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MEMORANDUM TO: Paul Piquado
Assistant Secretary
for Enforcement and Compliance

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

SUBJECT: Preliminary Decision Memorandum for the Preliminary Results,
Preliminary Determination of No Shipments, and Partial
Rescission of the Antidumping Duty Administrative Review:
Certain Circular Welded Non-Alloy Steel Pipe from Mexico;
2014-2015

SUMMARY

In response to requests by interested parties, the Department of Commerce (the Department) is conducting an administrative review of the antidumping duty order on certain circular welded non-alloy steel pipe from Mexico. This administrative review covers eight companies: Conduit, S.A. de C.V. (Conduit), Lamina y Placa Comercial, S.A. de C.V. (Lamina y Placa), Maquilacero, S.A. de C.V. (Maquilacero), Mueller Comercial de Mexico, S. de R.L. de C.V. (Mueller), Productos Laminados de Monterrey, S.A. de C.V. (Prolamsa), PYTCO, S.A. de C.V. (PYTCO),¹ Regiomontana de Perfiles y Tubos, S.A. de C.V. (Regiopytsa), and Ternium Mexico, S.A. de C.V. (Ternium). The Department selected two mandatory respondents for examination: Maquilacero and Regiopytsa.² The period of review (POR) is November 1, 2014, through October 31, 2015. We preliminarily find that Maquilacero and Regiopytsa made sales at prices below normal value (NV) during the POR. We also preliminarily find that Lamina y Placa and Mueller had no shipments during the POR and that the request for review of Burner Systems International (BSI) by Whirlpool Corporation (Whirlpool) was timely withdrawn; consequently, we are rescinding the administrative review with regard to BSI.

¹ See the section entitled, "Affiliation and Single Entity," below; we are treating Regiopytsa and PYTCO as a single entity for purposes of these preliminary results of review.

² See Memorandum from Mark Flessner to Scot Fullerton, Director, Antidumping and Countervailing Duty Operations Office VI, entitled, "Respondent Selection for the Administrative Review Circular Welded Non-Alloy Steel Pipe from Mexico, 2014-2015," dated March 21, 2016 (Respondent Selection Memorandum).



BACKGROUND

On November 2, 1992, the Department published the antidumping duty order on certain circular welded non-alloy steel pipe from Mexico.³ On November 3, 2015, the Department published a notice of opportunity to request an administrative review of the order.⁴ On November 25, 2015, petitioner Wheatland Tube Company (Petitioner) requested administrative reviews of 13 companies; this request was clarified by Petitioner to request administrative reviews of 8 companies: Conduit, Lamina y Placa, Maquilacero, Mueller, Prolamsa, PYTCO, Regiopytsa, and Ternium.⁵ On November 30, 2015, Maquilacero requested an administrative review of itself.⁶ On November 30, 2015, Whirlpool requested an administrative review of BSI;⁷ on April 5, 2016, Whirlpool timely withdrew its request for review of BSI.⁸ On January 7, 2016, the Department published in the *Federal Register* its notice of initiation of administrative review of certain circular welded non-alloy steel pipe from Mexico, which included the eight exporters or producers for which we received timely requests.⁹ The *Initiation Notice* stated that, in the event the Department limits the number of respondents for individual examination for administrative reviews, the Department intended to select respondents based on U.S. Customs and Border Protection (CBP) data for U.S. imports during the POR. On January 4, 2016, the Department issued to all parties with Administrative Protective Order (APO) access entry data from CBP and invited interested parties to comment on these data.¹⁰ On January 14, 2016, Maquilacero

³ See *Notice of Antidumping Duty Orders: Certain Circular Welded Non-Alloy Steel Pipe from Brazil, the Republic of Korea (Korea), Mexico, and Venezuela and Amendment to Final Determination of Sales at Less Than Fair Value: Certain Welded Non-Alloy Steel Pipe from Korea*, 57 FR 49453 (November 2, 1992) (Antidumping Duty Order).

⁴ See *Antidumping or Countervailing Duty Order, Finding, or Suspension Agreement; Opportunity to Request Administrative Review*, 80 FR 67706 (November 3, 2015) (*Opportunity Notice*).

⁵ See Letter from Petitioner to the Secretary of Commerce entitled, “Certain Circular Welded Non-Alloy Steel Pipe from Mexico: Request for Administrative Review,” dated November 25, 2015; see also Letter from Petitioner to the Secretary of Commerce entitled, “Certain Circular Welded Non-Alloy Steel Pipe from Mexico: Request for Administrative Review,” dated December 7, 2015 (petitioner’s review request), where petitioner stated: “. . .we hereby revise our November 25, 2015 request for administrative reviews of sales of merchandise subject to the antidumping duty order covering Circular Welded Non-Alloy Pipe from Mexico made during the period from November 1, 2014 through October 31, 2015. In the following list, we revise our original request by removing certain entities that we understand are unlikely to have shipped during the relevant period because of, *inter alia*, relationships with other companies also identified in our list.”

⁶ See Letter from Maquilacero to the Secretary of Commerce entitled, “Certain Circular Welded Non-Alloy Steel Pipe From Mexico; Request for Administrative Review of Maquilacero S.A. de C.V.,” dated November 30, 2015.

⁷ See Letter from Whirlpool to the Secretary of Commerce entitled, “Certain Circular Welded Non-Alloy Steel Pipe from Mexico: Request for Antidumping Duty Administrative Review,” dated November 30, 2015 (Whirlpool/BSI review request).

⁸ See Letter from Whirlpool to the Secretary of Commerce entitled, “Certain Circular Welded Non-Alloy Steel Pipe from Mexico: Withdrawal of Request for Administrative Review,” dated April 5, 2015 (Whirlpool/BSI review request withdrawal).

⁹ See *Initiation of Antidumping and Countervailing Duty Administrative Reviews*, 81 FR 736 (January 7, 2016) (*Initiation Notice*).

¹⁰ See Memorandum from Mark Flessner to the File entitled, “Certain Circular Welded Non-Alloy Steel Pipe from Mexico, 2014-2015 Administrative Review: Placement of Customs and Border Protection (CBP) Information on the Record of this Administrative Review,” dated January 4, 2016 (CBP Information Memorandum); see also the Memorandum from Mark Flessner to the File entitled, “Certain Circular Welded Non-Alloy Steel Pipe from Mexico, 2014-2015 Administrative Review: Deadlines for Comments and Rebuttals Regarding Customs and Border Protection (CBP) Information Placed on the Record of this Administrative Review,” dated January 7, 2016.

submitted comments on the data contained in the CBP Information Memorandum.¹¹ On January 19, 2016, petitioner submitted a rebuttal to Maquilacero's comments.¹²

On January 19, 2016, Lamina y Placa reported that it made no sales of subject merchandise during the POR.¹³ On February 9, 2016, Mueller reported that it made no sales of subject merchandise during the POR.¹⁴ In addition, Conduit submitted such a claim of no shipments on February 25, 2016,¹⁵ but the Department rejected this submission as untimely.¹⁶ On November 28, 2016, we issued no-shipment inquiries to CBP to confirm the claims of no shipments by Lamina y Placa and Mueller. We have not yet received CBP's response to our inquiry. Therefore, based on the claims of no shipments by Lamina y Placa and Mueller, and because the record currently contains no information to the contrary, we preliminarily determine that Lamina and Mueller had no shipments of subject merchandise and, therefore, no reviewable transactions during the POR. However, we intend to consider information received from CBP in response to our no-shipment inquiry for the final results of this review.

As noted above, the Department stated in its initiation of this review that it intended to rely on CBP data to select respondents if respondent selection was considered appropriate.¹⁷ For the purpose of potential respondent selection, we made a data inquiry to CBP and placed certain documents from this data query on the record.¹⁸ The Department selected Maquilacero and Regiopytsa as the mandatory respondents and issued them the standard antidumping questionnaire on March 21, 2016.¹⁹ Maquilacero and Regiopytsa responded to the Department's initial questionnaire and subsequent supplemental questionnaires, as identified in the Preliminary Analysis Memoranda.²⁰ As stated above, on April 5, 2016, Whirlpool timely withdrew its request for review of BSI.²¹

¹¹ See Letter from Maquilacero to the Secretary of Commerce entitled, "Certain Circular Welded Non-Alloy Steel Pipe from Mexico; Maquilacero S.A. de C.V.'s Comments on CBP Data," dated January 14, 2016.

¹² See Letter from Petitioner to the Secretary of Commerce entitled, "Certain Circular Welded Non-Alloy Steel Pipe from Mexico: Rebuttal to Maquilacero's Comments on CBP Data," dated January 19, 2016.

¹³ See Letter from Lamina y Placa to the Secretary of Commerce entitled, "Certain Circular Welded Non-Alloy Steel Pipe from Mexico: Notice of No Sales," dated January 19, 2016.

¹⁴ See Letter from Mueller to the Secretary of Commerce entitled, "Certain Circular Welded Non-Alloy Steel Pipe from Mexico: Certification of No Shipments," dated February 9, 2016.

¹⁵ See letter from Conduit to the Secretary of Commerce entitled, "Circular Welded Non-Alloy Steel Pipe from Mexico: Notice of No Sales," dated February 23, 2016.

¹⁶ See Letter from Robert M. James to Conduit dated February 25, 2016.

¹⁷ See *Initiation Notice*.

¹⁸ See CBP Information Memorandum.

¹⁹ See the Respondent Selection Memorandum. See also Letter from Robert M. James to Maquilacero dated March 21, 2016; see also Letter from Robert M. James to Regiopytsa dated March 21, 2016.

²⁰ See Memoranda from Mark Flessner to the File entitled, "Certain Circular Welded Non-Alloy Steel Pipe from Mexico: Analysis of Data Submitted by Maquilacero, S.A. de C.V. for Preliminary Results of Antidumping Duty Administrative Review; 2014-2015," (Maquilacero Preliminary Analysis Memorandum), and "Certain Circular Welded Non-Alloy Steel Pipe from Mexico: Analysis of Data Submitted by Regiomontana de Perfiles y Tubos, S.A. de C.V. for Preliminary Results of Antidumping Duty Administrative Review; 2014-2015," dated December 5, 2016 (Regiopytsa Preliminary Analysis Memorandum) (collectively, Preliminary Analysis Memoranda).

²¹ See Letter from Whirlpool to the Secretary of Commerce entitled, "Certain Circular Welded Non-Alloy Steel Pipe from Mexico: Withdrawal of Request for Administrative Review," dated April 5, 2015.

Scope of the Order

The products covered by the order are circular welded non-alloy steel pipes and tubes, of circular cross-section, not more than 406.4 millimeters (16 inches) in outside diameter, regardless of wall thickness, surface finish (black, galvanized, or painted), or end finish (plain end, beveled end, threaded, or threaded and coupled). These pipes and tubes are generally known as standard pipes and tubes and are intended for the low pressure conveyance of water, steam, natural gas, and other liquids and gases in plumbing and heating systems, air conditioning units, automatic sprinkler systems, and other related uses, and generally meet ASTM A-53 specifications. Standard pipe may also be used for light load-bearing applications, such as for fence tubing, and as structural pipe tubing used for framing and support members for reconstruction or load-bearing purposes in the construction, shipbuilding, trucking, farm equipment, and related industries. Unfinished conduit pipe is also included in these orders. All carbon steel pipes and tubes within the physical description outlined above are included within the scope of the order, except line pipe, oil country tubular goods, boiler tubing, mechanical tubing, pipe and tube hollows for redraws, finished scaffolding, and finished conduit. Standard pipe that is dual or triple certified/stenciled that enters the U.S. as line pipe of a kind used for oil or gas pipelines is also not included in the order.

The merchandise covered by the order and subject to this review are currently classified in the Harmonized Tariff Schedule of the United States (HTSUS) at subheadings: 7306.30.10.00, 7306.30.50.25, 7306.30.50.32, 7306.30.50.40, 7306.30.50.55, 7306.30.50.85, and 7306.30.50.90. Although the HTSUS subheadings are provided for convenience and customs purposes, our written description of the scope of this proceeding is dispositive.

Partial Rescission of Administrative Review

On November 3, 2015, the Department published in the *Federal Register* a notice of opportunity to request an administrative review of the antidumping order on certain circular welded non-alloy steel pipe from Mexico.²² The Department received multiple timely requests for an administrative review of the AD order on certain circular welded non-alloy steel pipe from Mexico and, on January 7, 2016, in accordance with section 751(a) of the Tariff Act of 1930, as amended (the Act), the Department initiated a review of nine companies in this proceeding.²³ Included in these requests for review was one from Whirlpool, in which it requested a review of BSI,²⁴ this was the only request for review covering BSI. In response to Whirlpool's timely filed withdrawal request,²⁵ we are rescinding this administrative review with respect to BSI, pursuant to 19 CFR 351.213(d)(1).²⁶ Accordingly, the companies subject to the instant review are: Conduit, Lamina y Placa, Maquilacero, Mueller, Prolamsa, PYTCO, Regiopytsa, and Ternium, of which the Department has selected Maquilacero and Regiopytsa as the mandatory respondents.²⁷

²² See *Opportunity Notice*.

²³ See *Initiation Notice*.

²⁴ See Whirlpool/BSI review request.

²⁵ See Whirlpool/BSI review request withdrawal.

²⁶ See the Preliminary Decision Memorandum at the section entitled, "Partial Rescission."

²⁷ See Memorandum from Mark Flessner to Scot Fullerton, Director, Antidumping and Countervailing Duty Operations Office VI, entitled, "Respondent Selection for the Administrative Review Circular Welded Non-Alloy

Preliminary Determination of No Shipments

Lamina y Placa and Mueller reported that they made no sales of subject merchandise during the POR.²⁸ On November 28, 2016, we issued a no-shipment inquiry to CBP to confirm the claims of no shipments by Lamina y Placa and Mueller. We have not yet received CBP's response to our inquiry. Therefore, based on the claims of no shipments by Lamina y Placa and Mueller, and because the record currently contains no information to the contrary, we preliminarily determine that Lamina y Placa and Mueller had no shipments of subject merchandise and, therefore, no reviewable transactions during the POR. However, we intend to consider information received from CBP in response to our no-shipment inquiry for the final results of this review. Moreover, consistent with our practice, we are not preliminarily rescinding the review with respect to Lamina y Placa and Mueller but, rather, we will complete the review with respect to these companies and issue appropriate instructions to CBP based on the final results of this review.²⁹ Following our long-standing practice, we shall instruct CBP to liquidate any existing entries of merchandise produced by Lamina y Placa or Mueller and exported by other parties at the all-others rate should we continue to find in our final results that they had no shipments of subject merchandise from Mexico.³⁰ See the "Assessment Rates" section of the accompanying *Federal Register* notice for additional detail.

Unexamined Respondents

Administrative reviews of Conduit, Prolamsa, and Ternium were requested by Petitioner.³¹ None of these three companies (1) was selected as a mandatory respondent;³² (2) was the subject of a withdrawal of request for review; (3) requested to participate as a voluntary respondent; or (4) submitted a claim of no shipments. As such, these three companies remain as unexamined respondents. The statute and the Department's regulations do not address the establishment of a rate to be applied to companies not selected for examination when the Department limits its examination in an administrative review pursuant to section 777A(c)(2) of the Act. Generally, the Department looks to section 735(c)(5) of the Act, which provides instructions for calculating

Steel Pipe from Mexico, 2014-2015," dated March 21, 2016 (Respondent Selection Memorandum). Additionally, we have preliminarily determined to treat Regiopytsa and PYTCO as a single entity. See Memorandum from Scot Fullerton, Director, AD/CVD Operations Office VI, to Christian Marsh, Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations, entitled, "2014-2015 Administrative Review of the Certain Circular Welded Non-Alloy Steel Pipe from Mexico: Preliminary Affiliation and Collapsing Memorandum," dated December 5, 2016 (Affiliation and Collapsing Memorandum).

²⁸ See Letter from Lamina y Placa to the Secretary of Commerce entitled, "Certain Circular Welded Non-Alloy Steel Pipe from Mexico: Notice of No Sales," dated January 19, 2016. See also Letter from Mueller to the Secretary of Commerce entitled, "Certain Circular Welded Non-Alloy Steel Pipe from Mexico: Certification of No Shipments," dated February 9, 2016.

²⁹ See, e.g., *Certain Frozen Warmwater Shrimp From Thailand; Preliminary Results of Antidumping Duty Administrative Review, Partial Rescission of Review, Preliminary Determination of No Shipments; 2012-2013*, 79 FR 15951, 15952 (March 24, 2014), unchanged in *Certain Frozen Warmwater Shrimp From Thailand: Final Results of Antidumping Duty Administrative Review, Final Determination of No Shipments, and Partial Rescission of Review; 2012-2013*, 79 FR at 51306 (August 28, 2014).

³⁰ See, e.g., *Certain Frozen Warmwater Shrimp from India: Partial Rescission of Antidumping Duty Administrative Review*, 73 FR 77610, 77612 (December 19, 2008).

³¹ See Petitioner review request.

³² See Respondent Selection Memorandum.

the all-others rate in a market economy investigation, for guidance when calculating the rate for companies which were not selected for individual review in an administrative review. Under section 735(c)(5)(A) of the Act, the all-others rate is normally “an amount equal to the weighted-average of the estimated weighted-average dumping margins established for exporters and producers individually investigated, excluding any zero or *de minimis* margins, and any margins determined entirely {on the basis of facts available}.” In this review, we have preliminarily calculated weighted-average dumping margins for Maquilacero and Regiopytsa that are not zero, *de minimis*, or determined entirely on the basis of facts available. For the non-selected respondents, we could not apply our normal methodology of calculating a weighted-average dumping margin because doing so could indirectly disclose business proprietary information. Instead, we calculated a weighted-average margin using the publicly available, ranged total U.S. sales values of the selected respondents.³³ Accordingly, we preliminarily assign Conduit, Prolamsa, and Ternium the rate of 3.30 percent.

Postponement of Preliminary Determination

The Department has exercised its discretion to toll all administrative deadlines due to the closure of the Federal Government in January 2016; all deadlines in this segment of the proceeding have been extended by four business days.³⁴ In addition, the Department determined that it was not practicable to meet the deadline for the preliminary results of review within the statutory time frame of 245 days after the last day of the anniversary month for which this administrative review was requested. Therefore, in accordance with section 751(a)(3)(A) of the Act, the Department extended the deadline for the preliminary results of the instant administrative review by 120 days. If the new deadline falls on a non-business day, in accordance with the Department’s practice, the deadline will become the next business day.³⁵ Accordingly, the revised deadline for the preliminary results of this administrative review is now December 5, 2016.³⁶

METHODOLOGY

Fair Value Comparisons

Pursuant to section 773(a)(1)(B)(ii) of the Act and 19 CFR 351.414(c)(1) and (d), to determine whether sales of certain circular welded non-alloy steel pipe from Mexico were made in the

³³ For Maquilacero, we used the publicly ranged sales value of \$3,500,000; *see* Maquilacero Section A Response (Public Version) at Exhibit A-1. For Regiopytsa, we used the publicly ranged sales value of \$12,100,259; *see* Maquilacero Section A Response (Public Version) at Exhibit A-1.

³⁴ *See* Memorandum to the Record from Ron Lorentzen, Acting A/S for Enforcement & Compliance, regarding “Tolling of Administrative Deadlines As a Result of the Government Closure During Snowstorm Jonas,” dated January 27, 2016.

³⁵ *See Notice of Clarification: Application of “Next Business Day” Rule for Administrative Determination Deadlines Pursuant to the Tariff Act of 1930, As Amended*, 70 FR 24533 (May 10, 2005).

³⁶ *See* Memorandum from Mark Flessner to Christian Marsh, Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations, entitled, “Certain Circular Welded Non-Alloy Steel Pipe From Mexico: Extension of Time Limit for Preliminary Results of Antidumping Duty Administrative Review,” dated July 26, 2016; *see also* Memorandum from Mark Flessner to Christian Marsh, Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations, entitled, “Certain Circular Welded Non-Alloy Steel Pipe From Mexico: Extension of Time Limit for Preliminary Results of Antidumping Duty Administrative Review,” dated October 20, 2016.

United States at less than normal value, we compared the export price (EP) to the normal value as described in the “Export Price” and “Normal Value” sections of this memorandum. Maquilacero’s U.S. sales were all EP.³⁷ Regiopytsa’s U.S. sales were all EP.³⁸

1. Determination of Comparison Method

Pursuant to 19 CFR 351.414(c)(1), the Department calculates dumping margins by comparing weighted-average NVs to weighted-average constructed export prices (CEPs) or EPs (the average-to-average method (A-to-A)) unless the Secretary determines that another method is appropriate in a particular situation. In recent AD proceedings, the Department examined whether to use the average-to-transaction (A-to-T) method as an alternative comparison method using an analysis consistent with section 777A(d)(1)(B) of the Act. In order to determine which comparison method to apply, in recent proceedings, the Department applied a “differential pricing” (DP) analysis for determining whether application of A-to-T comparisons is appropriate pursuant to 19 CFR 351.414(c)(1) and consistent with section 777A(d)(1)(B) of the Act.³⁹ The Department finds the DP analysis used in recent proceedings may be instructive for purposes of examining whether to apply an alternative comparison method in this AD investigation.⁴⁰ The Department intends to continue to develop its approach in this area based on comments received in this and other proceedings, and on the Department’s additional experience with addressing the potential masking of dumping that can occur when the Department uses the A-to-A method in calculating weighted-average dumping margins.

The DP analysis used in this preliminary determination requires a finding of a pattern of EPs (or CEPs) for comparable merchandise that differ significantly among purchasers, regions, or time periods.⁴¹ If such a pattern is found, then the DP analysis evaluates whether such differences can be taken into account when using the A-to-A method to calculate the weighted-average dumping margin. The DP analysis used here evaluates all purchasers, regions, and time periods to determine whether a pattern of prices that differ significantly exists. The analysis incorporates

³⁷ See Maquilacero Section A Response at A-16.

³⁸ See Regiopytsa Section A Response at A-19.

³⁹ See, e.g., *Diffusion-Annealed, Nickel-Plated Flat-Rolled Steel Products From Japan: Preliminary Determination of Sales at Less Than Fair Value and Postponement of Final Determination*, 78 FR 69371 (November 19, 2013), and accompanying Preliminary Decision Memorandum.

⁴⁰ See, e.g., *Hardwood and Decorative Plywood From the People’s Republic of China: Final Determination of Sales at Less Than Fair Value*, 78 FR 58273 (September 23, 2013), and accompanying Issues and Decision Memorandum at Comment 5; see also *Tapered Roller Bearings and Parts Thereof, Finished and Unfinished, From the People’s Republic of China: Preliminary Results of Antidumping Duty Administrative Review and New Shipper Reviews; 2011-2012*, 78 FR 40692 (July 8, 2013); *Certain Activated Carbon From the People’s Republic of China: Preliminary Results of Antidumping Duty Administrative Review; 2011-2012*, 78 FR 26748 (May 8, 2013); *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) (*Steel Threaded Rod*); *Polyester Staple Fiber From Taiwan: Preliminary Results of Antidumping Duty Administrative Review; 2011-2012*, 78 FR 17637 (March 22, 2013) (*Polyester Staple Fiber*).

⁴¹ As noted above, the DP analysis has been utilized in recent AD investigations and several recent AD administrative reviews to determine the appropriate comparison methodology. See, e.g., *Steel Threaded Rod; Circular Welded Carbon Steel Pipes and Tubes From Thailand: Preliminary Results of Antidumping Duty Administrative Review; 2011-2012*, 78 FR 21105 (April 9, 2013); *Polyvinyl Alcohol From Taiwan: Preliminary Results of Antidumping Duty Administrative Review; 2010-2012*, 78 FR 20890 (April 8, 2013); and *Polyester Staple Fiber*.

default group definitions for purchasers, regions, time periods, and comparable merchandise. Purchasers are based on the customer codes as reported. Regions are defined using the reported destination code (*i.e.*, zip codes), which are grouped into regions based upon standard definitions published by the U.S. Census Bureau. Time periods are defined by the quarter within the POI being examined based upon the reported date of sale. For purposes of analyzing sales transactions by purchaser, region, and time period, comparable merchandise is considered using the product control number and any characteristics of the sales, other than purchaser, region, and time period, that the Department uses in making comparisons between EP and NV for the individual dumping margins.

In the first stage of the DP analysis used here, the “Cohen’s *d* test” is applied. The Cohen’s *d* test is a generally recognized statistical measure of the extent of the difference between the mean of a test group and the mean of a comparison group. First, for comparable merchandise, the Cohen’s *d* coefficient is calculated when the test and comparison groups of data each have at least two observations, and when the sales quantity for the comparison group accounts for at least five percent of the total sales quantity of the comparable merchandise. Then, the Cohen’s *d* coefficient is used 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 (*i.e.*, 0.8) provides the strongest indication that there is a significant difference between the means of the test and comparison groups, while the small threshold provides the weakest indication that such a difference exists. For this analysis, the difference was considered significant, and the sales were 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 accounts 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 A-to-T method to all sales as an alternative to the A-to-A method. If the value of sales to purchasers, regions, and time periods that pass the Cohen’s *d* test accounts for more than 33 percent and less than 66 percent of the value of total sales, then the results support consideration of the application of an A-to-T method to those sales identified as passing the Cohen’s *d* test as an alternative to the A-to-A method, and application of the A-to-A method to those sales identified as not passing the Cohen’s *d* test. If 33 percent or less of the value of total sales passes the Cohen’s *d* test, then the results of the Cohen’s *d* test do not support consideration of an alternative to the A-to-A method.

If both tests in the first stage (*i.e.*, the Cohen’s *d* test and the ratio test) demonstrate the existence of a pattern of EPs (or CEPs) that differ significantly such that an alternative comparison method should be considered, then in the second stage of the DP analysis, we examine whether using only the A-to-A method can appropriately account for such differences. In considering this question, the Department tests whether using an alternative method, based on the results of the Cohen’s *d* and ratio tests described above, yields a meaningful difference in the weighted-average dumping margin as compared to that resulting from the use of the A-to-A method only. If the difference between the two calculations is meaningful, then this demonstrates that the A-

to-A 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 A-to-A method and the appropriate alternative method where both rates are above the *de minimis* threshold, or 2) the resulting weighted-average dumping margin moves across the *de minimis* threshold.

Interested parties may present arguments and justifications in relation to the above-described DP approach used in this preliminary determination, including arguments for modifying the group definitions used in this proceeding.

2. Results of the DP Analysis

Based on the results of our DP analysis, if the value of sales to purchasers, regions, or time periods that passes the Cohen's *d* test accounts 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 A-to-T method as an alternative to the A-to-A method.

Maquilacero

For Maquilacero, the Department finds that 66.10 percent of its EP sales confirm the existence of a pattern of EPs for comparable merchandise that differ significantly among purchasers, regions, or time periods. Moreover, our analysis of the application of the A-to-T alternative method to respondent's EP sales yields a meaningful difference in the weighted-average dumping margin as compared to that resulting from the use of the A-to-A method only. Accordingly, the Department has preliminarily determined to use the A-to-T alternative method in making comparisons of EP and NV for this respondent.

Regiopytsa

For Regiopytsa and its affiliates, the Department finds that 73.58 percent of its EP sales confirm the existence of a pattern of EPs for comparable merchandise that differ significantly among purchasers, regions, or time periods. Moreover, our analysis of the application of the A-to-T alternative method to respondent's EP sales yields a meaningful difference in the weighted-average dumping margin as compared to that resulting from the use of the A-to-A method only. Accordingly, the Department has preliminarily determined to use the A-to-T alternative method in making comparisons of EP and NV for this respondent.

Product Comparisons

In accordance with section 771(16) of the Act, we compared products produced and sold in the U.S. and home markets by Maquilacero and Regiopytsa, on the basis of the comparison market product, which was either identical or most similar in term of the physical characteristics to the product sold in the United States. In the order of importance, the physical characteristics were grade, nominal pipe size, wall thickness, coating, and end finish.

Date of Sale

Section 351.401(i) of the Department's regulations states that, normally, the Department 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.

Maquilacero

Maquilacero reported sale date as invoice date in both markets.⁴² For purposes of this administrative review, the Department has preliminarily relied upon the reported invoice date as the date of sale.

Regiopytsa

Regiopytsa reported sale date as invoice date in both markets.⁴³ For purposes of this administrative review, the Department has preliminarily relied upon the reported invoice date as the date of sale.

Level of Trade

In accordance with section 773(a)(1)(B)(i) of the Act, to the extent practicable, we determine NV based on sales in the comparison market at the same level of trade (LOT) as the EP or CEP.⁴⁴ The LOT for NV is based on the starting prices of sales in the home market or, when NV is based on CV, those of the sales from which we derived selling, general, and administrative expenses and profit.⁴⁵ In this administrative review, Maquilacero and Regiopytsa made only EP sales to the United States.

To determine if the home-market sales are made at a different LOT than EP sales, we examined stages in the marketing process and the selling functions performed along the chain of distribution between the producer and the unaffiliated customer.⁴⁶ If home-market sales are at a different LOT, as manifested in a pattern of consistent price differences between the sales on which NV is based and home-market sales made at the LOT of the export transaction, and the difference affects price comparability, then we make a LOT adjustment to NV under section 773(a)(7)(A) of the Act and 19 CFR 351.412.⁴⁷

In implementing these principles in this review, we examined information obtained from respondents regarding the marketing stage(s) involved in CM and U.S. sales, including a description of the selling activities performed for each channel of distribution.

⁴² See Maquilacero Section B Response at B-21; see also Maquilacero Section C Response at C-10.

⁴³ See Regiopytsa Section B Response at B-17; see also Regiopytsa Section C Response at C-16-17.

⁴⁴ See also section 773(a)(7)(A) of the Act.

⁴⁵ See 19 CFR 351.412(c)(1)(iii).

⁴⁶ See 19 CFR 351.412(c)(2).

⁴⁷ See, e.g., *Notice of Final Determination of Sales at Less Than Fair Value: Certain Cut-to-Length Carbon Steel Plate from South Africa*, 62 FR 61731, 61733 (November 19, 1997).

Maquilacero

Maquilacero stated that it has two channels of distribution in the home market.⁴⁸ Channel 1 is sales to end-users and distributors.⁴⁹ Channel 2 is sales to one of Maquilacero's affiliates.⁵⁰ Maquilacero stated that it has a single channel of distribution in the U.S. market. Maquilacero submitted a chart of selling activities that specified the level of each activity performed.⁵¹ The selling activities chart does not include selling activities for Channel 2 in the home market. The selling activities chart compares between HM and US sales only for Channel 1. Many selling activities were listed as being at the same level in both markets. The following chart shows the selling activities for which Maquilacero claims differences in levels of activity between home market Channel 1 and the U.S. market:⁵²

	<u>CM</u>	<u>U.S.</u>
Strategic/Economic Planning	MEDIUM	LOW
Advertising	MEDIUM	LOW
Sales Promotion	MEDIUM	LOW
Inventory Maintenance	HIGH	LOW
Order Input/Processing	HIGH	LOW
Direct Sales Personnel	HIGH	LOW
Market Research	MEDIUM	LOW
Provide Freight and Delivery	LOW	HIGH
Travel to Customer Location	MEDIUM	LOW
Collections	HIGH	LOW
Pay Commissions	HIGH	LOW
Personnel Training/Exchange	LOW	NO
Distributor/Dealer Training	HIGH	LOW
Sales/Marketing Support	MEDIUM	LOW

Without the inclusion of the relevant information concerning home market Channel 2, the Department does not have sufficient information to make a conclusion with regard to a comparison of the levels of trade in each market. Notwithstanding this, when asked in the questionnaire to state "whether the prices you charge for the subject merchandise in the U.S. market and the foreign like product in the foreign market vary depending on the channel of distribution through which you sell," Maquilacero did not identify channels of distribution as a factor in pricing:

In the home market, prices vary depending on market conditions, the quantity purchased, terms of payment, and the history with the customer. The variations in Maquilacero's prices to U.S. customers depend on whether they are sold directly to customers, or through a commissioned agent, and on payment terms and general market conditions.⁵³

⁴⁸ See Maquilacero Section A Response at A-18.

⁴⁹ *Id.*, at Exhibit A-8.

⁵⁰ *Id.*, at A-18.

⁵¹ *Id.*, at Exhibit A-8.

⁵² *Id.* (This information is not bracketed as business proprietary.)

⁵³ *Id.*, at A-20.

Given that (a) the type of product is generally the same in both markets, (b) we do not have enough information to conclude whether the sales practices differ significantly or are generally the same for most of the sales in both the home and U.S. markets, and (c) that Maquilacero does not claim that prices vary according to the channel of distribution in either market, we preliminarily determine that the selling activities with respect to its home and U.S. sales are not sufficiently different to constitute separate levels of trade. Therefore, we did not make a LOT adjustment because price comparisons are not shown to be at different LOT. Additionally, as noted above, Maquilacero states, “Maquilacero did not have any CEP sales.”⁵⁴ Thus, we cannot make a CEP offset to normal value (nor did Maquilacero request one).

Regiopytsa

Regiopytsa stated that it has one channel of distribution in the home market.⁵⁵ Regiopytsa also has a single channel of distribution in the U.S. market.⁵⁶ Regiopytsa submitted a chart of selling activities that specified the level of each activity performed.⁵⁷ The selling activities chart does not include levels of activity; it only indicates whether the selling activity is performed in the home market and/or in the U.S. market. Of the 25 activities listed, a single activity shows a difference between the home and U.S. markets (*i.e.*, is performed in one market and not in the other).⁵⁸ Without the inclusion of the relevant information concerning levels of activity in each market, the Department does not have sufficient information to make a conclusion with regard to a comparison of the levels of trade in each market. Notwithstanding this, when asked in the questionnaire to state “whether the prices you charge for the subject merchandise in the U.S. market and the foreign like product in the foreign market vary depending on the channel of distribution through which you sell,” Regiopytsa specifically stated: “No, the prices Regiopytsa charges for the subject merchandise in the U.S. and for like product in Mexico do not vary depending on the channel of distribution or the customer category.”⁵⁹ Given that (a) the type of product is generally the same in both markets, (b) we do not have enough information to conclude whether the sales practices differ significantly or are generally the same for most of the sales in both the home and U.S. markets, and (c) that Regiopytsa states that prices do not vary according to the channel of distribution in either market, we preliminarily determine that the selling activities with respect to its home and U.S. sales are not sufficiently different to constitute separate levels of trade. Therefore, we preliminarily have not made a LOT adjustment because price comparisons are not shown to be at different LOT. Additionally, as noted above, Regiopytsa states, “No CEP sales were made to the United States.”⁶⁰ Thus, we cannot make a CEP offset to normal value (nor did Regiopytsa request one).

Export Price

Section 772(a) of the Act states: “The term ‘export price’ means the price at which the subject merchandise is first sold (or agreed to be sold) before the date of importation by the producer or

⁵⁴ *Id.*, at A-20.

⁵⁵ *See* Regiopytsa Section A Response at A-17.

⁵⁶ *Id.*

⁵⁷ *Id.*, at Exhibit A-4.

⁵⁸ *Id.* (This information is not bracketed as business proprietary.)

⁵⁹ *Id.*, at A-18-19.

⁶⁰ *Id.*, at A-19.

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 subsection (c).”

Maquilacero

For Maquilacero’s U.S. sales, we used the EP methodology, in accordance with section 772(a) of the Act, because the subject merchandise was first sold by the producer or exporter of the subject merchandise to an unaffiliated purchaser for exportation to the United States (with the producer’s knowledge that the subject merchandise was destined for the United States) prior to importation and CEP methodology was not otherwise warranted based on the facts of record. We therefore preliminarily determine that these are EP sales. We based EP on packed prices to the first unaffiliated purchaser. We made deductions from the starting price for inland freight from the plant to the port and ocean freight expenses, where appropriate, in accordance with section 772(c)(2)(A) of the Act.

Regiopytsa

For Regiopytsa’s U.S. sales, we used the EP methodology, in accordance with section 772(a) of the Act, because the subject merchandise was first sold by the producer or exporter of the subject merchandise to an unaffiliated purchaser for exportation to the United States (with the producer’s knowledge that the subject merchandise was destined for the United States) prior to importation and CEP methodology was not otherwise warranted based on the facts of record. We therefore preliminarily determine that these are EP sales. We based EP on packed prices to the first unaffiliated purchaser. We made deductions from the starting price for inland freight from the plant to the port and ocean freight expenses, where appropriate, in accordance with section 772(c)(2)(A) of the Act.

Normal Value

Pursuant to section 773(a)(1)(B) of the Act and 19 CFR 351.414(c)(1) and (d), to determine whether respondents’ sales of the subject merchandise from Mexico to the United States were made at less than NV, the Department compared the EP to the NV.

1. Home Market Viability

Maquilacero

In order to determine whether there is a sufficient volume of sales in the home market to serve as a viable basis for calculating normal value (*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 home market sales of foreign like product by Maquilacero to the volume of U.S. sales of subject merchandise,⁶¹ in accordance with section 773(a)(1)(C) of the Act. Based on this comparison, we preliminarily determined that Maquilacero had a viable home market during the POR.

⁶¹ See Maquilacero Section A Response at A-3 and Exhibit A-1.

Regiopytsa

In order to determine whether there is a sufficient volume of sales in the home market to serve as a viable basis for calculating normal value (*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 home market sales of foreign like product by Regiopytsa to the volume of U.S. sales of subject merchandise,⁶² in accordance with section 773(a)(1)(C) of the Act. Based on this comparison, we preliminarily determined that Regiopytsa had a viable home market during the POR.

2. Affiliation and Single Entity

Section 771(33) of the Act, in pertinent part, identifies persons that shall be considered “affiliated” or “affiliated persons” as: (1) two or more persons directly or indirectly controlling, controlled by, or under common control with, any person (section 771(33)(F) of the Act); or (2) any person who controls any other person and such other person (section 771(33)(G) of the Act). Section 771(33) further stipulates that a person shall be considered to control another person if the person is legally or operationally in a position to exercise restraint or direction over the other person, and the SAA notes that control may be found to exist within corporate groupings.⁶³ The Department’s regulations at 19 CFR 351.102(b) state that in determining whether control over another person exists within the meaning of section 771(33) of the Act, the Department will not find that control exists unless the relationship has the potential to impact decisions concerning the production, pricing, or cost of the subject merchandise or foreign like product.

Regiopytsa and PYTCO

We examined record evidence to determine whether and the extent to which Regiopytsa was affiliated with PYTCO in accordance with 771(33) of the Act. In questionnaire responses submitted to the Department, Regiopytsa specified that PYTCO is an affiliated producer, and responded that both Regiopytsa and PYTCO manufactured and sold certain circular welded non-alloy steel pipe in the comparison market.⁶⁴ Regiopytsa provided additional information regarding its relationship with PYTCO that speaks to the nature of affiliation based on the level of common ownership and control, of which certain information is business proprietary in nature.⁶⁵

⁶² See Regiopytsa Section A Response at A-3 and Exhibit A-1.

⁶³ See SAA at 838 (stating that control may exist within the meaning of section 771(33) of the Act in the following types of relationships: (1) corporate or family groupings, (2) franchises or joint ventures, (3) debt financing, and (4) close supplier relationships in which either party becomes reliant upon the other).

⁶⁴ See Regiopytsa Section A Response at A-2.

⁶⁵ *Id.*, at A-10-14 and Exhibits A-6, A-7a, and A-7b. See also Letter from Regiopytsa to the Secretary of Commerce entitled, “Circular Welded Non-Alloy Steel Pipe from Mexico: Response to the Department’s Sections A, B, C and D Supplemental Questionnaire,” dated September 28, 2016 (Regiopytsa Second Supplemental Response) at 1-5 and Exhibits SABCD-1, SABCD-2, SABCD-3, and SABCD-17.

In accordance with sections 771(33)(F) and (G) of the Act, we preliminarily find that there is evidence on the record that Regiopytsa and PYTCO are affiliated because of operational control or direction and that this control or direction has the potential to impact decisions concerning the production, pricing, and cost of the subject merchandise. We find that both companies, which are engaged in the production and sales of the subject merchandise, are under common control.⁶⁶

We next examined whether the affiliated companies should be considered a single entity for purposes of calculating a dumping margin. Section 351.401(f) of the Department's regulations states that the Department will treat affiliated producers as a single entity where they have production facilities for similar or identical products that would not require substantial retooling of either facility in order to restructure manufacturing priorities, and the Department concludes that there is a significant potential for the manipulation of price or production. Section 351.401(f) of the regulations further states that in identifying a significant potential for manipulation, the Department may consider factors including: (1) the level of common ownership; (2) the extent to which managerial employees or board members of one firm sit on the board of directors of an affiliated firm; and (3) whether operations are intertwined, such as through the sharing of sales information, involvement in production and pricing decisions, the sharing of facilities or employees, or significant transactions between the affiliated producers. The *Preamble* to the final regulations clarifies how the Department should apply this section in its collapsing analysis, explaining that this list of factors is "non-exhaustive."⁶⁷ The *Preamble* states, however, that the Department must still find that the potential for manipulation of price and production is significant.⁶⁸ The Department has also previously explained its practice of collapsing affiliated companies:

Because the Department calculates margins on a company-by-company basis, it must ensure that it reviews the entire producer or reseller, not merely part of it. The Department reviews the entire entity due to its concerns regarding price and cost manipulation. Because of this concern, the Department normally examines the question of whether reviewed companies "constitute separate manufacturers or exporters for purposes of the dumping law."⁶⁹

In the instant administrative review, as explained above, we have preliminarily determined that Regiopytsa and PYTCO are affiliated; consequently, the first collapsing criterion has been satisfied. As to whether the companies have similar production facilities that would not require substantial retooling, Regiopytsa and PYTCO reported evidence that indicates that it would not require substantial retooling of the manufacturing facility in order to restructure manufacturing

⁶⁶ For the full analysis of this determination, see the Affiliation and Collapsing Memorandum.

⁶⁷ *Preamble*, 62 FR at 27345.

⁶⁸ *Preamble*, 62 FR at 27345-46.

⁶⁹ See *Certain Fresh Cut Flowers From Colombia; Final Results of Antidumping Duty Administrative Reviews*, 61 FR 42833, 42853 (Aug. 19, 1996), citing *Final Determination of Sales at Less than Fair Value; Certain Granite Products from Spain*, 53 FR 24335, 24337 (June 28, 1988).

priorities because PYTCO also produces merchandise under review.⁷⁰ Additionally, the Department has previously collapsed affiliated producers and exporters when the remaining 19 CFR 351.401(f) criteria were satisfied, and the totality of the circumstances indicate that collapsing is appropriate.⁷¹

Record information also indicates the sharing of management between Regiopytsa and PYTCO. Further, we preliminarily find that the operations of Regiopytsa and PYTCO are intertwined based on record evidence concerning ownership and control. For the full analysis of this determination, *see* the Affiliation and Collapsing Memorandum. Therefore, in accordance with 19 CFR 351.401(f) and Department practice,⁷² we are treating Regiopytsa and PYTCO as a single entity for purposes of these preliminary results of review.

Cost of Production

1. Calculation of COP

In accordance with section 773(b)(3) of the Act, we calculated COP based on the sum of the cost of materials and fabrication for the foreign like product, plus an amount for general and administrative expenses, interest expenses, and comparison market packing costs.⁷³ We examined the cost data and preliminarily determined that our quarterly cost methodology is not warranted. We have applied our standard methodology of using annual costs based on the data submitted in the respondent's original and supplemental questionnaire responses.

2. Test of Comparison Market Sales Prices

With respect to each company, on a product-specific basis, pursuant to section 773(a)(1)(B)(i) of the Act, we compared the adjusted weighted-average COPs to the home market sales prices of the foreign like product, in order to determine whether the sale prices were below COP. For purposes of this comparison, we used COPs exclusive of selling and packing expenses. The prices for each respondent were net of billing adjustments, movement charges, direct and indirect selling expenses and packing expenses, where appropriate.⁷⁴

⁷⁰ *See* Regiopytsa Section A Response at A-2. *See also* "Circular Welded Non-Alloy Steel Pipe from Mexico: Section A Response, dated March 4, 2014, at p. 4; *see Stainless Steel Butt-Weld Pipe Fittings From Italy: Preliminary Results of Antidumping Duty Administrative Review and Preliminary No Shipment Determination*, 76 FR 79651, 79652 (December 22, 2011) (finding that "the ownership, management, and operations of a producer and an affiliated exporter were so intertwined that management could switch the role of producer and seller between the two companies without substantial retooling of either company"), unchanged in *Stainless Steel Butt-Weld Pipe Fittings From Italy: Final Results of Antidumping Duty Administrative Review and Final No Shipment Determination*, 77 FR 24459 (April 24, 2012).

⁷¹ *See, e.g., Stainless Steel Butt-Weld Pipe Fittings From Italy: Preliminary Results of Antidumping Duty Administrative Review and Preliminary No Shipment Determination*, 76 FR 79651, 79652 (December 22, 2011) (unchanged in *Stainless Steel Butt-Weld Pipe Fittings From Italy: Final Results of Antidumping Duty Administrative Review and Final No Shipment Determination*, 77 FR 24459 (April 24, 2012)).

⁷² *See Flowers from Colombia (citing Granite Products from Spain)*, *see also Queen's Flowers de Colombia v. United States*, 981 F. Supp. 617, 622 (1997) (in which the Court of International Trade expressly affirmed the Department's authority to collapse affiliated parties for purposes of antidumping analysis).

⁷³ *See* "Test of Comparison Market Sales Prices" section, below, for treatment of comparison market selling expenses.

⁷⁴ *See* Preliminary Analysis Memoranda.

3. Results of the COP Test

Section 773(b)(1) provides that where sales made at less than the COP “have been made within an extended period of time in substantial quantities” and “were not at prices which permit recovery of all costs within a reasonable period of time” the Department may disregard such sales when calculating NV. Pursuant to section 773(b)(2)(C)(i) of the Act, we did not disregard below-cost sales that were not made in “substantial quantities,” *i.e.*, where less than 20 percent of sales of a given product were at prices less than COP. We disregarded below-cost sales when they were made in substantial quantities, *i.e.*, where 20 percent or more of a respondent’s sales of a given product were at prices less than the COP and where “the weighted average per unit price of the sales . . . is less than the weighted average per unit cost of production for such sales.”⁷⁵ Finally, based on our comparison of prices to the weighted-average COPs for the POI, we considered whether the prices would permit the recovery of all costs within a reasonable period of time.⁷⁶

Maquilacero

For Maquilacero, we disregarded below-cost sales of certain CONNUMs where 20 percent or more of the sales of those CONNUMs were at prices less than the COP and used the remaining sales as the basis for determining NV, in accordance with section 773(b)(1) of the Act.⁷⁷

Regiopytsa

For Regiopytsa, we disregarded below-cost sales of certain CONNUMs where 20 percent or more of the sales of those CONNUMs were at prices less than the COP and used the remaining sales as the basis for determining NV, in accordance with section 773(b)(1) of the Act.⁷⁸

Calculation of Normal Value Based on Comparison Market Prices

Maquilacero

We based NV on home-market sales of Maquilacero to unaffiliated purchasers (or to affiliated purchasers when such sales passed the arms-length test). Pursuant to section 773(a)(6)(B)(ii) of the Act, we deducted inland freight expenses Maquilacero incurred on its home market sales. We made adjustments for differences in domestic and export packing expenses in accordance with sections 773(a)(6)(A) and 773(a)(6)(B)(i) of the Act.⁷⁹

Regiopytsa

We based NV on home-market sales of Regiopytsa to unaffiliated purchasers (or to affiliated purchasers when such sales passed the arms-length test). Pursuant to section 773(a)(6)(B)(ii) of

⁷⁵ See section 773(b)(2)(C)(ii) of the Act.

⁷⁶ See section 773(b)(2)(D) of the Act.

⁷⁷ See Maquilacero Preliminary Analysis Memorandum.

⁷⁸ See Regiopytsa Preliminary Analysis Memorandum.

⁷⁹ See Maquilacero Preliminary Analysis Memorandum for further details.

the Act, we deducted inland freight expenses Regiopytsa incurred on its home market sales. We made adjustments for differences in domestic and export packing expenses in accordance with sections 773(a)(6)(A) and 773(a)(6)(B)(i) of the Act.⁸⁰

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 date of the U.S. sales as certified by the Federal Reserve Bank.

RECOMMENDATION

We recommend applying the above methodology for these preliminary results.

Agree

Disagree

12/5/2016

X 

Signed by: PAUL PIQUADO
Paul Piquado
Assistant Secretary
for Enforcement and Compliance

⁸⁰ See Regiopytsa Preliminary Analysis Memorandum for further details.