UNITED STATES DEPARTMENT OF COMMERCE
International Trade Administration
Washington, D.C. 20230

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Administrative Review
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DATE: April 4, 2016

MEMORANDUM TO: Ronald Lorentzen
Acting Assistant Secretary
for Enforcement and Compliance

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

SUBJECT: Antidumping Duty Administrative Review of Polyethylene Terephthalate Film, Sheet, and Strip from the United Arab Emirates: Issues and Decision Memorandum for the Final Results

I. Summary

We analyzed the comments of the interested parties in the sixth administrative review of the antidumping duty order on polyethylene terephthalate film, sheet, and strip (PET Film) from the United Arab Emirates (UAE). The period of review (POR) is November 1, 2013, through October 31, 2014. As a result, we made changes to the margin calculation for the respondent, JBF RAK LLC (JBF). We recommend that you approve the positions described in the "Discussion of the Issues" section of this memorandum.

II. Background

On December 1, 2015, the Department published the preliminary results of the administrative review of the antidumping duty order on PET Film from the UAE.[1] The Department received timely-filed case briefs from DuPont Teijin Films, Mitsubishi Polyester Film, and SKC Inc., (collectively, Petitioners) and JBF on January 11, 2015. JBF and Petitioners filed timely rebuttal briefs on January 19, 2015.

Based on our analysis of all the comments received, the weighted-average dumping margin for JBF has changed from the rate calculated in the Preliminary Results. The revised weighted-average dumping margin is published in the accompanying Federal Register notice.

[1] See Polyethylene Terephthalate Film, Sheet, and Strip from the United Arab Emirates: Preliminary Results of Antidumping Duty Administrative Review; 2013-2014, 80 FR 75052 (December 1, 2015) (Preliminary Results).

III. Discussion of the Issues

Comment 1: Explanation of Alternative Comparison Methodology

JBF's Comments

- While the Cohen's *d* test may be recognized for measuring effect size, it is not a test that is intended to test for statistical significance. The measurements resulting from the Cohen's *d* test may be the result of chance or otherwise be statistically insignificant. Therefore, the measurement that the Department calculated is not appropriate for determining the potential for or actual occurrence of masked dumping.
- The Cohen's *d* coefficient is being calculated incorrectly and uses sample sizes that are too small. The methodology used by the Department has no underlying statistical basis and is arbitrary.
- The Department should calculate JBF's dumping margin using only the Average-to-Average (A-to-A) methodology since there is no basis for using an alternative method.
- The Department does not adequately explain why the A-to-A method cannot take into account, for all U. S. sales, the pattern of differences among purchasers, regions, or periods of time as required by section 777A (d)(1)(B).
- In Beijing Tianhai,[2] the court found that the Department's justification for using the Average-to-Transaction (A-to-T) methodology, rather than the A-to-A methodology, amounted "to no more than narrative rather than explanation." In this case, as in Beijing Tianhai, the Department's explanation is inadequate.
- Having failed to provide an adequate statutory explanation, the Department should apply the A-to-A methodology to all of JBF's United States sales.

Petitioners Rebuttal

- The Department's decision in this case to use the mixed alternative methodology (i.e., the A-to-T methodology to those sales that passed the Cohen's *d* Test and the A-to-A method to those sales that did not pass the Cohen's *d* Test) was lawful, reasonable, and consistent with the Department's practice and applicable court precedent.
- JBF provides no support for its assertion that the Cohen's *d* test is being incorrectly applied.
- Two recent CIT cases, Beijing Tianhai and Golden Dragon,[3] have provided potentially inconsistent guidance regarding the level of explanation required when the Department uses the A-to-T methodology. Golden Dragon confirms that the explanation for using the A-to-T methodology provided in the Preliminary Results was adequate.
- In light of the potentially conflicting CIT opinions addressing the Department's differential pricing methodology, and out of an abundance of caution, the Department should maintain its use of the mixed alternative methodology, but provide an explanation as to why the A-to-A method cannot account for differences in pricing among purchasers,

[2] Beijing Tianhai Industry Co., Ltd v. United States (Beijing Tianhai), Slip Op. 15-114 (October 14, 2015).
[3] Golden Dragon Precise Copper Tube Group, Inc. v. United States (Golden Dragon), 2015 WL 4927515 (CIT Aug 19, 2015).

regions, or time periods which meets the standard as set out in Beijing Tianhai (e.g., by stating that the A-to-A method masks significant price differences among purchasers, regions, or time periods).

Department's Position:

As a result of adjustments made to the SAS program in response to comments from Petitioners and JBF (see Comment 2 below), the Department is now using the A-to-A methodology for JBF's sales in these final results.[4] Because the Department is no longer using the A-to-T methodology, this issue is moot, and it is not necessary to provide further comment regarding explanation of the use of A-to-T methodology in the Preliminary Results.

Comment 2: Alleged SAS Programming Errors

Petitioner's Comments

- The Department neglected to include international freight costs and marine insurance in its calculation of international movement expenses.
- Petitioners' included programming suggested programming language to correct this error.

JBF's Rebuttal Comments

- Assuming, arguendo, that errors exist in the calculation of international movement expenses, Petitioners' suggested programming language is in error.

JBF's Comments

- The Department incorrectly converted several U.S. invoice dates.

Petitioners did not comment on this issue.

Department's Position:

The Department agrees with Petitioners that it erroneously omitted international freight costs and marine insurance from its calculation of international movement expenses. The Department also agrees with JBF that Petitioners' recommended programming language contains errors. The Department agrees with JBF that several U.S. invoice dates were incorrectly converted. The Department will make adjustments to the SAS program to include international freight costs and marine insurance in its calculation of international movement expenses, and correctly convert U.S. invoice dates for these final results. As noted above, these adjustments result in a change to the Department's differential pricing analysis and determination of the comparison method for JBF's export sales.[5]

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[4] See Memorandum to Mark Hoadley, "Final Analysis Memorandum for JBF RAK LLC 2013-2014" at 4 and 5, dated April 04, 2016.
[5] Id.

IV. Recommendation

We recommend adopting the above positions. If these recommendations are accepted, we will publish the final results of this review and the final weighted-average dumping margin for the reviewed companies in the Federal Register.

Agree ✓ Disagree_____

Ronald K Lorentzen

Ronald Lorentzen
Acting Assistant Secretary
for Enforcement and Compliance

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