

A-475-703
19th Administrative Review
POR: 08/01/06-07/31/07
Public Document
Office 1: Y. Nair/S. Subler

DATE: March 23, 2009

MEMORANDUM TO: Ronald K. Lorentzen
Acting Assistant Secretary
for Import Administration

FROM: John M. Andersen
Acting Deputy Assistant Secretary
for Antidumping and Countervailing Duty Operations

SUBJECT: Issues and Decision Memorandum for the 2006/07 Antidumping
Duty Administrative Review of Granular Polytetrafluoroethylene
Resin from Italy

SUMMARY

We have analyzed the case and rebuttal briefs of interested parties in the 2006/07 administrative review of granular polytetrafluoroethylene resin from Italy. As a result of our analysis, we have made changes to the preliminary results. We recommend that you approve the positions described in the "Discussion of Issues" section of this memorandum. Below is a complete list of the issues in this review for which we received comments and rebuttals from interested parties:

- Comment 1: Differences Between Statutory Financial Statements and Financial Statements Prepared According to International Financial Reporting Standards**
- Comment 2: Financial Statements for G&A and Financial Expenses**
- Comment 3: Goodwill Amortization**
- Comment 4: Research and Development Expenses and Certain G&A Expenses**
- Comment 5: Major Inputs**
- Comment 6: Adjustments to the Cost of Manufacturing**
- Comment 7: Financial Expenses**
- Comment 8: Solvay's Use of Polymist® in Producing In-Scope Products**
- Comment 9: Non-U.S. Sales**
- Comment 10: Treatment of Negative Dumping Margins (Zeroing)**

BACKGROUND

On September 22, 2008, the Department of Commerce (“Department”) published in the Federal Register the preliminary results of the nineteenth administrative review of the antidumping duty order on granular polytetrafluoroethylene resin (“PTFE”) from Italy.¹

On December 11, 2008, we issued a verification report for the sales response submitted by Solvay Solexis S.p.A. See Memorandum from Shane Subler and Alicia Winston, International Trade Compliance Analysts, to Susan H. Kuhbach, Director, Office 1, “Verification of the Sales Response of Solvay Solexis S.p.A. in the Antidumping Duty Administrative Review of Granular Polytetrafluoroethylene Resin from Italy” (December 11, 2008) (“Home Market Verification Report”). On January 6, 2009, we issued a verification report for the cost response submitted by Solvay Solexis S.p.A. See Memorandum from Ernest Z. Gziryan, Senior Accountant, to Neal M. Halper, Director, Office of Accounting, “Verification of the Cost of Production and Constructed Value Data Submitted by Solvay Solexis S.p.A. in the Antidumping Duty Administrative Review of Granular Polytetrafluoroethylene (“PTFE”) Resin from Italy” (January 6, 2009) (“Cost Verification Report”). On January 9, 2009, we issued a verification report for the constructed export price (“CEP”) sales response submitted by Solvay Solexis, Inc. See Memorandum from Shane Subler and Alicia Winston, International Trade Compliance Analysts, to Susan H. Kuhbach, Director, Office 1, “Verification of the Sales Response of Solvay Solexis, Inc. in the Antidumping Duty Administrative Review of Granular Polytetrafluoroethylene Resin from Italy” (January 9, 2009) (“CEP Verification Report”).

We invited interested parties to comment on the Preliminary Results. On January 26, 2009, we received case briefs from E.I. DuPont de Nemours & Company (“Petitioner”) and the collective respondent, Solvay Solexis, Inc. and Solvay Solexis S.p.A. (collectively, “Solvay”). On January 29, 2009, we received rebuttal briefs from Petitioner and Solvay. On January 26, 2009, Solvay requested a public hearing. The Department held the hearing on February 2, 2009.

The period of review (“POR”) is August 1, 2006, through July 31, 2007.

DISCUSSION OF ISSUES

Comment 1: Differences Between Statutory Financial Statements and Financial Statements Prepared According to International Financial Reporting Standards

Solvay argues that the Department should not adjust Solvay’s reported costs for items that are included in the financial statements prepared according to Italian generally accepted accounting principles (“GAAP”) (i.e., statutory financial statements), but are not on the financial statements prepared under International Financial Reporting Standards (i.e., Cheops financial statements). Solvay claims that the statutory financial statements are prepared according to tax rules, and tax accounting ordinarily is less reflective of economic reality and, thus, is less relevant in the

¹ See Amended Notice of Preliminary Results of Antidumping Duty Administrative Review: Granular Polytetrafluoroethylene Resin From Italy, 73 FR 54557 (September 22, 2008) (“Preliminary Results”).

antidumping context. Solvay cites Final Determination of Sales at Less Than Fair Value: Antidumping Duty Investigation of Stainless Steel Angle From Japan, 60 FR 16608, 16617 (March 31, 1995), and Fresh and Chilled Atlantic Salmon From Norway; Final Results of Antidumping Duty Administrative Review, 58 FR 37912, 37915 (July 14, 1993) (“Salmon from Norway”), to support its contention that the Department normally does not include tax-related items in the cost of production (“COP”). Solvay maintains that the items which are recorded in the statutory financial statements but not on the Cheops statements are financial reporting adjustments for tax purposes whose inclusion in general and administrative (“G&A”) expenses would not reasonably reflect the actual POR COP of subject merchandise.

Petitioner suggests that the Department should include in the calculation of Solvay’s G&A expenses items that are included in the statutory financial statements but are not in the Cheops financial statements. Petitioner notes that the Department has consistently ruled in the past reviews of Solvay that it is appropriate to base G&A expenses on the financial statements that are prepared under the GAAP of the exporting country, *i.e.*, the statutory financial statements. Petitioner, citing Notice of Final Determination of Sales at Less Than Fair Value: Stainless Steel Bar From Italy, 67 FR 3155 (January 23, 2002), and accompanying Issues and Decision Memorandum at Comment 48, notes that the Department found in other cases that reliance on the cases cited by Solvay is misplaced, because, for example, in Salmon from Norway the amount of depreciation in question was not the current income statement cost, but rather an appropriation to an account that reflected the difference between ordinary depreciation and tax depreciation.

Department’s Position: We agree with Petitioner. Section 773(f)(1)(A) of the Tariff Act of 1930, as amended (“the Act”), states that the COPs “shall normally be calculated based upon the records of the exporter or producer of the merchandise, if such records are kept in accordance with the generally accepted accounting principles of the exporting country...and reasonably reflect the costs associated with the production and sale of the merchandise.” Because the costs as reflected in Solvay’s statutory financial statements are not distortive, the Department’s reliance on the statutory financial statements prepared according to Italian GAAP is in accordance with law. With regard to cases cited by the respondent, they are not on point, because these cases refer to adjustments made for tax purposes, while there is no evidence on the record to support Solvay’s contention that the adjustments in question were made by Solvay solely for tax purposes. On the contrary, the record indicates that the statutory financial statements are prepared in accordance with Italian GAAP, and the fact that the same statements may be used for tax purposes does not mean that they are prepared solely for tax purposes. It simply means that, in this instance, the Italian GAAP financial statements are also used by the company for tax purposes.

We also note that the U.S. Court of International Trade and the Federal Circuit have upheld the Department’s reliance upon a company’s records prepared in accordance with the home country’s GAAP when portions of those records were prepared solely for tax benefit purposes. See Thai Pineapple Public Co., Ltd. v. United States, 187 F.3d 1362, 1367 (Fed. Cir. 1999) (affirming the Department’s reliance upon the company’s records, even though they were prepared for tax purposes); Laclede Steel Co. v. United States, 18 CIT 965 (Ct. Int’l Trade 1994) (holding that overlooking expenses recorded in a respondent’s financial statements solely

for tax purposes would “result in a skewed portrayal of cost of production; by isolating one of many variables affecting a company’s entire financial picture over a period of time...and subjecting that variable to accounting principles different from those applied to other variables...”); Slater Steels Corp. v. United States, 297 F. Supp. 2d 1351 (Ct. Int’l Trade 2003) (affirming Commerce’s use of a financial statement “... prepared in anticipation of a merger to obtain Italian tax advantages.”).

Finally, we note that the record does not support Solvay’s claim that Italian GAAP is structured solely for tax purposes. Different accounting standards use different accounting principles to match revenues and expenses. The Department normally relies upon the standards that follow the company’s home country’s GAAP because these are the standards upon which a company has recorded its own revenues and expenses. See section 773(f)(1)(A) of the Act. Therefore, for the final results, we continue to rely on the statutory financial statements and to include in the G&A expense ratio calculation the relevant items recorded on the statutory financial statements which are not in the Cheops financial statements.

Comment 2: Financial Statements for G&A and Financial Expenses

Solvay argues that the Department should use 2007 financial statements for the G&A and financial expense calculations, because they cover seven rather than five months of the POR. Solvay, citing Stainless Steel Bar from India; Final Results of Antidumping Duty Administrative Review, 67 FR 45956 (July 11, 2002), and accompanying Issues and Decision Memorandum at Comment 4, states that it is the Department’s practice to use a fiscal year that corresponds to as much of the POR as possible. Solvay also refers to Final Determination of Sales at Less Than Fair Value: Furfuryl Alcohol From Thailand, 60 FR 22557 (May 8, 1995) at Comment 11, where the Department stated that “(u)nder ordinary circumstances, the most appropriate full-year G&A period is that represented by the latest fiscal year for which the respondent has complete and audited financial statements.” Because the 2007 financial statements are the latest complete statements and cover the majority of the months in the POR, Solvay concludes, they should be used for the G&A and financial expense ratio calculations.

Petitioner argues that the Department should continue its practice of using Solvay’s financial statements covering the first part of the POR (*i.e.*, 2006 financial statements) for the G&A and financial expense ratio calculations, as it did in previous reviews of this case. Petitioner claims that, to remain consistent with past reviews and to maintain the accuracy and fairness of the calculation of antidumping duty margins, the Department should continue to use the 2006 financial statements rather than the 2007 statements. Petitioner cites Notice of Final Determination of Sales at Less Than Fair Value: Carbon and Certain Alloy Steel Wire Rod From Mexico, 67 FR 55800 (August 30, 2002), and accompanying Issues and Decision Memorandum at Comment 7 (“Steel Wire Rod from Mexico”), where the period of investigation was split equally between the two fiscal years. Petitioner contends that the Department used the earlier submitted financial statements for the first part of the period of investigation because this “afforded parties more time to review and comment on data,” and because it was important to “be consistent between proceedings.” Petitioner points out that never before has Solvay argued that the Department should use financial statements for the later part of the POR and it is, therefore, obvious that it is argued this time solely because the use of 2007 financial statements

benefits Solvay. Finally, Petitioner argues that the Department should also take into account the window period for home market sales. According to Petitioner, when the additional window months are added, there are eight months in 2006 and nine months in 2007, *i.e.*, the POR is covered almost equally by each of the two years.

Department's Position: We agree with Solvay and have relied on fiscal year 2007 financial statements as the basis for the G&A and financial expense ratio calculations. Our preference is to base the G&A and interest expense rates on the fiscal year which most closely corresponds to the POR, because financial statements for that year reflect more months of the company's activity during the POR. See *Certain Stainless Steel Butt-Weld Pipe Fittings from Taiwan: Final Results and Final Rescission in Part of Antidumping Duty Administrative Review*, 67 FR 78417 (December 24, 2002) and accompanying Issues and Decision Memorandum at Comment 8. In the instant case, the 2007 fiscal year financial statements overlap seven months of the POR, whereas the 2006 financial statements overlap only five months of the POR. Therefore, the 2007 financial statements are the more appropriate basis for the G&A expense and interest expense ratios since the portion of the POR in 2007 is longer than the portion of the POR in 2006. In this regard, Petitioner's reference to *Steel Wire Rod from Mexico* is not on point, because in that case the period of investigation was split equally between the two fiscal years. *Id.* at Comment 7.

We acknowledge that in the past reviews of this case, the Department has accepted Solvay's reporting based on the earlier set of the financial statements for its calculations of G&A expense and interest expense ratios. The Department prefers a consistent methodology from segment to segment; however, we are not compelled to continue with a method that is not our preferred method for the sake of consistency. See *Notice of Final Results of Antidumping Duty Administrative Review and Final Determination to Revoke the Order In Part: Individually Quick Frozen Red Raspberries from Chile*, 72 FR 6524 (February 12, 2007) and accompanying Issues and Decision Memorandum at Comment 5.

Finally, we disagree with Petitioner that the window period for home market sales is relevant in determining which fiscal year is more appropriate in calculating the G&A and interest expense rates. The Department normally calculates its COP for the POR and does not require costs to be reported for the window periods. Since the costs are reported for the POR, the appropriate period for reporting G&A and financial expense is the fiscal period which most closely matches the POR, excluding the window periods.

Comment 3: Goodwill Amortization

Solvay claims that the Department erred in the *Preliminary Results* by including in G&A expenses an amount for amortization of goodwill recorded in the company's 2006 statutory financial statements. Solvay argues that the amortization of goodwill should not be included in G&A expenses because the Department should use the 2007 financial statements which show no amortization of goodwill. Solvay maintains that even if the Department decides to use the 2006 financial statements for the G&A expense calculation, there still should be no adjustment for the goodwill amortization because the company booked no goodwill amortization during the POR in either of the 2006 and 2007 calendar years. This is because, according to Solvay, while the company provisionally continued to record amortization of goodwill during calendar year 2006,

the 2006 financial statements were subsequently corrected in 2007, and amortization of goodwill was recorded as zero. Solvay holds that in any event the Department should not include the full 12 months of goodwill amortization recorded in 2006, because the POR covers only five months of the calendar year 2006.

Solvay further argues that it experienced no goodwill-related cost during the POR. According to Solvay, the goodwill at issue arose from a 2002 transaction in which Solvay S.A. purchased Ausimont S.p.A., taking the purchased business forward under the name Solvay Solexis S.p.A. Solvay contends that Solvay S.A. accounted in its own audited financial statements for the goodwill element of the 2002 purchase price, and that Solvay S.A. as the purchaser is the only entity that could have experienced an actual cost, in subsequent years, associated with a decline in the goodwill's value.

Petitioner, citing Notice of Final Determination of Sales at Less Than Fair Value: Certain Cold-Rolled Carbon Steel Flat Products From Brazil, 67 FR 62134 (October 3, 2002) and accompanying Issues and Decision Memorandum at Comment 12, argues that the Department normally considers goodwill as related to the general operations of the company as a whole and includes goodwill amortization in the G&A expense ratio calculation. According to Petitioner, Solvay recorded on its 2006 statutory financial statements that it had amortized the goodwill and, thus, this amortization must be reflected in the Department's G&A expense ratio calculation.

Department's Position: As discussed in Comment 2, above, for the final results, we determined it appropriate to use Solvay's 2007 statutory financial statements to calculate the G&A expense ratio. As such, the issue of whether the goodwill amortization should be included in the G&A expenses is moot, because Solvay's 2007 statutory financial statements show no expense associated with the amortization of goodwill.

Comment 4: Research and Development Expenses and Certain G&A Expenses

Solvay argues that certain research and development ("R&D") costs and certain G&A expenses should be excluded from the reported costs.

According to Petitioner, these costs should be included in Solvay's COP.

Department's Position: We agree with Petitioner. Due to the business proprietary nature of the information in question, we cannot address the specifics of the arguments in this public document. We have addressed the arguments in a separate memorandum to the file, which will be placed on the official record and served upon parties with access to such information under administrative protective order. See Memorandum from Ernest Z. Gziryan, Senior Accountant, to Neal M. Halper, Director, Office of Accounting, "Cost of Production and Constructed Value Calculation Adjustments for the Final Results – Solvay Solexis S.p.A." ("Cost Calculation Memorandum").

Comment 5: Major Inputs

Petitioner suggests that the Department should continue to make an adjustment to Solvay's cost

for the purchase of major inputs from affiliated companies under the major input rule of section 773(f)(3) of the Act.

Solvay did not comment on this issue.

Department's Position: We agree with Petitioner, in part. Due to the business proprietary nature of the information in question, we cannot address the specifics of the arguments in this public document. We have addressed the respondent's and Petitioner's arguments in a separate memorandum to the file, which will be placed on the official record and served upon parties with access to such information under administrative protective order. See Cost Calculation Memorandum.

Comment 6: Adjustments to the Cost of Manufacturing

Petitioner argues the Department should include the three categories of fixed costs excluded by Solvay in its reported COP.

Solvay argues that one category of the fixed costs should not be included because it relates only to non-subject products.

Department's Position: We agree with Petitioner. Due to the business proprietary nature of the information in question, we cannot address the specifics of these arguments in this public document. We have addressed the respondent's and Petitioner's arguments in a separate memorandum to the file, which will be placed on the official record and served upon parties with access to such information under administrative protective order. See Cost Calculation Memorandum.

Comment 7: Financial Expenses

Petitioner argues that the Department should offset Solvay's interest expenses to account only for short-term interest income. Petitioner states that Solvay used total interest income for the offset despite clear indication that it was not justifiably short-term. Therefore, Petitioner claims, the Department should deny the entire amount of the interest income offset or, at a minimum, the interest income should be adjusted based on the ratio of current assets to the total assets, as indicated in the Department's findings at verification.

Solvay did not comment on this issue.

Department's Position: We agree with Petitioner that Solvay's interest expense calculation should be adjusted to include as an offset only short-term interest income. In calculating COP, it is the Department's practice to allow a respondent to offset financial expenses only with short-term interest income earned from its working capital accounts. See, e.g., Certain Frozen Warmwater Shrimp from Brazil: Final Results and Partial Rescission of Antidumping Duty Administrative Review, 73 FR 39940 (July 11, 2008), and accompanying Issues and Decision Memorandum at Comment 9. While Solvay did not provide the details behind the interest income used as an offset to the reported financial expenses, we disagree with Petitioner that we

should deny the entire amount of the interest income offset. Our analysis of Solvay S.A.'s (the parent company) financial statements indicates that there are current interest bearing assets that produce short-term interest income. Therefore, for the final results we approximated the short-term portion of the total interest income based on the ratio of current assets to total interest income-producing assets of the parent company, Solvay S.A.

Comment 8: Solvay's Use of Polymist® in Producing In-Scope Products

Citing the Department's recent scope ruling in this proceeding, Petitioner notes that the Department stated its intention to reconsider the scope ruling if it found evidence that Solvay uses Polymist® feedstock to make raw polymer or granular PTFE.² Petitioner contends that the Department should examine Solvay's production of Polymist® more closely to ensure that all necessary information is on the record and that Solvay is not circumventing the order.

Solvay did not comment on this issue.

Department's Position: During the home market sales and cost verifications, we examined Solvay's production process for subject merchandise and its accounting records for any evidence that Solvay uses, or has used, Polymist® feedstock to produce wet raw polymer or granular PTFE. First, we traced three lots of Polymist® feedstock produced during the POR from Solvay's inventory records to sales invoices. The records were consistent with our finding in the Scope Determination Memo that purchasers of Polymist® feedstock (in this case, Solvay's U.S. affiliate) expect only to make Polymist® from the feedstock.³ Second, we noted that Solvay collects Polymist® feedstock at different points of PTFE production, packs the feedstock for shipment, and does not reintroduce the feedstock back into production of PTFE products.⁴

Thus, we found no evidence that Solvay uses, or has used, Polymist® feedstock to produce wet raw polymer or granular PTFE. As a result, for the final results of this review, we are not reconsidering our decision in the Scope Determination Memo. We may, however, reconsider our scope determination in the future if we find evidence that Solvay uses, or has used, Polymist® feedstock to produce wet raw polymer or granular PTFE.

Comment 9: Non-U.S. Sales

Solvay asserts that the Department's verification of Solvay's questionnaire responses revealed that two sales of subject merchandise to Canada were mistakenly reported as sales to the United

² See Notice of Scope Rulings, 73 FR 72771, 72772 (December 1, 2008), citing ruling from Memorandum to Stephen J. Claeys, Deputy Assistant Secretary for Import Administration, Re: Final Determination in the Consideration of Polymist® Feedstock as Part of the Current Scope of Granular Polytetrafluoroethylene Resin from Italy (July 31, 2008) ("Scope Determination Memo").

³ See Scope Determination Memo at page 17. The verification documents that support this statement are business proprietary. We review this documentation in the calculation memorandum for these final results. See Memorandum from Yasmin Nair, International Trade Compliance Analyst, to Susan H. Kuhbach, Director, Office 1, "2006-2007 Administrative Review of the Antidumping Duty Order on Granular Polytetrafluoroethylene Resin from Italy Final Results Sales Calculation Memorandum - Solvay Solexis, Inc. and Solvay Solexis S.p.A." (March 23, 2009).

⁴ See Cost Verification Report at pages 10-11.

States.⁵ Solvay contends that these sales should be excluded for purposes of calculating the final results of this administrative review.

Petitioner did not comment on this issue.

Department's Position: The Department's verification confirmed that two sales of PTFE made to Canada were mistakenly included in Solvay's U.S. sales dataset. We have removed these sales from the margin calculation.

Comment 10: Treatment of Negative Dumping Margins (Zeroing)

According to Solvay, in past segments of this proceeding and in other proceedings, the Department has not incorporated the full value of negative margins in its calculation of an overall dumping margin. Solvay argues that this practice has been found World Trade Organization ("WTO")-inconsistent in a dispute settlement case involving this proceeding, and that the United States has officially declared its intention to bring its conduct in the affected proceedings (including this one) into WTO-conformity.⁶

Petitioner did not comment on this issue.

Department's Position: We have not changed our calculation of the weighted-average dumping margin as suggested by Solvay for these final results of review.

Section 771(35)(A) of the Act defines "dumping margin" as the "amount by which the normal value exceeds the export price or constructed export price of the subject merchandise." Outside the context of antidumping investigations involving average-to average comparisons, the Department interprets this statutory definition to mean that a dumping margin exists only when normal value is greater than export or constructed export price. As no dumping margins exist with respect to sales where normal value is equal to or less than export or constructed export price, the Department will not permit these non-dumped sales to offset the amount of dumping found with respect to other sales. The U.S. Court of Appeals for the Federal Circuit has held that this is a reasonable interpretation of the statute. *See, e.g., Timken Co. v. United States*, 354 F.3d 1334, 1342 (Fed. Cir. 2004) ("Timken"); *Corus Staal BV v. Department of Commerce*, 395 F.3d 1343, 1347-49 (Fed. Cir. 2005), cert. denied; 126 S. Ct. 1023, 163 L. Ed. 2d 853 (January 9, 2006) ("Corus I").

Section 771(35)(B) of the Act defines weighted-average dumping margin as "the percentage determined by dividing the aggregate dumping margins determined for a specific exporter or producer by the aggregate export prices and constructed export prices of such exporter or producer." The Department applies these sections by aggregating all individual dumping margins, each of which is determined by the amount by which normal value exceeds export price or constructed export price, and dividing this amount by the value of all sales. The use of the

⁵ See CEP Verification Report at pages 2 and 13.

⁶ See "U.S. Statements at the WTO Dispute Settlement Body Meeting" (May 30, 2006) at Item 1, available at <http://www.us-mission.ch/Press2006/0531DSB.html>.

term aggregate dumping margins in section 771(35)(B) of the Act is consistent with the Department's interpretation of the singular "dumping margin" in section 771(35)(A) of the Act as applied on a comparison-specific level and not on an aggregate basis. At no stage of the process is the amount by which export price or constructed export price exceeds the normal value permitted to offset or cancel out the dumping margins found on other sales.

This does not mean that non-dumped sales are disregarded in calculating the weighted-average dumping margin. It is important to note that the weighted-average margin will reflect any non-dumped merchandise examined during the POR: the value of such sales is included in the denominator of the weighted-average dumping margin, while no dumping amount for non-dumped merchandise is included in the numerator. Thus, a greater amount of non-dumped merchandise results in a lower weighted-average margin.

The Federal Circuit explained in Timken that denial of offsets is a "reasonable statutory interpretation given that it legitimately combats the problem of masked dumping, wherein certain profitable sales serve to 'mask' sales at less than fair value." Timken, 354 F.3d at 1343. As reflected in that opinion, the issue of so-called "masked dumping" was part of the policy reason for interpreting the statute in the manner interpreted by the Department. No U.S. court has required the Department to demonstrate "masked dumping," before it is entitled to invoke this interpretation of the statute and deny offsets to dumped sales. See, e.g., Timken, 354 F.3d at 1343; Corus I; Corus Staal BV v. United States, 502 F.3d 1370, 1375 (Fed. Cir. 2007) ("Corus II"); and NSK Ltd. v. United States, 510 F.3d 1375 (Fed. Cir. 2007) ("NSK").

Solvay argues that the WTO has found denial of offsets by the United States to be WTO-inconsistent. The U.S. Court of Appeals for the Federal Circuit has held that WTO reports are without effect under U.S. law, "unless and until such a {report} has been adopted pursuant to the specified statutory scheme" established in the Uruguay Round Agreements Act. Corus I, 395 F.3d at 1347-49; accord Corus II, 502 F.3d at 1375; NSK, 510 F.3d 1375.

Accordingly, consistent with the Department's interpretation of the Act, the Department has continued to deny offsets to dumping based on export transactions that exceed normal value in this review.

RECOMMENDATION

Based on our analysis of the comments received, we recommend adopting all of the above positions and adjusting all related margin calculations accordingly. If these recommendations are accepted, we will publish the final results of this administrative review and the final weighted-average dumping margin in the Federal Register.

AGREE _____

DISAGREE _____

Ronald K. Lorentzen
Acting Assistant Secretary
for Import Administration

Date