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March 2, 2015

MEMORANDUM TO: Paul Piquado  
Assistant Secretary  
for Enforcement and Compliance

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

SUBJECT: Decision Memorandum for Preliminary Results of  
Antidumping Duty Administrative Review:  
Stainless Steel Bar from India

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## SUMMARY

In response to requests from interested parties, the Department of Commerce (the Department) is conducting an administrative review of the antidumping duty (AD) order on stainless steel bar (SSB) from India. The period of review (POR) is February 1, 2013, through January 31, 2014. We initiated this review with respect to two Indian producers/exporters of subject merchandise.<sup>1</sup> After initiation, one self-requesting company timely withdrew its review request.<sup>2</sup> This review covers one exporter/producer of subject merchandise, Bhansali Bright Bars Pvt. Ltd., (Bhansali).

Based on the timely withdrawal of its review request, we are rescinding the review with respect to Ambica Steels Limited (Ambica). We have preliminarily found that Bhansali's sales of the subject merchandise have not been made at prices below normal value (NV) during this POR. Interested parties are invited to comment on these preliminary results. We intend to issue final results no later than 120 days from the date of publication of this notice, pursuant to section 751(a)(3)(A) of the Tariff Act of 1930, as amended (the Act). Upon issuance of the final results, we will instruct U.S. Customs and Border Protection (CBP) to assess ADs on all appropriate entries of subject merchandise during the POR.

## BACKGROUND

On February 21, 1995, the Department published the antidumping duty order on SSB from

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<sup>1</sup> See *Initiation of Antidumping and Countervailing Duty Administrative Reviews and Request for Revocation in Part*, 79 FR 18262 (April 1, 2014) (*Initiation Notice*).

<sup>2</sup> See Ambica's May 3, 2014 letter, "Certain Stainless Steel Bar products from India: Withdrawal of Request for Administrative Review for the POR February 1, 2014 to January 31, 2014."



India.<sup>3</sup> On February 3, 2014, the Department published a notice of opportunity to request an administrative review of the AD and countervailing duty (CVD) orders with February anniversary dates.<sup>4</sup>

On February 27, 2014, Ambica requested an administrative review of itself and on February 28, 2014, Valbruna Slater Stainless, Inc. (the petitioner) requested an administrative review of Bhansali.<sup>5</sup> On April 1, 2014, we initiated this administrative review.<sup>6</sup>

On May 3, 2014, Ambica timely withdrew its request for an administrative review of itself.<sup>7</sup>

On June 25, 2014, Petitioner requested an extension of the deadline for withdrawing its request for an administrative review of Bhansali.<sup>8</sup> The Department declined to extend the withdrawal deadline.<sup>9</sup>

On October 14, 2014, we extended the deadline for the preliminary results by 120 days to March 2, 2015.<sup>10</sup>

On February 11, 2015, the petitioner submitted comments regarding Bhansali's questionnaire responses. The petitioner cites a number of alleged deficiencies in Bhansali's questionnaire responses as evidence that Bhansali has failed to provide all the information requested by the Department. Based on these deficiencies, the petitioner concludes that Bhansali has generally been uncooperative in this proceeding and urges the Department to apply adverse facts available for these preliminary results.

### Partial Rescission

As noted above, Ambica was the only party to request a review of itself and Ambica timely withdrew its request within the 90-day deadline.<sup>11</sup> Therefore, we are rescinding the

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<sup>3</sup> See *Antidumping Duty Orders: Stainless Steel Bar from Brazil, India and Japan*, 60 FR 9661 (February 21, 1995) (the Order).

<sup>4</sup> See *Antidumping or Countervailing Duty Order, Finding, or Suspended Investigation; Opportunity to Request Administrative Review*, 79 FR 6159 (February 3, 2014).

<sup>5</sup> See Ambica's request for review, "Stainless Steel Bars from India: Request for Review in the Antidumping Duty Administrative Review for the period 1<sup>st</sup> February, 2013 to 31<sup>st</sup> January, 2014;" see also Petitioner's February 28, 2014 request for review, "Stainless Steel Bar from India: Petitioners' (*sic*) Request for Administrative Review."

<sup>6</sup> See *Initiation Notice*.

<sup>7</sup> See Ambica's May 3, 2014 letter, "Certain Stainless Steel Bar products from India: Withdrawal of Request for Administrative Review for the POR February 1, 2014 to January 31, 2014."

<sup>8</sup> See Petitioner's letter, "Stainless Steel Bar from India: Petitioners' (*sic*) Request for Extension of Deadline to Withdraw Request for Administrative Review," June 25, 2014.

<sup>9</sup> See Memorandum from Joseph Shuler, International Trade Analyst, to the File, "Stainless Steel Bar from India: Response to Petitioner's Request to Extend the Deadline for Withdrawal Request for Administrative Review," June 27, 2014.

<sup>10</sup> See Memorandum to Christian Marsh, "Stainless Steel Bar from India: Extension of Time Limit for Preliminary Results of Antidumping Duty Administrative Review," October 14, 2014.

<sup>11</sup> See Ambica's May 3, 2014 letter, "Certain Stainless Steel Bar products from India: Withdrawal of Request for Administrative Review for the POR February 1, 2014 to January 31, 2014."

administrative review of the Order with respect to Ambica in accordance with 19 CFR 351.213(d)(1).

## **SCOPE OF THE ORDER**

The merchandise subject to the order is stainless steel bar. Stainless steel bar means articles of stainless steel in straight lengths that have been either hot-rolled, forged, turned, cold-drawn, cold-rolled or otherwise cold-finished, or ground, having a uniform solid cross section along their whole length in the shape of circles, segments of circles, ovals, rectangles (including squares), triangles, hexagons, octagons, or other convex polygons. Stainless steel bar includes cold-finished stainless steel bars that are turned or ground in straight lengths, whether produced from hot-rolled bar or from straightened and cut rod or wire, and reinforcing bars that have indentations, ribs, grooves, or other deformations produced during the rolling process.

Except as specified above, the term does not include stainless steel semi-finished products, cut-to-length flat-rolled products (*i.e.*, cut-to-length rolled products which if less than 4.75 mm in thickness have a width measuring at least 10 times the thickness, or if 4.75 mm or more in thickness having a width which exceeds 150 mm and measures at least twice the thickness), wire (*i.e.*, cold-formed products in coils, of any uniform solid cross section along their whole length, which do not conform to the definition of flat-rolled products), and angles, shapes, and sections.

Imports of these products are currently classifiable under subheadings 7222.10.00, 7222.11.00, 7222.19.00, 7222.20.00, 7222.30.00 of the Harmonized Tariff Schedule (HTS). Although the HTS subheadings are provided for convenience and customs purposes, our written description of the scope of the order is dispositive.

## **DISCUSSION OF THE METHODOLOGY**

### **Normal Value Comparisons**

Pursuant to section 773(a)(1)(B)(ii) of the Act and 19 CFR 351.414(c)(1) and (d), to determine whether Bhansali's sales of subject merchandise were made in the United States at less than NV, we compared the export price (EP) to the NV, as described in the "Export Price" and "Normal Value" sections of this memorandum. In these preliminary results, the Department compared monthly weighted-average EPs with weighted-average NVs and granted offsets for non-dumped comparisons in the calculation of the weighted-average AD margin.

When making this comparison in accordance with section 771(16) of the Act, we considered all products sold in the home market as described in the "Scope of the Order" section of this notice, above, that were in the ordinary course of trade for purposes of determining an appropriate product comparison to the U.S. sale. If contemporaneous sales of identical home-market merchandise, as described below, were reported, then we made comparisons to the monthly weighted-average home-market prices for all such sales.

## Product Comparisons

In accordance with section 771(16) of the Act, we compared products produced by Bhansali and sold in the U.S. and home markets on the basis of the comparison product which was either identical or most similar in terms of the physical characteristics to the product sold in the United States. In order of importance, these physical characteristics are (1) general type of finish; (2) grade; (3) remelting; (4) type of final finishing operation; (5) shape; and (6) size, consistent with the original investigation.<sup>12</sup> Where there were no sales of identical merchandise in the comparison market made in the ordinary course of trade to compare to U.S. sales, we compared U.S. sales to the next most similar product on the basis of the characteristics listed above. Where there were no sales of identical or similar merchandise made in the ordinary course of trade in the comparison market, we compared U.S. sales to constructed value (CV).

### A. Determination of Comparison Method

Pursuant to 19 CFR 351.414(b)(1) and (c)(1), the Department calculates dumping margins by comparing weighted-average NVs to weighted-average EPs (or constructed export prices (CEPs)) (the average-to-average method), unless the Secretary determines that another method is appropriate in a particular situation. In AD investigations, the Department examines whether to use the average-to-transaction method as an alternative comparison method using an analysis consistent with section 777A(d)(1)(B) of the Act. Although section 777A(d)(1)(B) of the Act does not strictly govern the Department's examination of this question in the context of administrative reviews, the Department nevertheless finds that the issue arising under 19 CFR 351.414(c)(1) in administrative reviews is analogous to the issue in antidumping duty investigations.<sup>13</sup> In recent investigations, pursuant to 19 CFR 351.414(c)(1) and consistent with section 777A(d)(1)(B) of the Act, the Department has applied a "differential pricing" analysis to determine whether application of average-to-transaction comparisons is appropriate in a particular situation.<sup>14</sup> The Department finds that the differential pricing analysis used in those recent investigations may be instructive for purposes of examining whether to apply an alternative comparison method in this administrative review. The Department will continue to develop its approach in this area based on comments received in this and other proceedings, as well as the Department's additional experience with addressing the potential masking of dumping that can occur when the Department uses the average-to-average method in calculating weighted-average dumping margins.

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<sup>12</sup> See *Preliminary Determination of Sales at Less Than Fair Value and Postponement of Final Determination: Stainless Steel Bar From India*, 59 FR 39733, 39735 (August 4, 1994) (unchanged in the final results).

<sup>13</sup> See *Ball Bearings and Parts Thereof From France, Germany, and Italy: Final Results of Antidumping Duty Administrative Reviews; 2010–2011*, 77 FR 73415 (Dec. 10, 2012), and accompanying Issues and Decision Memorandum at Comment 1.

<sup>14</sup> See, e.g., *Xanthan Gum From the People's Republic of China: Final Determination of Sales at Less Than Fair Value*, 78 FR 33350 (June 4, 2013), and the accompanying Issues and Decision Memorandum at Comment 3; and *Hardwood and Decorative Plywood From the People's Republic of China: Final Determination of Sales at Less Than Fair Value*, 78 FR 58273 (Sept. 23, 2013), and the accompanying Issues and Decision Memorandum at Comment 3.

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

In the first stage of the differential pricing analysis used here, the “Cohen’s *d* test” is applied. The Cohen’s *d* test is a generally recognized statistical measure of the extent of the difference between the mean of a test group and the mean of a comparison group. First, for comparable merchandise, the Cohen’s *d* coefficient is calculated when the test and comparison groups of data each have at least two observations, and when the sales quantity for the comparison group accounts for at least five percent of the total sales quantity of the comparable merchandise. Then, the Cohen’s *d* coefficient is used to evaluate the extent to which the net prices to a particular purchaser, region or time period differ significantly from the net prices of all other sales of comparable merchandise. The extent of these differences can be quantified by one of three fixed thresholds defined by the Cohen’s *d* test: small, medium or large. Of these thresholds, the large threshold provides the strongest indication that there is a significant difference between the means of the test and comparison groups, while the small threshold provides the weakest indication that such a difference exists. For this analysis, the difference was considered significant, and passed the Cohen’s *d* test, if the calculated Cohen’s *d* coefficient is equal to or exceeds the large threshold (*i.e.*, 0.8).

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

If both tests in the first stage (*i.e.*, the Cohen's *d* test and the ratio test) demonstrate the existence of a pattern of prices that differ significantly such that an alternative comparison method should be considered, then in the second stage of the differential pricing analysis, the Department examines whether using only the average-to-average method can appropriately account for such differences. In considering this question, the Department tests whether using an alternative method, based on the results of the Cohen's *d* and ratio tests described above, yields a meaningful difference in the weighted-average dumping margin as compared to that resulting from the use of the average-to-average method only. If the difference between the two calculations is meaningful, this demonstrates that the average-to-average method cannot account for differences such as those observed in this analysis and, therefore, an alternative method would be appropriate. A difference in the weighted-average dumping margins is considered meaningful if 1) there is a 25 percent relative change in the weighted-average dumping margin between the average-to-average method and the appropriate alternative method where both rates are above the *de minimis* threshold, or 2) the resulting weighted-average dumping margin moves across the *de minimis* threshold.

Interested parties may present arguments 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.

## B. Results of the Differential Pricing Analysis

For Bhansali, based on the results of the differential pricing analysis, the Department finds that 35.77 percent of the value of Bhansali's U.S. sales pass the Cohen's *d* test and confirms the existence of a pattern of EPs for comparable merchandise that differ significantly among purchasers, regions, or time periods. However, the Department determines that the A-to-A method can appropriately account for such differences because i) there is a less than 25 percent relative change in the weighted-average dumping margins when calculated using the A-to-A method and an alternative method based on the A-to-T method applied to the U.S. sales which pass the Cohen's *d* test, and ii) the resulting weighted-average dumping margin when calculated using the A-A method does not move across the *de minimis* threshold.<sup>15</sup> Accordingly, the Department preliminarily determines to use the A-to-A method for all U.S. sales to calculate the weighted-average dumping margin for Bhansali.<sup>16</sup>

### Date of Sale

Section 351.401(i) of the Department's regulations states that, normally, the Department will use the date of invoice, as recorded in the producer's or exporter's records kept in the ordinary course of business, as the date of sale. The regulation provides further that the Department may

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<sup>15</sup> See "Preliminary Results Calculation Memorandum for Bhansali," at Attachment 2.

<sup>16</sup> In these preliminary results, the Department applied the weighted-average dumping margin calculation method adopted in *Antidumping Proceedings: Calculation of the Weighted-Average Dumping Margin and Assessment Rate in Certain Antidumping Duty Proceedings; Final Modification*, 77 FR 8101 (February 14, 2012). In particular, the Department compared monthly weighted-average EPs or CEPs with monthly weighted-average NVs and granted offsets for non-dumped comparisons in the calculation of the weighted-average dumping margin.

use a date other than the date of the invoice if the Secretary is satisfied that a different date better reflects the date on which the material terms of sale are established.

For all U.S. sales, Bhansali reported the commercial invoice date as the date of sale. Bhansali claims that the commercial invoice, rather than the preceding sales order, establishes the material terms of sale as prices can and do change after the sales order and up until the date of the commercial invoice.<sup>17</sup> Bhansali provided sample contracts for U.S. sales covered by this review to support its claim that commercial invoice date establishes the essential terms of sale.<sup>18</sup> Therefore, for this administrative review, and consistent with the presumption established in the Department's regulation, we have preliminarily used Bhansali's reported commercial invoice date as the date of sale for all U.S. sales.

With respect to its home-market sales, Bhansali reported excise invoice date as the date of sale, explaining that the excise invoice finalizes the quantity and value of the sale.<sup>19</sup> Thus, we have used Bhansali's reported excise invoice date as the date of sale in the home market.

### Export Price

Section 772(a) of the Act defines EP as "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 subject merchandise outside of the United States to an unaffiliated purchaser in the United States or to an unaffiliated purchaser for exportation to the United States, as adjusted under subsection (c)." Section 772(b) of the Act defines CEP as "the price at which the subject merchandise is first sold (or agreed to be sold) in the United States to an unaffiliated purchaser 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 subsections (e) and (d)."

Bhansali reported that the subject merchandise was sold prior to importation by the exporter or producer outside the United States to the first unaffiliated purchaser in the United States. Therefore, for all U.S. sales made by Bhansali, we based the U.S. price on EP, in accordance with section 772(a) of the Act.

Bhansali's EP is based on the packed, delivered prices to unaffiliated purchasers in the United States. Where appropriate, we made deductions for movement expenses, including home market freight expenses, home market brokerage and handling expenses, international freight expenses, marine insurance expenses, and U.S. brokerage and handling expenses, in accordance with section 772(c)(2)(A) of the Act.

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<sup>17</sup> See Bhansali's May 26, 2014 Section A questionnaire response (AQR) at A-16 through A-17 and sample sale documents provided at Appendix A17 of the AQR.

<sup>18</sup> See AQR at A-17.

<sup>19</sup> See AQR at A-18 and home market sample sales documents at Appendix A18.

## Level of Trade

Section 773(a)(1)(B) of the Act states that, to the extent practicable, the Department will calculate NV based on sales at the same level of trade as the EP. Sales are made at different levels of trade if they are made at different marketing stages (or their equivalent).<sup>20</sup> Substantial differences in selling activities are a necessary, but not sufficient, condition for determining that there is a difference in the stages of marketing.<sup>21</sup> In order to determine whether the comparison sales were at different stages in the marketing process than the U.S. sales, we reviewed the distribution system in each market (*i.e.*, the chain or distribution), including selling functions, class of customer (*i.e.*, customer category), and the level of selling expenses for each type of sale.

Pursuant to section 773(a)(1)(B)(i) of the Act and 19 CFR 351.412(c)(1), in identifying levels of trade for EP and comparison market sales (*i.e.*, NV based on either comparison market or third country prices), we consider the starting prices before any adjustments. If the home-market sales are at a different level of trade from that of a U.S. sale and the difference affects price comparability, as manifested in a pattern of consistent price differences between the sales on which NV is based and home-market sales at the level of trade of the export transaction, we make a level-of-trade adjustment under section 773(a)(7)(A) of the Act.

### *Analysis of Home Market Sales Level of Trade*

In the home market, Bhansali reported sales through two channels of distribution to two customer types (traders and end-users).<sup>22</sup> Within these channels of distribution (*i.e.*, made-to-order sales or sales-from-inventory to traders and end-users), Bhansali reported a single level of trade.<sup>23</sup>

Bhansali provided additional information on its reported home market selling functions on January 12, 2015.<sup>24</sup> Bhansali reported generally similar levels of intensity for each selling function in the home market with exceptions such as inventory maintenance, order input/processing, direct sales personnel, sales/marketing support, and commissions.<sup>25</sup>

We have analyzed these differences and preliminarily determine that the differences are not significant. The inventory maintenance that Bhansali provides is limited to one channel of distribution in its home market.<sup>26</sup> The activity associated with commissions does not appear to extend beyond Bhansali making payments to commissioned agents. Bhansali also reported that it employs separate teams to process export and domestic sales.<sup>27</sup> Therefore, because we do not find significant differences in the selling functions associated with Bhansali's reported channels

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<sup>20</sup> See 19 CFR 351.412(c)(2).

<sup>21</sup> See *Notice of Final Determination of Sales at Less Than Fair Value: Certain Cut-to-Length Carbon Steel Plate From South Africa*, 62 FR 61731, 61732 (November 19, 1997).

<sup>22</sup> See AQR at A-12.

<sup>23</sup> See Bhansali's January 12, 2015, "Bhansali Bright Bars Pvt. Ltd. Response to Section ABC Supplementary Questionnaire of the Departments Anti-Dumping Duty," (ABCQR) at Appendix SA2.

<sup>24</sup> See ABCQR at 1-2 and Appendix SA2.

<sup>25</sup> *Id.*

<sup>26</sup> *Id.*

<sup>27</sup> See ABCQR at A-2.



of distribution, we preliminarily find that Bhansali's home market sales are made at a single level of trade.

#### *Analysis of U.S. Sales Level of Trade*

Bhansali reported only one channel of distribution for all U.S. sales and one customer type (*i.e.*, traders).<sup>28</sup> Accordingly, we preliminarily determine that there is one level of trade for Bhansali's U.S. market.

#### *Level of Trade Determination*

We compared the selling activities performed in the home market to those performed in the U.S. market and find few differences between them. These differences were limited to inventory maintenance. We have reviewed Bhansali's reported levels of activity associated with these differences and preliminarily determine that they do not constitute a difference in level of trade because these differences are limited in scope and intensity. Bhansali's remaining selling functions performed in both the home market and U.S. market are broadly similar and all selling functions are executed by Bhansali. Therefore, we preliminarily determine that sales to the U.S. and home markets during the POR were made at the same level of trade and, as a result, no level of trade adjustment is warranted.

#### Normal Value

##### *A. Home Market Viability as Comparison Market*

To determine whether there is a sufficient volume of sales in the home market to serve as a viable basis for calculating NV (*i.e.*, the aggregate volume of home market sales of the foreign like product is five percent or more of the aggregate volume of U.S. sales), we compared the volume of Bhansali's home market sales of the foreign like product to the volume of its U.S. sales of subject merchandise, in accordance with section 773(a)(1)(B) of the Act.<sup>29</sup> Based on this comparison, we determined that Bhansali had a viable home market during the POR. Consequently, we based NV on home market sales to unaffiliated purchasers made in the usual quantities in the ordinary course of trade.

##### *B. Cost of Production Analysis*

In accordance with section 773(b)(2)(A)(ii) of the Act, to initiate a cost of production (COP) investigation, the Department must have "reasonable grounds" to believe or suspect that sales of the foreign like product under consideration for the determination of normal value have been made at prices below the COP of that product. Because we determined to disregard sales by Bhansali that were below the cost of production (COP) in the most recently completed

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<sup>28</sup> See ABCQR at Appendix SA2.

<sup>29</sup> See "Preliminary Results Calculation Memorandum for Bhansali," dated concurrently with this notice and herein incorporated by reference.

administrative review of SSB in which Bhansali was a respondent,<sup>30</sup> we had reasonable grounds to believe or suspect that Bhansali made sales of the subject merchandise in the comparison market at prices below the COP in the current review period. Pursuant to section 773(b)(1) of the Act, we initiated a COP investigation of sales by Bhansali.

### *1. Calculation of Cost of Production*

We calculated the COP based on the sum of the cost of materials and fabrication for the foreign like product, plus amounts for general and administrative and financial expenses, in accordance with section 773(b)(3) of the Act. Except as noted below, we relied on the COP data submitted by Bhansali in its questionnaire response for the COP calculation.

During the POR, Bhansali purchased some inputs and obtained some loans from its affiliates.<sup>31</sup> We analyzed Bhansali's affiliated transactions in accordance with sections 773(f)(2) and (f)(3) of the Act, and adjusted Bhansali's cost of manufacturing and financial expenses to reflect the higher of market or transfer price (pursuant to section 773(f)(2)), or the higher of transfer, market price, or the affiliated supplier's COP (pursuant to section 773(f)(3)).<sup>32</sup>

Based on our review of the record evidence, Bhansali did not appear to experience significant changes in the cost of manufacturing during the POR. Therefore, we followed our normal methodology of calculating an annual weighted-average cost.

### *2. Test of Comparison Market Sales Prices*

As required under section 773(b)(1)(A) and (B) of the Act, we compared the weighted average of the COP for the POR to the per-unit price of the comparison market sales of the foreign like product to determine whether these sales had been made at prices below the COP within an extended period of time in substantial quantities, and whether such prices were sufficient to permit the recovery of all costs within a reasonable period of time. We determined the net comparison market prices for the below-cost test by subtracting from the gross unit price any applicable movement charges, discounts, rebates, billing adjustments, direct and indirect selling expenses, and packing expenses.

In accordance with sections 773(b)(2)(B) and (C) of the Act, where less than 20 percent of the respondent's third country sales of a given product are at prices less than the COP, we disregard none of the below-cost sales of that product because we determine that in such instances the below-cost sales were not made within an extended period of time and in "substantial quantities." Where 20 percent or more of a respondent's sales of a given product are at prices less than COP, we disregard the below-cost sales when: 1) the sales were made within an

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<sup>30</sup> See Notice of Final Results and Final Partial Rescission of Antidumping Duty Administrative Review: *Stainless Steel Bar from India*, 72 FR 51595 (September 10, 2007).

<sup>31</sup> See AQR at 10.

<sup>32</sup> See Memorandum from Stephanie Arthur to Neal Halper entitled "Cost of Production and Constructed Value Calculation Adjustments for the Preliminary Results – Bhansali Bright Bars Pvt. Ltd.," dated concurrently with this memorandum and herein incorporated by reference.

extended period of time in substantial quantities, in accordance with sections 773(b)(2)(B) and (C) of the Act; and 2) based on our comparison of prices to the weighted-average COPs for the POR, they were at prices which would not permit the recovery of all costs within a reasonable period of time, in accordance with section 773(b)(2)(D) of the Act.

### *3. Results of the COP Test*

Our cost test for Bhansali revealed that, for home market sales of certain models, more than 20 percent were sold at prices below the COP within an extended period of time and were at prices which would not permit the recovery of all costs within a reasonable period of time. Thus, in accordance with section 773(b)(1) of the Act, we excluded these below-cost sales from our analysis and used the remaining above-cost sales to determine normal value.<sup>33</sup>

For those U.S. sales of subject merchandise for which there were no home market sales in the ordinary course of trade, we compared EPs to CV in accordance with section 773(a)(4) of the Act. For further discussion of this, *see* “Calculation of Normal Value Based on Constructed Value” section, below.

#### *C. Calculation of Normal Value Based on Comparison Market Prices*

We calculated NV based on packed, ex-factory or delivered prices to unaffiliated customers in the home market. We adjusted the starting price for billing adjustments, interest revenue, foreign inland freight, warehousing, and inland insurance, pursuant to section 773(a)(6)(B)(ii) of the Act. We made adjustments for differences in packing, in accordance with sections 773(a)(6)(A) and 773(a)(6)(B)(i) of the Act. We also made adjustments for differences in cost attributable to differences in physical characteristics of the merchandise pursuant to section 773(a)(6)(C)(ii) of the Act, as well as for differences in circumstances of sale (for imputed credit expenses and warranty expenses) in accordance with section 773(a)(6)(C)(iii) of the Act and 19 CFR 351.410. When applicable, we also made adjustments, in accordance with 19 CFR 351.410(e), for indirect selling expenses incurred on comparison market or U.S. sales where commissions were granted on sales in one market but not in the other. Specifically, where commissions were granted in the U.S. market but not in the comparison market, we made a downward adjustment to NV for the lesser of (1) the amount of the commission paid in the U.S. market, or (2) the amount of indirect selling expenses incurred in the comparison market. If commissions were granted in the comparison market but not in the U.S. market, we made an upward adjustment to NV following the same methodology. We did not make further adjustments to Bhansali’s home market data.

#### *D. Calculation of Normal Value Based on Constructed Value*

Section 773(a)(4) of the Act provides that where NV cannot be based on comparison market sales, NV may be based on CV. Accordingly, for those products for which we could not determine the NV based on comparison market sales because, as noted in the “Results of the

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<sup>33</sup> See Preliminary Results Calculation Memorandum for Bhansali.

Cost of Product Test” section above, all sales of the comparable products failed the COP test, we based normal value on CV.

In accordance with section 773(e) of the Act, we calculated CV for Bhansali based on the sum of its material and fabrication costs, selling, general and administrative (SG&A) expenses, profit, and U.S. packing costs. We calculated the COP component of CV as described in the “Cost of Production Analysis” section of this memorandum, above. In accordance with section 773(e)(2)(A) of the Act, we based SG&A expenses and profit on the amounts incurred and realized by Bhansali in connection with the production and sale of the foreign like product in the ordinary course of trade, for consumption in the comparison market.

#### Currency Conversion

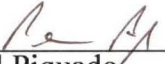
We made currency conversions into U.S. dollars in accordance with section 773A(a) of the Act and 19 CFR 351.415, based on the exchange rates in effect on the dates of the U.S. sales as certified by the Federal Reserve Bank. The exchange rates are available on the Enforcement and Compliance website at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

#### Conclusion

We recommend applying the above methodology for these preliminary results.

  
\_\_\_\_\_  
Agree

\_\_\_\_\_  
Disagree

  
\_\_\_\_\_  
Paul Piquado  
Assistant Secretary  
for Enforcement and Compliance

2 MARCH 2015  
\_\_\_\_\_  
(Date)