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Investigation
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May 21, 2014

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 Determination of the
Antidumping Duty Investigation of 1,1,1,2-Tetrafluoroethane from
the People's Republic of China

SUMMARY

The Department of Commerce ("Department") preliminarily determines that 1,1,1,2-tetrafluoroethane ("tetrafluoroethane") from the People's Republic of China ("PRC") is being, or is likely to be, sold in the United States at less than fair value ("LTFV"), as provided in section 733 of the Tariff Act of 1930, as amended ("the Act"). The period of investigation ("POI") is April 1, 2013, through September 30, 2013. The estimated margins of sales at LTFV are shown in the "Preliminary Determination" section of the accompanying Federal Register notice.

BACKGROUND

Initiation

On October 22, 2013, the Department received an antidumping duty ("AD") petition concerning imports of tetrafluoroethane from the PRC filed in proper form by Mexichem Fluor, Inc. ("Petitioner").¹ The Department published the initiation of this investigation and the companion countervailing duty investigation on December 9, 2013.² On December 27, 2013, the U.S. International Trade Commission ("ITC") published its preliminary determination in which it determined that there is a reasonable indication that an industry in the United States was materially injured by reason of imports from the PRC of tetrafluoroethane.³

¹ See "Petition for the Imposition of Antidumping Duties on Imports of 1,1,1,2-Tetrafluoroethane from the People's Republic of China, dated October 22, 2013" filed on October 22, 2013 ("Petition").

² See 1,1,1,2-Tetrafluoroethane From the People's Republic of China: Initiation of Antidumping Duty Investigation, 78 FR 73832 (December 9, 2013) ("Initiation Notice"); see also 1,1,1,2 Tetrafluoroethane From the People's Republic of China: Initiation of Countervailing Duty Investigation, 78 FR 73839 (December 9, 2013).

³ See 1,1,1,2-Tetrafluoroethane From China, 78 FR 79007 (December 27, 2013).



In the Initiation Notice, the Department notified parties of the application process by which exporters and producers may obtain separate rate status in non-market economy (“NME”) investigations.⁴ The process requires exporters and producers to submit a separate rate status application (“SRA”)⁵ and to demonstrate an absence of both de jure and de facto government control over their export activities. In the Initiation Notice, we stated that the SRA will be due 60 days after publication of the notice, which was February 7, 2014. On January 22, 2014, the Department extended the SRA deadline to February 14, 2014, for one company, Shandong Dongyue Chemical Co., Ltd. (“Shandong Dongyue”).⁶

Period of Investigation

The POI is April 1, 2013, through September 30, 2013. This period corresponds to the two most recent fiscal quarters prior to the month of the filing of the petition, which was October 2013.⁷

Postponement of Preliminary Determination

On April 1, 2014, pursuant to section 733(c)(1)(B) of the Act and 19 CFR 351.205(b)(2), the Department published a 30-day postponement of the preliminary AD determination on tetrafluoroethane from the PRC.⁸

Scope of the Investigation

The product subject to this investigation is 1,1,1,2-Tetrafluoroethane, R-134a, or its chemical equivalent, regardless of form, type, or purity level. The chemical formula for 1,1,1,2-tetrafluoroethane is $\text{CF}_3\text{-CH}_2\text{F}$, and the Chemical Abstracts Service (“CAS”) registry number is CAS 811-97-2.

1,1,1,2-Tetrafluoroethane is sold under a number of trade names including Klea 134a and Zephex 134a (Mexichem Fluor); Genetron 134a (Honeywell); Suva 134a, Dymel 134a, and Dymel P134a (DuPont); Solkane 134a (Solvay); and Forane 134a (Arkema). Generically, 1,1,1,2-tetrafluoroethane has been sold as Fluorocarbon 134a, R-134a, HFC-134a, HF A-134a, Refrigerant 134a, and UN3159.

Merchandise covered by the scope of this investigation is currently classified in the Harmonized Tariff Schedule of the United States (“HTSUS”) at subheading 2903.39.2020. Although the HTSUS subheading and CAS registry number are provided for convenience and customs purposes, the written description of the scope is dispositive.

⁴ See Initiation Notice, 78 FR at 73835.

⁵ See Policy Bulletin 05.1: Separate Rates Practice and Application of Combination Rates in Antidumping Investigations Involving Non-Market Economy Countries (April 5, 2005) (“Policy Bulletin 05.1”), available at <http://enforcement.trade.gov/policy/bull05-1.pdf>.

⁶ See Memo to The File, from Frances Veith, Senior International Trade Compliance Analyst, Office V, titled “Separate Rate Application - Extension to Respond: Shandong Dongyue Chemical Co., Ltd. (“Shandong Dongyue”),” dated January 22, 2014.

⁷ See 19 CFR 351.204(b)(1).

⁸ See 1,1,1,2-Tetrafluoroethane From the People’s Republic of China: Postponement of Preliminary Determination of Antidumping Duty Investigation, 78 FR 18281 (April 1, 2014).

Scope Comments

In accordance with the preamble to the Department's regulations,⁹ in our Initiation Notice we set aside a period of time for parties to raise issues regarding product coverage, and encouraged all parties to submit comments by December 23, 2013.¹⁰ Scope comments are typically due 20 calendar days from the signature date of the Initiation Notice, which in this case fell on a Sunday. Department practice dictates that where a deadline falls on a weekend or federal holiday, the appropriate deadline is the next business day.¹¹ We note that parties did not comment, therefore, we preliminarily find that the products that meet the plain language of the scope are necessarily a product for which Petitioner is seeking relief and are therefore subject to the scope of this investigation.

Selection of Respondents

Section 777A(c)(1) of the Act directs the Department to calculate an individual weighted average dumping margin for each known exporter and producer of the subject merchandise. However, section 777A(c)(2) of the Act gives the Department discretion to limit its examination to a reasonable number of exporters and producers if it is not practicable to make individual weighted average dumping margin determinations because of the large number of exporters and producers involved in the investigation. When the Department limits the number of exporters examined in an investigation pursuant to section 777A(c)(2) of the Act, section 782(a) of the Act directs the Department to calculate individual weighted average dumping margins for companies not initially selected for individual examination who voluntarily provide the information requested of the mandatory respondents if (1) the information is submitted by the due date specified for the mandatory respondents and (2) the number of such companies that have voluntarily provided such information is not so large that individual examination would be unduly burdensome and inhibit the timely completion of the investigation.

On December 4, 2013, the Department mailed a quantity and value ("Q&V") questionnaire to the seven PRC exporters and/or producers of tetrafluoroethane named in the Petition. All of the Q&V questionnaires were successfully delivered to the addressee,¹² however two of the exporter/producers did not respond to the Department's request for information. See The PRC-wide Entity section below. On December 16, 2013, the Department received timely filed Q&V questionnaire responses from eleven exporters/producers, of which three were not named in the Petition¹³ and the remaining three were affiliates of companies named in the Petition. On December 27, 2013, the Department determined that it was not practicable to examine more than two mandatory respondents in the investigation. Therefore, in accordance with section 777A(c)(2) of the Act, the Department selected the two exporters accounting for the largest volume of tetrafluoroethane exported from the PRC during the POI (i.e., Sinochem

⁹ See Antidumping Duties; Countervailing Duties, 62 FR 27323 (May 19, 1997) ("Preamble").

¹⁰ See Initiation Notice, 78 FR at 73833.

¹¹ See Notice of Clarification: Application of "Next Business Day" Rule for Administrative Determination Deadlines Pursuant to the Tariff Act of 1930, As Amended, 70 FR 24533, 24533 (May 10, 2005).

¹² See the Department's letter dated December 4, 2014.

¹³ The three companies not named in the Petition which submitted timely filed Q&Vs are Aerospace Communications Holdings, Co., Ltd., T.T. International Co., Ltd., and Weitron International Refrigeration Equipment (Kunshan) Co., Ltd.

Environmental Protection Chemicals (Taichang) Co., Ltd. (“SC Taicang”) and Weitron International Refrigeration Equipment (Kunshan) Co., Ltd. (“Weitron”) based on Q&V data.¹⁴ The Department issued its AD NME questionnaire to SC Taicang and Weitron on December 30, 2013. Additionally, three companies filed timely requests for treatment as voluntary respondents,¹⁵ and two of those companies filed timely responses to the Department’s AD NME questionnaire.

On January 28, 2014, and January 30, 2014, SC Taicang and Weitron, respectively, timely responded to section A of the Department’s NME questionnaire. Based on the Q&V reported in SC Taicang’s section A response, on February 10, 2014, the Department determined that it could no longer consider SC Taicang to be one of the two largest companies by volume in this investigation and determined not to continue to individually investigate SC Taicang as a mandatory respondent.¹⁶ However, we stated that SC Taicang will still remain eligible for separate rate status.

Further, the Department determined that there was sufficient time remaining in this investigation to select an additional mandatory respondent. Of the remaining companies, Jiangsu Bluestar Green Technology Co., Ltd. (“Bluestar”) was the next largest company by volume and, as such, the Department selected Bluestar as a mandatory respondent in this investigation. Bluestar already submitted a Section A response on the record and indicated it wished to be considered a voluntary respondent. Therefore, the Department considered Bluestar’s section A submission as a response from a mandatory respondent.

On March 19, 2014, pursuant to section 782(a) of the Act, the Department determined not to select any voluntary respondents because selecting any additional company for individual examination would be unduly burdensome and would inhibit the timely completion of this investigation.¹⁷

Critical Circumstances

In its allegation, Petitioner contends that the Department may rely on the margins alleged in the Petition to decide whether importers knew or should know that dumping was occurring because

¹⁴ See Memorandum to Christian Marsh, Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations, from James C. Doyle, Director, Office V, Re: “Antidumping Duty Investigation of 1,1,1,2-Tetrafluoroethane From the People’s Republic of China: Respondent Selection,” dated December 27, 2013 (“Respondent Selection Memo”).

¹⁵ The three companies that submitted voluntary respondent requests are: Aerospace Communications Holdings, Co. Ltd. (“Aerospace”); Jiangsu Bluestar Green Technology Co., Ltd. (“Bluestar”); and Juhua Group Corporation (“Juhua Group”).

¹⁶ See Memorandum to James C. Doyle, Director, Office V, from Catherine Bertrand, Program Manager, Office V Re: “Antidumping Duty Investigation of 1,1,1,2 Tetrafluoroethane from the People’s Republic of China: Discontinuation of Mandatory Respondent Status for Sinochem Environmental Protection Chemicals (Taichang) Co., Ltd.,” dated February 10, 2014.

¹⁷ See Memorandum to Christian Marsh, Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations, from James C. Doyle, Director, Office V, Re: “Antidumping Duty Investigation of 1,1,1,2 Tetrafluoroethane From the People’s Republic of China: Selection of Voluntary Respondent,” dated March 19, 2014 (“Voluntary Respondent Memo”).

the Department's preliminary determination was still pending.¹⁸ The estimated margin in the Initiation Notice for the PRC is 198.52 percent.¹⁹ Therefore, Petitioner maintains that the information on the record of this investigation shows that importers of tetrafluoroethane from the PRC had constructive knowledge of dumping.²⁰

Petitioner also contend that, based on the preliminary determination of injury by the ITC, there is a reasonable basis to impute importers' knowledge that material injury is likely by reason of such imports.²¹ Finally, as part of their allegation and pursuant to 19 CFR 351.206(h)(2), Petitioner submitted import statistics for the "identical product" covered by the scope of this investigation for the period between June 2013 and December 2013, as well as for the month of January for the years 2010 through 2014, as evidence of massive imports of tetrafluoroethane from the PRC during a relatively short period.²²

Analysis

We considered each of the statutory criteria for finding critical circumstances below.

A History of Dumping and Material Injury Section 733(e)(1)(A)(i):

In order to determine whether there is a history of dumping pursuant to section 733(e)(1)(A)(i) of the Act, the Department generally considers current or previous AD duty orders on subject merchandise from the country in question in the United States and current orders in any other country with regard to imports of subject merchandise.²³ There have been no previous orders on tetrafluoroethane in the United States, and the Department is not aware of the existence of any active AD orders on tetrafluoroethane from the PRC in other countries. As a result, the Department does not find that there is a history of injurious dumping of tetrafluoroethane from the PRC pursuant to section 733(e)(1)(A)(i) of the Act.

Knowledge that Exporters Were Dumping Section 733(e)(1)(A)(ii)

The Department normally considers margins of 25 percent or more for export price sales and 15 percent or more for constructed export price sales sufficient to impute importer knowledge of

¹⁸ See, e.g., Notice of Preliminary Determinations of Critical Circumstances: Certain Cold-Rolled Carbon Steel Flat Products from Australia, the People's Republic of China, India, the Republic of Korea, the Netherlands, and the Russian Federation, 67 FR 19157, 19158 (April 18, 2002).

¹⁹ See Initiation Notice, 78 FR at 73835.

²⁰ See Letter from Petitioner to the Department, Re: "1,1,1,2 Tetrafluoroethane from The People's Republic of China: Critical Circumstances Allegation," February 19, 2014 ("Petitioner Critical Circumstances Allegation").

²¹ Id.

²² Id., at 7.

²³ See, e.g., Certain Oil Country Tubular Goods From the People's Republic of China: Notice of Preliminary Determination of Sales at Less Than Fair Value, Affirmative Preliminary Determination of Critical Circumstances and Postponement of Final Determination, 74 FR 59117, 59120 (November 17, 2009) unchanged in Certain Oil Country Tubular Goods from the People's Republic of China: Final Determination of Sales at Less Than Fair Value, Affirmative Final Determination of Critical Circumstances and Final Determination of Targeted Dumping, 75 FR 20335 (April 19, 2010).

sales at LTFV.²⁴ Weitron's and Bluestar's preliminary margins are 133.47 percent and 237.33 percent, respectively. Further, we are assigning a rate of 187.48 percent, the weighted-average of the mandatory respondents,²⁵ to the non-individually investigated companies and the Department preliminarily determines a rate for the PRC-wide entity of 237.33 percent. Because the preliminary dumping margins exceed the threshold sufficient to impute knowledge of dumping, these margins provide a sufficient basis for imputing knowledge of sales of subject merchandise at LTFV to the importers.

Finally, because the ITC preliminarily found a reasonable indication that an industry in the United States is materially injured by imports from the PRC of tetrafluoroethane, the Department determines that importers knew or should have known that there was likely to be material injury by reason of sales of tetrafluoroethane at LTFV by Weitron, Bluestar, the non-individually investigated companies, and the PRC-wide entity.

Massive Imports Over a Relatively Short Period Section 733(e)(1)(B)

19 CFR 351.206(h)(1) provides that, in determining whether imports of the subject merchandise were "massive," the Department normally will examine: (i) The volume and value of the imports; (ii) seasonal trends; and (iii) the share of domestic consumption accounted for by the imports. In addition, 19 CFR 351.206(h)(2) provides that, "{i}n general, unless the imports during the 'relatively short period' ... have increased by at least 15 percent over the imports during an immediately preceding period of comparable duration, the Secretary will not consider the imports massive." 19 CFR 351.206(i) defines "relatively short period" generally as the period starting on the date the proceeding begins (i.e., the date the petition is filed) and ending at least three months later (i.e., the comparison period). This section of the regulations further provides that, if the Department "finds that importers, or exporters or producers, had reason to believe, at some time prior to the beginning of the proceeding, that a proceeding was likely," then the Department may consider a period of not less than three months from that earlier time. The comparison period is normally compared to a corresponding period prior to the filing of the petition (i.e., the base period).

Petitioner contends that imports of tetrafluoroethane from the PRC into the United States during the period June through December 2013 were massive and that PRC imports of tetrafluoroethane were likely to increase their share of overall domestic consumption.²⁶ Petitioner also believes there may have been misclassification of imports into the United States. Specifically, Petitioner contends that imports of tetrafluoroethane came in under the HTSUS number 2903.39.2030

²⁴ See, e.g., Carbon and Alloy Steel Wire Rod From Germany, Mexico, Moldova, Trinidad and Tobago, and Ukraine: Preliminary Determination of Critical Circumstances, 67 FR 6224, 6225 (February 11, 2002), unchanged in Notice of Final Determination of Sales at Less Than Fair Value: Carbon and Certain Alloy Steel Wire Rod from Moldova, 67 FR 55790; Affirmative Preliminary Determination of Critical Circumstances: Magnesium Metal from the People's Republic of China, 70 FR 5606, 5607 (February 3, 2005), unchanged in Final Determination of Sales at Less Than Fair Value and Affirmative Critical Circumstances: Magnesium Metal From the People's Republic of China, 70 FR 9037.

²⁵ See the Department's memorandum to the file titled "Antidumping Duty Investigation of 1,1,1,2-Tetrafluoroethane from the People's Republic of China: Preliminary Margin for Non-Individually Investigated Companies," dated concurrently with this memorandum.

²⁶ See Petitioner Critical Circumstances Allegation at 4-8.

(Other Fluorinated Hydrocarbons) and provided import statics for this HTSUS code for the period June through December 2013.

At the time of its filing, Petitioner noted that import statistics for January 2013 were not yet available. Petitioner included in their submission U.S. import data collected from the ITC's Dataweb for the period June through December 2013.²⁷ Based on this data, Petitioner calculated the monthly average imports for the base period (i.e., imports for August through October 2013) and for the comparison period to date (i.e., imports for November and December 2013) and claimed that imports of tetrafluoroethane from the PRC increased by over 129.9 percent by volume during the two month comparison period over the three month base period. Thus, Petitioner concluded that there were massive imports during a relatively short period.²⁸

It is the Department's practice to base the critical circumstances analysis on all available data, using base and comparison periods of no less than three months.²⁹ Based on these practices, we chose to examine the base period August 2013 through October 2013, and the corresponding comparison period November 2013 through January 2014 in order to determine whether imports of subject merchandise were massive. These base and comparison periods satisfy the Department's practice that the comparison period is at least three months.

For the individually-investigated companies, we found that imports based on Weitron's reported shipments of merchandise under consideration increased by more than 15 percent over their respective imports in the base periods during the comparison periods, and Bluestar's shipments of merchandise did not.³⁰ For the non-individually investigated companies, we relied upon GTA import statistics specific to tetrafluoroethane,³¹ less the mandatory respondents' reported shipment data, to determine if imports in the post-Petition period for the subject merchandise were massive.³² From this data, it is clear that there was an increase in imports of more than 15 percent during a "relatively short period" of time, in accordance with 19 CFR 351.206(h) and (i). Therefore, we preliminarily find there to be massive imports for Weitron and for the non-individually investigated separate rate entities, pursuant to section 733(e)(1)(B) of the Act and 19 CFR 351.206(c)(2)(i).

Because, as explained below, the PRC-wide entity has been unresponsive, as AFA, we preliminarily find there to be massive imports for the PRC-wide entity, pursuant to section 733(e)(1)(B) of the Act and 19 CFR 351.206(c)(2)(i).

²⁷ Id. at 6.

²⁸ Id.

²⁹ See, e.g., Notice of Preliminary Determination of Sales at Less Than Fair Value, Postponement of Final Determination, and Affirmative Preliminary Determination of Critical Circumstances: Certain Frozen and Canned Warmwater Shrimp from India, 69 FR 47111, 47118-47119 (August 4, 2004), unchanged in Notice of Final Determination of Sales at Less Than Fair Value and Negative Determination of Critical Circumstances: Certain Frozen and Canned Warmwater Shrimp From India, 69 FR 76916 (December 23, 2004); and Notice of Final Determination of Sales at Less Than Fair Value and Negative Final Determination of Critical Circumstances: Certain Color Television Receivers From the People's Republic of China, 69 FR 20594 (April 16, 2004), and accompanying Issues and Decision Memorandum at Comment 3.

³⁰ See the Department's memorandum titled "Antidumping Duty Investigation of 1,1,1,2-Tetrafluoroethane from the People's Republic of China: Critical Circumstances Analysis," (May 21, 2014).

³¹ See United States harmonized tariff schedule ("USHTS") subheading 2903.39.2020, 1,1,1,2-tetrafluoroethane.

³² See Attachment 1 to this memorandum.

DISCUSSION OF THE METHODOLOGY

Non-Market Economy Country

The Department considers the PRC to be an NME country.³³ In accordance with section 771(18)(C)(i) of the Act, any determination that a foreign country is an NME country shall remain in effect until revoked by the administering authority. Therefore, we continue to treat the PRC as an NME country for purposes of this preliminary determination.

Surrogate Country

When the Department is investigating imports from an NME country, section 773(c)(1) of the Act directs it to base normal value (“NV”), in most circumstances, on the NME producer’s factors of production (“FOPs”), valued in a surrogate market economy (“ME”) country or countries considered to be appropriate by the Department. Specifically, in accordance with section 773(c)(4) of the Act, in valuing the FOPs, the Department shall utilize, “to the extent possible, the prices or costs of FOPs in one or more ME countries that are: (A) at a level of economic development comparable to that of the NME country; and (B) significant producers of comparable merchandise.”³⁴ To determine which countries are at a similar level of economic development, the Department generally relies solely on per capita gross national income (“GNI”) data from the World Bank’s World Development Report.³⁵ In addition, if more than one country satisfies the two criteria noted above, the Department narrows the field of potential surrogate countries to a single country (pursuant to 19 CFR 351.408(c)(2), the Department will normally value FOPs in a single surrogate country) based on data availability and quality.

On January 22, 2014, the Department identified Bulgaria, Colombia, Ecuador, Indonesia, South Africa, and Thailand as being at the same level of economic development as the PRC.³⁶ On January 30, 2014, the Department issued a letter to the interested parties soliciting comments on the list of countries that the Department determined, based on per capita GNI, to be at the same level of economic development as the PRC, the selection of the primary surrogate country, as well as provided deadlines for the consideration of any submitted surrogate value information for the preliminary determination.³⁷ The Department received timely comments on the surrogate

³³ See Certain Kitchen Appliance Shelving and Racks From the People’s Republic of China: Preliminary Results of the First Administrative Review, Preliminary Rescission, in Part, and Extension of Time Limits for the Final Results, 76 FR 62765, 62767-68 (October 11, 2011), unchanged in Certain Kitchen Appliance Shelving and Racks From the People’s Republic of China: Final Results and Partial Rescission of First Antidumping Duty Administrative Review, 77 FR 21734 (April 11, 2012).

³⁴ See Department Policy Bulletin No. 04.1: Non-Market Economy Surrogate Country Selection Process (March 1, 2004) (“Policy Bulletin 04.1”) available on the Department’s website at <http://enforcement.trade.gov/policy/bull04-1.html>.

³⁵ See id.

³⁶ See Memorandum from Carole Showers, Director, Office of Policy, to Catherine Bertrand, Program Manager, Office V, Enforcement and Compliance, “Request for a List of Surrogate Countries for an Antidumping Duty Investigation of 1,1,1,2-Tetrafluoroethane (TF) from the People’s Republic of China (China),” dated January 22, 2014 (“Surrogate Country Memo”).

³⁷ See Letter to All Interested Parties from Catherine Bertrand, Program Manager, Office V, Enforcement and Compliance, “1,1,1,2 Tetrafluoroethane from the People’s Republic of China: Request for Surrogate Country and Surrogate Value Comments and Information,” dated January 30, 2014.

country list and surrogate country selection from Petitioner, E.I. DuPont de Nemours and Company (“DuPont”), a domestic interested party, Sinochem Taicang, and Weitron.³⁸

Petitioner recommends that the Department select Thailand as the primary surrogate country, in particular because Thailand is at the same level of economic development as the PRC, and a number of chemical manufacturers within Thailand are potential surrogate companies, as discussed below. DuPont recommends Thailand as the surrogate country, but suggests the Department consider Mexico as a potential surrogate country, because Mexico and the PRC are potentially middle income countries. With regard to comments on the surrogate country list, Weitron contends that India’s GNI places it with the lower middle income countries and as a lower middle income country, India’s GNI is within close proximity of the PRC’s making it a suitable surrogate country. Sinochem Taicang and Weitron did not recommend a surrogate country from the surrogate country list. Because Mexico and India are not on the surrogate country list, and there are suitable countries on the list as discussed below, we are not considering them further.

A. Economic Comparability

Consistent with its practice, and section 773(c)(4) of the Act,³⁹ the Department identified Bulgaria, Colombia, Ecuador, Indonesia, South Africa, and Thailand as countries at the same level of economic development as the PRC based on the most current annual issue of World Development Report (The World Bank).⁴⁰

B. Significant Producer of Comparable Merchandise

Among the factors we consider in determining whether a country is a significant producer of comparable merchandise is whether the country is an exporter of comparable merchandise. In order to determine whether the above-referenced countries are significant producers of comparable merchandise, we looked to see if any exported merchandise comparable to the merchandise under consideration. Accordingly, the Department obtained export data for the six-digit harmonized system (“HS”) codes listed in the description of the scope of this investigation (i.e., 2903.39) for each of the six potential surrogate countries listed above, except Bulgaria and Indonesia. After reviewing this export data, the Department preliminarily determines that all countries on the surrogate country list, except Bulgaria and Indonesia are significant producers of comparable merchandise (i.e., exported merchandise under the six-digit basket HTS categories included in the scope), and, therefore, satisfy the second criterion of section 773(c)(4) of the Act.⁴¹

³⁸ See Surrogate Country Comments filed by Petitioner on February 10, 2014 and February 18, 2014; by DuPont on February 6, 2014 and February 18, 2014, by Sinochem Taicang on February 6, 2014, by Weitron on February 6, 2014 and February 18, 2014.

³⁹ See Surrogate Country Memo.

⁴⁰ See *id.*

⁴¹ See Memorandum to the File from Bob Palmer, Senior International Trade Analyst, Office V, through Catherine Bertrand, Program Manager, Office V “Investigation of 1,1,1,2 Tetrafluoroethane from the People’s Republic of China: Surrogate Values for the Preliminary Determination” (May 21, 2014) (“Preliminary SV Memo”).

C. Data Availability

If more than one potential surrogate country satisfies the statutory requirements for selection as a surrogate country, the Department selects the primary surrogate country based on data availability and reliability.⁴² When evaluating surrogate value data, the Department considers several factors, including whether the surrogate values are publicly available, contemporaneous with the POI, representative of a broad market average, tax and duty-exclusive, and specific to the inputs being valued.⁴³

Parties have placed data on the record for India, Indonesia, and Thailand. Petitioner and DuPont contend that Thai surrogate values, including financial statements for Thai producers of merchandise comparable to tetrafluoroethane, are available for all FOPs. Furthermore, DuPont contends that if the financial statements from Thailand are unsuitable, there are useable financial statements from Indian producers of comparable merchandise. Weitron placed FOP information on record for Indonesia and India.

For those countries that are at the same level of economic development as the PRC and are significant producers of comparable merchandise, the record of this investigation only contains publicly-available Thai surrogate value data for FOPs. The Department has found that the Thai data are the best available data for valuing respondents' FOPs because we have complete, specific Thai data for each input used by the respondents. Further, the record contains complete FOP information for Thailand. Therefore, because complete surrogate value information is available from Thailand, the Department preliminarily determines that Thailand data are the best available surrogate value data.

For the reasons stated above, the Department preliminarily determines, pursuant to section 773(c)(4) of the Act, that it is appropriate to use Thailand as the primary surrogate country because Thailand is (1) at a level of economic development comparable to the PRC and (2) a significant producer of merchandise comparable to the merchandise under consideration. Therefore, the Department has calculated NV using Thai import prices when available and appropriate to value respondents' FOPs.

Surrogate Value Comments

Petitioner, DuPont, Bluestar, and Weitron filed surrogate factor valuation comments and surrogate value information with which to value the FOPs in this proceeding on March 18, 2014. On March 25, 2014, Petitioner, DuPont, and Weitron each filed rebuttal surrogate factor valuation comments and surrogate value information with which to value the FOPs. On March 28, 2014, Petitioner provided a full translation of a financial statement at the Department's request.⁴⁴ On April 7, 2014, Weitron provided rebuttal comments regarding the fully translated statement.⁴⁵ On April 8, 2014, Petitioner responded to Weitron's April 7, 2014, rebuttal

⁴² See Policy Bulletin 04.1.

⁴³ See *id.*

⁴⁴ See Letter from Petitioner, "1,1,1,2-Tetrafluoroethane from the People's Republic of China: Submission of Linde (Thailand) Full English Translation of Financial Statement," dated March 28, 2014.

⁴⁵ See Weitron Rebuttal Comments, dated April 7, 2014.

comments.⁴⁶ On April 21, 2014, Weitron submitted surrogate value information pursuant to 19 CFR 351.301(c)(3)(i).⁴⁷ For a detailed discussion of the surrogate values used in this LTFV proceeding, see the “Factor Valuation” section below and the Preliminary SV Memo.

Separate Rates

In proceedings involving NME countries, the Department maintains a rebuttable presumption that all companies within the country are subject to government control and, therefore, should be assessed a single weighted-average dumping margin.⁴⁸ The Department’s policy is to assign all exporters of merchandise under consideration that are in an NME country this single rate unless an exporter can demonstrate that it is sufficiently independent so as to be entitled to a separate rate.⁴⁹ The Department analyzes whether each entity exporting the merchandise under consideration is sufficiently independent under a test established in Sparklers⁵⁰ and further developed in Silicon Carbide.⁵¹ According to this separate rate test, the Department will assign a separate rate in NME proceedings if a respondent can demonstrate the absence of both de jure and de facto government control over its export activities. If, however, the Department determines that a company is wholly foreign-owned, then a separate rate analysis is not necessary to determine whether that company is independent from government control and eligible for a separate rate.

A. Separate Rate Recipients

The Department preliminary determines that Weitron, Bluestar, Shandong Dongyue Chemical Co., Ltd. (“Dongyue”), T.T. International Co., Ltd. (“T.T. International”), and Zhejiang Sanmei Chemical Industry Co., Ltd. (“Sanmei”) will receive a separate rate, as explained below.

1. Joint Ventures between Chinese and Foreign Companies or Wholly Chinese-Owned Companies

Bluestar,⁵² Dongyue,⁵³ T.T. International,⁵⁴ Sanmei⁵⁵ provided evidence that they are either Chinese joint-stock limited companies, or are wholly Chinese-owned companies. The Department analyzed whether each of these companies have demonstrated an absence of de jure and de facto government control over their respective export activities.

⁴⁶ See Petitioner’s Response, dated April 8, 2014.

⁴⁷ See Weitron Surrogate Value Submission, dated April 21, 2014.

⁴⁸ See, e.g., Polyethylene Terephthalate Film, Sheet, and Strip from the People’s Republic of China: Final Determination of Sales at Less Than Fair Value, 73 FR 55039, 55040 (September 24, 2008).

⁴⁹ See Final Determination of Sales at Less Than Fair Value: Sparklers From the People’s Republic of China, 56 FR 20588, 20589 (May 6, 1991) (“Sparklers”).

⁵⁰ Id.

⁵¹ See Notice of Final Determination of Sales at Less Than Fair Value: Silicon Carbide From the People’s Republic of China, 59 FR 22585 (May 2, 1994) (“Silicon Carbide”).

⁵² See, e.g., Bluestar’s January 30, 2014 section A submission at A-7.

⁵³ See, e.g., Dongyue’s February 14, 2014, SRA submission at 10.

⁵⁴ See, e.g., T.T. International’s February 7, 2014, SRA submission at 6.

⁵⁵ See, e.g., Sanmei’s February 7, 2014, SRA submission at 7.

a. Absence of De Jure Control

The Department considers the following de jure criteria in determining whether an individual company may be granted a separate rate: (1) an absence of restrictive stipulations associated with an individual exporter's business and export licenses; (2) legislative enactments decentralizing control over export activities of the companies; and (3) other formal measures by the government decentralizing control over export activities of companies.⁵⁶

The evidence provided by Bluestar, Dongyue, T.T. International, and Sanmei supports a preliminary finding of an absence of de jure government control for each of these companies based on the following: (1) an absence of restrictive stipulations associated with the individual exporters' business and export licenses; (2) the existence of applicable legislative enactments decentralizing control of the companies; and (3) the implementation of formal measures by the government decentralizing control of Chinese companies.⁵⁷

b. Absence of De Facto Control

Typically, the Department considers four factors in evaluating whether a respondent is subject to de facto government control of its export functions: (1) whether the export prices ("EP") are set by, or are subject to the approval of, a government agency; (2) whether the respondent has authority to negotiate and sign contracts and other agreements; (3) whether the respondent has autonomy from the government in making decisions regarding the selection of management; and (4) whether the respondent retains the proceeds of its export sales and makes independent decisions regarding the disposition of profits or financing of losses.⁵⁸ The Department has determined that an analysis of de facto control is critical in determining whether respondents are, in fact, subject to a degree of government control which would preclude the Department from assigning separate rates.

The evidence provided by Bluestar,⁵⁹ Dongyue,⁶⁰ T.T. International,⁶¹ and Sanmei⁶² supports a preliminary finding of an absence of de facto government control based on record statements and supporting documentation showing that the companies: (1) set their own EPs independent of the government and without the approval of a government authority; (2) have the authority to negotiate and sign contracts and other agreements; (3) maintain autonomy from the government in making decisions regarding the selection of management; and (4) retain the proceeds of their respective export sales and make independent decisions regarding disposition of profits or financing of losses.

⁵⁶ See Sparklers, 56 FR at 20589.

⁵⁷ See, Bluestar's January 30, 2014 section A submission at A-6 through A-9 and Exhibits A-3 and A-4; Dongyue's February 14, 2014, SRA submission at 9-13 and Exhibits 2 and 3; T.T. International's February 7, 2014, SRA submission at 5-8 and Exhibits 2 and 3; and Sanmei's February 7, 2014, SRA submission at Exhibits SRA-2 and SRA-3.

⁵⁸ See Silicon Carbide, 59 FR at 22586-87; Notice of Final Determination of Sales at Less Than Fair Value: Furfuryl Alcohol From the People's Republic of China, 60 FR 22544, 22545 (May 8, 1995).

⁵⁹ See, e.g., Bluestar's January 30, 2014 section A submission at A-9 through A-19 and Exhibits A-4 through A-11.

⁶⁰ See, e.g., Dongyue's February 14, 2014, SRA submission at 9-13 and Exhibits 3-6

⁶¹ See, e.g., T.T. International's February 7, 2014, SRA submission at 9-15 and Exhibits 4-7.

⁶² See, e.g., Sanmei's February 7, 2014, SRA submission at Exhibits SRA-4 through SRA-11.

Therefore, the evidence placed on the record of this investigation by Bluestar, Dongyue, T.T. International, Sanmei demonstrates an absence of de jure and de facto government control under the criteria identified in Sparklers and Silicon Carbide. Accordingly, the Department preliminarily grants separate rates to Bluestar, Dongyue, T.T. International, and Sanmei.⁶³

2. Wholly Foreign-Owned

Weitron provided evidence in its response to section A of the AD NME questionnaire that it is wholly owned by a company located in a ME country.⁶⁴ Moreover, the Department has no record evidence indicating that this company is under the control of the government of China (“GOC”). For these reasons, it is not necessary for the Department to conduct a separate rate analysis to determine whether Weitron is independent from government control.⁶⁵ Therefore, the Department has preliminarily granted a separate rate to Weitron.⁶⁶

B. Companies Not Receiving a Separate Rate

The Department has not granted a separate rate to the following additional Separate Rate Applicants: SC Ningbo International Ltd (“SC Ningbo International”), Sinochem Environmental Protection Chemicals (Taichang) Co., Ltd. (“SC Taicang”), Sinochem Ningbo Ltd. (“SC Ningbo”), Zhejiang Quhua Fluor-Chemistry Co., Ltd. (“Quhua-Fluor”), Zhejiang Quzhou Lianzhou Refrigerants Co., Ltd. (“Lianzhou”) and Aerospace for the following reasons:

The Department preliminary determines that SC Taicang, SC Ningbo Ltd. and SC Ningbo International have not demonstrated an absence of de facto government control.⁶⁷ Specifically, each of these companies is under the control of Sinochem Group, a 100%-owned SASAC⁶⁸ entity.⁶⁹ Evidence shows that members of Sinochem Group’s board of directors and management actively participate in the day-to-day operations of SC Taicang, SC Ningbo Ltd. and SC Ningbo International as members of the board of directors. Furthermore, while the boards of these companies claim they are not involved in the day-to-day activities, each board oversees every aspect of the company, including the hiring and firing of the managers and

⁶³ See “Preliminary Determination” section below.

⁶⁴ See Weitron’s January 30, 2014, submission at 13 and Exhibit 5 & 6.

⁶⁵ See, e.g., Seamless Refined Copper Pipe and Tube from the People’s Republic of China: Preliminary Determination of Sales at Less Than Fair Value and Postponement of Final Determination, 75 FR 26716, 26720 (May 12, 2010), unchanged in Seamless Refined Copper Pipe and Tube From the People’s Republic of China: Final Determination of Sales at Less Than Fair Value, 75 FR 60725 (October 1, 2010).

⁶⁶ See “Preliminary Determination” section below.

⁶⁷ See Diamond Sawblades and Parts Thereof from the People’s Republic of China: Preliminary Results of Antidumping Duty Administrative Review and Intent to Rescind Review in Part, 76 FR 76135 (December 6, 2011) (“DSB 2009-2010”).

⁶⁸ The PRC’s State-owned Assets Supervision and Administration Commission of the State Council (“SASAC”).

⁶⁹ See SC Taicang’s April 2, 2014, SRA submission at 13-17 and Exhibits 8, articles of association, 18, Board member information, and 21; see also SC Ningbo International’s SRA submission dated January 29, 2014, at Exhibits SRA-6 and SRA7; and SC Ningbo’s SRA submission dated January 29, 2014, at Exhibits SRA-6 and SRA7.

determining their remuneration.⁷⁰ Accordingly, based on this evidence, we find that these companies have not demonstrated an absence of de facto government control.

Similarly, the Department preliminarily determines that neither Quhua nor Lianzhou demonstrated an absence of de facto government control. Specifically, both of these companies are under the control of Juhua Group, a 100%-owned SASAC entity,⁷¹ and evidence shows that members of Juhua Group's board of directors and management actively participate in the day-to-day operations of Quhua and Lianzhou as executive directors.⁷² Further, the Juhua Group holds monthly price discussions and sets price guidance for sales of the merchandise under consideration.⁷³ Accordingly, based on this evidence, we find that these companies have not demonstrated an absence of de facto government control.

Similarly, the Department preliminary determines that Aerospace did not demonstrate an absence of de facto government control. Specifically, Aerospace's controlling Board members are also on the Board of its largest single owner China Aerospace Science & Industry Corp. ("CASIC"), a 100%-owned SASAC entity,⁷⁴ and evidence shows that members of CASIC's board of directors actively participate in the day-to-day operations of Aerospace.⁷⁵ Aerospace's Board elects the company's general manager and the Board will appoint or dismiss other senior managers based upon the general manager's recommendation. Although the ownership from SASAC is less than a majority, record evidence leads us to conclude that the other shareholders have no formal authority to appoint board members or directors. Accordingly, based on this evidence, we find that Aerospace has not demonstrated an absence of de facto government control.

Margin for the Separate Rate Companies

Normally, the Department's practice is to assign to separate rate entities that were not individually examined a rate equal to the average of the rates calculated for the individually examined respondents, excluding any rates that are zero, de minimis, or based entirely on adverse facts available ("AFA"), in accordance with section 735(c)(5)(A) of the Act.⁷⁶ The statute further provides that, where all margins are zero rates, de minimis rates, or rates based entirely on facts available, the Department may use "any reasonable method" for assigning the rate to non-selected respondents.⁷⁷ Consistent with this practice, the Department assigned,

⁷⁰ See id.

⁷¹ See Quhua's SRA dated February 7, 2014, at 12 and Exhibit 9; see also Quhua's Supplemental Separate Rate Questionnaire, dated March 7, 2014, at 3-4. See Lianzhou's SRA dated February 7, 2014, at 12-13 and Exhibit 13; see also Lianzhou's Supplemental Separate Rate Questionnaire, dated March 7, 2014 at 4-6.

⁷² Id.

⁷³ See Juhua Group's Supplemental Section D Response, dated April 16, 2014 at 15-16.

⁷⁴ See Aerospace's SRA dated March 26, 2014, at 15 and Exhibit 8; see also Aerospace's Supplemental Separate Rate Questionnaire, dated April 10, 2014, at 3-4.

⁷⁵ Id.

⁷⁶ See, e.g., Preliminary Determination of Sales at Less Than Fair Value and Partial Affirmative Determination of Critical Circumstances: Certain Polyester Staple Fiber from the People's Republic of China, 71 FR 77373, 77377 (December 26, 2006), unchanged in Final Determination of Sales at Less Than Fair Value and Partial Affirmative Determination of Critical Circumstances: Certain Polyester Staple Fiber from the People's Republic of China, 72 FR 19690 (April 19, 2007).

⁷⁷ See 735(c)(5)(B).

Bluestar, Dongyue, T.T. International, and Sanmei a rate of 184.48 percent, which is equal to a weighted-average of the rates calculated for the mandatory respondents.⁷⁸

Combination Rates

In the Initiation Notice, the Department stated that it would calculate combination rates for respondents that are eligible for a separate rate in this investigation.⁷⁹ This practice is described in Policy Bulletin 05.1.

The PRC-wide Entity

As discussed above, we have determined not to grant a separate rate to SC Ningbo International, SC Taicang, SC Ningbo, Quhua-Fluor, Lianzhou, and Aerospace. Specifically, we found these companies have not demonstrated an absence of de facto government control. Because SC Ningbo International, SC Taicang, SC Ningbo, Quhua-Fluor, Lianzhou and Aerospace have not demonstrated that they are eligible for separate rate status, the Department considers them part of the PRC-wide entity.

Further, the record indicates that there are other PRC exporters and/or producers of the merchandise under consideration during the POI that did not respond to the Department's requests for information. Specifically, the Department did not receive responses to its Q&V questionnaire from two PRC exporters and/or producers of merchandise under consideration that were named in the Petition and to whom the Department issued the questionnaire, *i.e.*, Zhejiang Bailian Industry and Trade and Jiangsu Jin Xue Group Co., Ltd.⁸⁰ Because non-responsive PRC companies have not demonstrated that they are eligible for separate rate status, the Department considers them part of the PRC-wide entity. Furthermore, as explained in the next section, we preliminarily determine to calculate the PRC-wide rate on the basis of AFA.

Application of Facts Available and Adverse Facts Available

Section 776(a)(2) of the Act provides that, if an interested party (A) withholds information that has been requested by the Department, (B) fails to provide such information in a timely manner or in the form or manner requested, subject to subsections 782(c)(1) and (e) of the Act, (C) significantly impedes a proceeding under the AD statute, or (D) provides such information but the information cannot be verified, the Department shall, subject to subsection 782(d) of the Act, use facts otherwise available in reaching the applicable determination.

The Department preliminarily finds that the PRC-wide entity, which includes (Zhejiang Bailian Industry and Trade and Jiangsu Jin Xue Group Co., Ltd.), failed to provide necessary information, withheld information requested by the Department, failed to provide information in

⁷⁸ See the Department's Memorandum to the File titled, "1,1,1,2-Tetrafluoroethane from the People's Republic of China: Calculation of the Preliminary Margin for Separate Rate Recipients," (May 21, 2014).

⁷⁹ See Initiation Notice, 78 FR at 73836.

⁸⁰ See Memorandum to the File, from Frances Veith, Senior International Trade Compliance Analyst, Re: Quantity and Value Questionnaire Delivery Confirmation, dated April 22, 2014. The Department also posted a copy of the Q&V questionnaire on its website.

a timely manner, and significantly impeded this proceeding by not submitting the requested information. The PRC-wide entity neither filed documents indicating it was having difficulty providing the information nor did it request to submit the information in an alternate form. As a result, the Department preliminarily determines, pursuant to sections 776(a)(1) and (a)(2)(A)-(C) of the Act, to use facts otherwise available to determine the rate for the PRC-wide entity.⁸¹

Section 776(b) of the Act provides that the Department, in selecting from among the facts otherwise available, may use an inference that is adverse to the interests of a party if that party has failed to cooperate by not acting to the best of its ability to comply with a request for information. The Department finds that the PRC-wide entity's failure to provide the requested information constitutes circumstances under which it is reasonable to conclude that the PRC-wide entity is not fully cooperative.⁸² Therefore, the Department preliminarily determines that the PRC-wide entity failed to cooperate to the best of its ability to comply with requests for information and, consequently, the Department may employ an inference that is adverse to the PRC-wide entity in selecting from among the facts otherwise available.

Section 776(b) of the Act states that the Department, when employing an adverse inference, may rely upon information derived from the petition, the final determination from the LTFV investigation, a previous administrative review, or any other information placed on the record. In selecting a rate based on AFA, the Department selects a rate that is sufficiently adverse to ensure that the uncooperative party does not obtain a more favorable result by failing to cooperate than if it had fully cooperated. The Department's practice is to select, as an AFA rate, the higher of: (1) the highest dumping margin alleged in the petition, or (2) the highest calculated dumping margin of any respondent in the investigation.⁸³ With respect to AFA, for the preliminary determination, we have assigned the PRC-wide entity the rate of 233.72 percent, which is the dumping margin calculated for Bluestar in the preliminary determination, the highest calculated dumping margin of any respondent in the investigation. No corroboration of this rate is necessary because we are relying on information obtained in the course of this investigation, rather than secondary information.⁸⁴

⁸¹ See, e.g., Notice of Preliminary Determination of Sales at Less Than Fair Value, Affirmative Preliminary Determination of Critical Circumstances and Postponement of Final Determination: Certain Frozen Fish Fillets From the Socialist Republic of Vietnam, 68 FR 4986, 4991 (January 31, 2003), unchanged in Notice of Final Determination of Sales at Less Than Fair Value and Affirmative Critical Circumstances: Certain Frozen Fish Fillets from the Socialist Republic of Vietnam, 68 FR 37116 (June 23, 2003).

⁸² See Nippon Steel Corporation v. United States, 337 F.3d 1373, 1383 (Fed. Cir. 2003) (noting that the Department need not show intentional conduct existed on the part of the respondent, but merely that a "failure to cooperate to the best of a respondent's ability" existed (i.e., information was not provided "under circumstances in which it is reasonable to conclude that less than full cooperation has been shown.")).

⁸³ See Certain Stilbenic Optical Brightening Agents From the People's Republic of China: Final Determination of Sales at Less Than Fair Value, 77 FR 17436, 17438 (March 26, 2012).

⁸⁴ See 19 CFR 351.308(c) and (d) and section 776(c) of the Act; see also Final Determination of Sales at Less Than Fair Value and Affirmative Determination of Critical Circumstances, in Part: Light-Walled Rectangular Pipe and Tube from the People's Republic of China, 73 FR 35652, 35653 (June 24, 2008), and accompanying Issues and Decision Memorandum at 1.

Affiliation

Based on the evidence on the record in this investigation, including information submitted by Weitron in its questionnaire responses, the Department preliminarily finds that Weitron and Weitron, Inc. are affiliated pursuant to section 771(33)(E) and (G) of the Act.⁸⁵

Date of Sale

In identifying the date of sale of the merchandise under consideration, the Department will normally, in accordance with 19 CFR 351.401(i), “use the date of invoice, as recorded in the exporter or producer’s records kept in the normal course of business.” The date of sale is generally the date on which the parties agree upon all substantive terms of the sale. This normally includes the price, quantity, delivery terms and payment terms.⁸⁶ Because Weitron and Bluestar demonstrated that the substantive terms of sale occurred on the invoice date, the Department has preliminarily determined to use invoice date as the date of sale.

Fair Value Comparisons

In accordance with section 777A(d)(1)(A) of the Act, the Department compared the weighted-average price of the U.S. sales of the merchandise under consideration to the weighted-average NV to determine whether the mandatory respondents sold merchandise under consideration to the United States at LTFV during the POI.⁸⁷

Export Price

In accordance with section 772(a) of the Act, the Department defined the U.S. price of merchandise under consideration based on the EP of all of the sales reported by Bluestar. The Department calculated the EP based on the prices at which merchandise under consideration was sold to unaffiliated purchasers in the United States.

The Department made deductions, as appropriate, from the reported U.S. price for movement expenses (*i.e.*, domestic and foreign inland freight, domestic and foreign brokerage and handling).⁸⁸ The Department based movement expenses on surrogate values where the service was purchased from a PRC company.⁸⁹

⁸⁵ See Weitron’s January 30, 2014, Section A response at 13.

⁸⁶ See, e.g., Carbon and Alloy Steel Wire Rod From Trinidad and Tobago: Final Results of Antidumping Duty Administrative Review, 72 FR 62824 (November 7, 2007), and accompanying Issue and Decision Memorandum at Comment 1; Notice of Final Determinations of Sales at Less Than Fair Value; Certain Cold-Rolled Flat-Rolled Carbon Quality Steel Products from Turkey, 65 FR 15123 (March 21, 2000), and accompanying Issues and Decision Memorandum at Comment 1.

⁸⁷ See “Export Price” and “Normal Value” sections below.

⁸⁸ See section 772(c)(2)(A) of the Act.

⁸⁹ See “Factor Valuation Methodology” section below.

Constructed Export Price

In accordance with section 772(b) of the Act, CEP is “the price at which the subject merchandise is 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 of such merchandise or by a seller affiliated with the producer or exporter, to a purchaser not affiliated with the producer or exporter, as adjusted under subsections (c) and (d).” For Weitron, we based CEP on prices to the first unaffiliated purchaser in the United States. Where appropriate, we made deductions from the starting price (gross unit price) for foreign movement expenses, international movement expenses, U.S. movement expenses, and appropriate selling expenses, in accordance with section 772(c)(2)(A) of the Act.

In accordance with section 772(d)(1) of the Act, we also deducted those selling expenses associated with economic activities occurring in the United States where appropriate. Specifically, we deducted, where appropriate, commissions, credit expenses, inventory carrying costs, indirect selling expenses, U.S. movement expenses, and warranty expenses. We valued foreign movement expenses provided by PRC service providers or paid for in PRC currency using surrogate values.⁹⁰ For those expenses that were provided by an ME provider and paid for in an ME currency, we used the reported expense.⁹¹

Due to the proprietary nature of certain adjustments to Weitron’s U.S. price, see Weitron Prelim Analysis Memo for a detailed description of its U.S. price adjustments.

Normal Value

Section 773(c)(1) of the Act provides that the Department shall determine NV using the FOP methodology if the merchandise is exported from an NME and the information does not permit the calculation of NV using home market prices, third-country prices, or constructed value under section 773(a) of the Act. The Department bases NV on FOPs because the presence of government controls on various aspects of NMEs renders price comparisons and the calculation of production costs invalid under the Department’s normal methodologies.⁹² Therefore, in accordance with sections 773(c)(3) and (4) of the Act and 19 CFR 351.408(c), the Department calculated NV based on FOPs. Under section 773(c)(3) of the Act, FOPs include, but are not limited to: (1) hours of labor required; (2) quantities of raw materials employed; (3) amounts of energy and other utilities consumed; and (4) representative capital costs.⁹³

⁹⁰ See Prelim Surrogate Value Memo for details regarding the surrogate values for movement expenses.

⁹¹ See Memorandum to the File through Catherine Bertrand, Program Manager, Office V, from Robert Palmer, International Trade Analyst, Office V, “Antidumping Duty Investigation of 1,1,1,2-Tetrafluoroethane from the People’s Republic of China: Preliminary Analysis Memo for Weitron International Refrigeration Equipment (Kunshan) Co., Ltd.” dated concurrently with this memorandum (“Weitron Prelim Analysis Memo”).

⁹² See, e.g., Preliminary Determination of Sales at Less Than Fair Value, Affirmative Critical Circumstances, In Part, and Postponement of Final Determination: Certain Lined Paper Products from the People’s Republic of China, 71 FR 19695, 19703 (April 17, 2006), unchanged in Notice of Final Determination of Sales at Less Than Fair Value, and Affirmative Critical Circumstances, In Part: Certain Lined Paper Products From the People’s Republic of China, 71 FR 53079 (September 8, 2006).

⁹³ See section 773(c)(3)(A)-(D) of the Act.

Factor Valuation Methodology

In accordance with section 773(c) of the Act, the Department calculated NV based on FOP data reported by the individually examined respondents. To calculate NV, the Department multiplied the reported per-unit factor-consumption rates by publicly available surrogate values. When selecting the surrogate values, the Department considered, among other factors, the quality, specificity, and contemporaneity of the data.⁹⁴ As appropriate, the Department adjusted input prices by including freight costs to make them delivered prices. Specifically, the Department added a surrogate freight cost, where appropriate, to surrogate input values using the shorter of the reported distance from the domestic supplier to the respondent's factory or the distance from the nearest seaport to the respondent's factory.⁹⁵ A detailed description of all surrogate values used for Respondents can be found in the Preliminary SV Memo.

For the preliminary determination, the Department used Thai import data, as reported by the Thai Customs Department and published by Global Trade Atlas ("GTA"), and other publicly available sources from Thailand to calculate surrogate values for respondents FOPs. In accordance with section 773(c)(1) of the Act, the Department applied the best available information for valuing FOPs by selecting, to the extent practicable, surrogate values which are (1) non-export average values, (2) contemporaneous with, or closest in time to, the POI, (3) product-specific, and (4) tax-exclusive.⁹⁶ The record shows that Thai import data obtained through GTA, as well as data from other Thai sources, are product-specific, tax-exclusive, and generally contemporaneous with the POI.⁹⁷ In those instances where the Department could not obtain information contemporaneous with the POI with which to value FOPs, the Department adjusted the surrogate values using, where appropriate, Thailand's producer price index as published in the International Monetary Fund's ("IMF") International Financial Statistics.

When calculating Thai import-based, per-unit surrogate values, the Department disregarded import prices that it has reason to believe or suspect may be dumped or subsidized. It is the Department's practice, guided by the legislative history, not to conduct a formal investigation to ensure that such prices are not dumped or subsidized; rather, the Department bases its decision

⁹⁴ See, e.g., Certain New Pneumatic Off-the-Road Tires from the People's Republic of China: Final Affirmative Determination of Sales at Less Than Fair Value and Partial Affirmative Determination of Critical Circumstances, 73 FR 40485 (July 15, 2008), and accompanying Issues and Decision Memorandum at Comment 9.

⁹⁵ See Sigma Corp. v. United States, 117 F.3d 1401, 1407-08 (Fed. Cir. 1997).

⁹⁶ See, e.g., Notice of Preliminary Determination of Sales at Less Than Fair Value, Negative Preliminary Determination of Critical Circumstances and Postponement of Final Determination: Certain Frozen and Canned Warmwater Shrimp From the Socialist Republic of Vietnam, 69 FR 42672, 42682 (July 16, 2004), unchanged in Final Determination of Sales at Less Than Fair Value: Certain Frozen and Canned Warmwater Shrimp From the Socialist Republic of Vietnam, 69 FR 71005 (December 8, 2004).

⁹⁷ See Preliminary Factor Valuation Memorandum.

on information that is available to it at the time it makes its determination.⁹⁸ In this case, the Department has reason to believe or suspect that prices of exports from India, Indonesia, and South Korea are subsidized. The Department has found in other proceedings that these countries maintain broadly available, non-industry-specific export subsidies and, consequently, it is reasonable to infer that all exports from these countries to all markets may be subsidized.⁹⁹ Therefore, the Department has not used data from these countries in calculating Thai import-based surrogate values.

Additionally, the Department disregarded data from NME countries when calculating Thai import-based per-unit surrogate values. The Department also excluded from the calculation of Thai import-based per-unit surrogate values imports labeled as originating from an “unidentified” country because the Department could not be certain that these imports were not from either an NME country or a country with generally available export subsidies.¹⁰⁰

In Labor Methodologies,¹⁰¹ the Department determined that the best methodology to value the labor input is to use industry-specific labor rates from the primary surrogate country. Additionally, the Department determined that the best data source for industry-specific labor rates is Chapter 6A: Labor Cost in Manufacturing from the International Labor Organization (“ILO”) Yearbook of Labor Statistics (“Yearbook”).

For the preliminary determination, we have valued labor using data from the 2007 Industrial Census data published by Thailand’s National Statistics Office (the “2007 Thai NSO data”). Although the 2007 Thai NSO data are not from the ILO, we find that this fact does not preclude us from using this source for valuing labor. In Labor Methodologies, we decided to change to the use of ILO Chapter 6A from the use of ILO Chapter 5B data, on the rebuttable presumption

⁹⁸ See Omnibus Trade and Competitiveness Act of 1988, Conference Report, H.R. Rep. 100-576 at 590 (1988); Preliminary Determination of Sales at Less Than Fair Value and Postponement of Final Determination: Coated Free Sheet Paper from the People’s Republic of China, 72 FR 30758, 30763 (June 4, 2007), unchanged in Final Determination of Sales at Less Than Fair Value: Coated Free Sheet Paper from the People’s Republic of China, 72 FR 60632 (October 25, 2007); Polyethylene Terephthalate Film, Sheet, and Strip from the People’s Republic of China: Preliminary Determination of Sales at Less Than Fair Value, 73 FR 24552, 24559 (May 5, 2008), unchanged in Polyethylene Terephthalate Film, Sheet, and Strip from the People’s Republic of China: Final Determination of Sales at Less Than Fair Value, 73 FR at 55039 (September 24, 2008).

⁹⁹ See Notice of Final Determination of Sales at Less Than Fair Value and Negative Final Determination of Critical Circumstances: Certain Color Television Receivers From the People’s Republic of China, 69 FR 20594 (April 16, 2004), and accompanying Issues and Decision Memorandum at Comment 7; Carbazole Violet Pigment 23 from India: Final Results of the Expedited Five-year (Sunset) Review of the Countervailing Duty Order, 75 FR 13257 (March 19, 2010), and accompanying Issues and Decision Memorandum at 4-5; Certain Cut-to-Length Carbon-Quality Steel Plate from Indonesia: Final Results of Expedited Sunset Review, 70 FR 45692 (August 8, 2005), and accompanying Issues and Decision Memorandum at 4; and Corrosion-Resistant Carbon Steel Flat Products from the Republic of Korea: Final Results of Countervailing Duty Administrative Review, 74 FR 2512 (January 15, 2009), and accompanying Issues and Decision Memorandum at 17, 19-20.

¹⁰⁰ See Notice of Preliminary Determination of Sales at Less Than Fair Value and Postponement of Final Determination: Chlorinated Isocyanurates From the People’s Republic of China, 69 FR 75294, 75301 (December 16, 2004), unchanged in Notice of Final Determination of Sales at Less Than Fair Value: Chlorinated Isocyanurates From the People’s Republic of China, 70 FR 24502 (May 10, 2005).

¹⁰¹ See Antidumping Methodologies in Proceedings Involving Non-Market Economies: Valuing the Factor of Production: Labor, 76 FR 36092 (June 21, 2011) (“Labor Methodologies”).

that Chapter 6A data better account for all direct and indirect labor costs.¹⁰² We did not, however, preclude all other sources for evaluating labor costs in NME AD proceedings. Rather, we continue to follow our practice of selecting the best available information to determine SVs for inputs such as labor.¹⁰³ In this case, of the Thai labor data available (the ILO data for Chapter 6A (2000) and Chapter 5B (2003) data, and the 2007 Thai NSO data (2006)) for valuing respondents' labor inputs, we found that the 2007 Thai NSO data are the best available information because the 2007 Thai NSO data are industry-specific and more contemporaneous than the ILO data.¹⁰⁴ Thus, we valued respondent's labor input using the 2007 Thai NSO data.

As stated above, the Department used the 2007 Thai NSO data, which reflects all costs related to manufacturing labor, including wages, benefits, housing, training, etc. Because the financial statements used to calculate the surrogate financial ratios include itemized details of indirect labor costs, the Department made adjustments to the surrogate financial ratios.¹⁰⁵

We valued electricity using the POI electricity data from the Electricity Generating Authority of Thailand 2012 annual report, which contains pricing data for electricity rates and inflated accordingly. These electricity rates represent publicly available, broad-market averages.¹⁰⁶

We valued water using Thai data based on The Metropolitan Waterworks Authority (<http://www.mwa.co.th>).¹⁰⁷

We valued truck freight expenses using data from the World Bank's Doing Business 2014, Economy Profile: Thailand publication and used a calculation methodology based on a 20-foot container weighing 10,000 kilograms and an average distance of 76.67 kilometers. We did not inflate this price because it is contemporaneous with the POI.¹⁰⁸

We valued brokerage and handling expenses using a price list of export procedures necessary to export a standardized cargo of goods in Thailand, as published in the World Bank's Doing Business 2014, Economy Profile: Thailand publication, which is compiled based on a survey case study of the procedural requirements for trading a standard shipment of goods by ocean transport in Thailand.¹⁰⁹

The record contains three Thai financial statements, Linde (Thailand) PLC ("Linde"), Thai-Japan Gas Co., Ltd. ("Thai-Japan") and Thai Central Chemical Public Company ("Thai Central"). In choosing surrogate financial ratios, it is the Department's practice to use data from market-economy surrogate companies based on the "specificity, contemporaneity, and quality of the

¹⁰² See id.

¹⁰³ See 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 6-C; and Drawn Stainless Steel Sinks From the People's Republic of China: Investigation, Final Determination, 78 FR 13019 (February 26, 2013), and accompanying Issues and Decision Memorandum at Comment 3.

¹⁰⁴ See Preliminary SV Memo.

¹⁰⁵ Id.

¹⁰⁶ Id.

¹⁰⁷ Id.

¹⁰⁸ Id.

¹⁰⁹ Id.

data.”¹¹⁰ Additionally, it is the Department’s practice to disregard financial statements where we have reason to believe or suspect that the company has received actionable subsidies, if there is other usable data on the record.¹¹¹

With respect to the Thai financial statements of Thai Central Chemical Public Company (“Thai Central”), we note that Thai Central is a manufacturer of chemical fertilizers and chemicals gases products that are not as comparable to tetrafluoroethane as Linde’s and Thai-Japan’s industrial gases, therefore, we have determined not to use Thai Central’s financial statements to calculate the surrogate financial ratios. With respect to Linde, while they produce a product that is more comparable to tetrafluoroethane, industrial gases, we note that Linde receives benefits under Investment Promotion Rights from the Thai Board of Investment. The Department has found this program to be countervailable.¹¹²

Thai-Japan’s financial statements indicate that it is a Thai manufacturer of industrial gases.¹¹³ While this company produces comparable rather than identical merchandise, its financial statements and accompanying notes indicate that it has an industrial gas production processes, which is similar to that of the respondents.¹¹⁴ Accordingly, for this preliminary determination we have calculated the surrogate financial ratios based on the financial statement of Thai-Japan, which we find to be the best available information on the record because it does not contain evidence that the company received a countervailable subsidy during the POR from a program previously investigated by the Department and is from a producer of comparable merchandise.

Additionally, we note that Thai-Japan financial statements do not break out energy or labor expenses in the notes to their income statement. When the Department is unable to segregate and, therefore, include expenses in the calculation of the surrogate financial ratio that would otherwise be included in the normal value calculation, it is the Department’s practice to disregard these expenses in the calculation of normal value in order to avoid double-counting costs which have necessarily been captured in the surrogate financial ratios.¹¹⁵ Here, we will not disregard energy or labor in the normal value calculation because, except for depreciation, all of Thai-Japan’s cost of sales is treated as material, labor and energy in the surrogate financial ratio calculation, therefore, we are not double counting these expenses when we include energy and labor in our normal value calculation.

¹¹⁰ See Diamond Sawblades and Parts Thereof from the People’s Republic of China: Final Determination of Sales at Less Than Fair Value and Final Partial Affirmative Determination of Critical Circumstances, 71 FR 29303 (May 22, 2006), and accompanying Issues and Decision Memorandum at Comment 1

¹¹¹ See Certain New Pneumatic Off-The-Road Tires from the People’s Republic of China: Final Affirmative Determination of Sales at Less Than Fair Value and Partial Affirmative Determination of Critical Circumstances, 73 FR 40485 (July 15, 2008) at Comment 17A.

¹¹² See Certain Frozen Warmwater Shrimp From Thailand: Final Negative Countervailing Duty Determination, 78 FR 50379 (August 19, 2013).

¹¹³ See Weiron’s April 21, 2014 surrogate value submission, at Exhibit 14.

¹¹⁴ Id.

¹¹⁵ See Citric Acid and Certain Citrate Salts From the People’s Republic of China: Final Affirmative Determination of Sales at Less Than Fair Value, 74 FR 16838, 16839 (April 13, 2009), and accompanying Issues and Decision Memorandum at Comment 2.

Comparisons to Normal Value

Pursuant to section 773(a)(1)(B) of the Act and 19 CFR 351.414(c)(1) and (d), to determine whether Weitron's and Bluestar's sales of the subject merchandise to the United States were made at less than NV, the Department compared the EP (or CEP) to the NV as described in the "Export Price," "Constructed Export Price" and "Normal Value" sections of this memorandum.

A. *Determination of Comparison Method*

Pursuant to 19 CFR 351.414(c)(1), the Department calculates individual dumping margins by comparing weighted-average NVs to weighted-average EPs or CEPs (the average-to-average ("A-A") method) unless the Secretary determines that another method is appropriate in a particular situation. In antidumping duty investigations, the Department examines whether to compare weighted-average NVs to the EPs or CEPs of individual transactions (the average-to-transaction ("A-T") method) as an alternative comparison method using an analysis consistent with section 777A(d)(1)(B) of the Act.

In recent investigations and reviews, the Department applied a "differential pricing" analysis to determine whether application of A-T 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.¹¹⁶ The Department finds that the differential pricing analysis used in those recent investigations and reviews 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 A-A method in calculating weighted-average dumping margins.¹¹⁷

The differential pricing analysis used in this preliminary determination requires a finding of a pattern of EPs (or CEPs) for comparable merchandise that differs significantly among purchasers, regions, or time periods. When we find such a pattern the differential pricing analysis evaluates whether such differences can be taken into account when using the A-A 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 periods, and comparable merchandise, which is defined by the parameters within each respondents reported data fields, e.g., reported consolidated customer code; reported destination code (e.g., zip codes or cities) and are grouped into regions based

¹¹⁶ See, e.g., Hardwood and Decorative Plywood From the People's Republic of China: Final Determination of Sales at Less Than Fair Value, 78 FR 58273 (September 23, 2013) and accompanying Issues and Decisions Memorandum at Comment 5. Differential pricing was also used in the recent antidumping duty administrative review of certain activated carbon from the People's Republic of China: Certain Activated Carbon From the People's Republic of China: Preliminary Results of Antidumping Duty Administrative Review; 2011-2012, 78 FR 26748 (May 8, 2013), unchanged in Certain Activated Carbon From the People's Republic of China: Final Results of Antidumping Duty Administrative Review; 2011-2012, 78 FR 70533 (November 26, 2013) and accompanying Issues and Decisions Memorandum at Comments 2-4.

¹¹⁷ See id.

upon standard definitions published by the U.S. Census Bureau; and quarters within the POI 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* coefficient is calculated 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. The Cohen’s *d* coefficient evaluates 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. One of three fixed thresholds defined by the Cohen’s *d* test can quantify the extent of these differences: 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, and the sales are considered to have passed the Cohen’s *d* test, 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 prices that differ significantly supports the consideration of the application of the A-T method to all sales as an alternative to the A-A 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 A-T method to those sales identified as passing the Cohen’s *d* test as an alternative to the A-A method, and application of the A-A 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 A-A 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 prices 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 A-A 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 A-A method only. If the difference between the two calculations is meaningful, this demonstrates that the A-A method cannot account for differences such as those observed in this analysis, and, therefore, an alternative method would be appropriate. A meaningful difference in the weighted-average

dumping margins occurs if (1) there is a 25 percent relative change in the weighted average dumping margin between the A-A method and the appropriate alternative method where both rates are above the de minimis threshold 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 this preliminary determination, including arguments for modifying the group definitions used in this proceeding.

B. Results of the Differential Pricing Analysis

For Weitron, based on the results of the differential pricing analysis, the Department finds that 75 percent of Weitron's constructed export price sales confirm the existence of a pattern of CEPs for comparable merchandise that differ significantly among purchasers, regions or time periods.¹¹⁸ Further, the Department determines that the A-A method can appropriately account for such differences because there is not a meaningful difference in the weighted-average dumping margin when calculated using the A-A method and the alternative method.¹¹⁹ For Bluestar, the Department finds that 34 percent of Bluestar's export price sales confirm the existence of a pattern of CEPs for comparable merchandise that differ significantly among purchasers, regions or time periods.¹²⁰ Further, the Department determines that the A-A method can appropriately account for such differences because there is not a meaningful difference in the weighted-average dumping margin when calculated using the A-A method and the alternative method. Accordingly, the Department has determined to use the A-A method in making comparisons of EP or CEP and NV for Weitron and Bluestar.¹²¹

Currency Conversion

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

Verification

As provided in section 782(i)(1) of the Act, we intend to verify the information from Weitron and Bluestar upon which we will rely in making our final determination.

¹¹⁸ See Weitron Prelim Analysis Memo.

¹¹⁹ See *id.*

¹²⁰ See Bluestar Prelim Analysis Memo.

¹²¹ In these preliminary results, the Department applied the weighted-average dumping margin calculation method adopted in Antidumping Proceedings: Calculation of the Weighted-Average Dumping Margin and Assessment Rate in Certain Antidumping Duty Proceedings; Final Modification, 77 FR 8101, 8104 (February 14, 2012). In particular, the Department compared monthly weighted-average export prices with monthly weighted-average NVs and granted offsets for non-dumped comparisons in the calculation of the weighted-average dumping margin.

Section 777A(f) of the Act

In applying section 777A(f) of the Act, the Department has examined (1) whether a countervailable subsidy (other than an export subsidy) has been provided with respect to a class or kind of merchandise, (2) whether such countervailable subsidy has been demonstrated to have reduced the average price of imports of the class or kind of merchandise during the relevant period, and (3) whether the Department can reasonably estimate the extent to which that countervailable subsidy, in combination with the use of NV determined pursuant to section 773(c) of the Act, has increased the weighted average dumping margin for the class or kind of merchandise.¹²² For a subsidy meeting these criteria, the statute requires the Department to reduce the AD by the estimated amount of the increase in the weighted average dumping margin subject to a specified cap.¹²³ In conducting this analysis, the Department has not concluded that concurrent application of NME ADs and CVDs necessarily and automatically results in overlapping remedies. Rather, a finding that there is an overlap in remedies, and any resulting adjustment, is based on a case-by-case analysis of the totality of facts on the administrative record for that segment of the proceeding as required by the statute. As a result of our analysis, the Department is preliminarily not making adjustments pursuant to section 777A(f) of the Act to the AD cash deposit rate found for each respondent in this investigation.

This preliminary determination is based on information on the administrative record provided by the mandatory respondents in this investigation. Specifically, both Weitron and Bluestar reported that, they did not participate in any of the subsidy program under review in the concurrent countervailing duty (“CVD”) proceeding during the POI.¹²⁴ Because both respondents claim to have not participated in any of the subsidy program under review in the concurrent CVD proceeding during the POI, the Department is not applying an adjustment under section 777A(f) of the Act in this preliminary determination.

International Trade Commission Notification

In accordance with section 733(f) of the Act, we have notified the ITC of our preliminary affirmative determination of sales at LTFV. Section 735(b)(2) of the Act requires the ITC to make its final determination as to whether the domestic industry in the United States is materially injured, or threatened with material injury, by reason of imports of tetrafluoroethane, or sales (or the likelihood of sales) for importation, of the merchandise under consideration within 45 days of our final determination.

We will make our final determination no later than 135 days after the date of publication of this preliminary determination, pursuant to section 735(a)(2) of the Act.

¹²² See section 777A(f)(1)(A)-(C) of the Act.

¹²³ See section 777A(f)(1)-(2) of the Act.

¹²⁴ See Weitron’s April 17, 2014, supplemental section D questionnaire response at 13 and Bluestar’s March 31, 2014, supplemental section D questionnaire response at 18.

Conclusion

We recommend applying the above methodology for this preliminary determination.

Agree

Disagree

Paul Piquado
Assistant Secretary
for Enforcement and Compliance

(Date)