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DATE: December 30, 2014

MEMORANDUM TO: Paul Piquado
Assistant Secretary
for Enforcement and Compliance

FROM: Gary Taverman 
Associate Deputy Assistant Secretary
for Antidumping and Countervailing Duty Operations

SUBJECT: Decision Memorandum for Preliminary Results of Antidumping
Duty New Shipper Review, 2012-2013: Multilayered Wood
Flooring from the People's Republic of China

SUMMARY

In response to a request from an interested party, the Department of Commerce ("Department") is conducting a new shipper review ("NSR") of the antidumping duty order on multilayered wood flooring ("MLWF") from the People's Republic of China ("PRC"). This review covers one exporter of subject merchandise, Linyi Anying Wood Co., Ltd. ("Anying"). The period of review ("POR") is December 1, 2012, through November 30, 2013. We preliminarily find that Anying has not made sales of subject merchandise at less than normal value ("NV").

BACKGROUND

On December 8, 2011, the Department published in the *Federal Register* an antidumping duty order on MLWF from the PRC.¹ On December 20, 2013, pursuant to section 751(a)(2)(B)(i) of the Tariff Act of 1930, as amended ("the Act"), and 19 CFR 351.214(b), the Department received a timely NSR request from Anying. Anying's request was made in December 2013, which is the annual anniversary month of the order. On January 24, 2014, the Department obtained U.S. Customs and Border Protection ("CBP") data for the Harmonized Tariff Schedule of the United States ("HTSUS") numbers included in the "Scope of the Order" section below.²

¹ See *Multilayered Wood Flooring from the People's Republic of China: Amended Final Determination of Sales at Less Than Fair Value and Antidumping Duty Order*, 76 FR 76690 (December 8, 2011).

² See Memorandum to the File from Maisha Cryor, International Trade Compliance Analyst, Enforcement and Compliance, Office IV, through Robert Bolling, Program Manager, Enforcement & Compliance, Office IV, regarding "Surrogate Value Memorandum for the Preliminary Results of New Shipper Review of Multilayered Wood Flooring from the People's Republic of China" (December 30, 2014) ("Preliminary Results Surrogate Value Memo").



On January 31, 2014, the Department initiated this NSR for Anying in order to determine whether imports into the United States of MLWF from the PRC are being sold below NV.³ On February 4, 2014, the Department also issued the antidumping questionnaire to Anying. On February 19, 2014, the Department obtained from CBP entry documentation regarding MLWF for this review. Between March 2014 and August 2014, we received timely questionnaire responses from the respondent.

On June 27, 2014, the Department extended the time period for issuing the preliminary results of this review by 120 days, until November 20, 2014.⁴ On November 12, 2014, the Department aligned this NSR with the second administrative review of MLWF from the PRC.⁵ On November 20, 2014, the Department extended the preliminary results until December 31, 2014 to align with the second administrative review of this proceeding.⁶

SCOPE OF THE ORDER

Multilayered wood flooring is composed of an assembly of two or more layers or plies of wood veneer(s). Veneer is referred to as a ply when assembled in combination with a core. The several layers, along with the core, are glued or otherwise bonded together to form a final assembled product. Multilayered wood flooring is often referred to by other terms, *e.g.*, “engineered wood flooring” or “plywood flooring.” Regardless of the particular terminology, all products that meet the description set forth herein are intended for inclusion within the definition of subject merchandise.

All multilayered wood flooring is included within the definition of subject merchandise, without regard to: dimension (overall thickness, thickness of face ply, thickness of back ply, thickness of core, and thickness of inner plies; width; and length); wood species used for the face, back and inner veneers; core composition; and face grade. Multilayered wood flooring included within the definition of subject merchandise may be unfinished (*i.e.*, without a finally finished surface to protect the face veneer from wear and tear) or “prefinished” (*i.e.*, a coating applied to the face veneer, including, but not exclusively, oil or oil-modified or water-based polyurethanes, ultra-violet light cured polyurethanes, wax, epoxy-ester finishes, moisture-cured urethanes and acid-curing formaldehyde finishes). The veneers may be also soaked in an acrylic-impregnated finish. All multilayered wood flooring is included within the definition of subject merchandise regardless of whether the face (or back) of the product is smooth, wire brushed, distressed by any method or multiple methods, or hand-scraped. In addition, all multilayered wood flooring is included within the definition of subject merchandise regardless of whether or not it is manufactured with any interlocking or connecting mechanism (for example, tongue-and-groove

³ See *Multilayered Wood Flooring from the People’s Republic of China: Initiation of Antidumping Duty New Shipper Review*, 79 FR 5374 (January 31, 2014) (“*Initiation Notice*”).

⁴ See Memorandum to Christian Marsh, Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations, regarding “Multilayered Wood Flooring from the People’s Republic of China: Extension of Deadline for Preliminary Results of Antidumping Duty New Shipper Review” (June 27, 2014).

⁵ See Memorandum to the File, regarding “Alignment of the New Shipper Review of Multilayered Wood Flooring from the People’s Republic of China with the Second Administrative Review of Multilayered Wood Flooring from the People’s Republic of China” (November 12, 2014).

⁶ See Memorandum to the File, regarding “Extension of Deadline for the Preliminary Results of the New Shipper Review of Multilayered Wood Flooring from the People’s Republic of China” (November 20, 2014).

construction or locking joints). All multilayered wood flooring is included within the definition of the subject merchandise regardless of whether the product meets a particular industry or similar standard.

The core of multilayered wood flooring may be composed of a range of materials, including but not limited to hardwood or softwood veneer, particleboard, medium-density fiberboard, high-density fiberboard (“HDF”), stone and/or plastic composite, or strips of lumber placed edge-to-edge.

Multilayered wood flooring products generally, but not exclusively, may be in the form of a strip, plank, or other geometrical patterns (*e.g.*, circular, hexagonal). All multilayered wood flooring products are included within this definition regardless of the actual or nominal dimensions or form of the product.

Specifically excluded from the scope are cork flooring and bamboo flooring, regardless of whether any of the sub-surface layers of either flooring are made from wood. Also excluded is laminate flooring. Laminate flooring consists of a top wear layer sheet not made of wood, a decorative paper layer, a core-layer of HDF, and a stabilizing bottom layer.

Imports of the subject merchandise are provided for under the following subheadings of the Harmonized Tariff Schedule of the United States (“HTSUS”): 4412.31.0520; 4412.31.0540; 4412.31.0560; 4412.31.2510; 4412.31.2520; 4412.31.4040; 4412.31.4050; 4412.31.4060; 4412.31.4070; 4412.31.5125; 4412.31.5135; 4412.31.5155; 4412.31.5165; 4412.31.6000; 4412.31.9100; 4412.32.0520; 4412.32.0540; 4412.32.0560; 4412.32.2510; 4412.32.2520; 4412.32.3125; 4412.32.3135; 4412.32.3155; 4412.32.3165; 4412.32.3175; 4412.32.3185; 4412.32.5600; 4412.39.1000; 4412.39.3000; 4412.39.4011; 4412.39.4012; 4412.39.4019; 4412.39.4031; 4412.39.4032; 4412.39.4039; 4412.39.4051; 4412.39.4052; 4412.39.4059; 4412.39.4061; 4412.39.4062; 4412.39.4069; 4412.39.5010; 4412.39.5030; 4412.39.5050; 4412.94.1030; 4412.94.1050; 4412.94.3105; 4412.94.3111; 4412.94.3121; 4412.94.3131; 4412.94.3141; 4412.94.3160; 4412.94.3171; 4412.94.4100; 4412.94.5100; 4412.94.6000; 4412.94.7000; 4412.94.8000; 4412.94.9000; 4412.94.9500; 4412.99.0600; 4412.99.1020; 4412.99.1030; 4412.99.1040; 4412.99.3110; 4412.99.3120; 4412.99.3130; 4412.99.3140; 4412.99.3150; 4412.99.3160; 4412.99.3170; 4412.99.4100; 4412.99.5100; 4412.99.5710; 4412.99.6000; 4412.99.7000; 4412.99.8000; 4412.99.9000; 4412.99.9500; 4418.71.2000; 4418.71.9000; 4418.72.2000; 4418.72.9500; and 9801.00.2500.

While HTSUS subheadings are provided for convenience and customs purposes, the written description of the subject merchandise is dispositive.

DISCUSSION OF THE METHODOLOGY

Bona Fide Sale Analysis

Consistent with the Department’s practice, the Department investigated the *bona fide* nature of the sale made by the respondent during the POR. In evaluating whether or not a sale in a NSR is commercially reasonable or typical of normal business practices, and therefore *bona fide*, the

Department considers, *inter alia*, such factors as: (1) the timing of the sale; (2) the price and quantity of the sale; (3) the expenses arising from the transaction; (4) whether the goods were resold at a profit; and (5) whether the transaction was made on an arm's-length basis.⁷ Accordingly, the Department considers a number of factors in its *bona fide* sale analysis, "all of which may speak to the commercial realities surrounding an alleged sale of subject merchandise."⁸ In *TTPC*, the Court of International Trade ("CIT") also affirmed the Department's decision that any factor which indicates that the sale under consideration is not likely to be typical of those which the producer will make in the future is relevant,⁹ and found that the weight given to each factor investigated will depend on the circumstances surrounding the sale.¹⁰ Finally, in *New Donghua*, the CIT affirmed the Department's practice of evaluating the circumstances surrounding a sale in a NSR so that a respondent does not unfairly benefit from an atypical sale and obtain a lower dumping margin than the producer's usual commercial practice would dictate.¹¹ Where the Department finds that a sale is not *bona fide*, the Department will exclude the sale from its dumping margin calculations.¹²

Based on our analysis of the factors described above, we preliminarily find that Anying's U.S. sale is a *bona fide* transaction for purposes of this NSR.¹³ Specifically, the timing of the sale, the price and quantity of the sale, the absence of extraordinary expenses arising from the sale, and the arm's-length nature of the sale all indicate that the sale was a *bona fide* transaction.¹⁴

Non-Market Economy Country Status

In accordance with section 771(18)(C)(i) of the Act, any determination that a foreign country is a nonmarket economy ("NME") country shall remain in effect until revoked by the administering authority. As such, the Department continues to treat the PRC as an NME in this proceeding. Accordingly, we calculated NV using the factors of production ("FOP") methodology in accordance with section 773(c) of the Act, which applies to NME countries.

Separate Rates

In proceedings involving NME countries, the Department has a rebuttable presumption that all companies within the country are subject to government control and, thus, should be assessed a

⁷ See, e.g., *Tianjin Tiancheng Pharmaceutical Co., Ltd. v. United States*, 366 F. Supp. 2d 1246, 1250 (CIT 2005) ("*TTPC*").

⁸ See *Hebei New Donghua Amino Acid Co., Ltd. v. United States*, 374 F. Supp. 2d 1333, 1342 (CIT 2005) ("*New Donghua*") (quoting *Fresh Garlic From the People's Republic of China: Final Results of Antidumping Administrative Review and Rescission of New Shipper Review*, 67 FR 11283 (March 13, 2002)).

⁹ See *TTPC*, 366 F. Supp. 2d at 1250.

¹⁰ *Id.* at 1263.

¹¹ See *New Donghua*, 374 F. Supp. 2d at 1344.

¹² See *TTPC*, 366 F. Supp. 2d at 1249.

¹³ See Memorandum to the File, regarding "New Shipper Review of Multilayered Wood Flooring from the People's Republic of China – *Bona Fide* Sales Analysis of Linyi Anying Wood Co., Ltd." (December 30, 2014), for more details, including certain business proprietary information.

¹⁴ *Id.*

single antidumping duty rate.¹⁵ In the *Initiation Notice*, the Department notified parties of the application process by which exporters and producers may obtain separate rate status in NME reviews.¹⁶ It is the Department's policy to assign all exporters of subject merchandise in an NME country a single NME-wide rate unless an exporter can demonstrate that it is sufficiently independent so as to be entitled to a separate rate.¹⁷ Exporters can demonstrate this independence through evidence of the absence of both *de jure* and *de facto* governmental control over export activities.¹⁸ The Department analyzes each entity's export independence under a test first articulated in *Sparklers* and as further developed in *Silicon Carbide*.¹⁹ However, if the Department determines that a company is foreign owned or located in a market economy ("ME") country, then a separate rate analysis is not necessary to determine whether it is independent from government control.²⁰ The Department received complete responses to the antidumping duty questionnaire from Anying which contained information pertaining to its eligibility for a separate rate.

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) any legislative enactments decentralizing control of companies, and (3) other formal measures by the government decentralizing control of companies.²¹ The evidence provided by Anying supports a preliminary finding of an absence of *de jure* government control based on the following: (1) an absence of restrictive stipulations associated with Anying's business and export licenses; (2) legislative enactments decentralizing control of companies; and (3) formal measures by the government decentralizing control of companies.²²

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

¹⁵ See Policy Bulletin 05.1: Separate-Rates Practice and Application of Combination Rates in Antidumping Investigations involving Non-Market Economy Countries, available at <http://ia.ita.doc.gov/policy/bull05-1.pdf>.

¹⁶ See *Initiation Notice*, 79 FR at 5375.

¹⁷ *Id.*

¹⁸ *Id.*

¹⁹ See *Final Determination of Sales at Less Than Fair Value: Sparklers From the People's Republic of China*, 56 FR 20588 (May 6, 1991) ("*Sparklers*"); see also *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*").

²⁰ See, e.g., *Final Results of Antidumping Duty Administrative Review: Petroleum Wax Candles from the People's Republic of China*, 72 FR 52355, 52356 (September 13, 2007).

²¹ See *Sparklers*, 56 FR at 20589.

²² See Anying's March 4, 2014 Section A Response at A2-A16.

decisions regarding disposition of profits or financing of losses.²³ 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 governmental control, which would preclude the Department from assigning the respondents separate rates. The evidence provided by Anying supports a preliminary finding of *de facto* absence of government control based on the criteria outlined above.²⁴ Specifically, Anying provided evidence of the following: (1) it establishes its own export prices; (2) it negotiates contracts without guidance from any government entities or organizations; (3) it makes its own personnel decisions; and (4) it retains the proceeds of its export sales, uses profits according to its business needs, and has the authority to sell its assets and to obtain loans.²⁵

Given that the Department finds that Anying operates free of *de jure* and *de facto* governmental control, we preliminarily determine that it satisfies the criteria for a separate rate.

Surrogate Country

When the Department is investigating imports from an NME country, section 773(c)(1) of the Act directs it to base NV, in most circumstances, on the NME producer's FOPs. The Act further instructs that valuation of the FOPs shall be based on the best available information from a surrogate ME country or countries considered to be appropriate by the Department.²⁶ When valuing the FOPs, the Department shall utilize, to the extent possible, the prices or costs of the FOPs in one or more ME countries that are: (1) at a level of economic development comparable to that of the NME country; and (2) significant producers of comparable merchandise.²⁷ Once the Department has identified the countries that are economically comparable to the PRC and that are significant producers of comparable merchandise, the Department will select a primary surrogate country based upon whether the data for valuing FOPs are both available and reliable.²⁸ Further, the Department normally values all FOPs in a single surrogate country.²⁹

In examining which country to select as its primary surrogate country for this proceeding, the Department first determined that Bulgaria, Colombia, Ecuador, Indonesia, South Africa, and Thailand are countries comparable to the PRC in terms of economic development.³⁰ On May 13, 2014, the Department invited parties to comment on surrogate country selection and provide

²³ See *Silicon Carbide*, 59 FR at 22587; see also *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).

²⁴ See Anying's March 4, 2014 Section A Response at A2-A16.

²⁵ *Id.*

²⁶ See section 773(c)(1) of the Act.

²⁷ See section 773(c)(4) of the Act.

²⁸ See *Citric Acid and Certain Citrate Salts from the People's Republic of China: Preliminary Results of Antidumping Duty Administrative Review; 2012-2013*, 79 FR 23322 (April 28, 2014) and attached Preliminary Decision Memorandum (no change in the final results).

²⁹ See 19 CFR 351.408(c)(2).

³⁰ See Memorandum from Carole Showers, Director, Office of Policy, to Robert Bolling, Program Manager, Office 4, AD/CVD Operations "Request for a List of Surrogate Countries for a New Shipper Review of the Antidumping Duty Order on Multilayered Wood Flooring from the People's Republic of China" (May 13, 2014) ("Policy Memorandum").

information regarding valuing FOPs.³¹ On June 16, 2014, Anying provided information for the valuation of its FOPs based on Philippine sources.³² However, Anying did not provide any comments regarding the selection of a surrogate country, nor did Anying submit any information pertaining to the suitability of the Philippines as a surrogate country. No party filed rebuttal surrogate country comments or information.

Economic Comparability

As explained in our Policy Memorandum, the Department considers Bulgaria, Colombia, Ecuador, Indonesia, South Africa and Thailand all comparable to the PRC in terms of economic development.³³ Therefore, we consider all six countries as having satisfied this prong of the surrogate country selection criteria.³⁴ We note that the Philippines is not identified in the Policy Memorandum as being at a level of economic development comparable to the PRC during this POR. Moreover, there is no information on the record of this proceeding to determine whether the GNI of the Philippines is comparable to the PRC or even within the range of GNI's reported for the six other aforementioned countries. Therefore, we have determined that the Philippines is not at a level of economic development comparable to the PRC because there is no record evidence to support that finding.

Significant Producer of Comparable Merchandise

Section 773(c)(4)(B) of the Act requires the Department, to the extent possible, to value FOPs in a surrogate country that is a significant producer of comparable merchandise. Neither the statute nor the Department's regulations provide further guidance on what may be considered comparable merchandise. Given the absence of any definition in the statute or regulations, the Department looks to other sources such as the Policy Bulletin 04.1 for guidance on defining comparable merchandise.³⁵ Policy Bulletin 04.1 states that “{t}he terms ‘comparable level of economic development,’ ‘comparable merchandise,’ and ‘significant producer’ are not defined in the statute.” Policy Bulletin 04.1 further states that “{i}n all cases, if identical merchandise is produced, the country qualifies as a producer of comparable merchandise.”³⁶ Conversely, if identical merchandise is not produced, then a country producing comparable merchandise is sufficient in selecting a surrogate country.³⁷ Further, when selecting a surrogate country, the statute requires the Department to consider the comparability of the merchandise, not the

³¹ See the Department's Letter to All Interested Parties, regarding “2012-2013 Antidumping Duty New Shipper Review for Multilayered Wood Flooring from the People's Republic of China: Request for Surrogate Country and Surrogate Value Comments and Information” (May 13, 2014).

³² See Letter from Anying to the Department, regarding “Multilayered Wood Flooring from China, New Shipper Review Surrogate Values for Preliminary Results” (June 16, 2004) (“Anying's surrogate value submission”).

³³ See Policy Memorandum.

³⁴ See section 773(c)(4)(A) of the Act.

³⁵ See Import Administration Policy Bulletin 04.1: Non-Market Economy Surrogate Country Selection Process (March 1, 2004) (“Policy Bulletin 04.1”), available at <http://enforcement.trade.gov/policy/index.html>.

³⁶ *Id.*

³⁷ Policy Bulletin 04.1 also states that “{i}f considering a producer of identical merchandise leads to data difficulties, the operations team may consider countries that produce a broader category of reasonably comparable merchandise.” See *id.*, at n.6.

comparability of the industry.³⁸ “In cases where the identical merchandise is not produced, the team must determine if other merchandise that is comparable is produced. How the team does this depends on the subject merchandise.”³⁹ In this regard, the Department recognizes that any analysis of comparable merchandise must be done on a case-by-case basis. However, where there are major inputs, *i.e.*, inputs that are specialized or dedicated or used intensively, in the production of the subject merchandise, *e.g.*, processed agricultural, aquatic and mineral products, comparable merchandise should be identified narrowly, on the basis of a comparison of the major inputs, including energy, where appropriate.⁴⁰

In addition, with respect to whether a country is a significant producer of comparable merchandise, the Department’s practice is to consider the following:

The extent to which a country is a *significant* producer should not be judged against the NME country’s production level or the comparative production of the five or six countries on OP’s surrogate country list. Instead, a judgment should be made consistent with the characteristics of world production of, and trade in, comparable merchandise (subject to the availability of data on these characteristics). Since these characteristics are specific to the merchandise in question, the standard for ‘significant producer’ will vary from case to case.⁴¹

While the Department may compare production quantities of the comparable merchandise from each potential surrogate country in relation to world production, a review of the record did not reveal production quantities of comparable merchandise from each potential surrogate country. Accordingly, the Department was unable to obtain the comparable merchandise production quantities of the potential surrogate countries. The Department next sought evidence of production of comparable merchandise in the form of export data, under the assumption that exporters of comparable merchandise are also significant producers. The Department obtained export data from the Global Trade Atlas (“GTA”) for the countries that the Department determined were economically comparable to the PRC during this POR, *i.e.*, Bulgaria, Colombia, Ecuador, Indonesia, South Africa, and Thailand for the Harmonized Tariff Schedule (“HTS”) sub-headings listed in the scope of the antidumping duty order on multilayered wood flooring from the PRC (*i.e.*, 4412, 4418, and 9801).⁴²

The Department obtained export data for these six potential surrogate countries for the years ending in November 2011, November 2012, and November 2013.⁴³ These data indicate that five of the six potential surrogate countries exported comparable merchandise under the HTS headings identified in the antidumping duty order on MLWF from the PRC during this time period.⁴⁴ Based on these data, the Department has found that record evidence demonstrates that

³⁸ See *Sebacic Acid from the People’s Republic of China: Final Results of Antidumping Duty Administrative Review*, 62 FR 65674 (December 15, 1997), and accompanying Issues and Decision Memorandum at Comment 1 (“{T}o impose a requirement that merchandise must be produced by the same process and share the same end uses to be considered comparable would be contrary to the intent of the statute.”).

³⁹ See Policy Bulletin 04.1.

⁴⁰ *Id.*

⁴¹ *Id.*

⁴² See Preliminary Results Surrogate Value Memo.

⁴³ *Id.*

⁴⁴ *Id.*

Colombia, Ecuador, Indonesia, South Africa, and Thailand are significant producers of comparable merchandise under the relevant HTS sub-headings and that Bulgaria is not a significant producer of comparable merchandise under the relevant HTS sub-headings.⁴⁵

Data Availability

When the Department finds that there is more than one country that is at the same level of economic development as the NME country and is a significant producer of comparable merchandise, the Department will consider the quality and availability of the SV data.

{I}f more than one country has survived the selection process to this point, the country with the best factors data is selected as the surrogate country. Even if no issues arise regarding economic comparability and significant production, data quality is a critical consideration affecting surrogate country selection. After all, a country that perfectly meets the requirements of economic comparability and significant producer is not of much use as a primary surrogate if crucial factor price data from that country are inadequate or unavailable. Limited data availability sometimes is the reason why the team will ‘go off’ the OP list in search of a viable primary surrogate country.⁴⁶

When choosing the best available SV information as required by section 773(c)(1) of the Act, the Department considers several factors including the specificity, contemporaneity, and quality of the data.⁴⁷ While there is no hierarchy for applying the SV selection criteria, the Department must weigh available information with respect to each input value and make a product-specific and segment-specific decision as to what the best SV is for each input.⁴⁸ Further, it is the Department’s preference, consistent with 19 CFR 351.408(c)(2), to value FOPs in a single surrogate country, when possible.⁴⁹

The record of this proceeding indicates that specific and contemporaneous data are readily available from Thailand and the Philippines to value all FOPs.⁵⁰ However, as noted above, the Philippines was found not to be economically comparable to the PRC. Therefore, the Department has determined that Thailand is the best selection as surrogate country. Given that the Philippines has not been found to be economically comparable to the PRC, and given that the Department has put on the record data that demonstrates that Thailand possesses reliable, usable,

⁴⁵ *Id.*

⁴⁶ See Policy Bulletin 04.1.

⁴⁷ See, e.g., *Seamless Refined Copper Pipe and Tube From the People’s Republic of China: Notice of Final Determination of Sales at Less Than Fair Value*, 75 FR 60725 (October 1, 2010), and accompanying Issues and Decision Memorandum at Comment 6.

⁴⁸ See, e.g., *Administrative Review of Certain Frozen Warmwater Shrimp From the People’s Republic of China: Final Results, Partial Rescission of Sixth Antidumping Duty Administrative Review and Determination Not To Revoke in Part*, 77 FR 53856 (September 4, 2012), and accompanying Issues and Decision Memorandum at Comment 10.

⁴⁹ *Id.*

⁵⁰ See Anying’s surrogate value submission.

and relevant data with which to value FOPs within this segment,⁵¹ the Department has selected Thailand as the surrogate country.

Date of Sale

In identifying the date of sale of the subject merchandise, 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 ordinary course of business.” In *Allied Tube*, the CIT noted that a “party seeking to establish a date of sale other than invoice date bears the burden of producing sufficient evidence to ‘satisfy’ the Department that ‘a different date better reflects the date on which the exporter or producer establishes the material terms of sale.’”⁵² Additionally, the Department may use a date other than the date of invoice if it is satisfied that a different date better reflects the date on which the exporter or producer establishes the material terms of sale.⁵³ The material terms of sale normally include the price, quantity, delivery terms and payment terms of the sale.⁵⁴ Consistent with our regulatory presumption for invoice date, Anying reported that the terms of sale did not change after the invoice date.⁵⁵ Accordingly, the Department preliminarily determines to use the invoice date as the date of sale.

Fair Value Comparisons

Pursuant to section 773(a) of the Act and 19 CFR 351.414(c)(1), in order to determine whether Anying’s sale of MLWF to the United States was made at less than NV, we compared the EP to NV, as described in the “U.S. Price” and “Normal Value” sections below.

Differential Pricing Analysis

Pursuant to 19 CFR 351.414(b)(1) and (c)(1), the Department calculates dumping margins by comparing weighted-average NVs to weighted-average EPs (or constructed export prices (“CEPs”)) (the average-to-average method) unless the Secretary determines that another method is appropriate in a particular situation. In antidumping duty investigations, the Department examines whether to use the average-to-transaction method as an alternative comparison method using an analysis consistent with section 777A(d)(1)(B) of the Act. Although section 777A(d)(1)(B) of the Act does not strictly govern the Department’s examination of this question in the context of administrative reviews, the Department nevertheless finds that the issue arising under 19 CFR 351.414(c)(1) in administrative reviews is, in fact, analogous to the issue in

⁵¹ See Memorandum to The File From Maisha Cryor, Regarding “Factual Information,” dated November 25, 2014.

⁵² See *Allied Tube & Conduit Corp. v. United States* 132 F. Supp. 2d 1087, 1090 (CIT 2001) (quoting 19 CFR 351.401(i)) (“*Allied Tube*”).

⁵³ See 19 CFR 351.401(i); see also *Allied Tube*, 132 F. Supp. 2d at 1090-1092.

⁵⁴ 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.

⁵⁵ See Anying’s March 4, 2014 Section A Response at A-21.

antidumping duty investigations.⁵⁶ In recent proceedings, the Department applied a “differential pricing” analysis to determine whether application of average-to-transaction comparisons is appropriate in a particular situation pursuant to 19 CFR 351.414(c)(1) and consistent with section 777A(d)(1)(B) of the Act.⁵⁷ The Department finds the differential pricing analysis used in those recent proceedings may be instructive for purposes of examining whether to apply an alternative comparison method in this administrative review. The Department will continue to develop its approach in this area based on comments received in this and other proceedings, and on the Department’s additional experience with addressing the potential masking of dumping that can occur when the Department uses the average-to-average method in calculating weighted-average dumping margins.

The differential pricing analysis used in these preliminary results requires a finding of a pattern of EPs (or CEPs) for comparable merchandise that differs significantly among purchasers, regions, or time periods. If such a pattern is found, then the differential pricing analysis evaluates whether such differences can be taken into account when using the average-to-average method to calculate the weighted-average dumping margin. The differential pricing analysis used here evaluates all purchasers, regions, and time periods to determine whether a pattern of prices that differ significantly exists. The analysis incorporates default group definitions for purchasers, regions, time periods, and comparable merchandise. Purchasers are based on the reported customer names. Regions are defined using the reported destination code (*i.e.*, city name, zip code, *etc.*) and are grouped into regions based upon standard definitions published by the U.S. Census Bureau. Time periods are defined by the quarter within the POR being examined based upon the reported date of sale. For purposes of analyzing sales transactions by purchaser, region and time period, comparable merchandise is considered using the product control number and any characteristics of the sales, other than purchaser, region and time period, that the Department uses in making comparisons between EP (or CEP) and NV for the individual dumping margins.

In the first stage of the differential pricing analysis used here, the “Cohen’s *d* test” is applied. The Cohen’s *d* test is a generally recognized statistical measure of the extent of the difference between the mean of a test group and the mean of a comparison group. First, for comparable merchandise, the Cohen’s *d* test is applied when the test and comparison groups of data each has at least two observations, and when the sales quantity for the comparison group accounts for at least five percent of the total sales quantity of the comparable merchandise. Then, the Cohen’s *d* coefficient is calculated to evaluate the extent to which the net prices to a particular purchaser, region or time period differ significantly from the net prices of all other sales of comparable merchandise. The extent of these differences can be quantified by one of three fixed thresholds defined by the Cohen’s *d* test: small, medium or large. Of these thresholds, the large threshold

⁵⁶ See *Ball Bearings and Parts Thereof From France, Germany, and Italy: Final Results of Antidumping Duty Administrative Reviews; 2010–2011*, 77 FR 73415 (December 10, 2012), and accompanying Issues and Decision Memorandum at Comment 1.

⁵⁷ 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 attached Issues and Decision Memorandum at Comment 3; see also *Frontseating Service Valves From the People’s Republic of China: Preliminary Results of Antidumping Duty Administrative Review; 2011–2012*, 78 FR 27954 (May 13, 2013); see also *Certain Steel Threaded Rod From the People’s Republic of China: Preliminary Results of Antidumping Duty Administrative Review; 2011–2012*, 78 FR 21101 (April 9, 2013).

provides the strongest indication that there is a significant difference between the means of the test and comparison groups, while the small threshold provides the weakest indication that such a difference exists. For this analysis, the difference was considered significant if the calculated Cohen's *d* coefficient is equal to or exceeds the large (*i.e.*, 0.8) threshold.

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

If both tests in the first stage (*i.e.*, the Cohen's *d* test and the ratio test) demonstrate the existence of a pattern of EPs that differ significantly such that an alternative comparison method should be considered, then in the second stage of the differential pricing analysis, we examine whether using only the average-to-average method can appropriately account for such differences. In considering this question, the Department tests whether using an alternative method, based on the results of the Cohen's *d* and ratio tests described above, yields a meaningful difference in the weighted-average dumping margin as compared to that resulting from the use of the average-to-average method only. If the difference between the two calculations is meaningful, this demonstrates that the average-to-average method cannot account for differences such as those observed in this analysis, and, therefore, an alternative method would be appropriate. A difference in the weighted-average dumping margins is considered meaningful if 1) there is a 25 percent relative change in the weighted-average dumping margin between the average-to-average method and the appropriate alternative method 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 these preliminary results, including arguments for modifying the group definitions used in this proceeding.

Results of the Differential Pricing Analysis

In the instant review, because there is only one sale, the question as to whether a pattern of prices that differ significantly exists is moot. Accordingly, the Department is calculating Anying's dumping margin using the average-to-average method.

U.S. Price

In accordance with section 772(a) of the Act, EP is the price at which the subject merchandise is first sold (or agreed to be sold) before the date of importation by the producer or exporter of the subject merchandise outside of the United States to an unaffiliated purchaser in the United States or to an unaffiliated purchaser for exportation to the United States, as adjusted under section 772(c) of the Act. In accordance with section 772(a) of the Act, we used EP for the U.S. sale of Anying because the subject merchandise was sold directly to unaffiliated customers in the United States prior to importation, and because CEP was not otherwise warranted.

We based the EP on prices to unaffiliated purchasers in the United States, as applicable. In accordance with section 772(c)(2)(A) of the Act, we made deductions from the starting price for movement expenses, domestic inland freight and brokerage & handling, as applicable.⁵⁸

Value Added Tax

In 2012, the Department announced a change of methodology with respect to the calculation of EP and CEP to include an adjustment of any un-refunded (herein “irrecoverable”) value-added tax (“VAT”) in certain NME countries in accordance with section 772(c)(2)(B) of the Act.⁵⁹ The Department explained that when an NME government imposes an export tax, duty, or other charge on subject merchandise, or on inputs used to produce subject merchandise, from which the respondent was not exempted, the Department will reduce the respondent’s EP and CEP prices accordingly, by the amount of the tax, duty or charge paid, but not rebated.⁶⁰ Where the irrecoverable VAT is a fixed percentage of EP or CEP, the Department explained that the final step in arriving at a tax neutral dumping comparison is to reduce the U.S. EP or CEP downward by this same percentage.⁶¹

The Department’s methodology, as explained above and applied in this review, essentially amounts to performing two basic steps: (1) determining the amount (or rate) of the irrecoverable VAT tax on subject merchandise, and (2) reducing U.S. price by the amount (or rate) determined in step one. Information placed on the record of this review by respondent indicates that, according to the PRC VAT schedule, the standard VAT levy is 17 percent and the rebate rate for subject merchandise is 9 percent.⁶² For the purposes of these preliminary results, therefore, we removed from U.S. price the difference between the VAT rate and the rebate rate (*i.e.*, eight percent), which is the irrecoverable VAT as defined under PRC tax law and regulation.⁶³

⁵⁸ See Anying’s preliminary results analysis memorandum, issued concurrently with this memorandum.

⁵⁹ See *Methodological Change for Implementation of Section 772(c)(2)(B) of the Tariff Act of 1930, as Amended, In Certain Non-Market Economy Antidumping Proceedings*, 77 FR 36481, 36482-84 (June 19, 2012) (“*Methodological Change*”).

⁶⁰ *Id.* at 36483; see also *Chlorinated Isocyanurates from the People’s Republic of China: Final Results of Antidumping Duty Administrative Review; 2011-2012*, 79 FR 4875 (January 30, 2014) and accompanying Issues and Decision Memorandum at Comment 5.A.

⁶¹ *Methodological Change*, 77 FR at 36483.

⁶² See Anying’s June 16, 2014 Response at 7-8.

⁶³ *Id.* at Exhibit SC-2.

Normal Value

Section 773(c)(1) of the Act provides that the Department shall determine NV using an FOP methodology if the merchandise is exported from an NME country and the Department finds that the available 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. When determining NV in a NME context, the Department will base NV on FOPs because the presence of government controls on various aspects of these economies renders price comparisons and the calculation of production costs invalid under our normal methodologies. This methodology ensures that the Department's calculations are as accurate as possible.⁶⁴

Section 773(c)(1) of the Act provides that the Department will value the FOPs in NME cases using the best available information regarding the value of such factors in an ME country or countries considered to be appropriate by the administering authority. Section 773(c)(4) of the Act requires that when valuing the FOPs, the Department utilize, to the extent possible, the prices or costs of the FOPs in one or more ME countries that are: (1) at a comparable level of economic development, and (2) significant producers of comparable merchandise.⁶⁵ As stated above, the Department preliminarily determined to select Thailand as the surrogate country.

We calculated NV based on FOPs in accordance with sections 773(c)(3) and (4) of the Act and 19 CFR 351.408(c). The 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.⁶⁶ Anying reported that all of the subject merchandise that it sold to the United States during the POR was self-produced.⁶⁷ The Department used the FOPs reported by Anying for materials, energy, labor, and packing.

Factor Valuations

In accordance with section 773(c) of the Act, the Department calculated NV based on FOPs reported by Anying for the POR. To calculate NV, the Department multiplied the reported per-unit factor consumption quantities by publicly available SVs, except as noted below. Our practice when selecting the best available information for valuing FOPs is to select, to the extent practicable, SVs which are product-specific, representative of a broad market average, publicly available, contemporaneous with the POR and exclusive of taxes and duties.⁶⁸ The Department adjusted input prices by including freight costs to make them delivered prices, as appropriate. Specifically, the Department added to the Thai import SVs a surrogate freight cost using the shorter of the reported distance from the domestic supplier to the factory or the distance from the

⁶⁴ 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 *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).

⁶⁵ See section 773(c)(4) of the Act.

⁶⁶ See section 773(c)(3) of the Act.

⁶⁷ See Anying's March 24, 2014 Section C Response at 1.

⁶⁸ See, e.g., *Electrolytic Manganese Dioxide From the People's Republic of China: Final Determination of Sales at Less Than Fair Value*, 73 FR 48195 (August 18, 2008), and the accompanying Issues and Decision Memorandum at Comment 2.

nearest seaport to the factory. This adjustment is in accordance with the decision of the U.S. Court of Appeals for the Federal Circuit in *Sigma Corp. v. United States*, 117 F.3d 1401, 1407-08 (Fed. Cir. 1997). A detailed description of all SVs used to value Anying's reported FOPs may be found in the Preliminary Results Surrogate Value Memo.

For the preliminary results, except as noted below, we used data from the Thai import statistics in GTA and other publicly available Thai sources in order to calculate SVs for Anying's FOPs (*i.e.*, direct materials and packing materials) and certain movement expenses. The record shows Thai import statistics obtained through GTA are contemporaneous with the POR, product-specific, representative of a broad market average, publicly available and duty and tax-exclusive.⁶⁹

Furthermore, with regard to Thai import-based SVs, in accordance with the legislative history of the Omnibus Trade and Competitiveness Act of 1988 and longstanding agency practice, the Department disregarded prices that it has reason to believe or suspect may be subsidized.⁷⁰ In this regard, the Department has previously found that it is appropriate to disregard such prices from India, Indonesia, South Korea, and Thailand because we have determined that these countries maintain broadly available, non-industry specific export subsidies.⁷¹ Based on the existence of these subsidy programs that were generally available to all exporters and producers in these countries at the time of the POR, the Department finds that it is reasonable to infer that all exporters from India, Indonesia, South Korea and Thailand may have benefitted from these subsidies. Therefore, the Department has not used prices from India, Indonesia, South Korea and Thailand in calculating the Thai import-based SVs. Additionally, we disregarded prices from NME countries.⁷² Finally, imports that were labeled as originating from an "unspecified" country were excluded from the average value, because the Department could not be certain that they were not from either an NME country or a country with generally available export subsidies.⁷³

Pursuant to 19 CFR 351.408(c)(1), when a respondent sources inputs that were produced in ME countries by an ME supplier in meaningful quantities (*i.e.*, not insignificant quantities) and pays

⁶⁹ See *id.*

⁷⁰ See Omnibus Trade and Competitiveness Act of 1988, Conf. Report to Accompany H.R. 3, H.R. Rep. No. 576, 100th Cong., 2nd Sess. (1988) at 590.

⁷¹ See *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; *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; *Final Affirmative Countervailing Duty Determination: Certain Hot-Rolled Carbon Steel Flat Products From Thailand*, 66 FR 50410 (October 3, 2001), and accompanying Issues and Decision Memorandum at 23.

⁷² See *Certain Kitchen Appliance Shelving and Racks From the People's Republic of China: Preliminary Determination of Sales at Less Than Fair Value and Postponement of Final Determination*, 74 FR 9591, 9600 (March 5, 2009), unchanged in *Certain Kitchen Appliance Shelving and Racks From the People's Republic of China: Final Determination of Sales at Less Than Fair Value*, 74 FR 36656 (July 24, 2009) and *Certain Kitchen Appliance Shelving and Racks from the People's Republic of China: Amended Final Determination of Sales at Less Than Fair Value and Notice of Antidumping Duty Order*, 74 FR 46971 (September 14, 2009).

⁷³ See *id.*

in an ME currency, we use the actual price paid by the respondent to value those inputs, except when prices may have been distorted by findings of dumping and/or subsidization.⁷⁴ Where we find ME purchases to be of significant quantities (*i.e.*, 85 percent or more), we use the actual purchase prices to value the inputs, in accordance with our statement of policy as outlined in *Use of Market Economy Input Prices in Nonmarket Economy Proceedings*, 78 FR 46799 (August 2, 2013). Alternatively, when the volume of an NME firm's purchases of an input from ME suppliers during the period is below 85 percent of its total volume of purchases of the input during the period, but where these purchases are otherwise valid and there is no reason to disregard the prices, we will weight-average the ME purchase price with an appropriate SV, according to their respective shares of the total volume of purchases, unless case-specific facts provide adequate grounds to rebut the presumption.⁷⁵ When a firm has made ME input purchases that may have been dumped or subsidized, are not *bona fide*, or are otherwise not acceptable for use in a dumping calculation, we will exclude them from the numerator of the ratio to ensure a fair determination of whether valid ME purchases meet the 85 percent threshold.⁷⁶ The information reported by Anying demonstrates that inputs of core and veneer were purchased in significant quantities (*i.e.*, 85 percent or more) from ME suppliers, paid for in ME currency, and produced in ME countries; hence, we used Anying's actual ME purchase prices to value such inputs.⁷⁷

On June 21, 2011, the Department announced a new methodology to value the cost of labor in NME countries. *See Antidumping Methodologies in Proceedings Involving Non-Market Economies: Valuing the Factor of Production: Labor*, 76 FR 36092 (June 21, 2011) ("*Labor Methodologies*").⁷⁸ In *Labor Methodologies*, the Department determined that the best methodology to value the labor input is to use industry-specific labor rates from the primary surrogate country.⁷⁹ Additionally, the Department determined that Chapter 6A: Labor Cost in Manufacturing, from the International Labor Organization ("ILO") Yearbook of Labor Statistics ("*Yearbook*"), as compared to Chapter 5B data of the ILO Yearbook, is the preferred source where another source is not more appropriate.⁸⁰

In these preliminary results, the Department calculated the labor input using data from the 2013 Industrial Census data published by Thailand's National Statistics Office (the "2013 NSO data").⁸¹ Although the 2013 NSO data are not from the ILO, the Department finds that this fact does not preclude us from using this source for valuing labor. In *Labor Methodologies*, the Department decided to change the use of the ILO Chapter 6A data from the use of ILO Chapter

⁷⁴ *See, e.g., Antidumping Duties; Countervailing Duties; Final Rule*, 62 FR 27296, 27366 (May 19, 1997); *see also Diamond Sawblades and Parts Thereof from the People's Republic of China; Preliminary Results of Antidumping Duty Administrative Review; 2012-2013*, 79 FR 71980, and attached Preliminary Determination Memorandum at 20 (December 4, 2014) ("*Diamond Sawblades*").

⁷⁵ *See Diamond Sawblades* and attached Preliminary Determination Memorandum at 20.

⁷⁶ *Id.*

⁷⁷ *See* Anying's March 24, 2014 Section D Response at D-10 and Exhibit D-4.

⁷⁸ This notice followed the Court of Appeals for the Federal Circuit decision in *Dorbest Ltd. v. United States*, 604 F.3d 1363, 1366 (CAFC 2010) (finding that the "[regression-based] method for calculating wage rates {as stipulated by 19 CFR 351.408(c)(3)} uses data not permitted to be used by {the statutory requirements laid out in section 773 of the Act (*i.e.*, 19 U.S.C. § 1677b(c))}").

⁷⁹ *See Labor Methodologies*, 76 FR at 36093.

⁸⁰ *Id.*

⁸¹ *See* Preliminary Results Surrogate Value Memo.

5B data on the rebuttable presumption that Chapter 6A data better account for all direct and indirect labor costs.⁸² The Department did not, however, preclude all other sources for evaluating labor costs in NME antidumping proceedings. Rather, consistent with section 773(c)(1) of the Act, we continue to follow our practice of selecting the “best available information” to determine SVs for inputs, such as labor. Thus, we find that the 2013 NSO data are the best available information for valuing labor for this segment of the proceeding. Specifically, the 2013 NSO data are more contemporaneous than the ILO Chapter 6A data from Thailand. Additionally, the NSO data are industry-specific, and reflect all costs related to labor, including wages, benefits, housing, and training. For these preliminary results, we have calculated the wage rate as 73.63 Baht/hour. For more details regarding the wage rate calculation methodology, see the Preliminary Results Surrogate Value Memo.

As stated above, to value labor, the Department used the 2013 NSO data reported by Thailand’s National Statistics Office, which reflects all costs related to labor, including wages, benefits, housing, and training. Pursuant to *Labor Methodologies*, the Department’s practice is to consider whether financial ratios reflect labor expenses that are included in other elements of the respondent’s FOPs (*e.g.*, general and administrative expenses). However, the financial statements used to calculate financial ratios in this review were insufficiently detailed to permit the Department to determine whether any labor expenses were included in other components of NV. Therefore, in this review, the Department made no adjustment to these financial statements.⁸³

The Department determined the best available information for valuing truck freight to be from the World Bank’s report, Doing Business 2014: Thailand.⁸⁴ This World Bank report gathers information concerning the distance and cost to transport products in a 20-foot container from the periurban area (*i.e.*, Bangkok’s Industrial Park Area) of the economy’s largest business city (Bangkok) to the country’s major port.⁸⁵ In *Prestressed Concrete*, the Department determined that there are two major ports in Thailand (Port of Bangkok (44.33 km from port to Bangkok Industrial Area); and Laem Chabang Port (110 km from port to Bangkok Industrial Area)).⁸⁶ Therefore, consistent with the Department’s decision in *Prestressed Concrete*, we used the average distance of the two major ports (*i.e.*, 77.16 km) to calculate inland freight.⁸⁷ We calculated a per-kilogram/per-kilometer surrogate inland freight rate based on using the full capacity of a 20-foot container as reported in the World Bank report.⁸⁸

⁸² See *Labor Methodologies*, 76 FR at 36093.

⁸³ See *Hand Trucks and Certain Parts Thereof From the People’s Republic of China: Preliminary Results of Antidumping Duty Administrative Review: 2011-2012*, 79 FR 3779 (January 23, 2014), unchanged in *Hand Trucks and Certain Parts Thereof From the People’s Republic of China: Final Results of Antidumping Duty Administrative Review: 2011-2012*, 79 FR 44008 (July 29, 2014).

⁸⁴ See Preliminary Results Surrogate Value Memo (“Doing Business”).

⁸⁵ See *Doing Business* at 72.

⁸⁶ See *Final Determination of Sales at Less Than Fair Value: Prestressed Concrete Steel Rail Tie Wire from the People’s Republic of China*, 79 FR 25572 (May 5, 2014), and accompanying Issues and Decision Memorandum at Comment 4 (“*Prestressed Concrete*”).

⁸⁷ See *id.*; Preliminary Results Surrogate Value Memo.

⁸⁸ *Id.*

We valued brokerage and handling using a price list of export procedures necessary to export a standardized cargo of goods in Thailand.⁸⁹ The price list is compiled based on a survey case study of the procedural requirements for trading a standard shipment of goods by ocean transport in Thailand that is published in the World Bank's Doing Business 2014: Thailand.⁹⁰

We valued electricity using an average price of energy to various customers as published by the Metropolitan Electricity Authority of Thailand.⁹¹

According to 19 CFR 351.408(c)(4), the Department is directed to value manufacturing overhead, selling, general and administrative expenses ("SG&A"), and profit using non-proprietary information gathered from producers of identical or comparable merchandise in the surrogate country. As stated above, we determined to use Thailand as the primary surrogate country. The record contains one audited financial statement to value factory overhead, SG&A and profit: the 2013 financial statements for Eiwlee Industrial Co., a producer of identical merchandise. The Department has moved the 2013 financial statements for Eiwlee Industrial Co. onto the record of this review from the concurrent second administrative review of MLWF from the PRC.⁹²

For a complete listing of all the inputs and a detailed discussion about our SV selections, *see* Preliminary Results Surrogate Value Memo.

Currency Conversion

Where appropriate, we made currency conversions into U.S. dollars, in accordance with section 773A(a) of the Act, based on the exchange rate in effect on the date of Anything's U.S. sale as certified by the Federal Reserve Bank.

Section 777A(f) of the Act

In applying section 777A(f) of the Act, the Department 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.⁹³ For a subsidy meeting these criteria, the statute requires the Department to reduce the antidumping duty by the estimated amount of the increase in the weighted-average dumping margin subject to a specified cap.⁹⁴ Because Anything did not submit information to support an adjustment, the

⁸⁹ *Id.* at Exhibit 5.

⁹⁰ *Id.* at Exhibit 6.

⁹¹ *Id.* at Exhibit 7.

⁹² *Id.* at Exhibit 8; *see also* Memorandum to The File From Maisha Cryor, Regarding "Factual Information," dated November 25, 2014.

⁹³ *See* section 777A(f)(1)(A)-(C) of the Act.

⁹⁴ *See* section 777A(f)(1)-(2) of the Act.

Department is preliminarily not making adjustments pursuant to section 777A(f) of the Act to the antidumping duty cash deposit rate found for Anying in this NSR.

RECOMMENDATION

We recommend applying the above methodology for these preliminary results.

✓
Agree

Disagree

Paul Piquado
Paul Piquado
Assistant Secretary
for Enforcement and Compliance

30 DECEMBER 2014
(Date)