



A-570-904
POR: 4/1/2017 - 3/31/2018
Public Document
E&C/OVIII: JA/MJA

June 10, 2019

MEMORANDUM TO: Jeffrey I. Kessler
Assistant Secretary
for Enforcement and Compliance

FROM: James Maeder
Acting Deputy Assistant Secretary
for Antidumping and Countervailing Duty Operations

SUBJECT: Decision Memorandum for the Preliminary Results of Antidumping
Duty Administrative Review: Certain Activated Carbon from the
People's Republic of China; 2017-2018

I. SUMMARY

In response to timely requests from interested parties, the Department of Commerce (Commerce) is conducting an administrative review of the antidumping duty order on certain activated carbon from the People's Republic of China (China) for the period of review (POR) April 1, 2017 through March 31, 2018. Commerce preliminarily determines that sales of the subject merchandise in the United States were made at less than fair value.

If these preliminary results are adopted in the final results of this administrative review, Commerce will instruct U.S. Customs and Border Protection (CBP) to assess antidumping duties on all appropriate entries of subject merchandise during the POR. Interested parties are invited to comment on these preliminary results. Commerce intends to issue the final results no later than 120 days from the date of publication of these preliminary results pursuant to section 751(a)(3)(A) of the Tariff Act of 1930, as amended (the Act), unless this deadline is extended.

II. BACKGROUND

On June 6, 2018, pursuant to timely requests for review, Commerce published the notice of initiation of the eleventh administrative review of the antidumping duty order on certain activated carbon from China for the POR, April 1, 2017 to March 31, 2018.¹ Commerce initiated an administrative review of 256 exporters of subject merchandise.²

¹ See *Initiation of Antidumping and Countervailing Duty Administrative Reviews*, 83 FR 26258 (June 6, 2018) (*Initiation Notice*).

² *Id.* at 83 FR 26260-63.



On June 6, 2018, Commerce placed on the record of the review CBP data for imports made during the POR under the Harmonized Tariff Schedule of the United States (HTSUS) numbers listed in the scope of the order and requested comments on the data for use in respondent selection.³ On July 3, 2018, Commerce issued the respondent selection memorandum, selecting Carbon Activated Tianjin Co., Ltd. (Carbon Activated) and Datong Juqiang Activated Carbon Co., Ltd. (Datong Juqiang) (collectively, the mandatory respondents) for individual examination because they were the two largest exporters or producers of the subject merchandise, by volume, during the POR.⁴ On July 5, 2018, Commerce sent initial antidumping (AD) questionnaires to Carbon Activated and Datong Juqiang. Commerce received responses to section A of the questionnaire from both respondents in August 2018,⁵ and to sections C and D in August and September 2017.⁶ From September 2018 through May 2019, Commerce issued and received responses to supplemental questionnaires from Carbon Activated and Datong Juqiang.

On December 7, 2018, Commerce extended the preliminary results deadline until April 30, 2019.⁷ Commerce exercised its discretion to toll all deadlines affected by the partial federal government closure from December 22, 2018 through the resumption of operations on January 29, 2019.⁸ If the new deadline falls on a non-business day, in accordance with Commerce's practice, the deadline will become the next business day. The revised deadline for the April 30, 2019 decision is now June 10, 2019.

III. SCOPE OF THE ORDER

The merchandise subject to the order is certain activated carbon. Certain activated carbon is a powdered, granular, or pelletized carbon product obtained by "activating" with heat and steam various materials containing carbon, including but not limited to coal (including bituminous, lignite, and anthracite), wood, coconut shells, olive stones, and peat. The thermal and steam treatments remove organic materials and create an internal pore structure in the carbon material. The producer can also use carbon dioxide gas (CO₂) in place of steam in this process. The vast majority of the internal porosity developed during the high temperature steam (or CO₂ gas) activated process is a direct result of oxidation of a portion of the solid carbon atoms in the raw material, converting them into a gaseous form of carbon.

³ See Memorandum, "Certain Activated Carbon from the People's Republic of China: U.S. Customs and Border Protection Data Release for Respondent Selection," dated June 6, 2018.

⁴ See Memorandum, "Eleventh Antidumping Duty Administrative Review of Certain Activated Carbon from the People's Republic of China: Selection of Respondents for Individual Review," dated July 3, 2018.

⁵ See Carbon Activated's August 6, 2018 Section A Questionnaire Response (Carbon Activated's Section A Response) and Datong Juqiang's August 6, 2018 Section A Questionnaire Response (Datong Juqiang's Section A Response).

⁶ See Carbon Activated's August 30, 2018 Section C Questionnaire Response (Carbon Activated's Section C Response); Carbon Activated's September 28, October 22, and November 1, 2018 Section D Questionnaire Responses (Carbon Activated's Section D Part I, Part II, and Part III Response, respectively); Datong Juqiang's August 30, 2018 Section C Questionnaire Response (Datong Juqiang's Section C Response); and Datong Juqiang's September 7, 2018 Section D Questionnaire Response (Datong Juqiang's Section D Response).

⁷ See Memorandum, "Certain Activated Carbon from the People's Republic of China: Extension of Deadline for Preliminary Results of the Eleventh Antidumping Duty Administrative Review," dated December 7, 2018.

⁸ See memorandum to the Record from Gary Taverman, Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations, performing the non-exclusive functions and duties of the Assistant Secretary for Enforcement and Compliance, "Deadlines Affected by the Partial Shutdown of the Federal Government," dated January 28, 2019. All deadlines in this segment of the proceeding have been extended by 40 days.

The scope of the order covers all forms of activated carbon that are activated by steam or CO₂, regardless of the raw material, grade, mixture, additives, further washing or post-activation chemical treatment (chemical or water washing, chemical impregnation or other treatment), or product form. Unless specifically excluded, the scope of the order covers all physical forms of certain activated carbon, including powdered activated carbon (PAC), granular activated carbon (GAC), and pelletized activated carbon.

Excluded from the scope of the order are chemically activated carbons. The carbon-based raw material used in the chemical activation process is treated with a strong chemical agent, including but not limited to phosphoric acid, zinc chloride, sulfuric acid, or potassium hydroxide that dehydrates molecules in the raw material, and results in the formation of water that is removed from the raw material by moderate heat treatment. The activated carbon created by chemical activation has internal porosity developed primarily due to the action of the chemical dehydration agent. Chemically activated carbons are typically used to activate raw materials with a lignocellulosic component such as cellulose, including wood, sawdust, paper mill waste and peat.

To the extent that an imported activated carbon product is a blend of steam and chemically activated carbons, products containing 50 percent or more steam (or CO₂ gas) activated carbons are within the scope, and those containing more than 50 percent chemically activated carbons are outside the scope. This exclusion language regarding blended material applies only to mixtures of steam and chemically activated carbons.

Also excluded from the scope are reactivated carbons. Reactivated carbons are previously used activated carbons that have had adsorbed materials removed from their pore structure after use through the application of heat, steam and/or chemicals.

Also excluded from the scope is activated carbon cloth. Activated carbon cloth is a woven textile fabric made of or containing activated carbon fibers. It is used in masks and filters and clothing of various types where a woven format is required.

Any activated carbon meeting the physical description of subject merchandise provided above that is not expressly excluded from the scope is included within the scope. The products subject to the order are currently classifiable under the HTSUS subheading 3802.10.00. Although the HTSUS subheading is provided for convenience and customs purposes, the written description of the scope of the order is dispositive.

IV. DISCUSSION OF THE METHODOLOGY

a. Preliminary Finding of No Shipments

Charter Link Logistics Limited (Charter Link), Datong Municipal Yunguang Activated Carbon Co., Ltd. (Datong Yunguang), Jilin Bright Future Chemicals Co., Ltd. (Jilin Bright Future), Shanxi Dapu International Trade Co., Ltd. (Shanxi Dapu), Shanxi Industry Technology Trading Co., Ltd. (Shanxi Industry), Shanxi Tianxi Purification Filter Co., Ltd. (Shanxi Tianxi), and

Tianjin Channel Filters Co., Ltd. (Tianjin Channel) reported that they made no shipments of subject merchandise to the United States during the POR.⁹ To confirm these no-shipment claims, Commerce issued a no-shipment inquiry to CBP requesting that it review each company's no-shipment claim.¹⁰ CBP reported that it did not have information to contradict these companies' claims of no shipments during the POR.¹¹ Because these companies certified that they made no shipments of subject merchandise to the United States during the POR, and there is no information contradicting their claims, Commerce preliminarily determines that Charter Link, Datong Yunguang, Jilin Bright Future, Shanxi Dapu, Shanxi Industry, Shanxi Tianxi, and Tianjin Channel did not have shipments during the POR. Consistent with Commerce's practice, Commerce will not rescind the review with respect to these companies, but rather complete the review and issue assessment instructions to CBP based on the final results.¹²

b. Non-Market Economy Country

Commerce considers China to be a non-market-economy (NME) country.¹³ In accordance with section 771(18)(C)(i) of the Act, any determination that a foreign country is a NME country shall remain in effect until revoked by the administering authority. None of the parties to this proceeding have contested such treatment. Therefore, Commerce continues to treat China as a NME country for purposes of these preliminary results.

c. Separate Rates

Commerce has the rebuttable presumption that all companies within a NME are subject to government control and, thus, should be assessed a single antidumping duty rate.¹⁴ In the *Initiation Notice*, Commerce notified parties of the application process by which exporters and

⁹ See Charter Logistic's July 6, 2018 No Shipment Certification, Datong Yunguang's July 6, 2018 No Shipment Certification, Jilin Bright Future's July 3, 2018 No Shipment Certification, Shanxi Dapu's July 5, 2018 No Shipment Certification, Shanxi Industry's July 6, 2018 No Shipment Certification, Shanxi Tianxi's June 16, 2018 No Shipment Certification, and Tianjin Channel's June 16, 2018 No Shipment Certification.

¹⁰ See No shipments inquiry for certain activated carbon from the People's Republic of China exported by multiple companies (A-570-904), message number 9031306, dated January 31, 2019.

¹¹ See Memorandum, "Certain Activated Carbon from China (A-570-904)," dated February 6, 2019.

¹² 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 51306 (August 28, 2014).

¹³ See *Antidumping Duty Investigation of Certain Aluminum Foil from the People's Republic of China: Affirmative Preliminary Determination of Sales at Less-Than-Fair Value and Postponement of Final Determination*, 82 FR 50858, 50861 (November 2, 2017) (citing Memorandum to Gary Taverman, "China's Status as a Non-Market Economy," dated October 26, 2017), unchanged in *Certain Aluminum Foil From the People's Republic of China: Final Determination of Sales at Less Than Fair Value*, 83 FR 9282 (March 5, 2018).

¹⁴ See *Notice of Final Determination of Sales at Less Than Fair Value, and Affirmative Critical Circumstances, In Part: Certain Lined Paper Products from the People's Republic of China*, 71 FR 53079, 53082 (September 8, 2006); *Final Determination of Sales at Less Than Fair Value and Final Partial Affirmative Determination of Critical Circumstances: Diamond Sawblades and Parts Thereof from the People's Republic of China*, 71 FR 29303, 29307 (May 22, 2006).

producers may obtain separate-rate status in NME proceedings.¹⁵ It is Commerce's policy to assign all exporters of the merchandise subject to review in a NME proceeding a single rate unless an exporter can affirmatively demonstrate an absence of government control, both in law (*de jure*) and in fact (*de facto*), with respect to exports. To establish whether a company is sufficiently independent to be entitled to a separate, company-specific rate, Commerce analyzes each exporting entity in a NME proceeding under the test established in *Sparklers*,¹⁶ as amplified by *Silicon Carbide*¹⁷ and further refined by *Diamond Sawblades*.¹⁸ However, if Commerce determines that a company is wholly foreign-owned, then an analysis of the *de jure* and *de facto* criteria is not necessary to determine whether it is independent from government control.¹⁹

Commerce continues to evaluate its practice with regard to the separate-rates analysis in light of the *Diamond Sawblades* antidumping duty proceeding, and Commerce's determinations therein. In particular, in litigation involving the *Diamond Sawblades* proceeding, the U.S. Court of International Trade (CIT) found Commerce's existing separate-rates analysis deficient in the circumstances of that case, in which a government-owned and controlled entity had significant ownership in the exporter under examination.²⁰ Following the Court's reasoning, Commerce has concluded that where a government entity holds a majority ownership share, either directly or indirectly, in the respondent exporter, the majority ownership holding in and of itself means that the government exercises, or has the potential to exercise, control over the company's operations

¹⁵ See *Initiation Notice*, 83 FR at 26259-60.

¹⁶ See *Final Determination of Sales at Less Than Fair Value: Sparklers from the People's Republic of China*, 56 FR 20588 (May 6, 1991) (*Sparklers*).

¹⁷ See *Notice of Final Determination of Sales at Less Than Fair Value: Silicon Carbide from the People's Republic of China*, 59 FR 22585 (May 2, 1994) (*Silicon Carbide*).

¹⁸ See *Final Results of Redetermination Pursuant to Remand Order for Diamond Sawblades and Parts Thereof from the People's Republic of China* (May 6, 2013) in *Advanced Technology & Materials Co., Ltd. v. United States*, 885 F. Supp. 2d 1343 (CIT 2012) (*Advanced Technology I*), sustained, *Advanced Technology & Materials Co. v. United States*, 938 F. Supp. 2d 1342 (CIT 2013), aff'd, Case No. 2014-1154 (Fed. Cir. 2014) (*Advanced Technology II*).

This remand redetermination is on the Enforcement and Compliance website at <http://enforcement.trade.gov/remands/12-147.pdf>; see also *Diamond Sawblades and Parts Thereof from the People's Republic of China: Preliminary Results of Antidumping Duty Administrative Review; 2011-2012*, 78 FR 77098 (December 20, 2013), and accompanying Preliminary Decision Memorandum (PDM) at 7, unchanged in *Diamond Sawblades and Parts Thereof from the People's Republic of China: Final Results of Antidumping Duty Administrative Review; 2011-2012*, 79 FR 35723 (June 24, 2014) (*Diamond Sawblades*), and accompanying Issues and Decision Memorandum (IDM) at Comment 1.

¹⁹ See, e.g., *Tapered Roller Bearings and Parts Thereof, Finished and Unfinished, From the People's Republic of China: Final Results of the 2011-2012 Antidumping Duty Administrative Review and New Shipper Reviews*, 79 FR 4327 (January 27, 2014); and *Final Results of Antidumping Duty Administrative Review: Petroleum Wax Candles from the People's Republic of China*, 72 FR 52355, 52356 (September 13, 2007).

²⁰ See, e.g., *Advanced Technology I*, 885 F. Supp. 2d at 1349 ("The court remains concerned that Commerce has failed to consider important aspects of the problem and offered explanations that run counter to the evidence before it."); *id.* at 1351 ("Further substantial evidence of record does not support the inference that SASAC's {state-owned assets supervision and administration commission} 'management' of its 'state-owned assets' is restricted to the kind of passive-investor *de jure* 'separation' that Commerce concludes.") (footnotes omitted); *id.* at 1355 ("The point here is that 'governmental control' in the context of the separate-rate test appears to be a fuzzy concept, at least to this court, since a 'degree' of it can obviously be traced from the controlling shareholder, to the board, to the general manager, and so on along the chain to 'day-to-day decisions of export operations,' including terms, financing, and inputs into finished product for export."); *id.* at 1357 ("AT&M itself identifies its 'controlling shareholder' as CISRI {owned by SASAC} in its financial statements and the power to veto nomination does not equilibrate the power of control over nomination.") (footnotes omitted).

generally.²¹ This may include control over, for example, the selection of management, a key factor in determining whether a company has sufficient independence in its export activities to merit a separate rate. Consistent with normal business practices, Commerce would expect any majority shareholder, including a government, to have the ability to control, and an interest in controlling, the operations of the company, including the selection of management and the profit distribution of the company.

As discussed below, eight companies, including the mandatory respondents, filed a timely separate-rate application (SRA) or separate-rate certification (SRC). Commerce also received completed responses to the section A portion of the NME questionnaire from Carbon Activated and Datong Juqiang,²² which contained information pertaining to the companies' eligibility for a separate rate. Commerce received either a SRA or SRC from the following six companies that were not selected for individual examination (separate-rate applicants):

1. Beijing Pacific Activated Carbon Products Co., Ltd. (Beijing Pacific),²³
2. Ningxia Guanghua Cherishmet Activated Carbon Co., Ltd. (Cherishmet),²⁴
3. Jacobi Carbons AB and its affiliates, Tianjin Jacobi International Trading Co. Ltd., and Jacobi Carbons Industry (Tianjin) Co. Ltd. (collectively, Jacobi).²⁵
4. Ningxia Huahui Activated Carbon Co., Ltd. (Huahui),²⁶
5. Ningxia Mineral & Chemical Limited (Ningxia Mineral),²⁷ and
6. Shanxi Sincere Industrial Co., Ltd. (Sincere Industrial).²⁸

i. Wholly Foreign-Owned Applicants

Mandatory respondent Carbon Activated demonstrated that it is wholly owned by individuals located in a market-economy (ME) country, the United States.²⁹ Jacobi demonstrated that it is

²¹ See *Carbon and Certain Alloy Steel Wire Rod from the People's Republic of China: Preliminary Determination of Sales at Less Than Fair Value and Preliminary Affirmative Determination of Critical Circumstances, in Part*, 79 FR 53169 (September 8, 2014), and accompanying PDM at 5-9.

²² See Carbon Activated's Section A Response and Datong Juqiang's Section A Response.

²³ See Beijing Pacific's July 5, 2018 Separate Rate Certification (Beijing Pacific SRC).

²⁴ See Cherishmet's July 3, 2017 Separate Rate Certification (Cherishmet SRC). Cherishmet is a single entity composed of Ningxia Guanghua Cherishmet Activated Carbon Co., Ltd. and Ningxia Guanghua Activated Carbon Co., Ltd. See *Certain Activated Carbon from the People's Republic of China: Preliminary Results of Antidumping Duty Administrative Review; 2015-2016*, 82 FR 21195 (May 5, 2017), and accompanying PDM at 8-9; unchanged in *Certain Activated Carbon from the People's Republic of China: Final Results of Antidumping Duty Administrative Review; 2015-2016*, 82 FR 51607 (November 7, 2017).

²⁵ See Jacobi's June 29, 2018 Separate Rate Certification (Jacobi SRC). In the third administrative review, Commerce found that Jacobi Carbons AB, Tianjin Jacobi International Trading Co. Ltd., and Jacobi Carbons Industry (Tianjin) should be treated as a single entity, and because there were no facts presented on the record of this review which would call into question our prior finding, Commerce continues to treat these companies as part of a single entity for this administrative review, pursuant to sections 771(33)(E), (F), and (G) of the Act and 19 CFR 351.401(f). See *Certain Activated Carbon from the People's Republic of China: Final Results and Partial Rescission of Third Antidumping Duty Administrative Review*, 76 FR 67142, 67145 n.25 (October 31, 2011).

²⁶ See Huahui's June 27, 2018 Separate Rate Certification (Huahui SRC).

²⁷ See Ningxia Mineral's July 3, 2018 Separate Rate Certification (Ningxia Mineral SRC).

²⁸ See Sincere Industrial's June 16, 2018 Separate Rate Certification (Sincere Industrial SRC).

²⁹ See Carbon Activated's Section A Response.

wholly owned by a company located in a ME country, Sweden.³⁰ Finally, Ningxia Mineral demonstrated in its SRC that it is a company located in a ME territory, *i.e.* Hong Kong.³¹ Therefore, as there is no Chinese ownership of these three companies, and because Commerce has no evidence indicating that these companies are under the control of the Chinese government, further analyses of the *de jure* and *de facto* criteria are not necessary to determine whether they are independent from government control of their export activities.³² Therefore, because Commerce finds all three companies have demonstrated an absence of government control of export activities, Commerce preliminarily determines that 1) Jacobi, 2) Carbon Activated, and 3) Ningxia Mineral are eligible for separate rates.

ii. Absence of *De Jure* Control

Commerce considers the following *de jure* criteria in determining whether an individual company may be granted a separate rate: (1) an absence of restrictive stipulations associated with an individual exporter's business and export licenses; (2) any legislative enactments decentralizing control of companies; and (3) any other formal measures by the government decentralizing control of companies.³³ The evidence provided by mandatory respondent Datong Juqiang, and separate-rate applicants, Beijing Pacific, Cherishmet, Huahui, and Sincere Industrial supports a preliminary finding of the absence of *de jure* government control of export activities based on the following: (1) there is an absence of restrictive stipulations associated with the individual exporter's business and export licenses; (2) there are applicable legislative enactments decentralizing control of the companies; and (3) there are formal measures by the government decentralizing control of the companies.³⁴

iii. Absence of *De Facto* Control

Typically Commerce considers four factors in evaluating whether each respondent is subject to *de facto* government control of its export functions: (1) whether the export prices (EPs) are set by or are subject to the approval of a government agency; (2) whether the respondent has authority to negotiate and sign contracts and other agreements; (3) whether the respondent has autonomy from the government in making decisions regarding the selection of management; and (4) whether the respondent retains the proceeds of its export sales and makes independent decisions regarding disposition of profits or financing of losses.³⁵ Commerce has determined that an analysis of *de facto* control is critical in determining whether respondents are, in fact,

³⁰ See Jacobi SRC.

³¹ See Ningxia Mineral SRC.

³² See, e.g., *Brake Rotors From the People's Republic of China: Preliminary Results and Partial Rescission of the Fourth New Shipper Review and Rescission of the Third Antidumping Duty Administrative Review*, 66 FR 1303, 1306 (January 8, 2001), unchanged in *Brake Rotors From the People's Republic of China: Final Results and Partial Rescission of Fourth New Shipper Review and Rescission of Third Antidumping Duty Administrative Review*, 66 FR 27063 (May 16, 2001); *Notice of Final Determination of Sales at Less Than Fair Value: Creatine Monohydrate From the People's Republic of China*, 64 FR 71104, 71104-05 (December 20, 1999).

³³ See *Sparklers*, 56 FR at 20589.

³⁴ See Datong Juqiang's Section A Response at 1-12; Beijing Pacific SRC; Cherishmet SRC; Huahui SRC; and Sincere Industrial SRC.

³⁵ See *Silicon Carbide*, 59 FR at 22586-87; see also *Notice of Final Determination of Sales at Less Than Fair Value: Furfuryl Alcohol from the People's Republic of China*, 60 FR 22544, 22545 (May 8, 1995).

subject to a degree of government control which would preclude Commerce from assigning separate rates.³⁶

The evidence provided by Datong Juqiang, Beijing Pacific, Cherishmet, Huahui, and Sincere Industrial supports a preliminary finding of the absence of *de facto* government control based on the following: (1) the companies set their own EPs independent of the government and without the approval of a government authority; (2) the companies have authority to negotiate and sign contracts and other agreements; (3) the companies have autonomy from the government in making decisions regarding the selection of management; and (4) there is no restriction on any of the companies' use of export revenue.³⁷ Therefore, Commerce preliminarily finds that 1) Beijing Pacific, 2) Cherishmet, 3) Datong Juqiang, 4) Huahui, and 5) Sincere Industrial have established that they qualify for a separate rate under the criteria established by *Diamond Sawblades*, *Silicon Carbide* and *Sparklers*.

China-Wide Entity

The remaining 239 companies³⁸ under review failed to establish their eligibility for a separate rate because they did not file an SRA or an SRC with Commerce.³⁹ Hence, Commerce preliminarily determines to treat these companies as part of the China-wide entity.⁴⁰

Because no party requested a review of the China-wide entity and Commerce no longer considers the China-wide entity as an exporter conditionally subject to administrative reviews, Commerce is not conducting a review of the China-wide entity.⁴¹ Thus, the rate for the China-wide entity (*i.e.*, 2.42 U.S. dollars/kilogram (USD/kg)) is not subject to change pursuant to this review.⁴²

d. Dumping Margin for Non-Examined Separate-Rate Companies

As stated above in the “Respondent Selection” section, Commerce employed a limited examination methodology in this review, as it did not have the resources to examine all companies for which an administrative review was initiated, and selected the two largest exporters by volume as mandatory respondents in this review, Datong Juqiang and Carbon Activated. Six additional companies (identified in the “Separate Rates” section above) remain subject to review as non-examined, separate-rate respondents.

³⁶ *Id.*

³⁷ See Datong Juqiang's Section A Response at 1-12; Beijing Pacific SRC; Cherishmet SRC; Huahui SRC; and Sincere Industrial SRC.

³⁸ The total number of company names for which Commerce initiated this review is 256. See *Initiation Notice* at 26260. Two of those are the mandatory respondents, and six are separate-rate applicants. One of the separate-rate applicants, Jacobi, includes two other company names from the initiation notice in its single-entity group. See footnote 25 above. Seven of those companies under review submitted no shipment certifications.

³⁹ See the Attachment to this memorandum for a complete listing of these companies.

⁴⁰ *Id.*

⁴¹ See *Antidumping Proceedings: Announcement of Change in Department Practice for Respondent Selection in Antidumping Duty Proceedings and Conditional Review of the Nonmarket Economy Entity in NME Antidumping Duty Proceedings*, 78 FR 65963, 65969-70 (November 4, 2013).

⁴² See *Certain Activated Carbon from the People's Republic of China: Final Results of Antidumping Duty Administrative Review; 2012-2013*, 79 FR 70163 (November 25, 2014).

The statute and Commerce’s regulations do not address the establishment of a rate to be applied to individual respondents not selected for individual examination when Commerce limits its examination in an administrative review pursuant to section 777A(c)(2) of the Act. Generally, Commerce looks to section 735(c)(5) of the Act, which provides instructions for calculating the all-others rate in an investigation, for guidance when calculating the rate for separate-rate respondents which Commerce did not examine individually in an administrative review. Section 735(c)(5)(A) of the Act articulates a preference that Commerce is not to calculate an all-others rate using rates for individually examined respondents which are zero, *de minimis*, or based entirely on facts otherwise available on the record (FA). Accordingly, Commerce’s usual practice in determining the rate for separate-rate respondents not selected for individual examination has been to average the weighted-average dumping margins for the selected companies, excluding rates that are zero, *de minimis*, or based entirely on FA.⁴³

In these preliminary results, the two mandatory respondents, Datong Juqiang and Carbon Activated, have weighted-average dumping margins which are not zero, *de minimis*, or based entirely on FA. Additionally, because using the weighted-average dumping margin based on the U.S. sales quantities for Datong Juqiang and Carbon Activated risks disclosure of business proprietary information, Commerce cannot assign to the separate-rate companies the weighted-average dumping margin based on the U.S. sales quantities from these two respondents.⁴⁴

For these preliminary results, and consistent with our practice,⁴⁵ Commerce has preliminarily assigned to the non-individually examined companies a weighted-average rate based on publicly available ranged U.S. sales quantities of the mandatory respondents in this review. Accordingly, following the practice described above, Commerce has calculated a rate of 3.90 USD/kg for the non-individually examined respondents.⁴⁶ The separate-rate applicants receiving this rate are identified by name in the “Preliminary Results of the Review” section of the *Federal Register* notice.

e. Surrogate Country and Surrogate Value Data

On September 14, 2018, Commerce sent interested parties a letter inviting comments on: (1) the non-exhaustive list of countries that Commerce determined are at the same level of economic development as China based on annual per capita gross national income (GNI), (2) surrogate

⁴³ See *Longkou Haimeng Mach. Co. v. United States*, 581 F. Supp. 2d 1344, 1357-60 (CIT 2008) (affirming Commerce’s determination to assign a 4.22 percent dumping margin to the separate-rate respondents in a segment where the three mandatory respondents received dumping margins of 4.22 percent, 0.03 percent, and zero percent, respectively); see also *Certain Kitchen Appliance Shelving and Racks From the People’s Republic of China: Final Determination of Sales at Less Than Fair Value*, 74 FR 36656, 36660 (July 24, 2009).

⁴⁴ See, e.g., *Certain Activated Carbon from the People’s Republic of China: Final Results of Antidumping Duty Administrative Review; 2011-2012*, 78 FR 70533, 70534-35 (November 26, 2013) (*AR5 Carbon from China Final*).

⁴⁵ See *Ball Bearings and Parts Thereof from France, Germany, Italy, Japan, and the United Kingdom: Final Results of Antidumping Duty Administrative Reviews, Final Results of Changed-Circumstances Review, and Revocation of an Order in Part*, 75 FR 53661 (September 1, 2010), and accompanying IDM at Comment 1.

⁴⁶ See Memorandum, “Certain Activated Carbon from the People’s Republic of China: Calculation of the Margin for Respondents Not Selected for Individual Examination,” dated June 10, 2019.

country selection, and (3) surrogate value (SV) data.⁴⁷ On October 5, 2018, the mandatory respondents submitted comments on the list of economically comparable countries.⁴⁸ On October 12, 2018, Calgon Carbon Corporation and Cabot Norit Americas Inc. (the petitioners) and the mandatory respondents submitted comments on surrogate country selection.⁴⁹ On November 9, 2018, the petitioners and the mandatory respondents submitted SV comments.⁵⁰ On November 15, 2018, the petitioners submitted SV rebuttal comments.⁵¹ On May 13, 2019, the petitioners and mandatory respondents submitted final SV comments.⁵² On May 23, 2019, the petitioners submitted pre-preliminary results comments and rebuttal surrogate value comments.⁵³ On May 29, 2019, the mandatory respondents submitted pre-preliminary results comments.⁵⁴ On June 4, 2019, the petitioners submitted pre-preliminary rebuttal comments.⁵⁵

Surrogate Country Selection

When Commerce investigates imports from an NME country, section 773(c)(1) of the Act directs it to base normal value (NV), in most circumstances, on the NME producer's factors of production (FOPs), valued in a surrogate ME country or countries considered to be appropriate by Commerce. In accordance with section 773(c)(4) of the Act, in valuing the FOPs, Commerce shall utilize, to the extent possible, the prices or costs of FOPs in one or more ME countries that are: (1) at a level of economic development comparable to that of the NME country; and (2) significant producers of comparable merchandise.⁵⁶ As a general rule, Commerce selects a surrogate country that is at the same level of economic development as the NME country unless it is determined that none of the countries are viable options because either (a) they are not significant producers of comparable merchandise, (b) do not provide sufficient reliable sources of publicly available SV data, or (c) are not suitable for use based on other reasons.⁵⁷ Surrogate

⁴⁷ See Commerce's Letter Re: "Certain Activated Carbon from the People's Republic of China (China): Request for Comments re: (1) Economic Development, (2) Surrogate Country and (3) Surrogate Value Information," dated September 14, 2018 (SC Memo).

⁴⁸ See Respondents' October 5, 2018 Comments on the List of Economically Comparable Countries.

⁴⁹ See Petitioners' October 12, 2018 Comments on Surrogate Country Selection (Petitioners' SC Comments) and DJAC and Carbon Activated's October 12, 2018 Comments on Surrogate Country Selection (Respondents' SC Comments).

⁵⁰ See Petitioners' November 9, 2018 Submission of Surrogate Values (Petitioners' SV Submission) and DJAC and Carbon Activated's November 9, 2018 First Surrogate Value Comments (Respondents' SV Submission).

⁵¹ See Petitioners' November 15, 2018 Surrogate Value Rebuttal Comments.

⁵² See Petitioners' May 13, 2019 Final Affirmative Surrogate Value Submission; *see also* Mandatory Respondents' May 13, 2019 Final Surrogate Value Comments. Due to the proximity of the submission of these comments to the deadline of the preliminary results, Commerce was unable to evaluate these comments for the preliminary results.

⁵³ See Petitioners' May 23, 2019 Pre-Preliminary Results Comments; *see also* Petitioners' May 23, 2019 Rebuttal Surrogate Value Submission. Due to the proximity of the submission of these comments to the deadline of the preliminary results, Commerce was unable to evaluate these comments for the preliminary results.

⁵⁴ See Respondents' May 29, 2019 Pre-Preliminary Comments. Due to the proximity of the submission of these comments to the deadline of the preliminary results, Commerce was unable to evaluate these comments for the preliminary results.

⁵⁵ See Petitioners' June 4, 2019 Pre-Preliminary Rebuttal Comments. Due to the proximity of the submission of these comments to the deadline of the preliminary results, Commerce was unable to evaluate these comments for the preliminary results.

⁵⁶ See Policy Bulletin 04.1: Non-Market Economy Surrogate Country Selection Process (March 1, 2004) (Policy Bulletin 04.1).

⁵⁷ *Id.*

countries that are not at the same level of economic development as the NME country, but still at a level of economic development comparable to the NME country, are selected only to the extent that data considerations outweigh the difference in levels of economic development.⁵⁸ To determine which countries are at the same level of economic development, Commerce generally relies on GNI data from the World Bank's World Development Report.⁵⁹ Further, Commerce has stated that it prefers to value all FOPs from a single surrogate country.⁶⁰

On August 2, 2018, Commerce identified Brazil, Kazakhstan, Malaysia, Mexico, Romania and Russia (OP List Countries) as countries that are at the same level of economic development as China based on per capita 2017 GNI data.⁶¹ The petitioners recommend that Commerce select Malaysia and/or Mexico as either the primary and/or secondary surrogate country.⁶² Because Malaysia has multiple producers of activated carbon, and, thus, significant commercial production of goods identical to the subject merchandise, the petitioners argue that this creates the possibility of sources in Malaysia providing high-quality SV information.⁶³ The petitioners also argue that Malaysia is one of only a small number of countries with a Harmonized Tariff Schedule that includes a tariff classification that is specific to coconut-shell charcoal (*i.e.*, HS subheading 4402.90.1000), a direct material that is consumed in significant quantities in the production of subject merchandise.⁶⁴

For Mexico, the petitioners state that although Mexico has several known producers of activated carbon, to the best of the petitioners' knowledge the financial statements of the activated carbon-producing entities are not publicly available.⁶⁵ The petitioners assert that Mexico may, however, represent a country of significant commercial production that may serve as a secondary source of publicly available SV information.⁶⁶

The petitioners also placed import and export statistics for activated carbon from Brazil, Kazakhstan, Malaysia, Mexico, Romania and Russia on the record.⁶⁷ The petitioners claim that of the OP List Countries, Malaysia is the single largest exporter of activated carbon during the POR (*i.e.*, 16,475,975 kg), with Mexico being the second largest exporter of activated carbon during the POR (*i.e.*, 8,778,259 kg). Furthermore, the petitioners argue that the fact that Malaysia is not a net exporter of activated carbon does not necessarily indicate the lack of domestic industry,⁶⁸ because when domestic demand is high, both domestic producers and foreign producers may supply products to satisfy that demand, leading to a net import scenario.⁶⁹

⁵⁸ See SC Memo.

⁵⁹ *Id.*

⁶⁰ See 19 CFR 351.408(c)(2).

⁶¹ See SC Memo at Attachment.

⁶² See Petitioners' SC Comments at 6.

⁶³ *Id.* at 4.

⁶⁴ *Id.*

⁶⁵ *Id.* at 3.

⁶⁶ *Id.*

⁶⁷ *Id.* at 5.

⁶⁸ *Id.* at 6.

⁶⁹ *Id.*

Despite arguing that Commerce should consider selecting Malaysia or Mexico, the petitioners only submitted complete data to value FOPs from Malaysia.⁷⁰

The mandatory respondents did not argue for Commerce to select a specific country as either the primary and/or secondary surrogate country,⁷¹ stating “{a}t this point, DJAC and CAT are still finalizing their {FOPs} and analyzing the quality of competing surrogate value data from various market economy countries in order to identify the primary and secondary surrogate countries.”⁷² However, the mandatory respondents argued that Thailand should be considered an economically comparable country to China,⁷³ along with the other OP List Countries, arguing that Thailand in particular has a comparable GNI.

The mandatory respondents also placed import and export statistics for activated carbon from Brazil, Kazakhstan, Malaysia, Mexico, Romania, Russia, and Thailand on the record.⁷⁴ The mandatory respondents claim that in terms of quantity, of the OP List Countries, Thailand is the only net exporter of activated carbon during the POR, while in terms of value, all seven countries are net importers.⁷⁵ The mandatory respondents claim that Brazil, Kazakhstan, Malaysia, Mexico, Russia, and Thailand are significant producers of comparable merchandise.⁷⁶ The mandatory respondents claim that even though Romanian exports are low (*i.e.*, 34,000 kg), Romania has significant domestic production of activated carbon and comparable merchandise, and submitted the excerpts from the 2017 financial statement of S.C. Romcarbon S.A. (Romcarbon).⁷⁷ The mandatory respondents concluded that record evidence shows that all of the seven countries have significant levels of domestic production and satisfy the second statutory prong of significant production.

Although the mandatory respondents did not make an explicit recommendation to Commerce on the potential primary surrogate country in their SC comments, in their SV submission, the mandatory respondents submitted data to value FOPs primarily from Thailand.⁷⁸ However, the mandatory respondents submitted financial statements from Romania for determining financial ratios.⁷⁹ Additionally, the mandatory respondents submitted Romanian data for hydrochloric acid,⁸⁰ Russian import data for anthracite coal, coal tar pitch and pitch,⁸¹ and Philippine *Cocommunity* data for carbonized material.⁸²

⁷⁰ See Petitioners’ SV Submission.

⁷¹ See Petitioners’ SC Comments at 6.

⁷² See Respondents’ SC Comments 3-4.

⁷³ *Id.* at 2.

⁷⁴ *Id.* at Exhibit 1.

⁷⁵ *Id.* at 2.

⁷⁶ *Id.* at 3; *see also* Exhibit 1. The chart in Exhibit 1 of Respondents’ SC Comments provides the comparative export/import data for HS subheading 3802.10. The exports of comparable merchandise in terms of quantity are as follows: Thailand (11,018,772 kg), Brazil (1,308,800 kg), Russia (849,850 kg), Kazakhstan (612,474 kg), Malaysia (16,475,976 kg), Romania (34,000 kg), and Mexico (8,778,259 kg).

⁷⁷ *Id.* at Exhibit 2.

⁷⁸ See Respondents’ SV Submission.

⁷⁹ *Id.* at Exhibits 1 and 9.

⁸⁰ *Id.* at Exhibits 1 and 3.

⁸¹ *Id.* at Exhibits 1 and 5K.

⁸² *Id.* at Exhibits 1 and 2.

Economic Comparability

As explained in the SC Memo, consistent with its practice and section 773(c)(4) of the Act, Commerce considers Brazil, Kazakhstan, Malaysia, Mexico, Romania, and Russia to be at the same level of economic development as China.⁸³ Commerce treats each of these countries as equally comparable.⁸⁴ Therefore, Commerce considers all six countries identified in the SC Memo as having met this prong of the surrogate country selection criteria. Unless Commerce finds that none of these countries is a significant producer of comparable merchandise, does not provide a reliable source of publicly available surrogate data, or is unsuitable for use for other reasons, or Commerce finds that another equally comparable country is an appropriate surrogate within the GNI range, Commerce will rely on data from one of these countries.⁸⁵ Surrogate countries that are not at the same level of economic development as the NME country, but still at a level of economic development comparable to the NME country, are selected only to the extent that data considerations outweigh the difference in levels of economic development. As discussed below, Commerce preliminarily determines that one or more of these six countries are significant producers of comparable merchandise and provide usable SV information, and as such, Commerce will not rely on data from Thailand, whose 2017 GNI do not fall within the range of GNI represented by the countries included on the surrogate country list issued by Commerce.⁸⁶

Significant Producers of Comparable Merchandise

Section 773(c)(4)(B) of the Act requires Commerce, to the extent possible, to value FOPs in a surrogate country that is a significant producer of comparable merchandise. Neither the statute nor Commerce's regulations provide further guidance on what may be considered comparable merchandise. Given the absence of any definition in the statute or regulations, Commerce looks to other sources such as Policy Bulletin 04.1 for guidance on defining comparable merchandise. Policy Bulletin 04.1 states "the terms 'comparable level of economic development,' 'comparable merchandise,' and 'significant producer' are not defined in the statute."⁸⁷ Policy Bulletin 04.1 further states, "in all cases, if identical merchandise is produced, the country qualifies as a producer of comparable merchandise."⁸⁸ Conversely, if the country does not produce identical

⁸³ See SC Memo at Attachment.

⁸⁴ See, e.g., *Certain Steel Wheels from the People's Republic of China: Notice of Preliminary Determination of Sales at Less Than Fair Value, Partial Affirmative Preliminary Determination of Critical Circumstances, and Postponement of Final Determination*, 76 FR 67703, 67708 (November 2, 2011); unchanged in *Certain Steel Wheels from the People's Republic of China: Notice of Final Determination of Sales at Less Than Fair Value and Partial Affirmative Final Determination of Critical Circumstances*, 77 FR 17021 (March 23, 2012).

⁸⁵ *Id.*; see also, e.g., *Fresh Garlic From the People's Republic of China: Final Results of Antidumping Duty Administrative Review; 2010-2011*, 78 FR 36168 (June 17, 2013), and accompanying IDM at Comment 5; and *Silica Bricks and Shapes from the People's Republic of China: Preliminary Determination of Antidumping Duty Investigation and Postponement of Final Determination*, 78 FR 37203 (June 20, 2013), unchanged in *Final Determination of Sales at Less Than Fair Value: Silica Bricks and Shapes from the People's Republic of China*, 78 FR 70918 (November 27, 2013).

⁸⁶ See SC Memo at Attachment I.

⁸⁷ See Policy Bulletin 04.1.

⁸⁸ *Id.*

merchandise, then a country producing comparable merchandise is sufficient in selecting a surrogate country.⁸⁹ Further, when selecting a surrogate country, the statute requires Commerce to consider the comparability of the merchandise, not the comparability of the industry.⁹⁰ “In cases where the identical merchandise is not produced, the team must determine if other merchandise that is comparable is produced. How the team does this depends on the subject merchandise.”⁹¹ In this regard, Commerce recognizes that it must do an analysis of comparable merchandise on a case-by-case basis:

In other cases, however, where there are major inputs, *i.e.*, inputs that are specialized, dedicated, or used intensively, in the production of the subject merchandise, *e.g.*, processed agricultural, aquatic and mineral products, comparable merchandise should be identified narrowly, based on a comparison of the major inputs, including energy, where appropriate.⁹²

Further, the statute grants Commerce discretion to examine various data sources for determining the best available information.⁹³ Moreover, while the legislative history provides that the term “significant producer” include any country that is a significant “net exporter,”⁹⁴ it does not preclude reliance on additional or alternative metrics.

In this review, Commerce examined export data published by the Global Trade Atlas (GTA) and 2017 UN Comtrade to determine which countries included on the surrogate country list based on 2017 GNI data were producers of comparable merchandise. GTA and UN Comtrade export data indicate that all of the countries identified in the SC Memo had exports during the POR of the primary Harmonized Tariff Schedule (HS) heading included in the scope, *i.e.*, exports of HS number 3802.10.⁹⁵ These volumes are: 16,475,976 kg (Malaysia); 8,778,259 kg (Mexico); 849,850 kg (Russia); 1,308,800 kg (Brazil); 34,000 kg (Romania); and 612,474 kg (Kazakhstan).⁹⁶ Commerce preliminarily determines that none of the total export volumes from the countries identified in the SC Memo are insignificant. Accordingly, Commerce finds that Brazil, Kazakhstan, Malaysia, Mexico, Romania, and Russia are significant producers of comparable merchandise pursuant to section 773(c)(4)(B) of the Act.⁹⁷ Moreover, Commerce is not precluded from using additional or alternative metrics for finding significant production.⁹⁸

⁸⁹ Policy Bulletin 04.1 also states that “[i]f considering a producer of identical merchandise leads to data difficulties, the operations team may consider countries that produce a broader category of reasonably comparable merchandise.” *Id.* at note 6.

⁹⁰ See *Sebacic Acid from the People’s Republic of China: Final Results of Antidumping Duty Administrative Review*, 62 FR 65674 (December 15, 1997) (“{T}o impose a requirement that merchandise must be produced by the same process and share the same end uses to be considered comparable would be contrary to the intent of the statute.”).

⁹¹ See Policy Bulletin 04.1 at 2.

⁹² *Id.* at 3.

⁹³ See section 773(c)(1) of the Act; see also *Nation Ford Chem. Co. v. United States*, 166 F.3d 1373, 1377 (Fed. Cir. 1990).

⁹⁴ See Conference Report to the 1988 Omnibus Trade & Competitiveness Act, H.R. Rep. No. 100-576, at 590 (1988) (OTCA 1988).

⁹⁵ See Respondents’ SC Comments at Exhibit 1.

⁹⁶ See Petitioners’ SC Comments at 6 and Respondents’ SC Comments at Exhibit 1.

⁹⁷ See Policy Bulletin 04.1.

⁹⁸ *Id.*

After examining the record evidence, Commerce preliminarily determines that Thailand also is a significant producer because it is a net exporter of comparable merchandise.⁹⁹ Because multiple potential surrogate countries have been identified as significant producers of identical or comparable merchandise through the above analysis, and because “data quality is a critical consideration affecting surrogate country selection,”¹⁰⁰ Commerce then looked to the availability of SV data to determine the most appropriate surrogate country.

Data Availability

If more than one potential surrogate country satisfies the statutory requirements for selection as a surrogate country, Commerce selects the primary surrogate country based on data availability and reliability.¹⁰¹ When evaluating SV data, Commerce considers several factors, including whether the SVs are publicly available, contemporaneous with the POR, representative of a broad market average, tax and duty-exclusive, and specific to the inputs being valued.¹⁰²

The mandatory respondents submitted certain data to value FOPs from Thailand.¹⁰³ However, in addition to the Thai data submitted, the mandatory respondents submitted financial statements from Romania for determining financial ratios,¹⁰⁴ Romanian data for hydrochloric acid,¹⁰⁵ Russian import data for anthracite coal, coal tar pitch and pitch,¹⁰⁶ and Philippine *Cocommunity* data for carbonized materials.¹⁰⁷ Commerce preliminarily determines not to rely on data from the Philippines or Thailand, because Commerce does not consider these countries to be at the same level of economic development as China, and Commerce has sufficiently reliable and usable SV data from a country at the same level of economic development. Specifically, Commerce has complete SV data from Malaysia on the record for all reported FOPs with the exception of the financial ratios, as discussed below.¹⁰⁸

The petitioners provided Malaysian import statistics from the Trade Data Monitor (TDM).¹⁰⁹ However, because TDM is a private, subscription-based, database, we are unable to corroborate the data submitted, and preliminarily decline to use the TDM data as the source of SVs for the purposes of this review. Rather, for the preliminary results, we have obtained Malaysian import statistics under the same HS categories submitted by the petitioners from the Global Trade Atlas (GTA), which is a source that is regularly used by Commerce because the data therein meet Commerce’s SV criteria. Additionally, the petitioners provided audited 2017 financial

⁹⁹ See Respondents’ SC Comments at Exhibit 1.

¹⁰⁰ See Policy Bulletin 04.1.

¹⁰¹ *Id.*

¹⁰² *Id.*; see also *Certain Frozen Fish Fillets from the Socialist Republic of Vietnam: Final Results of the Antidumping Duty Administrative Review and New Shipper Reviews*, 74 FR 11349 (March 17, 2009) and accompanying IDM at Comment 2.

¹⁰³ See Respondents’ SV Submission.

¹⁰⁴ See Respondents’ SV Submission at Exhibits 1 and 9.

¹⁰⁵ *Id.* at Exhibits 1 and 3.

¹⁰⁶ *Id.* at Exhibits 1 and 5K.

¹⁰⁷ *Id.* at Exhibits 1 and 4C.

¹⁰⁸ See Petitioners’ SV Submission and Respondents’ SV Submission.

¹⁰⁹ See, generally, Petitioners’ SV Submission. Commerce has instead utilized import data sourced from GTA, our preferred source of import statistics.

statements for two Malaysian companies that produce identical or comparable merchandise (*i.e.*, Century Chemical Works Sendirian Berhad, and Ten Meng Keong Sdn. Bhd.).¹¹⁰ However, these financial statements lack usable financial data in that neither of them have separate line items breaking down the cost of raw materials and energy.¹¹¹ Therefore, although Commerce has a strong preference to value all FOPs in a single surrogate country, Commerce preliminarily determines that the audited 2017 financial statements from the Romanian company Romcarbon, are the only remaining financial statements on the record suitable for use in calculating surrogate financial ratios.

Based on the foregoing, Commerce finds Malaysia to be a reliable source for SVs because Malaysia is at the same level of economic development pursuant to 773(c)(4) of the Act, is a significant producer of comparable merchandise, and has publicly available data. In consideration of these factors, Commerce has selected Malaysia as the primary surrogate country for this review, and Romania as the secondary surrogate country for the purpose of valuing the financial ratios. A detailed explanation of the SVs is provided below in the “Normal Value” section of this memorandum.

f. Partial Facts Available

Legal Framework

Section 776(a)(1) and (2) of the Act provides that, if necessary information is missing from the record, or if an interested party: (A) withholds information that has been requested by Commerce, (B) fails to provide such information in a timely manner or in the form or manner requested, subject to subsections 782(c)(1) and (e) of the Act, (C) significantly impedes a proceeding under the AD statute, or (D) provides such information but the information cannot be verified, Commerce shall, subject to subsection 782(d) of the Act, use facts otherwise available in reaching the applicable determination.

Partial Facts Available for Carbon Activated’s Exclusion Request

On August 10, 2018, Carbon Activated requested to be excused from reporting FOP data for certain Chinese producers.¹¹² On September 13, 2018, Commerce granted, in part, the request to be excused from reporting certain FOP data due to the large number of producers that supplied Carbon Activated during the POR.¹¹³ Specifically, Commerce did not require Carbon Activated to report FOP data for its smallest producers.¹¹⁴

¹¹⁰ See Petitioners’ SV Submission at Attachment 5.

¹¹¹ See Respondents’ SV Submission at Exhibit 9 and Preliminary SV Memorandum; *see also* *Factor Valuation Methodology* under Normal Value.

¹¹² See Carbon Activated’s August 10, 2018 FOP Reporting Exclusion Request; *see also* Carbon Activated’s August 24, 2018 Correction to FOP Reporting Exclusion Request (attributing certain sales of subject merchandise to different supplier-producers) (Correction to FOP Reporting Exclusion Request).

¹¹³ See Commerce’s Letter re: Eleventh Antidumping Duty Administrative Review of Certain Activated Carbon from the People’s Republic of China: Supplier Exclusions, dated September 13, 2018.

¹¹⁴ *Id.*

In accordance with section 776(a)(1) of the Act and our past practice, Commerce is applying facts available to determine the NV for the sales corresponding to the FOP data Carbon Activated was excused from reporting. Consistent with our treatment of this issue in prior segments of this proceeding,¹¹⁵ as facts available, Commerce is preliminarily applying the calculated average NV of Carbon Activated's reported sales of subject merchandise for which FOP data was reported to the sales of subject merchandise produced by the producers excluded from FOP reporting.¹¹⁶

Partial Facts Available for Carbon Activated's Uncooperative Suppliers

Commerce does not have a usable FOP database for three of Activated Carbon's supplier-producers which were required to report FOP data.¹¹⁷ Despite Carbon Activated's documented efforts to obtain the required FOPs from those supplier-producers, two of those supplier-producers ultimately failed to cooperate, and one of the supplier-producers had previously closed its operations.¹¹⁸ Additionally, Carbon Activated purchased the subject merchandise from those supplier-producers through one or more trading companies and other supplier-producers which further manufactured the subject merchandise, and we are not able to establish that Carbon Activated had an existing relationship with those uncooperative supplier-producers.¹¹⁹ In accordance with section 776(a)(1) of the Act, and pursuant to section 773(c)(1) of the Act which requires Commerce to calculate NVs using a FOP methodology, Commerce finds it appropriate to preliminarily select from among the facts otherwise available to determine the NV for the sales of subject merchandise that trace back to those suppliers.¹²⁰ As FA, Commerce is preliminarily applying the calculated average NV of Carbon Activated's reported sales of subject merchandise for which FOP data was reported and which had similar product characteristics as the sales of subject merchandise produced by the uncooperative supplier-producers.¹²¹

g. Date of Sale

Pursuant to 19 CFR 351.401(i), Commerce normally will use the invoice date as the date of sale unless Commerce is satisfied that a different date better reflects the date on which the material terms of the sale are established. Datong Juqiang and Carbon Activated both reported the invoice date as the date of sale because they claimed that for their U.S. sales of subject

¹¹⁵ See, e.g., *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), and accompanying PDM at "Facts Available for NV," unchanged in *AR5 Carbon from China Final*.

¹¹⁶ See Memorandum, "Antidumping Duty Administrative Review of Certain Activated Carbon from the People's Republic of China: Preliminary Results Calculation Memorandum for Carbon Activated," dated June 10, 2019 (Carbon Activated's Preliminary Calculation Memorandum).

¹¹⁷ As the names of Carbon Activated's suppliers are business proprietary, see Carbon Activated's Preliminary Calculation Memorandum for details.

¹¹⁸ See Carbon Activated's Section D Part I Response at 2-3 and Attachment E-1; Carbon Activated's Section D Part II Response at 2-3 and Attachment C; Carbon Activated's Section D Part III Response at 2-3 and Attachment B.

¹¹⁹ See *Mueller Comercial de Mexico v. United States*, 753 F.3d 1227, 1235 (Fed. Cir. 2014) (citing *Changzhou Wujin Fine Chem. Factory Co., Ltd. v. United States*, 701 F.3d 1367 (Fed. Cir. 2012)); see also Correction to FOP Reporting Exclusion Request; Carbon Activated's Section D Response Part II at 2-3.

¹²⁰ See Carbon Activated's Preliminary Calculation Memorandum.

¹²¹ *Id.*

merchandise made during the POR, the material terms of sale were established based on the invoice date.¹²² Therefore, in accordance with 19 CFR 351.401(i), and Commerce’s long-standing practice in determining the date of sale,¹²³ Commerce preliminarily finds that the invoice date is the most appropriate date to use as Datong Juqiang’s and Carbon Activated’s date of sale.

h. Comparisons to Normal Value

Pursuant to section 773(a) of the Act and 19 CFR 351.414(c)(1) and (d), to determine whether Datong Juqiang’s and Carbon Activated’s sales of the subject merchandise to the United States were made at less than NV, Commerce compared the EP (or constructed export price (CEP)) to the NV as described in the “Export Price,” “Constructed Export Price,” and “Normal Value” sections of this memorandum.

Determination of Comparison Method

Pursuant to 19 CFR 351.414(c)(1), Commerce calculates weighted-average dumping margins by comparing weighted-average NVs to weighted-average EPs or CEPs (*i.e.*, the average-to-average (A-A) method) unless the Secretary determines that another method is appropriate in a particular situation. In less-than-fair-value investigations, Commerce examines whether to compare weighted-average NVs with the EPs or CEPs of individual sales (*i.e.*, the average-to-transaction (A-T) 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 our examination of this question in the context of administrative reviews, Commerce 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.¹²⁴

In numerous investigations, Commerce 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.¹²⁵ Commerce finds that the differential pricing analysis used in recent investigations may be instructive for purposes of

¹²² See Carbon Activated’s Section A Response; see also Datong Juqiang’s Section A Response.

¹²³ See, e.g., *Certain Polyester Staple Fiber from the People’s Republic of China: Notice of Preliminary Results of the Antidumping Duty Administrative Review, and Intent To Revoke Order in Part*, 76 FR 40329 (July 8, 2011), unchanged in *Certain Polyester Staple Fiber from the People’s Republic of China: Final Results of Antidumping Duty Administrative Review, and Revocation of an Order in Part*, 76 FR 69702 (November 9, 2011); see also *Steel Wire Garment Hangers from the People’s Republic of China: Preliminary Results and Preliminary Rescission, in Part, of the First Antidumping Duty Administrative Review*, 75 FR 68758 (November 9, 2010), unchanged in *First Administrative Review of Steel Wire Garment Hangers from the People’s Republic of China: Final Results and Final Partial Rescission of Antidumping Duty Administrative Review*, 76 FR 27994, 27996 (May 13, 2011).

¹²⁴ See *Ball Bearings and Parts Thereof from France, Germany, and Italy: Final Results of Antidumping Duty Administrative Reviews; 2010–2011*, 77 FR 73415 (December 10, 2012) and the accompanying IDM at Comment 1; see also *Apex Frozen Foods Private Ltd. v. United States*, 37 F. Supp. 3d 1286 (CIT 2014).

¹²⁵ 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); and *Welded Line Pipe from the Republic of Turkey: Final Determination of Sales at Less Than Fair Value*, 80 FR 61362 (October 13, 2015).

examining whether to apply an alternative comparison method in this administrative review. Commerce will continue to develop its approach in this area based on comments received in this and other proceedings, and on Commerce's additional experience with addressing the potential masking of dumping that can occur when Commerce uses the A-A 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 A-A 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 consolidated customer codes. Regions are defined using the reported destination code (*i.e.*, zip codes) and are grouped into regions based upon standard definitions published by the U.S. Census Bureau. Time periods are defined by the quarter within the POR 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 Commerce 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, 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 A-T method to all sales as an alternative to the A-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-T method to those sales identified as passing the Cohen's *d* test as an alternative to the A-A method, and application of the A-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-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 prices that differ significantly such that an alternative comparison method should be considered, then in the second stage of the differential pricing analysis, Commerce examines whether using only the A-A method can appropriately account for such differences. In considering this question, Commerce 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 A-A method only. If the difference between the two calculations is meaningful, then this demonstrates that the A-A 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 A-A 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 A-A 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 Carbon Activated, based on the results of the differential pricing analysis, Commerce preliminarily finds that 57.0 percent of the value of Carbon Activated's U.S. sales pass the Cohen's *d* test,¹²⁶ and confirms the existence of a pattern of prices for comparable merchandise that differ significantly among purchasers, regions or time periods. This result supports consideration of the application of an A-T method to those sales identified as passing the Cohen's *d* test as an alternative to the A-A method, and application of the A-A method to those sales identified as not passing the Cohen's *d* test. Further, Commerce preliminarily determines that there is no meaningful difference between the weighted-average dumping margin calculated using the A-A method and the weighted-average dumping margin calculated using an alternative comparison method based on applying the A-T method to those sales identified as passing the Cohen's *d* test and the A-A method to those sales identified as not passing the Cohen's *d* test. Thus, for these preliminary results, Commerce is applying the A-A method for all U.S. sales to calculate the weighted-average dumping margin for Carbon Activated.¹²⁷

¹²⁶ See Carbon Activated's Preliminary Calculation Memorandum at Attachment.

¹²⁷ *Id.*

For Datong Juqiang, based on the results of the differential pricing analysis, Commerce preliminarily finds that 11.6 percent of Datong Juqiang's U.S. sales pass the Cohen's *d* test.¹²⁸ These results do not support consideration of an alternative to the A-A method. Accordingly, Commerce preliminarily determines to apply the A-A method for all U.S. sales to calculate the weighted-average dumping margin for Datong Juqiang.

i. U.S. Price

Export Price

In accordance with section 772(a) of the Act, EP is "the price at which the subject merchandise is first sold (or agreed to be sold) before the date of importation by the producer or exporter of the subject merchandise outside of the United States to an unaffiliated purchaser in the United States or to an unaffiliated purchaser for exportation to the United States," as adjusted under section 772(c) of the Act. Commerce calculated EP for some of Datong Juqiang's sales to the United States because the first sale to an unaffiliated party was made before the date of importation and the use of CEP was not otherwise warranted.¹²⁹ In accordance with section 772(c)(2)(A) of the Act, where appropriate, Commerce deducted from the starting price (gross unit price) to unaffiliated purchasers: foreign inland freight, foreign brokerage and handling, customs duties, U.S. brokerage and handling and other movement expenses incurred in China and the United States. For those expenses that were provided by a market economy (ME) provider and paid for in an ME currency, if applicable, Commerce used the reported expense. For the expenses that were either provided by a NME vendor or paid for using a NME currency, Commerce used SVs as appropriate.¹³⁰ Additionally, in accordance with section 772(c)(2)(B) of the Act, Commerce also deducted any output value-added tax (VAT) from the starting price as explained below. Due to the proprietary nature of certain adjustments to U.S. price, for a detailed description of all adjustments made to U.S. price for Datong Juqiang, *see* Datong Juqiang's Preliminary Calculation Memorandum.

Constructed Export Price

In accordance with section 772(b) of the Act, CEP is "the price at which the subject merchandise is first sold (or agreed to be sold) in the United States before or after the date of importation by or for the account of the producer or exporter of such merchandise or by a seller affiliated with the producer or exporter, to a purchaser not affiliated with the producer or exporter," as adjusted under section 772(c) and (d) of the Act. For all of Carbon Activated's sales and a portion of Datong Juqiang's sales, Commerce based U.S. price on CEP, in accordance with section 772(b) of the Act, because the sales of subject merchandise were made in the United States on behalf of

¹²⁸ See Memorandum, "Preliminary Results Margin Calculation for Datong Juqiang Activated Carbon Co., Ltd.; Antidumping Duty Administrative Review of Certain Activated Carbon from the People's Republic of China," dated June 10, 2019 (Datong Juqiang's Preliminary Calculation Memorandum), at Attachment I.

¹²⁹ See Datong Juqiang's Section A Response at 7-8.

¹³⁰ See Memorandum, "Eleventh Administrative Review of Certain Activated Carbon from the People's Republic of China: Surrogate Values for the Preliminary Results," dated June 10, 2019 (Preliminary SV Memorandum).

the Chinese exporters by their respective U.S. affiliates to unaffiliated purchasers in the United States.¹³¹

Datong Juqiang contends that for sales where Datong Juqiang Activated Carbon USA, LLC (DJAC USA)¹³² was involved, Datong Juqiang established the material terms of sale with the final U.S. customer prior to importation, and these sales should, therefore, be considered EP sales.¹³³ However, while Datong Juqiang negotiated the U.S. sales price in China, the evidence on the record of this administrative review demonstrates that DJAC USA undertook procedures necessary to import the subject merchandise, issued invoices to the unaffiliated U.S. customer, received payment from the U.S. customer, and issued payment to Datong Juqiang.¹³⁴ The CIT has affirmed that such sales arrangements are properly considered CEP transactions.¹³⁵ Therefore, Commerce preliminarily determined that Datong Juqiang's sales made through DJAC USA are CEP sales.

Commerce based CEP on prices to the first unaffiliated purchaser in the United States. Where appropriate, Commerce made deductions from the starting price (gross unit price) for foreign movement expenses, international movement expenses, and U.S. movement expenses, in accordance with section 772(c)(2)(A) of the Act. In accordance with section 772(d)(1) of the Act, Commerce also deducted those selling expenses associated with economic activities occurring in the United States. Specifically, Commerce deducted, where appropriate, inventory carrying costs, credit expenses, U.S. repacking costs, U.S. warehousing expenses, and indirect selling expenses. For those expenses that were provided by an ME provider and paid for in an ME currency, if applicable, Commerce used the reported expense. For these expenses that were either provided by a NME vendor or paid for using a NME currency, Commerce used SVs as appropriate.¹³⁶ In accordance with section 772(c)(2)(B) of the Act, Commerce also deducted output VAT from the starting price as explained below. Additionally, Carbon Activated reported freight revenue for certain U.S. sales; therefore, consistent with its practice,¹³⁷ Commerce capped the freight revenue amount by the amount of freight expenses reported in the U.S. sales database and made an upward adjustment to the U.S. price.¹³⁸ Due to the proprietary nature of certain adjustments to U.S. price, for a detailed description of all adjustments made to U.S. price for

¹³¹ See Carbon Activated's Section A Response at 1, 13-14; see also Datong Juqiang's Section A Response at 7-8, and Exhibit 8; and Datong Juqiang's April 19, 2019 Second Supplemental Section C Response (Datong Juqiang's Second Supplemental Section C Response) at 1 and Exhibit SSC-1.

¹³² In the seventh administrative review, Commerce determined DJAC USA and Datong Juqiang are affiliated. See *Certain Activated Carbon from the People's Republic of China: Preliminary Results of Antidumping Duty Administrative Review; 2013-2014*, 80 FR 25669 (May 5, 2015), and accompanying PDM, unchanged in *Certain Activated Carbon from the People's Republic of China: Final Results of Antidumping Duty Administrative Review; 2013-2014*, 80 FR 61172 (October 9, 2015).

¹³³ See Datong Juqiang's December 21, 2018 Supplemental Sections C Response at 1-2.

¹³⁴ *Id.* at 1; see also Datong Juqiang's Section A Response at 8.

¹³⁵ See *Pasta Zara S.p.A. v United States*, 703 F. Supp. 2d 1317, 1320-1323 (CIT 2010).

¹³⁶ See Preliminary SV Memorandum.

¹³⁷ See, e.g., *Certain Oil Country Tubular Goods from the Republic of Korea: Final Results of Antidumping Duty Administrative Review and Final Determination of No Shipments; 2015-2016*, 83 FR 17146 (April 18, 2018) at Comment 12.

¹³⁸ See Carbon Activated's Preliminary Calculation Memorandum.

Carbon Activated and Datong Juqiang, *see* Carbon Activated’s Preliminary Calculation Memorandum and Datong Juqiang’s Preliminary Calculation Memorandum, respectively.

Value-Added Tax

Commerce’s practice, in NME cases, is to subtract from EP or CEP the amount of any output VAT, in accordance with section 772(c)(2)(B) of the Act.¹³⁹ Where the output VAT is a fixed percentage of EP, Commerce makes a tax-neutral dumping comparison by reducing the U.S. price by this percentage.¹⁴⁰ Thus, Commerce’s methodology essentially amounts to performing two steps: (1) determining the amount (or rate) of the output VAT tax included in the free on board (FOB) price of the subject merchandise, and (2) reducing U.S. price by the amount (or rate) determined in step one.

The Chinese VAT schedule placed on the record of this review, as well as the responses of both respondents, demonstrate that the output VAT rate for activated carbon is 17 percent.¹⁴¹ Thus, for the purposes of these preliminary results of review, for all Datong Juqiang’s and Carbon Activated’s sales, Commerce reduced the reported price of each U.S. sale by the output VAT rate of 17 percent of the FOB price.¹⁴²

j. Normal Value

Section 773(c)(1) of the Act provides that Commerce shall determine the NV using a FOP methodology if the merchandise is exported from a NME country and the available information does not permit the calculation of NV using home-market prices, third-country prices, or constructed value under section 773(a) of the Act. Commerce bases NV on the FOPs because the presence of government controls on various aspects of NMEs renders price comparisons and the calculation of production costs invalid under Commerce’s normal methodologies.

Factor Valuation Methodology

In accordance with section 773(c) of the Act, Commerce calculated NV based on FOPs reported by the respondents for the POR, except as discussed above under the “Partial Facts Available” section. In accordance with 19 CFR 351.408(c)(1), Commerce will normally use publicly available information to find an appropriate SV to value a particular FOP. To calculate NV,

¹³⁹ *See* Final Results of Redetermination Pursuant to Second Remand Order for Certain Activated Carbon from the People’s Republic of China (October 23, 2018) in *Jacobi Carbons AB et al. v. United States et al.*, Consol. Court No. 16-00185, Slip Op. 18-47 (CIT April 19, 2018); and the Court’s August 22, 2018 Order amending its Second Remand Order, sustained, *Jacobi Carbons AB et al. v. United States et al.*, Consol. Court No. 16-00185, Slip Op. 19-28 (CIT March 5, 2019).

¹⁴⁰ *See Methodological Change for Implementation of Section 772(c)(2)(B) of the Tariff Act of 1930, as Amended, In Certain Non-Market Economy Antidumping Proceedings*, 77 FR 36481, 36483-84 (June 19, 2012).

¹⁴¹ *See* Carbon Activated’s Section C response at 35-39; *see also* Carbon Activated’s February 11, 2019 Sections A and C Supplemental Questionnaire Response at Exhibit SC-9; Carbon Activated’s March 21, 2019 Sections A and C Supplemental Questionnaire Response at Exhibit SSC-5; Datong Juqiang’s Section C Response at 27-29 and Exhibit C-3a; and Datong Juqiang’s Second Supplemental Section C Response at 2 and Exhibits SSC-2 and SSC-3.

¹⁴² *See* Carbon Activated’s Preliminary Calculation Memorandum; and Datong Juqiang’s Preliminary Calculation Memorandum.

Commerce multiplied the reported per-unit factor-consumption rates by publicly available SVs. Commerce's practice when selecting the best available information for valuing FOPs is to select, to the extent practicable, SVs which are product-specific, representative of a broad-market average, publicly available, contemporaneous with the POR, and exclusive of taxes and duties.¹⁴³

Pursuant to 19 CFR 351.408(c)(1), when a respondent sources inputs from an ME supplier in meaningful quantities (*i.e.*, not insignificant quantities) and pays in an ME currency, Commerce uses the actual price paid by the respondent to value those inputs, except when prices may have been distorted by findings of dumping or subsidization.¹⁴⁴ However, neither Datong Juqiang nor Carbon Activated provided evidence that they made purchases of ME inputs during the POI.¹⁴⁵

Commerce used Malaysian import statistics as reported by the GTA to value the raw materials, energy, and packing material inputs that Datong Juqiang and Carbon Activated used to produce the subject merchandise under review during the POR, except where otherwise stated below. These data are contemporaneous with the POR, publicly available, product-specific, tax-exclusive, and represent a broad market average. In accordance with section 773(c)(5) of the Act and the legislative history of the Omnibus Trade and Competitiveness Act 1988 (OTCA), Commerce continues to apply its long-standing practice of disregarding SVs without further investigation if broadly available export subsidies existed or particular instances of subsidization occurred with respect to those SVs or if those SVs were subject to an AD order.¹⁴⁶ In this regard, Commerce previously found that it is appropriate to disregard such prices from India, Indonesia, Republic of Korea, and Thailand because Commerce determined that these countries maintain broadly available, non-industry-specific export subsidies.¹⁴⁷ Based on the existence of these subsidy programs that were generally available to all exporters and producers in these countries at the time of the POR, Commerce finds that it is reasonable to infer that all exporters from the above-mentioned countries may have benefitted from these subsidies. Therefore,

¹⁴³ See, e.g., *Fuwei Films (Shandong) Co. v. United States*, 837 F. Supp. 2d 1347, 1350-51 (CIT 2012) (citing *Certain Pneumatic Off-the-Road Tires from the People's Republic of China: Final Affirmative Determination of Sales at Less Than Fair Value and Partial Affirmative Determination of Critical Circumstances*, 73 FR 40485 (July 15, 2008), and accompanying IDM at Comment 10); see also *Electrolytic Manganese Dioxide from the People's Republic of China: Final Determination of Sales at Less Than Fair Value*, 73 FR 48195 (August 18, 2008), and accompanying IDM at Comment 2.

¹⁴⁴ See, e.g., *Antidumping Duties; Countervailing Duties; Final Rule*, 62 FR 27296, 27366 (May 19, 1997).

¹⁴⁵ See Carbon Activated's Section D Part I, Part II, and Part III Responses at Exhibits D-5; see also Datong Juqiang's Section D Response Part 1 at Exhibit D-5, and Part 2 at Exhibit D-5.

¹⁴⁶ See section 773(c) of the Act, as amended in section 505 of the Trade Preferences Extension Act of 2015; *Dates of Application of Amendments to the Antidumping and Countervailing Duty Laws Made by the Trade Preferences Extension Act of 2015*, 80 FR 46793, 46795 (August 6, 2015); see also OTCA 1988, H.R. Rep. No. 100-576, at 590-91.

¹⁴⁷ See, e.g., *Carbazole Violet Pigment 23 from India: Final Results of the Expedited Five-year (Sunset) Review of the Countervailing Duty Order*, 75 FR 13257 (March 19, 2010), and accompanying IDM at 4-5; *Certain Cut-to-Length Carbon-Quality Steel Plate from Indonesia: Final Results of Expedited Sunset Review*, 70 FR 45692 (August 8, 2005), and accompanying IDM at 4; *Corrosion-Resistant Carbon Steel Flat Products from the Republic of Korea: Final Results of Countervailing Duty Administrative Review*, 74 FR 2512 (January 15, 2009), and accompanying IDM at 17, 19-20; *Final Affirmative Countervailing Duty Determination: Certain Hot-Rolled Carbon Steel Flat Products From Thailand*, 66 FR 50410 (October 3, 2001), and accompanying IDM at 23; *Certain Hot-Rolled Carbon Steel Flat Products From India, Indonesia, and Thailand*, 78 FR 16525 (March 14, 2013), and accompanying IDM at 5-7.

Commerce has not used average unit import values from these countries in calculating the Malaysian import-based SVs. Additionally, Commerce disregarded prices from NME countries because those prices are not based on market principles.¹⁴⁸

In accordance with section 773(c) of the Act, for subject merchandise produced by Datong Juqiang and Carbon Activated, Commerce calculated NV based on the FOPs reported by Datong Juqiang and Carbon Activated for the POR. Commerce used data from Malaysian import statistics and other publicly available Malaysian sources to calculate SVs for Datong Juqiang's and Carbon Activated's FOPs (direct materials, energy, and packing materials) and certain movement expenses.¹⁴⁹ To calculate NV, unless otherwise noted, Commerce multiplied the reported per-unit FOPs by publicly available Malaysian SVs.

As appropriate, Commerce adjusted input prices by including freight costs to render the prices delivered prices.¹⁵⁰ Specifically, Commerce added to the Malaysian import SVs a surrogate freight cost using the shorter of the reported distance from the domestic supplier to the factory or the distance from the nearest seaport to the factory.¹⁵¹ Where necessary, Commerce adjusted SVs for exchange rates, and converted all applicable items to a per-metric ton basis. For a detailed description of all SVs used for Datong Juqiang and Carbon Activated, *see* the Preliminary SV Memorandum.

The mandatory respondents placed Philippines *Cocommunity* data on the record to value carbonized materials,¹⁵² while the petitioners placed Malaysian GTA data for coconut shell charcoal on the record.¹⁵³ As noted above, Commerce prefers to use SV data which are exclusive of taxes and representative of broad market averages¹⁵⁴ and has a regulatory preference for valuing all FOPs in a single surrogate country, where possible.¹⁵⁵ Because Commerce has complete SV data from Malaysia, with the exception of usable financial ratios, it therefore prefers to value all possible FOPs in Malaysia. Accordingly, Commerce preliminarily valued carbonized materials using the Malaysian GTA data for coconut shell charcoal.

Commerce valued electricity using the price data based on Malaysian electricity tariffs as published at <http://www.mida.gov.my/home/utilities/posts/> by the Malaysian Investment

¹⁴⁸ *See, e.g., Polyethylene Terephthalate Film, Sheet, and Strip from the People's Republic of China: Preliminary Determination of Sales at Less Than Fair Value*, 73 FR 24552, 24559 (May 5, 2008), unchanged in *Polyethylene Terephthalate Film, Sheet, and Strip from the People's Republic of China: Final Determination of Sales at Less Than Fair Value*, 73 FR 55039 (September 24, 2008); *see also* section 773(c) of the Act.

¹⁴⁹ *See* Preliminary SV Memorandum.

¹⁵⁰ *See* section 772(c)(1)(A) of the Act.

¹⁵¹ *See Sigma Corp. v. United States*, 117 F.3d 1401, 1408 (Fed. Cir. 1997).

¹⁵² *See* Respondents' SV Submission at Exhibit 4B.

¹⁵³ *See* Petitioners' SV submission at Attachment 1.

¹⁵⁴ *See, e.g., Fuwei Films (Shandong) Co. v. United States*, 837 F. Supp. 2d 1347, 1350-51 (CIT 2012) (citing *Certain Pneumatic Off-the-Road Tires from the People's Republic of China: Final Affirmative Determination of Sales at Less Than Fair Value and Partial Affirmative Determination of Critical Circumstances*, 73 FR 40485 (July 15, 2008), and accompanying IDM at Comment 10; *Electrolytic Manganese Dioxide From the People's Republic of China: Final Determination of Sales at Less Than Fair Value*, 73 FR 48195 (August 18, 2008), and accompanying IDM at Comment 2.

¹⁵⁵ *See* 19 CFR 351.408(c)(2).

Development Authority (MIDA). Commerce calculated an average of the price of energy sales to various customers.¹⁵⁶ As the rates were in effect during the POR, we did not adjust the average value for inflation.

Commerce valued inland truck freight using a price list published in *Doing Business 2018-Malaysia*, which measures the time and cost (excluding tariffs) associated with exporting or importing a shipment of goods. The price list is compiled based on a survey case study of the procedural requirements for trading a standard shipment of goods weighing 15,000 kg by ocean transport in Malaysia.¹⁵⁷ Commerce did not inflate or deflate this rate because it is contemporaneous with the POR.

Commerce valued brokerage and handling expenses using a price list published in *Doing Business 2018-Malaysia*, which measures the time and cost (excluding tariffs) associated with exporting a standard shipment of goods. The price list is compiled based on a survey case study of the procedural requirements for trading a standard shipment of goods weighing 15,000 kg by ocean transport in Malaysia.¹⁵⁸ Commerce did not inflate or deflate this rate because it is contemporaneous with the POR.

Commerce valued water using National Water Services Commission's (SURUHANJAYA PERKHIDMATAN AIR NEGARA: SPAN, <http://www.span.gov.my>) water rates for regional area by user types, as published at (<http://www.mida.gov.my/home/utilities/posts/>) by Malaysian Investment Development Authority (MIDA).¹⁵⁹ We used "Commercial/Industrial" rates. These data were reported to have been accessed in November 7, 2018 by the petitioners; however, the same rates were in effect when last accessed in June 2019 by Commerce, and therefore, were most likely in effect during the POR.¹⁶⁰ Commerce did not inflate or deflate this price information because it is contemporaneous with the POR.

To value factory overhead, selling, general, and administrative (SG&A) expenses, and profit, Commerce used the audited 2017 financial statements from Romcarbon, a Romanian manufacturer of polyethylene, polypropylene, and polyvinyl chloride products.¹⁶¹

As stated above, Commerce has a strong preference to value all FOPs in a single surrogate country. However, for the preliminary results, while the petitioners submitted surrogate financial ratios based on the financial statements for the two Malaysian companies (*i.e.*, Century Chemical Works Sendirian Berhad, and Ten Meng Keong Sdn. Bhd.), we have recalculated the financial ratios, and determined that the Malaysian financial statements lack usable financial data in that they did not have separate line items breaking down the cost of raw materials and energy.¹⁶²

¹⁵⁶ See Preliminary SV Memorandum.

¹⁵⁷ See Petitioners' SV Submission at Attachment 6A.

¹⁵⁸ *Id.* at Attachment 6B.

¹⁵⁹ *Id.* at Attachment 3D.

¹⁶⁰ See Preliminary SV Memorandum at 4.

¹⁶¹ See Respondents' SV Submission at Exhibit 9.

¹⁶² See *Data Availability* under Surrogate Country and Surrogate Value Data above.

With respect to the Romanian 2017 Romcarbon financial statements, while we find that Romcarbon's principal manufacturing activities are polyethylene, polypropylene, polyvinyl chloride, polystyrene processing, filters and protective materials, we also find evidence that demonstrates that Romcarbon produces some activated carbon.¹⁶³ Therefore, because Romcarbon's financial statements are the only remaining ones on the record from a country at the same level of economic development as China and are audited, complete, publicly available, include some production of identical merchandise, and do not show evidence of countervailable subsidies, Romcarbon's financial statements are the best available information to calculate surrogate financial ratios. Therefore, we recalculated financial ratios based on the 2017 financial statements of Romcarbon for the preliminary results.

In NME antidumping duty proceedings, Commerce prefers to value labor solely based on data from the primary surrogate country.¹⁶⁴ In *Labor Methodologies*, Commerce determined that the best methodology to value labor is to use industry-specific labor rates from the primary surrogate country.¹⁶⁵ We continue to follow our practice of selecting the best available information on the record to determine SVs for inputs such as labor. In this case, Commerce valued labor consumption based on manufacturing-specific monthly Malaysian labor data covering the period from October 2017 to March 2018, as published by Trading Economics.¹⁶⁶ Although this information does not cover the entirety of the POR, it is the best available information on the record, because the only other labor rates on the record are the non-contemporaneous 2011 National Statistics Office data from Thailand, a country not on the OP List.¹⁶⁷ Thus, we valued respondents' labor input using the manufacturing-specific Malaysian labor data from Trading Economics covering October 2017 to March 2018. Because these rates were in effect during the POR, we did not adjust the calculated rate for inflation or deflation.

k. Currency Conversion

Where necessary, Commerce made currency conversions into U.S. dollars, in accordance with section 773A(a) of the Act, based on the exchange rates, as certified by the Federal Reserve Bank, in effect on the dates of the U.S. sales.

¹⁶³ See Respondents' SV, at Exhibit 9, pdf page 1303 (Romcarbon's profit center no. 2 includes a "Workshop of Active Carbon").

¹⁶⁴ See *Antidumping Methodologies in Proceedings Involving Non-Market Economies: Valuing the Factor of Production: Labor*, 76 FR 36092 (June 21, 2011) (*Labor Methodologies*).

¹⁶⁵ *Id.*

¹⁶⁶ See Petitioners' SV Submission at Attachment 4.

¹⁶⁷ See Respondents' SV Submission at Exhibit 8.

V. RECOMMENDATION

We recommend applying the above methodology for these preliminary results.

Agree

Disagree

6/10/2019

X 

Signed by: JEFFREY KESSLER

Jeffrey I. Kessler
Assistant Secretary
for Enforcement and Compliance

ATTACHMENT

Companies Preliminarily Not Eligible for a Separate Rate and Treated as Part of China-Wide Entity

1. Acrowell International Logistics Ltd.
2. AmeriAsia Advanced Activated Carbon Products Co., Ltd.
3. AM Global Shipping Lines Co, Ltd.
4. Anhui Handfull International Trading (Group) Co., Ltd.
5. Anhui Hengyuan Trade Co. Ltd.
6. Anyang Sino-Shon International Trading Co., Ltd.
7. Apex Manufacturing Co. Ltd.
8. Apex Maritime (Tianjin) Co., Ltd.
9. Baoding Activated Carbon Factory.
10. Beijing Broad Activated Carbon Co., Ltd.
11. Beijing Embrace Technology Co., Ltd.
12. Beijing Haijian Jiechang Environmental Protection Chemicals.
13. Beijing Hibridge Trading Co., Ltd.
14. Beijing Kang Jie Kong International Cargo Agent Co., Ltd.
15. Bengbu Modern Environmental Co., Ltd.
16. Bengbu Jiutong Trade Co., Ltd.
17. Bengbu First Commercial & Trading Co., Ltd.
18. Bravo Specialty Chemicals Co., Ltd.
19. Brilliant Globe Logistics Inc.
20. Brilliant Logistics Group Inc.
21. Changji Hongke Activated Carbon Co., Ltd.
22. Chengde Jiayu Activated Carbon Factory.
23. China Combi Works Oy Ltd.
24. China International Freight Co., Ltd.
25. China National Building Materials and Equipment Import and Export Corp.
26. China National Nuclear General Company Ningxia Activated Carbon Factory.
27. China Nuclear Ningxia Activated Carbon Plant.
28. China SDIC International Trade Co., Ltd.
29. Chongqing Feiyang Active Carbon Manufacture Co., Ltd.
30. Da Neng Zheng Da Activated Carbon Co., Ltd.
31. Datong Carbon Corporation.
32. Datong Changtai Activated Carbon Co., Ltd.
33. Datong City Zuoyun County Activated Carbon Co., Ltd.
34. Datong Fenghua Activated Carbon.
35. Datong Forward Activated Carbon Co., Ltd.
36. Datong Fuping Activated Carbon Co. Ltd.
37. Datong Guanghua Activated Co., Ltd.
38. Datong Hongtai Activated Carbon Co., Ltd.
39. Datong Huanqing Activated Carbon Co., Ltd.

40. Datong Huaxin Activated Carbon.
41. Datong Huibao Active Carbon Co., Ltd.
42. Datong Huiyuan Cooperative Activated Carbon Plant.
43. Datong Kaneng Carbon Co. Ltd.
44. Datong Locomotive Coal & Chemicals Co., Ltd.
45. Datong Tianzhao Activated Carbon Co., Ltd.
46. DaTong Tri-Star & Power Carbon Plant.
47. Datong Weidu Activated Carbon Co., Ltd.
48. Datong Xuanyang Activated Carbon Co., Ltd.
49. Datong Zuoyun Biyun Activated Carbon Co., Ltd.
50. Datong Zuoyun Fu Ping Activated Carbon Co., Ltd.
51. De Well Container Shipping Corp.
52. Derun Charcoal Carbon Co., Ltd.
53. Dezhou Jiayu Activated Carbon Factory.
54. DGX (H.K) Limited.
55. Dongguan Baofu Activated Carbon.
56. Dongguan SYS Hitek Co., Ltd.
57. Dushanzi Chemical Factory.
58. Endurance Cargo Management Co., Ltd.
59. Envitek (China) Ltd.
60. Excel Shipping Co., Ltd.
61. Fu Yuan Activated Carbon Co., Ltd.
62. Fujian Active Carbon Industrial Co., Ltd.
63. Fujian Jianyang Carbon Plant.
64. Fujian Nanping Yuanli Activated Carbon Co., Ltd.
65. Fujian Xinsen Carbon Co., Ltd.
66. Fujian Yuanli Active Carbon Co., Ltd.
67. Fujian Yuanli Active Carbon Industrial Co., Ltd.
68. Fujian Zhixing Activated Carbon Co., Ltd.
69. Fuzhou Taking Chemical.
70. Fuzhou Yihuan Carbon Co., Ltd.
71. Fuzhou Yuemengfeng Trade Co., Ltd.
72. Great Bright Industrial.
73. Gongyi City Beishan Kou Water Purification Materials Factory.
74. Guangdong Hanyan Activated Carbon Manufacturing Co., Ltd.
75. Guangzhou Four E'S Scientific Co., Ltd.
76. Hangzhou Hengxing Activated Carbon.
77. Hangzhou Hengxing Activated Carbon Co., Ltd.
78. Hangzhou Linan Tianbo Material (HSLATB).
79. Hangzhou Nature Technology.
80. Hangzhou Waterland Environmental Technologies Co., Ltd.
81. Hebei Foreign Trade and Advertising Corporation.
82. Hebei Luna Trading Co., Ltd.
83. Hebei Shenglun Import & Export Group Company.
84. Hegongye Ninxia Activated Carbon Factory.

85. Heilongjiang Provincial Hechang Import & Export Co., Ltd.
86. Henan Yemei Products Co., Ltd.
87. Hongke Activated Carbon Co., Ltd.
88. Honour Lane Shipping Ltd.
89. Huaibei Environment Protection Material Plant.
90. Huairen Huanyu Purification Material Co., Ltd.
91. Huairen Jinbei Chemical Co., Ltd.
92. Huaiyushan Activated Carbon Group.
93. Huatai Activated Carbon.
94. Huzhou Zhonglin Activated Carbon.
95. Inner Mongolia Taixi Coal Chemical Industry Limited Company.
96. Itigi Corp. Ltd.
97. J&D Activated Carbon Filter Co. Ltd.
98. Jiangle County Xinhua Activated Carbon Co., Ltd.
99. Jiangsu Kejing Carbon Fiber Co., Ltd.
100. Jiangsu Taixing Yixin Activated Carbon Technology Co., Ltd.
101. Jiangxi Hanson Import Export Co.
102. Jiangxi Huaiyushan Activated Carbon.
103. Jiangxi Huaiyushan Activated Carbon Group Co.
104. Jiangxi Huaiyushan Suntar Active Carbon Co., Ltd.
105. Jiangxi Jinma Carbon.
106. Jiangxi Yuanli Huaiyushan Active Carbon Co., Ltd.
107. Jianou Zhixing Activated Carbon.
108. Jiaocheng Xinxin Purification Material Co., Ltd.
109. Jilin Province Bright Future Industry and Commerce Co., Ltd.
110. Jing Mao (Dongguan) Activated Carbon Co., Ltd.
111. Kaihua Xingda Chemical Co., Ltd.
112. Kemflo (Nanjing) Environmental Tech.
113. Keyun Shipping (Tianjin) Agency Co., Ltd.
114. Kunshan Actview Carbon Technology Co., Ltd.
115. King Freight International Corp.
116. Langfang Winfield Filtration Co.
117. Link Shipping Limited.
118. Longyan Wanan Activated Carbon.
119. M Chemical Company, Inc.
120. Meadwestvaco (China) Holding Co., Ltd.
121. Mindong Lianyi Group.
122. Muk Chi Trade Co., Ltd.
123. Nanjing Mulinsen Charcoal.
124. Nanping Yuanli Active Carbon Co.
125. Nantong Ameriasia Advanced Activated Carbon Product Co., Ltd.
126. Ningxia Baiyun Carbon Co., Ltd.
127. Ningxia Baota Activated Carbon Co., Ltd.
128. Ningxia Baota Active Carbon Plant.
129. Ningxia Guanghua A/C Co., Ltd.

130. Ningxia Blue-White-Black Activated Carbon (BWB).
131. Ningxia Fengyuan Activated Carbon Co., Ltd.
132. Ningxia Guanghua Activated Carbon Co., Ltd.
133. Ningxia Guanghua Chemical Activated Carbon Co., Ltd.
134. Ningxia Haoqing Activated Carbon Co., Ltd.
135. Ningxia Henghui Activated Carbon.
136. Ningxia Honghua Carbon Industrial Corporation.
137. Ningxia Huinong Xingsheng Activated Carbon Co., Ltd.
138. Ningxia Jirui Activated Carbon.
139. Ningxia Lingzhou Foreign Trade Co., Ltd.
140. Ningxia Luyuangheng Activated Carbon Co., Ltd.
141. Ningxia Pingluo County Yaofu Activated Carbon Plant.
142. Ningxia Pingluo Xuanzhong Activated Carbon Co., Ltd.
143. Ningxia Pingluo Yaofu Activated Carbon Factory.
144. Ningxia Taixi Activated Carbon.
145. Ningxia Tianfu Activated Carbon Co., Ltd.
146. Ningxia Tongfu Coking Co, Ltd.
147. Ningxia Weining Active Carbon Co., Ltd.
148. Ningxia Xingsheng Coal and Active Carbon Co., Ltd.
149. Ningxia Xingsheng Coke & Activated Carbon Co., Ltd.
150. Ningxia Yinchuan Lanqiya Activated Carbon Co., Ltd.
151. Ningxia Yirong Alloy Iron Co., Ltd.
152. Ningxia Zhengyuan Activated.
153. Nippon Express (Shanghai) Co., Ltd.
154. Nuclear Ningxia Activated Carbon Co., Ltd.
155. OEC Logistic Qingdao Co., Ltd.
156. OEC Logistics Co., Ltd. (Tianjin).
157. Pacific Star Express (China) Company Ltd.
158. Panalpina World Transport (Prc) Ltd
159. Panshan Import and Export Corporation.
160. Pingdingshan Green Forest Activated.
161. Pingluo Xuanzhong Activated Carbon Co., Ltd.
162. Pingluo Yu Yang Activated Carbon Co., Ltd.
163. Pudong Prime International Logistics, Inc.
164. Schenker Intl (HK) Ltd.
165. Seatrade International Transportation.
166. Shanghai Activated Carbon Co., Ltd.
167. Shanghai Astronautical Science Technology Development Corporation.
168. Shanghai Caleb Industrial Co. Ltd.
169. Shanghai Coking and Chemical Corporation.
170. Shanghai Express Global International.
171. Shanghai Goldenbridge International.
172. Shanghai Jiayu International Trading (Dezhou Jiayu and Chengde Jiayu).
173. Shanghai Jinhua Activated Carbon (Xingan Shenxin and Jiangle Xinhua).
174. Shanghai Light Industry and Textile Import & Export Co., Ltd.

175. Shanghai Line Feng Int'l Transportation.
176. Shanghai Mebao Activated Carbon.
177. Shanghai Sunson Activated Carbon Technology Co. Ltd.
178. Shanghai Xingchang Activated Carbon.
179. Shanghai Xinjinhu Activated Carbon.
180. Shanxi Blue Sky Purification Material Co., Ltd.
181. Shanxi Carbon Industry Co., Ltd.
182. Shanxi DMD Corporation.
183. Shanxi Newtime Co., Ltd.
184. Shanxi Qixian Foreign Trade Corporation.
185. Shanxi Qixian Hongkai Active Carbon Goods.
186. Shanxi Sincere Industrial Company
187. Shanxi Supply and Marketing Cooperative.
188. Shanxi Tianli Ruihai Enterprise Co.
189. Shanxi U Rely International Trade.
190. Shanxi Xiaoyi Huanyu Chemicals Co., Ltd.
191. Shanxi Xinhua Activated Carbon Co., Ltd.
192. Shanxi Xinhua Chemical Co., Ltd. (formerly Shanxi Xinhua Chemical Factory).
193. Shanxi Xinhua Protective Equipment.
194. Shanxi Xinshidai Import Export Co., Ltd.
195. Shanxi Xuanzhong Chemical Industry Co., Ltd.
196. Shanxi Zuoyun Yunpeng Coal Chemistry.
197. Shenzhen Calux Purification Technology Co., Ltd.
198. Shenzhen Sihaiweilong Technology Co.
199. Shijiazhuang Xinshuang Trade Co., Ltd.
200. Sincere Carbon Industrial Co. Ltd.
201. Sinoacarbon International Trading Co, Ltd.
202. T.H.I Group (Shanghai) Ltd.
203. Taining Jinhu Carbon.
204. Tancarb Activated Carbon Co., Ltd.
205. Tangshan Solid Carbon Co., Ltd.
206. The Ultimate Solid Logistics Ltd.
207. Tianchang (Tianjin) Activated Carbon.
208. Tianjin Century Promote International Trade Co., Ltd.
209. Tianjin Maijin Industries Co., Ltd.
210. Taiyuan Hengxinda Trade Co., Ltd.
211. Tonghua Bright Future Activated Carbon Plant.
212. Tonghua Xinpeng Activated Carbon Factory.
213. Top One International Trading Co., Ltd.
214. Translink Shipping Inc.
215. Trans-Power International Logistics Co., Ltd.
216. Triple Eagle Container Line.
217. Uniclear New-Material Co., Ltd.
218. United Manufacturing International (Beijing) Ltd.
219. U.S. United Logistics (Ningbo) Inc.

220. Valqua Seal Products (Shanghai) Co.
221. Vanguard Logistics Services.
222. VitaPac (HK) Industrial Ltd.
223. Wellink Chemical Industry.
224. Xi Li Activated Carbon Co., Ltd.
225. Xi'an Shuntong International Trade & Industrials Co., Ltd.
226. Xiamen All Carbon Corporation.
227. Xingan County Shenxin Activated Carbon Factory.
228. Xinhua Chemical Company Ltd.
229. Xuanzhong Chemical Industry.
230. Yangyuan Hengchang Active Carbon.
231. Yicheng Logistics.
232. Yinchuan Lanqiya Activated Carbon Co., Ltd.
233. Yusen Logistics (China) Co., Ltd. Tianjin.
234. Zhejiang Quizhou Zhongsen Carbon.
235. Zhejiang Topc Chemical Industry.
236. Zhejiang Xingda Activated Carbon Co., Ltd.
237. Zhejiang Yun He Tang Co., Ltd.
238. Zhuxi Activated Carbon.
239. Zuoyun Bright Future Activated Carbon Plant.