummo Group, but instead asserted in their case brief that the Department’s error was based on improper matching of the Rummo Group’s U.S. sales with its home market sales, as referenced in Comment 2 below.

**Department’s Position:** We agree with the Rummo Group that in redefining the CONNUMH/U to remove hyphens, the Department erred in renaming the variable. Accordingly, for these final results, we have corrected these variable names.

**Comment 8: Treatment of Matching U.S. Sales with Home Market Sales**

*Petitioners’ Arguments*

- The Department erred in matching the Rummo Group’s U.S. sales with its home market sales. Specifically, it was the Department’s intention, and in accordance with the Act, to match all U.S. sales with home market sales regardless of the level of trade (LOT); however, this did not occur because the program did not control for the different LOT variables in its matching program, causing U.S. sales with mismatched levels of trade to be excluded.
- Specifically, where the U.S. database is merged with the comparison market database, certain U.S. sales drop out of the U.S. dataset which results in certain models remaining unmatched. According to Petitioners, this erroneous result arose because the Department’s programs used in the *Preliminary Results* did not control for different LOT variables.
- Therefore, the Department’s programs should be corrected by ignoring the LOT variable associated with the Rummo Group’s comparison market (CM) and U.S. sales databases. Alternatively, the Department could set all LOT values to the same value to ensure that all product models without identical or similar matches in the comparison market sales database will ultimately be matched with a normal value match in Part 9 of the Margin Program.

*The Rummo Group’s Rebuttal*

- Petitioners correctly indicate that the Department’s differential pricing analysis and margin program erroneously omits a number of U.S. sales. However, Petitioners’ suggested correction is incomplete and unnecessary as long as the Department implements the corrections suggested by the Rummo Group regarding manufacturer codes, as referenced in further detail in Comment 3 below.

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<sup>44</sup> See the Rummo Group’s case brief at 13-14.

- Petitioners’ proposed correction is incomplete is because it does not remedy the underlying flaw regarding the mistaken treatment of sales made by Rummo versus sales made by PC. Unless this underlying correction is made for manufacturer codes, then there are still remaining model and month combinations that are used for matching to constructed value (CV). Thus, Petitioners’ proposed remedy improperly presumes that there would indeed be remaining unmatched models. Once the underlying error regarding the manufacturer code designations is corrected as proposed by Rummo, there are no models to be used for matching to CV.

**Department’s Position:** We agree with the Rummo Group that, in the *Preliminary Results*, an error in the manufacturer code designations resulted in certain of the Rummo Group’s U.S. sales not to be matched with its CM sales. Petitioners’ suggested correction is rendered moot by the Department’s correction, referenced in Comment 9 below. Accordingly, for these final results, we have corrected the manufacturer designations, and U.S. sales are no longer omitted. .

**Comment 9: Treatment of the Manufacturers, Rummo and Pasta Castiglioni**

*The Rummo Group’s Arguments*

- The Department erred by treating Rummo and PC as separate manufacturers in the margin calculations, instead of members of the consolidated Rummo Group.
- Specifically, assigning the reported data fields designated for the manufacturer codes (MFRH/U) in the SAS programs had the unintended result of treating the Rummo Group’s submitted sales as unconsolidated and separate sales databases, which is inconsistent with the 2012-13 review of the Rummo Group.
- Separate and unconsolidated sales databases by manufacturer require separate U.S. to HM model-matching for models sold to identical MFRU and MFRH models only. Thus, the Department’s error caused certain U.S. sales to be improperly compared to CV when comparisons to CV are actually not warranted.
- To correct this error, the Department need only revise the SAS programs to reference “NA” in the MFRU and MFRH fields for the Rummo Group.

Petitioners did not specifically rebut this issue, but instead claimed that the Department erred by not controlling for the different LOT variables in its matching program, causing U.S. sales with mismatched levels of trade to be excluded, as referenced in Comment 2 above.

**Department’s Position:** We agree with the Rummo Group that, in the *Preliminary Results*, an error in the manufacturer code designations resulted in certain of the Rummo Group’s U.S. sales not to be matched with its CM sales. Accordingly, for these final results, we have corrected the manufacturer designations to treat Rummo and PC as members of the consolidated Rummo Group in the margin calculations.

**Comment 10: Treatment of the Rummo Group’s Freight Revenue**

*The Rummo Group’s Arguments*

- In the CM program, the Department erred by double-counting the Rummo Group’s submitted freight revenue (FRTREVVH) in the calculation of comparison market net price,

thereby inflating the Rummo Group's calculated normal values.

- Specifically, in the CM program for the *Preliminary Results*, the Department correctly added FRTREVVH to the aggregate variable CMGUPADJ; however, in calculating the CM net price and CM net price for COP comparison, the Department added FRTREVVH to the Rummo Group's comparison market net price a second time, when the aggregate variable CMGUPADJ already contains FRTREVVH.
- To correct this error, the Department need only remove the reference to the variable FRTREVVH from the CM net price variable calculation.
- Similarly, in the margin program, the Department erred by double-counting FRTREVVU in the calculation of U.S. export (EP) and constructed export (CEP) net price.
- Specifically, the Department correctly added FRTREVVU to the aggregate variable USGUPADJ; however in calculating the U.S. net price (USNETPRI) for EP and CEP sales, the Department directly added FRTREVVU to the Rummo Group's net price a second time, when the variable USGUPADJ already contains the FRTREVVU. To correct this error, the Department must remove the addition of FRTREVVU from the U.S. net price variable calculation.

Petitioners did not comment on this issue.

**Department's Position:** We agree with the Rummo Group that, in the *Preliminary Results*, the Department inadvertently double-counted the reported freight revenue in the CM and margin programs. To correct the programs, we have removed the addition of FRTREVVH/U variable from the CM and U.S. net price variable calculations.

#### **Comment 11: Application of a Cap for Certain U.S. Market Freight Revenue (FRTREVVU)**

##### *The Rummo Group's Arguments*

- In the Department's Margin Program for the *Preliminary Results*, the Department capped the Rummo Group's submitted FRTREVVU by limiting the amount of FRTREVVU utilized in the U.S. EP and CEP net prices to the amount of U.S. international freight (INTNFRU) reported on the transaction. However, for some Channel 1 sales, the Rummo Group separately charged the customer for freight, and the freight revenue being charged to the customer relates to the freight cost for movement of the material from the U.S. warehouse to the customer. Therefore, the Department must cap the U.S. freight revenue by the amount charged for the U.S. inland freight as reported in for variable INLFWCU.

##### *Petitioners' Rebuttal*

- The Rummo Group's claim is unsupported on the record and contradicts the Department's established practice. In particular, the Rummo Group provided no indication that separates its Channel 1 sales from other sales when reporting unit FRTREVVU. Further, the Rummo Group admits that not all customer orders associated with the invoices it submitted show a request for delivery from a U.S. warehouse location, and that sales were made from existing warehouse stock for only "some"

Channel 1 sales.<sup>45</sup>

- The Rummo Group failed to provide a clear indication that inland freight (INLFWCU) for Channel 1 sales was underlying the freight revenue it claimed, as distinguished from U.S. sales made through other channels.
- The Department's long-standing policy is to cap U.S. revenue by the amount of the underlying expenses incurred for the subject merchandise.<sup>46</sup>
- As the party that is in control of its own data, the Rummo Group bears the burden to show its claimed freight revenue is indeed associated with a particular freight expense for the subject merchandise. The Department does not consider revenues disassociated with expenses allowable "price adjustments" under 19 CFR 351.102(b) and 19 CFR 351.401(c). Likewise, the Department should not allow the Rummo Group to select a particular expense (INTNFRU or INLFWCU) to obtain a more favorable cap.
- The Department should continue to apply freight revenue to international freight, and not to U.S. inland freight.

**Department's Position:** We agree with Petitioners that the Rummo Group has not provided sufficient evidence to support its claim that the Rummo Group separately charged the customer for freight consistently for its Channel 1 sales, and that the freight revenue being charged to the customer relates to the freight cost for movement of the material from the U.S. warehouse to the customer. As the Rummo Group acknowledges, not all customer orders associated with the invoices it submitted show a request for delivery from a U.S. warehouse location.<sup>47</sup> The Rummo Group also provided no indication that separates its Channel 1 sales from its other sales when reporting FRTREVU.<sup>48</sup> Therefore, we find that the Rummo Group has failed to provide a clear indication that inland freight (INLFWCU) for its Channel 1 sales was the basis for the freight revenue it claimed, as distinguished from its U.S. sales made through other channels. Accordingly, consistent with the 2012-13 review of the Rummo Group, we find that the freight revenue reported by the Rummo Group is associated with its international freight expense. Accordingly, we continue to cap the Rummo Group's reported freight revenue based on the international freight expense.

## **Comment 12: Application of a Countervailing Duty Offset (CVDU) to Rummo**

### *The Rummo Group's Arguments*

- The Department did not include a CVDU in its *Preliminary Results*, contrary to what it has done in all prior review proceedings.

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<sup>45</sup> See the Rummo Group's case brief at 7.

<sup>46</sup> See *Certain Orange Juice from Brazil: Final Results of Antidumping Duty Administrative Review*. 77 FR 63291 (October 16, 2012) and accompanying Issues and Decision Memorandum at Comment 6; *Polyethylene Retail Carrier Bags from the People's Republic of China: Preliminary Results of Antidumping Duty Administrative Review*. 73 FR 52282 (September 9, 2008) and accompanying Issues and Decision Memorandum at Comment 4 at 14; and *Certain Steel Concrete Reinforcing Bars From Turkey; Preliminary Results of Antidumping Duty Administrative Review*. 67 FR 21634, 21,637 (May 1, 2002), unchanged in *Certain Steel Concrete Reinforcing Bars From Turkey; Final Results and Partial Rescission of Antidumping Duty Administrative Review*. 67 FR 66110, 66112 (October 30, 2002).

<sup>47</sup> See the Rummo Group's case brief at 7, footnote 9.

<sup>48</sup> See Rummo's Sections B & C Response, dated December 1, 2014 at 26.

- The Department should have included the CVDU as part of U.S. EP and CEP net price by creating a new variable in the margin program using the rate equal to the export subsidies calculated in the fourth countervailing duty administrative review of certain pasta from Italy.

Petitioners did not comment on this issue.

**Department’s Position:** We agree with the Rummo Group that the Department inadvertently omitted this adjustment in the *Preliminary Results*. Specifically, a program referred to as “Export Restitution Payments” was found to be countervailable at 0.60% for Rummo in a prior CVD review.<sup>49</sup> Accordingly, we have included an adjustment for CVDU for these final results.

### **Comment 13: Treatment of Negative Margins Associated with the Differential Pricing Methodology**

#### *The Rummo Group’s Arguments*

- In applying its “mixed alternative” methodology in the *Preliminary Results*, the Department first zeroed individual antidumping margins on sales passing the *Cohen’s d* test and, it then zeroed again during the "aggregation" stage on sales that did not pass the *Cohen’s d* test. This methodology is inaccurate because it artificially inflates the Rummo Group’s dumping margins.
- The Department should only zero negative margins at the initial A-T calculation stage.

#### *Petitioners’ Rebuttal*

- The Department’s margin calculations are consistent with its differential pricing practice, and are in accordance with law, as the courts have ruled that the Department may “zero” as part of its antidumping methodology.<sup>50</sup>
- The Department properly applied the alternative A-T methodology in the *Preliminary Results* for the U.S. sales that passed the *Cohen’s d* test, but used the standard A-A comparison methodology for those U.S. sales that did not pass the test. Accordingly, no change is necessary in the Department’s *Preliminary Results*.

**Department’s Position:** Based on our data analysis for these final results, we did not find a meaningful difference in comparing the weighted-average dumping margins calculated using the A-to-A method for all U.S. sales and the weighted-average dumping margins calculated using the A-to-T alternative method for all U.S. sales, and thus, we applied the A-to-A methodology for pricing comparisons, *i.e.*, we offset positive and negative margins and did not zero any negative margins. Therefore, the Rummo Group’s argument that we zeroed negative margins with positive margins for the *Preliminary Results* is moot.

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<sup>49</sup> See *Final Results of the 1999 Countervailing Duty Administrative Review of Certain Pasta from Italy*, 66 FR 64214 (December 12, 2001).

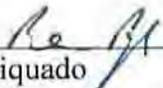
<sup>50</sup> See, *e.g.*, *Union Steel v. United States*, 713 F.3d 1101, 1107 (Fed. Cir. 2013).

IV. Recommendation

Based on our analysis of the comments received, we recommend adopting the above positions. If these recommendations are accepted, we will publish the final results of this review and the final weighted-average dumping margins in the *Federal Register*.

Agree:

Disagree:

  
\_\_\_\_\_  
Paul Piquado  
Assistant Secretary  
for Enforcement and Compliance

9 FEBRUARY 2016  
Date