



A-570-831
New Shipper Review
POR: 11/01/2012- 4/30/2013
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October 8, 2014

MEMORANDUM TO: Paul Piquado
Assistant Secretary
for Enforcement and Compliance

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

SUBJECT: Issues and Decision Memorandum for the Final Results of
Antidumping Duty Semiannual New Shipper Review on Fresh
Garlic from the People's Republic of China: Jinxiang Merry
Vegetable Co., Ltd. ("Merry") and Cangshan Qingshui Vegetable
Foods Co., Ltd. ("Qingshui")

SUMMARY

The Department of Commerce (Department) analyzed the surrogate value comments, case briefs, and rebuttal briefs submitted by interested parties in the new shipper review of the antidumping duty order on fresh garlic from the People's Republic of China (PRC). As a result of this analysis, we have made no changes to our calculations in the Preliminary Results. We recommend that you approve the positions described in the "Discussion of the Issues" section of this memorandum.

BACKGROUND

On May 20, 2014, the Department published the preliminary results of this new shipper review.¹ The review covers two new shippers, Jinxiang Merry Vegetable Co., Ltd. (Merry) and Cangshan Qingshui Vegetable Foods Co., Ltd. (Qingshui). The period of review (POR) is November 1, 2012, through April 30, 2013. On June 19, 2014, respondents submitted a joint case brief and separately requested a hearing. The petitioners² did not file a case brief but submitted rebuttal comments on June 24, 2014. On June 30, the petitioners submitted comments on the calculations

¹ See *Fresh Garlic From the People's Republic of China: Preliminary Results of the New Shipper Review of Jinxiang Merry Vegetable Co., Ltd. and Cangshan Qingshui Vegetable Foods Co., Ltd.*, 79 FR 28895 (May 20, 2014) (*Preliminary Results*) and accompanying Issues and Decision Memorandum (PDM).

² The petitioners in this new shipper review are the Fresh Garlic Producers Association and its individual members: Christopher Ranch L.L.C., The Garlic Company, Valley Garlic, and Vessey and Company, Inc.



of the preliminary results.³ On July 23, 2014, the Department extended these final results to October 10, 2014 in accordance with section 751(a)(2)(B) of the Tariff Act of 1930, as amended (the Act) and 19 CFR 351.214(i)(2).⁴ On September 4, 2014, the Department held a public hearing regarding this review.

SCOPE OF THE ORDER

The products covered by the order are all grades of garlic, whole or separated into constituent cloves, whether or not peeled, fresh, chilled, frozen, water or other neutral substance, but not prepared or preserved by the addition of other ingredients or heat processing. The differences between grades are based on color, size, sheathing, and level of decay. The scope of the order does not include the following: (a) Garlic that has been mechanically harvested and that is primarily, but not exclusively, destined for non-fresh use; or (b) garlic that has been specially prepared and cultivated prior to planting and then harvested and otherwise prepared for use as seed. The subject merchandise is used principally as a food product and for seasoning. The subject garlic is currently classifiable under subheadings: 0703.20.0000, 0703.20.0010, 0703.20.0015, 0703.20.0020, 0703.20.0090, 0710.80.7060, 0710.80.9750, 0711.90.6000, 0711.90.6500, 2005.90.9500, 2005.90.9700, 2005.99.9700, and of the Harmonized Tariff Schedule of the United States (HTSUS).⁵

Although the HTSUS subheadings are provided for convenience and customs purposes, our written description of the scope of the order is dispositive. In order to be excluded from the order, garlic entered under the HTSUS subheadings listed above that is (1) mechanically harvested and primarily, but not exclusively, destined for non-fresh use or (2) specially prepared and cultivated prior to planting and then harvested and otherwise prepared for use as seed must be accompanied by declarations to U.S. Customs and Border Protection to that effect.

DISCUSSION OF THE ISSUES

Comment 1: Selection of the Surrogate Country

A. Three-Prong Analysis to the Surrogate Country Selection

When the Department is investigating or reviewing imports from a non-market economy (NME) country, section 773(c)(1) of the Act directs us 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 appropriate by the Department. In

³ See Letter from the petitioners, "21st New Shipper Review of Fresh Garlic from the People's Republic of China - Petitioners' Comments on Surrogate Value Workbook," dated June 30, 2014 (Petitioners' SV Workbook Comments).

⁴ See Memorandum to Christian Marsh, Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations from Hilary E. Sadler, Esq., Senior International Trade Compliance Analyst, Office VII, Antidumping and Countervailing Duty Operations, "Fresh Garlic from the People's Republic of China: Extension of Deadline for the Final Results of the Reviews of Cangshan Qingshui Vegetable Foods Co., Ltd. and Jinxiang Merry Vegetable Foods Co., Ltd." dated July 23, 2014.

⁵ See *Antidumping Duty Order: Fresh Garlic From the People's Republic of China*, 59 FR 59209 (November 16, 1994).

accordance with section 773(c)(4) of the Act, in valuing FOPs, the Department shall utilize, to the extent possible, the prices or costs of the FOPs in one or more ME countries that (a) are at a level of economic development comparable to that of the NME country and (b) are significant producers of comparable merchandise.⁶ Moreover, it is the Department's practice to select an appropriate surrogate country (SC) based on the availability and reliability of data from the countries.

For the *Preliminary Results*, we found that none of the countries on the Surrogate Country List⁷ produce garlic similar in bulb size to the PRC.⁸ Petitioners and respondents placed information on the record showing that Romania and India, respectively, produce garlic similar in size to that of the PRC, so we considered surrogate values from India and Romania and evaluated which country's pricing data is the most reliable.⁹ Because we were able to tie the Romanian garlic prices from official government sources to the Food and Agriculture Organization (FAO) data, whereas the Indian data could not be tied to FAO data, and the Romanian garlic prices are more contemporaneous than the Indian garlic prices, we preliminarily found the Romanian pricing data to be a more reliable surrogate value.¹⁰

1. Economic Comparability

Respondents:

- The Department correctly found both India and Romania to be comparable to the PRC based on gross national income.

Petitioners:

- Romania is more economically comparable to the PRC than India based on the Department's preliminary finding that India is at a less comparable level of economic development than the countries included on the Surrogate Country List.
- The Department did not select India as the surrogate country in the previous recently-completed administrative review.

Department's Position: Section 773(c)(4)(A) of the Act is silent with respect to how the Department may determine that a country is economically comparable to the NME country. Our long-standing practice is to identify those countries at the same level of economic development as the PRC in terms of *per capita* gross national income (GNI) relying on data available from the World Development Report provided by the World Bank.¹¹ The range of GNI represented by the list of potential surrogate countries ranges from \$3,420 to \$7,610. In the *Preliminary*

⁶ See *Policy Bulletin 04.1: Non-Market Economy Surrogate Country Selection Process* (March 1, 2004) (*Policy Bulletin*).

⁷ See Letter to All Interested Parties, "2012-2013 Semi-Annual Review of the Antidumping Duty Order on Fresh Garlic from the People's Republic of China: Request for Surrogate Country and Surrogate Value Comments and Information" (Surrogate Country List) (February 12, 2014).

⁸ See PDM at 7.

⁹ *Id.* at 9.

¹⁰ *Id.*

¹¹ See e.g., *Pure Magnesium from the People's Republic of China: Final Results of the 2008-2009 Antidumping Duty Administrative Review of the Antidumping Duty Order*, 75 FR 80791 (Dec. 23, 2010) and accompanying Issues and Decision Memorandum at Comment 4.

Results, we found that Romania and India, countries not identified on the initial surrogate country list, nevertheless satisfy the statute's requirement that the surrogate country be at a comparable level of economic development as the PRC.¹² The Department, however, continues to find India (\$1,530 GNI) to be at a less comparable level of economic development than that represented by the six countries on the initial surrogate country candidate list, but still comparable to that of the PRC. We also continue to find that Romania (\$8,420 GNI) satisfies the statute's requirement that the surrogate country be at a comparable level of economic development as the PRC. We next evaluated these two countries in terms of significant production of comparable merchandise.

2. Significant Producer of Comparable Merchandise

Respondents:

- Romanian production of comparable garlic is at best, only partially met based on Petitioners' information on the record showing that only one of the five varieties of garlic is similar in size to garlic produced in the PRC, and that one variety is only produced regionally.
- Petitioners' evidence of the one variety of very large garlic produced in Romania was based on an offer dated after the POR, indicating that none of the Romania garlic sold in the POR was similar to PRC garlic.
- India is the only significant producer of garlic and therefore, the only country that qualifies as an appropriate surrogate country.
- No record evidence exists to support the preliminary conclusion that Indian Azadpur Market garlic prices reflect only regional prices. The Department relied on these Azadpur Market garlic prices in numerous reviews because the data included product-specific garlic prices from all over India.¹³
- The Department has used India as the surrogate country for nearly 15 years in previous administrative reviews because India had the second largest market for garlic and produced size A and Super A garlic that were comparable to PRC garlic.
- The Department did not base its decision on significant production of garlic on substantial evidence because no data was submitted on the record regarding garlic production by the world, the PRC, India, or the top ten exporters of garlic during the POR.

Petitioners:

- Romania is a significant producer of fresh garlic, with a total production of 59,368 metric tons in 2012 according to FAO data.
- Respondents did not develop the administrative record concerning the volume of fresh garlic produced in India.
- Respondents engage in complete speculation in calculating the production volume of Romanian garlic comparable to PRC garlic and provide no evidence from the administrative record to support these assertions.

¹² See PDM at 6.

¹³ See *Fresh Garlic from the People's Republic of China: Final Results and Final Rescission, in Part, of the 2008-2009 Antidumping Duty Administrative Review*, 76 FR 37321 (June 27, 2011) and accompanying Issues and Decision Memorandum at 12

- Garlic produced in the PRC is medium, large, and extra-large in size, as found in previous administrative reviews and by the International Trade Commission, noting that most of the PRC garlic exported to the United States is 38mm to 63mm.¹⁴
- The Department's *Policy Bulletin* makes it clear that the standard of being a significant producer is not judged relative to the production of the subject country.
- If the Department should select a surrogate market country that is a significant producer relative to the production of garlic in the PRC, then the Department would act in opposition to the *Policy Bulletin*.
- Respondents submitted information on the record that Indian garlic similar to PRC garlic is grown in limited areas of northern India and is distinct from the vast majority of garlic bulbs grown in India, which are a relatively small in size.

Department's Position: In the *Preliminary Results*, we found both India and Romania are significant producers of comparable merchandise.¹⁵ Although respondents argue that the record is missing certain information needed to determine world production of garlic in the POR, our review of the record shows that the record does include PRC production information, as well as production information from the six countries included on the Surrogate Country List, and five additional countries not listed, including Romania and India.¹⁶ According to the FAO information, Romania produced 59,368 metric tons in 2012; India produced 1,150,000 metric tons in 2013; and, the PRC produced 20,082,000 metric tons in 2012.¹⁷ Accordingly, the Department has sufficient information on the record to reach our finding that both Romania and India were significant producers of garlic during the POR.

As noted by Petitioners, this finding is consistent with *Policy Bulletin* stating “a significant producer should not be judged against that NME country’s production level or the comparative production of the five or six countries on OP’s surrogate country list. Because the meaning of ‘significant producer’ can differ significantly from case to case, fixed standards such as ‘one of the top five producers’ have not been adopted.”¹⁸ Here we find both Romania’s and India’s production of garlic to be significant.

We also determine that the petitioners have provided sufficient evidence to establish that the garlic produced in Romania is comparable to the sizes of garlic bulbs produced in the PRC. Respondents provided no record evidence to support their arguments that the record information provided by Petitioners regarding the size dimensions of the garlic produced in Romania during the POR is unreliable.¹⁹ The information provided by Petitioners shows that at least two

¹⁴ See *Fresh Garlic from China*, Inv. No. 731-TA-683 (Third Sunset), USITC Pub. 4316 (April 2012) at 1-10.

¹⁵ See *PDM* at 8.

¹⁶ See Letter from Petitioners, “21st New Shipper Review of Fresh Garlic from the People's Republic of China – Petitioners’ Comments on List of Potential Surrogate Countries and Surrogate Country Selection,” (February 28, 2014) (Petitioners’ SC Comments) at 3 (chart); see also, Letter from Merry and Qingshui, “Fresh Garlic from the People’s Republic of China: Surrogate Country Recommendation,” (March 24, 2014) (Respondents’ SC Comments) at Exhibit A.

¹⁷ See Petitioners’ SC Comments at 3; see also Respondents SC Comments at Exhibit A.

¹⁸ See *Policy Bulletin* at 3.

¹⁹ See Letter from Petitioners, “21st New Shipper Review of Fresh Garlic from the People's Republic of China - Petitioners’ Comments on Surrogate Values,” (April 9, 2014) (Petitioners’ SV Comments), at Exhibits SC-1 and SC-2.

varieties of garlic historically grown in Romania fall within the large-sized garlic categories of 40-60 mm and account for the largest production capacity.²⁰ In addition, the Romanian price offering submitted on the record by Petitioners shows that very large garlic within the 60-70 mm size range was produced in Romania as part of the 2013 crop harvest.²¹

Respondents argue that only a fraction of the Romanian garlic bulb production is comparable to PRC garlic. However, record evidence shows that Romania is a significant producer of comparable garlic bulbs. This satisfies the statutory requirement and Commerce's longstanding policy. The Department has never conducted a specificity analysis to determine comparability for purposes of satisfying section 773(c)(4)(B) of the Act and Policy Bulletin 4.01.²² Therefore, any discussion as to garlic varieties is a red herring.

We continue to find that the factual information we relied on in the *Preliminary Results* demonstrates that the garlic produced in Romania is comparable to the sizes of garlic bulbs produced in the PRC. Romania and India are therefore both significant producers of garlic. We next evaluated them based on quality and public availability of data.

3. Quality and Public Availability of Data

Respondents:

- The Department has previously relied on the Azadpur Market garlic prices in numerous administrative reviews.
- There is no record evidence to support a conclusion that Indian prices are only regional as stated in the Decision Memorandum, and the Department completely contradicts its previous findings that the Indian Azadpur Market is the best available information to value garlic bulbs.
- Romanian data only show a single price for all sizes of garlic in Romania, which is not specific to grade A or Super A sized garlic bulbs.
- The Romanian garlic price includes garlic that is not sold in the PRC, e.g., 25mm, 30mm, and 35mm.
- The Romanian price is too broad and not specific to the PRC garlic.
- The Romanian financial statement does not seem to be publicly available.
- Garlic grown in Romania is subject to several artificial constructs, such as being protected by high tariffs and quotas.
- The official Romanian garlic price data are not clear that these prices are exclusive of subsidies.

Petitioners:

- The quality and reliability of the Romanian data are superior to the Indian data.
- Romanian data are fully contemporaneous with the period of review.
- Indian Grade Super A data do not exist after February 2008, which pre-dates this period of review by five years.

²⁰ *Id.* at SC-1.

²¹ *Id.* at SC-3.

²² A discussion of specificity is included below under section 3 "Quality and Public Availability of Data."

- Romanian data reflect monthly data on the average national farmgate price of garlic.
- The Romanian financial statement used in the preliminary results is publicly available, because the company's stock is publicly traded on the Bucharest Stock Exchange and its registration information is from the Ministry of Public Finance.
- The Indian prices are from a regional market and do not reflect nationwide pricing.
- No evidence on the record supports a conclusion that Romanian garlic is subsidized.
- Respondents mischaracterize the significance of Romanian tariffs and quotas on fresh garlic imports.
- Record information from the respondents establishes that the Indian government maintains extremely high tariffs on fresh garlic imports.
- In *Garlic 16*,²³ the Department stated that the Indian market is closed to PRC garlic imports.
- Romania does not ban garlic imports from the PRC.
- Respondents have identified no record information that the European Union tariffs and quota on fresh garlic imports have a significant impact on prices for fresh garlic in Romania.
- The Department declined to rely on India as the surrogate country in the most recently-completed administrative review.

Department's Position: After weighing the information placed on the record of this case, as well as the arguments presented by interested parties following the *Preliminary Results*, the Department determined that the best surrogate value for raw garlic bulb inputs is the pricing data from the Romanian National Institute of Statistics, which are consistent with the prices published in the FAO data.²⁴ When selecting the "best available information" for valuing FOPs for use in an NME proceeding, pursuant to section 773(c)(1) of the Act, our practice, as affirmed by the CIT, is to select values that are: (1) specific; (2) based on broad market average; (3) contemporaneous; (4) exclusive of taxes and duties; and, (5) publicly available.²⁵

Respondents argue that Romanian garlic is not comparable in size to PRC garlic. However, given the evidence on the record, the Department continues to find that the garlic produced in Romania is comparable to the sizes of garlic bulbs produced in the PRC. The information provided by Petitioners shows that at least two varieties of garlic historically grown in Romania fall within the large-sized garlic categories of 40-60 mm and account for the largest production capacity in Romania.²⁶ In addition, the Romanian price offering submitted on the record by Petitioners shows that very large garlic within the 60-70 mm size range was produced in Romania during the POR as part of the 2013 crop harvest.²⁷ Furthermore, information on the record shows that during the POR, the PRC exported to the United States both medium and large

²³ See *Fresh Garlic from the People's Republic of China: Final Results of the 2009-2010 Administrative Review of the Antidumping Duty Order*, 77 FR 34346 (June 11, 2012).

²⁴ *Id.* at 9.

²⁵ See *Notice of Final Determination of Sales at Less Than Fair Value: Carbazole Violet Pigment 23 from the People's Republic of China*, 69 FR 67304 (Nov. 17, 2004), and accompanying Issues and Decision Memorandum at Comment 3; see also *Allied Pacific Food (Dalian) Co. Ltd. v. U.S.*, 716 F. Supp. 2d 1339, 1343 (CIT 2010).

²⁶ See Petitioners' SV Comments at Exhibit SC-1.

²⁷ *Id.* at SC-3.

size garlic with diameters from 30-65 mm.²⁸ Therefore, the Department continues to find the Romanian and Indian garlic to be comparable to the garlic produced in the PRC.

The Department does not agree with respondents that we should limit our analysis to just the one largest variety of garlic grown in Romania. Respondents first argue that only the one largest variety of garlic grown in Romania can be considered “similar” to PRC garlic, and then attempt to derive what portion of this total garlic production in Romania can be attributed to this one variety. Even assuming *arguendo*, that the Department would consider just this one variety to be the only comparable garlic produced in Romania, we would not accept the methodology employed by respondents because it erroneously assumes that all varieties of garlic planted in the fall develop and mature at the same rate at the same production capacity.²⁹ The information on the record shows that three of the five varieties of garlic grown in Romania are planted in fall (two large-sized garlic and one medium-sized garlic); two of the three have different “Precocity” or development periods from “early” to “semi-late;” and all three varieties have different ranges with regards to production capacity.³⁰ Respondents’ arguments failed to account for these factors.

The Department has previously found that FAO data are tax and duty exclusive and represent the broadest market average of “prices received by farmers (called Producer prices) for primary crops . . . at the point of initial sale (prices paid at the farmgate).”³¹ The Department has previously found the Azadpur Market garlic prices from India include additional charges beyond the “farmgate” price.³² Therefore, we find the Romanian FAO data to be more specific as they represent prices paid at the farmgate, and they also provides the broadest market average.

Additionally, the Romanian garlic prices are fully contemporaneous, whereas the Indian garlic prices, including, in part, Super A size garlic prices from February 2007 to January 2008, are less contemporaneous. In addition, the Indian garlic prices cannot be tied to FAO data. Thus, we continue to find the Romanian garlic prices to be the best available information because the Romanian garlic prices are: (1) specific; (2) based on the broadest market average; (3) contemporaneous; (4) exclusive of taxes and duties; and, (5) publicly available.

Respondents’ argument that the Romanian garlic prices include subsidies is solely based on a definition in the FAO report noting the absence of subsidies in the reported price. This definition specifically notes that these prices do not include transport or storage costs, subsidies, or VAT.³³ There is no material evidence that the price contains and is distorted by subsidies. This allegation is without merit.

²⁸ *Id.* at SC-2.

²⁹ See Respondents’ Case Brief, “Fresh Garlic {from} the People’s Republic of China: Case Brief,” (Respondents’ Case Brief) (June 19, 2014), at 7.

³⁰ See Petitioners’ SC Comments at SC-1.

³¹ See *Fresh Garlic From the People’s Republic of China: Final Results of Antidumping Duty Administrative Review; 2010-2011*, 78 FR 36168 (June 17, 2013), and accompanying Issues and Decision Memorandum at 13-16.

³² See *Fresh Garlic from the People’s Republic of China: Final Results of the 2009-2010 Administrative Review of the Antidumping Duty Order*, 77 FR 34346 (June 11, 2012), and accompanying Issues and Decision Memorandum at Comment 5.

³³ See Petitioners’ SC Comments at Exhibit SC-1.

Finally, the mere existence of tariffs and quotas on imports of a product cannot be presumed to have an effect on prices of domestic production unless there is information on the record suggesting such an effect. The Department examined similar arguments made against the use of Indian prices based on an allegation of a ban on garlic imports, finding that even though garlic imports were dropping between 2007 and 2008, PRC garlic imports actually increased during this period.³⁴ Even though garlic imports appeared to stop in 2009, the Department still found that it was unclear as to why this happened and found that respondents had not demonstrated that the Government of India had undertaken steps to interfere or distort prices in the Indian garlic market.³⁵ In the instant case, respondents have not provided any information on the record to establish that these tariffs or quota have distorted garlic prices in the Romanian market. We find no evidence that the Government of Romania undertook steps to interfere or distort garlic prices during the POR.

B. General Challenge to Surrogate Country Selection Analysis

Respondents:

- The respondents argue that the Department needs to weigh the relative strength of the three selection criteria in identifying a surrogate country consistent with the findings made in *Ad Hoc Shrimp* and *Amanda Foods*.³⁶

Department Position: We find that the *Preliminary Results* are consistent with both court cases, *Amanda Foods* and *Ad Hoc Shrimp*. The court in *Amanda Foods* and *Ad Hoc Shrimp* held that the Department must analyze a potential surrogate country based on the three-prong analysis: economic comparability, significant producer of comparable merchandise, and availability and reliability of data.³⁷ In our preliminary findings and these final results, we analyzed all three criteria in evaluating and selecting the appropriate surrogate country, as discussed above. Thus, we continue to use Romania as the SC for these final results.

Comment 2: Adjustment of the Surrogate Value of “Other Materials”

*Petitioners:*³⁸

- The Department failed to properly account for “other materials” as stores and spares for repairs and maintenance (*i.e.*, as part of factory overhead). Instead, the Department erroneously combined the “other materials” expenses with “raw materials and consumables” costs.
- Because those “other materials” are not identified as raw materials or consumables in the company financial statement, the only appropriate treatment of those expenses is as either stores and spares (in which case they should be included as part of factory overhead) or as packing materials.

³⁴ See *Fresh Garlic from the People's Republic of China: Final Results of the 2009-2010 Administrative Review*, 77 FR 34346 (June 11, 2012), and accompanying Issues and Decision Memorandum at 6.

³⁵ *Id.*

³⁶ See Respondents' Case Brief at 9 citing *Amanda Foods (Vietnam) Ltd. v. United States*, 33 C.I.T. 1407 (Ct. Int'l Trade 2009) (*Amanda Foods*) and *Ad Hoc Shrimp Trade Action Comm. v. United States*, 882 F. Supp. 2d 1366, 1374 (Ct. Int'l Trade 2012) (*Ad Hoc Shrimp*).

³⁷ See *Amanda Foods* at 1412 ; see also *Ad Hoc Shrimp* at 1374.

³⁸ Petitioners comments can be found in Petitioners' SV Workbook Comments.

- Unless the Department treats packaging materials as part of the physical composition of subject merchandise, it will exclude packing materials from the “Materials, Labor, and Energy” denominator of the surrogate financial ratios in order to maintain parity between its calculation of per-unit expenses and the treatment of financial line-items.
- Petitioners note that only where the Department determines the packaging materials are so necessary to the physical survival of the subject merchandise (e.g., cans for canned pineapple or jars for preserved mushrooms) does it include the cost of the container materials in the raw materials calculation.

Department’s Position: We reviewed the information from the financial statement used to calculate the surrogate value financial ratios. The operating expense identified as “Other materials” does not include a line-item description of what these expenses represent.³⁹ However, our review of the “Profit and Loss” statement shows that these “Other materials” expenses were categorized with other material costs related to raw materials and consumables, energy and water, and cost of goods for resale.⁴⁰ Therefore, we reasonably attributed these expenses to “Materials, Labor, and Energy” in the absence of any other information available on the record. Petitioners have not provided any information from the record to support their claim that these expenses are related to either stores and spares or packing materials.

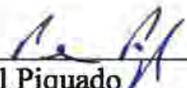
RECOMMENDATION

We recommend adopting the above positions. If these recommendations are accepted, we will publish the final results of this administrative review in the *Federal Register*.



 Agree

 Disagree



 Paul Piquado
 Assistant Secretary
 for Enforcement and Compliance

8 OCTOBER 2014
 (Date)

³⁹ See Petitioners’ SC Comments at Exhibit SV-8.

⁴⁰ *Id.* at Exhibit SV-8 and “Profit and loss account” section of financial statement.