



A-821-811

POR: 4/1/2014 - 3/31/2015

Public Document
E&C/Office II: DC

DATE: May 5, 2016

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 the Preliminary Results of the 2014-2015 Administrative Review of the Antidumping Duty Order on Solid Fertilizer Grade Ammonium Nitrate from the Russian Federation

I. SUMMARY

The Department of Commerce (the Department) is conducting an administrative review of the antidumping duty (AD) order on solid fertilizer grade ammonium nitrate (ammonium nitrate) from the Russian Federation (Russia). The review covers two groups of producers/exporters of the subject merchandise, JSC Acron and its affiliate JSC Dorogobuzh (collectively, Acron), and MCC EuroChem and its affiliates OJSC NAK Azot and OJSC Nevinnomyssky Azot (collectively, EuroChem). The period of review (POR) is April 1, 2014, through March 31, 2015. We preliminarily determine that sales of the subject merchandise have not been made at prices below normal value (NV).

II. BACKGROUND

In April 2011, the Department published in the Federal Register an AD order on ammonium nitrate from Russia.¹ Subsequently, on April 1, 2015, the Department published in the Federal Register a notice of opportunity to request an administrative review of this order for the period April 1, 2014, through March 31, 2015.² Pursuant to section 751(a)(1) of the Tariff Act of 1930, as amended (the Act), and 19 CFR 351.213(b)(2), in April 2015, the Department received a

¹ See Termination of the Suspension Agreement on Solid Fertilizer Grade Ammonium Nitrate from the Russian Federation, 76 FR 23569 (April 27, 2011).

² See Antidumping or Countervailing Duty Order, Finding, or Suspended Investigation; Opportunity to Request Administrative Review, 80 FR 17392 (April 1, 2015).



request from the petitioners³ to conduct an administrative review of two producers/exporters of the subject merchandise, Acron and EuroChem.

In May 2015, in accordance with 19 CFR 351.221(c)(1)(i), we published a notice of initiation of administrative review for Acron and EuroChem.⁴ In June 2015, we selected Acron as the only mandatory respondent for this review,⁵ and we issued the AD questionnaire to the company in the same month.

In July 2015, we received responses to sections A and C (*i.e.*, the section related to general information and U.S. sales, respectively) of the questionnaire from Acron. In August 2015, we received a response from Acron to section B (*i.e.*, the section covering home market sales) of the questionnaire. In this same month, we issued a supplemental section A and C questionnaire to Acron.

In September 2015, we received a response to this supplemental questionnaire. In November, 2015, we issued another supplemental questionnaire to Acron, and we received Acron's response in the same month.

We are conducting the administrative review of the order in accordance with section 751(a) of the Act.

III. SCOPE OF THE ORDER

The scope of this order includes solid, fertilizer grade ammonium nitrate products, whether prilled, granular, or in other solid form, with or without additives or coating, and with a bulk density equal to or greater than 53 pounds per cubic foot. Specifically excluded from this scope is solid ammonium nitrate with a bulk density less than 53 pounds per cubic foot (commonly referred to as industrial or explosive grade ammonium nitrate). The merchandise subject to this order is classified in the Harmonized Tariff Schedule of the United States (HTSUS) at subheadings 3102.30.00.00 and 3102.290000. Although the HTSUS subheadings are provided for convenience and customs purposes, the written description of the merchandise within the scope is dispositive.

³ The petitioners in this case are CF Industries, Inc. and El Dorado Chemical Company.

⁴ See Initiation of Antidumping and Countervailing Duty Administrative Reviews, 80 FR 30041 (May 26, 2015) (Initiation Notice).

⁵ See Memorandum to Melissa G. Skinner, Director, Office II, AD/CVD Operations, from Elizabeth Eastwood, Senior International Trade Compliance Analyst, Office II, AD/CVD Operations, entitled, "2014-2015 Antidumping Duty Administrative Review: Solid Fertilizer Grade Ammonium Nitrate from the Russian Federation: Respondent Selection," dated June 19, 2015.

IV. PRELIMINARY DETERMINATION OF NO SHIPMENTS

During the review, we received a timely-filed no-shipment claim from EuroChem,⁶ one of two companies named in the Initiation Notice. In addition, in response to the Department's query, U.S. Customs and Border Protection (CBP) did not provide any evidence that contradicted EuroChem's claim of no shipments.⁷ Because the evidence on the record indicates that EuroChem did not export subject merchandise to the United States during the POR, we preliminarily determine that it had no reviewable transactions during the POR.

V. DISCUSSION OF THE METHODOLOGY

Normal Value Comparisons

Pursuant to section 773(a)(1)(B)(ii) of the Act and 19 CFR 351.414(c)(1), to determine whether Acron's sales of ammonium nitrate from Russia were made in the United States at less than NV, the Department compared the constructed export price (CEP) to the NV as described in the "Constructed Export Price" and "Normal Value" sections of this memorandum.

When making these comparisons for purposes of determining an appropriate product comparison to a U.S. sale, in accordance with section 771(16) of the Act, we considered all products sold in the home market as described in the "Scope of the Order" section of this memorandum, above, that were in the ordinary course of trade.

Determination of the Comparison Method

Pursuant to 19 CFR 351.414(c)(1), the Department calculates weighted-average dumping margins by comparing weighted-average normal values to weighted-average EPs (or CEPs) (i.e., the average-to-average method) unless the Secretary determines that another method is appropriate in a particular situation. In less-than-fair-value investigations, the Department examines whether to compare weighted-average normal values with the EPs (or CEPs) of individual sales (i.e., 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 less-than-fair-value investigations.⁸

⁶ See Letter from EuroChem to the Department, Re: "Ammonium Nitrate from Russia," dated June 25, 2015.

⁷ See Memorandum to the File from David Crespo, International Trade Compliance Analyst, entitled, "Solid Grade Ammonium Nitrate from the Russian Federation; Release of Customs Entry Data," dated June 5, 2015. See also Message Number 6106302 from Director AD/CVD & Revenue Policy & Programs to Directors of Field Operations, Port Directors, entitled, "No Shipments Inquiry For Solid Fertilizer Grade Ammonium Nitrate from the Russian Federation Produced and/or Exported by MCC EuroChem and its affiliates (A-462-811)," dated April 15, 2016, instructing CBP to report any entries contrary to EuroChem's no shipment claim, to the Department within ten days of the date of this message. We note that we did not receive such information within ten days.

⁸ See Ball Bearings and Parts Thereof From France, Germany, and Italy: Final Results of Antidumping Duty

In recent investigations, the Department applied a “differential pricing” analysis for determining whether application of the average-to-transaction method is appropriate in a particular situation pursuant to 19 CFR 351.414(c)(1) and section 777A(d)(1)(B) of the Act.⁹ The Department finds that the differential pricing analysis used in recent investigations 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 a respondent’s weighted-average dumping margin.

The differential pricing analysis used in these preliminary results examines whether there exists a pattern of EPs (or CEPs) for comparable merchandise that differ significantly among purchasers, regions, or time periods. The analysis evaluates all export sales by purchaser, region and time period to determine whether a pattern of prices that differ significantly exists. 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 analysis incorporates default group definitions for purchasers, regions, time periods, and comparable merchandise. Purchasers are based on the reported customer codes. Regions are defined using the reported destination code (*i.e.*, zip code) 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 period of review based upon the reported date of sale. For purposes of analyzing sales transactions by purchaser, region and time period, comparable merchandise is defined using the product control number and all characteristics of the U.S. 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* coefficient is a generally recognized statistical measure of the extent of the difference between the mean (*i.e.*, weighted-average price) of a test group and the mean (*i.e.*, weighted-average price) of a comparison group. First, for comparable merchandise, the Cohen’s *d* coefficient is calculated when the test and comparison groups of data for a particular purchaser, region or time period 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. Then, the Cohen’s *d* coefficient is used to evaluate the extent to which the prices to the particular purchaser, region or time period differ significantly from the 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 (0.2, 0.5 and 0.8,

Administrative Reviews; 2010–2011, 77 FR 73415 (December 10, 2012), and the accompanying Issues and Decision Memorandum at Comment 1; see also Apex Frozen Foods Private Ltd. v. United States, 37 F. Supp. 3d 1286 (CIT 2014).

⁹ See, e.g., Xanthan Gum From the People’s Republic of China: Final Determination of Sales at Less Than Fair Value, 78 FR 33351 (June 4, 2013); Steel Concrete Reinforcing Bar From Mexico: Final Determination of Sales at Less Than Fair Value and Final Affirmative Determination of Critical Circumstances, 79 FR 54967 (September 15, 2014); or Welded Line Pipe From the Republic of Turkey: Final Determination of Sales at Less Than Fair Value, 80 FR 61362 (October 13, 2015).

respectively). Of these thresholds, the large threshold provides the strongest indication that there is a significant difference between the mean of the test and comparison groups, while the small threshold provides the weakest indication that such a difference exists. For this analysis, the difference is considered significant, and the sales in the test group are found to pass 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 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 prices that differ significantly such that an alternative comparison method should be considered, then in the second stage of the differential pricing analysis, the Department examines 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 comparison 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, then this demonstrates that the average-to-average method cannot account for differences such as those observed in this analysis, and, therefore, an alternative comparison 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 margins 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 margins between the average-to-average method and the appropriate alternative method move 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

For Acron, there is no pattern or prices that differ significantly because no sales pass the Cohen's *d* test.¹⁰ Therefore, the Department has used the average-to-average method to calculate the weighted-average dumping margin for Acron.

Product Comparisons

In accordance with section 771(16) of the Act, we considered all products produced by Acron covered by the description in the "Scope of the Order" section, above, and sold in the home market during the POR, to be foreign like products for purposes of determining NV for the merchandise sold in the United States. Pursuant to 19 CFR 351.414(f), we compared Acron's U.S. sale of ammonium nitrate to its sales of ammonium nitrate made in the home market in the same month.

In order to identify identical or similar foreign like products to the subject merchandise sold in the United States, we used these physical characteristics in the following order: 1) grade; 2) form; 3) additive; 4) additive usage; 5) external coating agent; and 6) coating agent usage. In this administrative review, we based NV for Acron's U.S. sale on the prices of contemporaneous home market sales that were identical according to these product matching criteria within the meaning of section 771(16)(A) of the Act.

Date of Sale

Section 351.401(i) of the Department's regulations states that the Department normally will use the date of invoice, as recorded in the producer's or exporter's records kept in the ordinary course of business, as the date of sale. The regulation provides further that the Department may use a date other than the date of the invoice if the Secretary is satisfied that a different date better reflects the date on which the material terms of sale are established. The Department has a longstanding practice of finding that, where shipment date precedes invoice date, shipment date better reflects the date on which the material terms of sale are established.¹¹

In Acron's response to the Department's questionnaire, Acron reported invoice date as the date of sale in the U.S. market. However, because the shipment date precedes invoice date with respect to this sale, we preliminarily find shipment date to be the appropriate date of sale for Acron's sale to the United States.

¹⁰ Memorandum to the file, from David Crespo, International Trade Compliance Analyst, Office II, AD/CVD Operations, entitled, "Calculations for JSC Acron for the Preliminary Results," dated concurrently with this memorandum (Preliminary Decision Memo).

¹¹ See, e.g., Certain Frozen Warmwater Shrimp from Thailand: Final Results and Final Partial Rescission of Antidumping Duty Administrative Review, 72 FR 52065 (September 12, 2007), and accompanying Issues and Decision Memorandum at Comment 11; see also Notice of Final Determination of Sales at Less Than Fair Value: Structural Steel Beams From Germany, 67 FR 35497 (May 20, 2002), and accompanying Issues and Decision Memorandum at Comment 2.

With respect to home market sales, Acron reported shipment date as the date of sale.¹² Because this date is the same as invoice date, we preliminarily find shipment date to be the appropriate date of sale with respect to Acron's home market sales.

Constructed Export Price

In accordance with section 772(b) of the Act, we based U.S. price on CEP for Acron because the subject merchandise was sold in the United States by a U.S. seller affiliated with the producer and EP methodology was not otherwise warranted.

We calculated CEP based on the delivered price to the unaffiliated purchaser in the United States. We made deductions from the starting price for foreign inland freight expenses from the factory to the port, foreign brokerage and handling expenses, international freight expenses, U.S. brokerage and handling expenses, and U.S. duty expenses, in accordance with section 772(c)(2)(A) of the Act.

In accordance with section 772(d)(1) of the Act, we calculated CEP by deducting selling expenses associated with economic activities occurring in the United States, which includes direct selling expenses (*i.e.*, imputed credit expenses and other direct selling expenses) and indirect selling expenses. Finally, we deducted from CEP an amount for profit, in accordance with section 772(d)(3) of the Act. In accordance with sections 772(f)(1) and (f)(2)(C)(iii) of the Act, we calculated the CEP profit percentage using information from Acron's consolidated financial statements.¹³

Normal Value

A. *Home Market Viability as Comparison Market*

In order to determine whether there is a sufficient volume of sales in the home market to serve as a viable basis for calculating NV (*i.e.*, the aggregate volume of home market sales of the foreign like product is five percent or more of the aggregate volume of U.S. sales), we compared the volume of Acron's respective home market sales of the foreign like product to the volume of its U.S. sales of subject merchandise, in accordance with section 773(a)(1)(C) of the Act. Based on this comparison, we determined that the respondent had a viable home market during the POR.¹⁴

B. *Affiliated Party Transactions and Arm's-Length Test*

During the POR, Acron made sales of foreign like product in the home market to affiliated parties, as defined in section 771(33) of the Act. Consequently, we tested these sales to ensure that they were made at arm's-length prices, in accordance with 19 CFR 351.403(c). To test whether the sales to affiliates were made at arm's-length prices, where appropriate, we compared the unit prices of sales to affiliated and unaffiliated customers net of all movement charges,

¹² See Acron's November 23, 2015 response at pages SB-3 and SB-4.

¹³ See Preliminary Decision Memo.

¹⁴ See Acron's July 10, 2015 response at Exhibit A-1.

direct selling expenses, and packing expenses. Pursuant to 19 CFR 351.403(c) and in accordance with the Department's practice, where the price to that affiliated party was, on average, within a range of 98 to 102 percent of the price of the same or comparable merchandise sold to the unaffiliated parties at the same level of trade (LOT), we determined that the sales made to the affiliated party were at arm's length.¹⁵ Sales to affiliated customers in the home market that were not made at arm's-length prices were excluded from our analysis because we considered these sales to be outside the ordinary course of trade.¹⁶

Because sales of foreign like product to certain of Acron's affiliated distributors failed the arm's-length test, Acron reported its home market sales by these distributors. Therefore, we used Acron's reported downstream home market sales data for all affiliates failing the arm's-length test in our calculations for the preliminary results. Where sales to one or more affiliates passed the arm's-length test, we included these sales in our analysis, rather than the affiliate's downstream sales.

C. *Level of Trade*

Section 773(a)(1)(B)(i) of the Act states that, to the extent practicable, the Department will calculate NV based on sales at the same LOT as the EP or CEP. Sales are made at different LOTs if they are made at different marketing stages (or their equivalent).¹⁷ Substantial differences in selling activities are a necessary, but not sufficient, condition for determining that there is a difference in the stages of marketing.¹⁸ In order to determine whether the comparison market sales were at different stages in the marketing process than the U.S. sales, we reviewed the distribution system in each market (*i.e.*, the chain of distribution), including selling functions, class of customer (customer category), and the level of selling expenses for each type of sale.

Pursuant to section 773(a)(1)(B)(i) of the Act, in identifying LOTs for EP and comparison market sales (*i.e.*, NV based on either home market or third country prices),¹⁹ we consider the starting prices before any adjustments. For CEP sales, we consider only the selling activities reflected in the price after the deduction of expenses and profit under section 772(d) of the Act.²⁰

When the Department is unable to match U.S. sales of the foreign like product in the comparison market at the same LOT as the EP or CEP, the Department may compare the U.S. sale to sales at a different LOT in the comparison market. In comparing EP or CEP sales at a different LOT in

¹⁵ See Antidumping Proceedings: Affiliated Party Sales in the Ordinary Course of Trade, 67 FR 69186 (Nov. 15, 2002) (establishing that the overall ratio calculated for an affiliate must be between 98 and 102 percent in order for sales to be considered in the ordinary course of trade and used in the NV calculation).

¹⁶ See section 771(15) of the Act and 19 CFR 351.102(b)(35).

¹⁷ See 19 CFR 351.412(c)(2).

¹⁸ Id.; see also Certain Orange Juice From Brazil: Final Results of Antidumping Duty Administrative Review and Notice of Intent Not To Revoke Antidumping Duty Order in Part, 75 FR 50999, 51001 (August 18, 2010), and accompanying Issues and Decision Memorandum at Comment 7 (OJ from Brazil).

¹⁹ Where NV is based on constructed value (CV), we determine the NV LOT based on the LOT of the sales from which we derive selling expenses, general and administrative expenses, and profit for CV, where possible.

²⁰ See Micron Tech., Inc. v. United States, 243 F.3d 1301, 1314-16 (Fed. Cir. 2001).

the comparison market, where available data make it possible, we make a LOT adjustment under section 773(a)(7)(A) of the Act. Finally, for CEP sales only, if the NV LOT is at a more advanced stage of distribution than the LOT of the CEP and there is no basis for determining whether the difference in LOTs between NV and CEP affects price comparability (*i.e.*, no LOT adjustment was possible), the Department will grant a CEP offset, as provided in section 773(a)(7)(B) of the Act.²¹

In this administrative review, we obtained information from Acron regarding the marketing stages involved in making the reported home market and U.S. sales, including a description of the selling activities that Acron performed for each channel of distribution. Our LOT findings are summarized below.

Acron reported one CEP sale which was directly shipped from Russia to a U.S. retailer. We examined the selling activities performed for Acron's U.S. sale and found that Acron performed the following selling functions: sales forecasting, strategic/economic planning, sales force development, market research, provision of technical advice, negotiation of prices, purchase order processing, invoicing, provision of freight and delivery, accounts receivable management, and inventory maintenance.²²

Selling activities can be generally grouped into four selling function categories for analysis: 1) sales and marketing; 2) freight and delivery; 3) inventory maintenance and warehousing; and 4) warranty and technical support.²³ Based on these selling function categories, we find that Acron performed sales and marketing, freight and delivery, and inventory maintenance for its U.S. sale. Because there is only one U.S. sale, there is one LOT in the U.S. market.

With respect to the home market, Acron reported that it made sales through three channels of distribution (*i.e.*, sales to affiliated distributors (Channel 1), sales to unaffiliated wholesalers from JSC Acron's plant (Channel 2), and sales to unaffiliated customers from JSC Dorogobuzh's plant (Channel 3)).²⁴ According to Acron, it performed the following selling functions to sell to all home market customers: sales forecasting, strategic/economic planning, sales force development, market research, solicitation of orders, provision of technical advice, negotiation of prices, serving as customer liaison, purchase order processing, invoicing, provision of freight and delivery, accounts receivable management, packing, and inventory management.²⁵ Based on the four selling function categories listed above, we find that Acron performed sales and marketing, freight and delivery, inventory maintenance and warehousing, and warranty and technical support for its home market sales in Channels 1 through 3.

²¹ See *e.g.*, OJ from Brazil at Comment 7.

²² See Acron's July 10, 2015 response at Exhibit A-22.

²³ See OJ from Brazil at Comment 7; see also Certain Frozen Warmwater Shrimp From India: Preliminary Results and Preliminary Partial Rescission of Antidumping Duty Administrative Review, 74 FR 9991, 9996 (March 9, 2009), unchanged in Certain Frozen Warmwater Shrimp from India: Final Results and Partial Rescission of Antidumping Duty Administrative Review, 74 FR 33409 (July 13, 2009) (Shrimp from India).

²⁴ See Acron's July 10, 2015 response at A-20 and Exhibit A-22.

²⁵ See Acron's July 10, 2015 response at Exhibit A-22. We note that Acron only reported warehousing expenses for a small number of its home market sales.

In addition, Acron reported that its affiliated distributors also made sales in the home market and performed the following additional selling activities: sales forecasting, strategic/economic planning, sales force development, market research, solicitation of orders, provision of technical advice, negotiation of prices, serving as customer liaison, purchase order processing, invoicing, provision of freight and delivery, accounts receivable management, packing, and inventory management.²⁶ Based on the four selling function categories listed above, we find that Acron's affiliates performed sales and marketing, freight and delivery, inventory maintenance and warehousing, and warranty and technical support for these sales.

Because we find that there were significant selling activities performed by Acron to sell to its affiliated distributors and by those affiliated distributors to sell to end-users, we determine that Acron's sales through its affiliated distributors represent a different, and more advanced, LOT than Acron's own home market sales (*i.e.*, Channels 1, 2, and 3). As a result, we preliminarily determine that there are two LOTs in the home market for Acron: 1) Acron sales in Channels 1, 2, and 3; and 2) affiliated distributor sales.

Finally, we compared the U.S. LOT to the home market LOTs and found that Acron performed similar selling functions for its U.S. and home market customers in Channels 1, 2 and 3. Although there are differences in the level of intensity at which some of the selling functions were performed in the two markets, we find that these differences are not significant such that they constitute separate marketing stages. Moreover, while Acron reported warehousing for its home market sales, we note that it performed this activity for only a few sales.²⁷ Consequently, we compared Acron's U.S. sale to sales in Channels 1, 2, and 3 in the home market. Because this comparison is at the same LOT, a CEP offset is not warranted for Acron.

Calculation of Normal Value Based on Comparison Market Prices

We calculated NV for Acron on the reported packed, and either delivered or ex-works prices to home market customers. We made deductions to the starting price, where appropriate, for inland freight expenses from the plant to the warehouse, warehousing expenses, and inland freight expenses to the customer, pursuant to section 773(a)(6)(B)(ii) of the Act.

In addition, we made deductions for home market credit expenses, pursuant to section 773(a)(6)(C) of the Act. We deducted home market packing costs, in accordance with section 773(a)(6)(B)(i) of the Act.²⁸

²⁶ See Acron's September 9, 2015 response at page S-3.

²⁷ See the home market sales listing submitted with Acron's November 23, 2015 response.

²⁸ We did not add U.S. packing costs to NV, in accordance with section 773(a)(6)(A) of the Act, because Acron reported that it sold the subject merchandise in bulk.

Currency Conversion

We made currency conversions into U.S. dollars in accordance with section 773A of the Act and 19 CFR 351.415, based on the exchange rates in effect on the dates of the U.S. sales as certified by the Federal Reserve Bank. The exchange rates are available on the Enforcement & Compliance website at <http://enforcement.trade.gov/exchange/index.html>.

VI. RECOMMENDATION

Based on our analysis, we recommend adopting the above positions in these preliminary results. If this recommendation is accepted, we will publish the preliminary results of the review and the preliminary dumping margin for Acron in the Federal Register.



Agree

Disagree



Paul Piquado
Assistant Secretary
for Enforcement and Compliance

5 MAY 2016

(Date)