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MEMORANDUM TO: Christian Marsh
Deputy Assistant Secretary
for Enforcement and Compliance

FROM: James Maeder
Associate Deputy Assistant Secretary
for Antidumping and Countervailing Duty Operations
performing the duties of Deputy Assistant Secretary
for Antidumping and Countervailing Duty Operations

SUBJECT: Issues and Decision Memorandum for the Final Results of Antidumping Duty Administrative Review: Chlorinated Isocyanurates from China; 2016-2017

SUMMARY

We analyzed the comments from interested parties in the 2015-2016 administrative review of the antidumping duty order on chlorinated isocyanurates (chlorinated isos) from China. As a result of our analysis, we made one change to our calculations to correct the error in the margin program that was used to account for value-added tax (VAT) expenses since the *Preliminary Results*.[1]

We recommend that you approve the positions described in the "Discussion of Issues" section of this memorandum. Below is the complete list of the issues in this review on which we received comments.

1. Selection of the Primary Surrogate Country
2. Whether to Use the EMIM Mexican Labor Data Instead of ILO Mexican Labor Rate
3. Selection of Mexican Surrogate Value Record over the Brazilian and Bulgarian Surrogate Value Record
   A. Financial Statements
   B. Surrogate Value for Caustic Soda
   C. Other Bulgarian Surrogate Values
   D. Other Brazilian Surrogate Values
4. Adjustment to Export Price for Free-of-Charge Packing Materials

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[1] *See Chlorinated Isocyanurates from the People's Republic of China: Preliminary Results of Antidumping Duty Administrative Review; 2016-2017*, 83 FR 31953 (July 10, 2018) (*Preliminary Results*), and accompanying Preliminary Decision Memorandum.

5. Calculation of Value-Added Tax (VAT) Expenses
6. Assigning the NME-Entity Rate to Jiheng

BACKGROUND

The Department of Commerce (Commerce) published its *Preliminary Results* on July 10, 2018.[2] On August 16, 2018, Bio-lab, Inc., Clearon Corp., and Occidental Chemical Corp. (collectively, the petitioners), and the respondents Heze Huayi Chemical Co., Ltd. (Heze Huayi) and Juancheng Kangtai Chemical Co., Ltd. (Kangtai) submitted case briefs.[3] On August 21, 2018, the petitioners and the respondents both submitted rebuttal briefs.[4]

On October 30, 2018, Commerce fully extended the deadline for the final results until January 4, 2019.[5]

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.[6] This extended the deadline for the final results to February 13, 2019.

SCOPE OF THE ORDER

The products covered by the order are chlorinated isos, which are derivatives of cyanuric acid, described as chlorinated s-triazine triones. There are three primary chemical compositions of chlorinated isos: (1) trichloroisocyanuric acid ($Cl_3(NCO)_3$), (2) sodium dichloroisocyanurate (dihydrate) ($NaCl_2(NCO)_3(2H_2O)$), and (3) sodium dichloroisocyanurate (anhydrous) ($NaCl_2(NCO)_3$). Chlorinated isos are available in powder, granular, and tableted forms. The order covers all chlorinated isos. Chlorinated isos are currently classifiable under subheadings 2933.69.6015, 2933.69.6021, 2933.69.6050, 3808.40.50, 3808.50.40 and 3808.94.50.00 of the Harmonized Tariff Schedule of the United States ("HTSUS"). The tariff classification 2933.69.6015 covers sodium dichloroisocyanurates (anhydrous and dihydrate forms) and trichloroisocyanuric acid. The tariff classifications 2933.69.6021 and 2933.69.6050 represent basket categories that include chlorinated isos and other compounds including an unfused triazine ring. Although the HTSUS subheadings are provided for convenience and customs purposes, the written description of the scope of the order is dispositive.

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[2] *Id.*
[3] *See* "Case Brief of Bio-lab, Inc., Clearon Corp. and Occidental Chemical Corporation," dated August 16, 2018 (Petitioners' Case Brief); and "Chlorinated Isocyanurates from the People's Republic of China: Case Brief," dated August 16, 2018 (Respondents' Case Brief).
[4] *See* "Rebuttal Brief of Biolab, Inc., Clearon Corp. and Occidental Chemical Corporation," dated August 21, 2018 (Petitioners' Rebuttal Brief); and "Chlorinated Isocyanurates from the People's Republic of China: Rebuttal Brief," dated August 21, 2018 (Respondents' Rebuttal Brief).
[5] *See* Memorandum to James Maeder, Associate Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations, "Chlorinated Isocyanurates from the People's Republic of China: Extension of Deadline for Final Results of Antidumping Duty Administrative Review" dated October 30, 2018.
[6] *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.

DISCUSSION OF THE ISSUES

Comment 1: Selection of the Primary Surrogate Country

Respondents' Case Brief

- Although Commerce stated its preference to rely upon a producer of identical merchandise over a producer of only comparable merchandise, such a preference should only apply when the data quality is equal among potential surrogate countries.
- If the data quality is higher in a potential surrogate country that is a significant producer of only comparable merchandise than in a country that is a significant producer of identical merchandise, Commerce will generally use the former data.
- The statute directs Commerce to rely on significant producers of comparable merchandise; it does not direct Commerce to rely on or find superior countries that are significant producers of identical merchandise.
- Commerce has always relied on producers of comparable merchandise in the reviews of chlorinated isos because the HTS classification is a basket category including many different non-comparable acids.
- Commerce has found in past reviews that the comparable products, sodium hypochlorite and calcium hypochlorite, are reliable indicators of whether a country is a significant producer and whether a company is a comparable producer for the financial ratios.
- There is evidence on the record that Brazilian companies are selling chlorinated isos.
- Mexico has significant data quality issues with regard to CYDSA SAB de CV's (CYDSA's) financial statements and, therefore, Commerce should find that Brazil or Bulgaria provide the best available information for surrogate values.

Petitioners' Rebuttal Brief

- Mexico is the only potential surrogate country that produces identical merchandise, chlorinated isos.
- Mexico has reliable data for purposes of valuing all reported factors of production, as well as the financial statement of a surrogate company, CYDSA, that produces comparable merchandise.
- The CIT recently upheld Commerce's selection of Mexico as the primary surrogate country in finding that the quantity of identical merchandise produced and exported by Mexico was "significant" for purposes of the surrogate value provision.[7]
- Commerce has a precedent in determining that, if a country is economically comparable, has reliable surrogate values, and is a producer of identical merchandise, there is no need to look further at surrogate countries that have producers of only comparable merchandise.[8]

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[7] *See Heze Huayi Chemical Co., Ltd. v. United States*, Slip Op. 18-57 (CIT 2018) (*Heze Huayi*) at 11-12.

[8] *See Polyethylene Terephthalate Film, Sheet and Strip from the People's Republic of China; Final Antidumping Duty Administrative Review and Final Determination of No Shipments; 2012-2013*, 80 FR 33241 (June 11, 2015) and accompanying Issues and Decision Memorandum at Comment 2.

- Respondents made no attempt to reconcile the Brazilian UN Comtrade import statistics to the GTA import statistics that Commerce recognizes and uses as the official import statistics.[9] In addition, the Brazilian UN Comtrade import data are not free of imports from NME countries or countries that maintain non-specific export subsidies.

Commerce's Position: Commerce continues to determine that Mexico is the appropriate primary surrogate country after considering the facts and arguments on the record. Because China is being treated as a non-market economy (NME) country for antidumping duty purposes, when calculating normal value (NV), pursuant to section 773(c)(4) of the Tariff Act of 1930, as amended (the Act), Commerce is valuing the factors of productions (FOPs), to the extent possible, in a surrogate country that is: (a) at a level of economic development comparable to China; and (b) a significant producer of comparable merchandise.[10] As we noted in the *Preliminary Results*, in this review we relied on the surrogate country list on the record of this review, and found, consistent with section 773(c)(4)(A) of the Act, that Brazil, Bulgaria, Mexico, Romania, South Africa, and Thailand are at the level of economic development of China.

Section 773(c)(4)(B) of the Act requires Commerce to value, to the extent possible, 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 constitutes comparable merchandise. Given the absence of any definition in the statute or regulations, Commerce looks to other sources, such as the *Policy Bulletin*, for guidance on defining comparable merchandise. The *Policy Bulletin* states that, "{i}n all cases, if identical merchandise is produced, the country qualifies as a producer of comparable merchandise."[11] It additionally states that "{i}n cases where identical merchandise is not produced, the team must determine if other merchandise that is comparable is produced{,}" and that "{h}ow the team does this depends on the subject merchandise."[12] Finally, the *Policy Bulletin* explains 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."[13] Therefore, if the record contains a producer of identical merchandise, the requirement of comparable merchandise under Section 773(c)(4) of the Act is satisfied.

The petitioners and the respondents have both placed evidence on the record demonstrating that all six economically comparable countries have exports in commercial quantities of comparable merchandise.[14] In addition, Commerce finds that the petitioners provided substantial evidence, including an affidavit and attached joint venture agreement, demonstrating significant Mexican production of chlorinated isos by Aqua Chlor; product registrations filed with the EPA for

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[9] *See Multilayered Wood Flooring from the People's Republic of China: Final Results of Administrative Review*, 79 FR 26712 (May 9, 2014), and accompanying Issues and Decision Memorandum at Comment 6.
[10] *See Policy Bulletin 04.1: Non-Market Economy Surrogate Country Selection Process* (March 1, 2004) (*Policy Bulletin*).
[11] *Id.* at 2.
[12] *Id.*
[13] *Id*. at note 6.
[14] *See* Petitioners' Surrogate Country Comments dated December 4, 2017 (Petitioners' SC Comments), at Exhibit 5; *see also* Respondents' Surrogate Country Comments dated December 4, 2017 (Respondents' SC Comments), at Exhibit 1.

specific brand names of chlorinated isos; and information that corroborates the extensive PIERS cross-border trade data for shipments of chlorinated isos with the GTA export data for chlorinated isos.[15] In turn, the respondents provided product safety data sheets and select webpages from three producers and/or suppliers of chlorinated isos in Brazil.[16] However, the respondents did not place on the record Brazilian production information to corroborate and confirm whether any of these companies are significant producers of chlorinated isos. Thus, the record does not support a finding that the remaining potential surrogate countries had exports of chlorinated isos during the period of review. Therefore, as discussed in the *Preliminary Results*, Commerce continues to find that the record evidence in this review, as in the two previous reviews,[17] demonstrates that Mexico is the only significant producer of chlorinated isos, *i.e.*, identical merchandise.[18]

In addition, the petitioners have correctly noted that respondents base their argument upon a comparison between identical merchandise produced in Mexico and comparable merchandise produced in Brazil and Bulgaria. The *Policy Bulletin* takes into account a situation where a producer of identical merchandise does not provide sufficient factor valuations by stating: "if 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."[19] Similarly, in *Heze Huayi*, in a case arising from a previous administrative review of chlorinated isos, the CIT explained that "Commerce's preference for identical merchandise over a broader category of similar merchandise must 'take second-seat if the use of identical goods leads to data selection problems.'"[20] Based upon our examination, respondents have not demonstrated that the selection of Mexico as the primary surrogate country is inappropriate. Although Brazil and Bulgaria are producers of comparable merchandise, in Comment 3 below we continue to find Mexico has surrogate values for all FOPs that are of equal or higher quality than Brazilian and Bulgarian values. Therefore, our continued selection of Mexico as the primary surrogate country is further supported by Commerce's preference to select a surrogate country that produces identical merchandise over one that only produces comparable merchandise, where such preference does not lead to data difficulties.[21]

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[15] *See* Petitioners' SC Comments, at 4-7 and Exhibits 1-3.
[16] *See* Respondents' Final Surrogate Values Submission dated June 4, 2018, at Exhibit SV2-8.
[17] *See Chlorinated Isocyanurates from the People's Republic of China: Preliminary Results of Antidumping Duty Administrative Review; 2015-2016*, 82 FR 35183 (July 28, 2017), and accompanying Preliminary Decision Memorandum, at 12-13, unchanged in *Chlorinated Isocyanurates from the People's Republic of China: Final Results of Antidumping Duty Administrative Review; 2015-2016*, 83 FR 5243 (February 6, 2018) (*2015-2016 Final Results*); *see also Chlorinated Isocyanurates from the People's Republic of China: Final Results of Antidumping Duty Administrative Review; 2014-2015*, 82 FR 4852 (January 17, 2017) and accompanying Issues and Decision Memorandum (*2014-2015 Final Results*) at
Comment 1.
[18] *See Preliminary Results* at 6.
[19] *See Policy Bulletin* at note 6.
[20] *Heze Huayi,* Slip Op. 18-57 at footnote 3, *citing Dorbest Ltd. v. United States*, 462 F.Supp.2d 1262, 1273 (CIT 2006).
[21] *See Potassium Permanganate From the People's Republic of China: Preliminary Results of the 2014 Antidumping Duty Administrative Review*, 81 FR 7751 (February 16, 2016), and accompanying Preliminary Decision Memorandum, at 6 (February 5, 2016), unchanged in *Potassium Permanganate From the People's Republic of China: Final Results of Antidumping Duty Administrative Review; 2014,* , 81 FR 58476 (August 25, 2016), and accompanying *Issues and Decision Memorandum,* at Comment I.

As a result, we have not further addressed parties' arguments for comparable merchandise because the record evidence contains information and data on the significant production of identical merchandise in Mexico, and selecting Mexican data does not lead to factor valuation difficulties. We address respondents' arguments concerning the use of surrogate value data from Mexico, Brazil, and Bulgaria in Comment 3 below.

Comment 2: Whether to Use the EMIM Mexican Labor Data Instead of ILO Mexican Labor Rate

Respondents' Case Brief

- Commerce should rely on the more specific and contemporaneous Mexican EMIM labor data, instead of the Mexican ILO 6A labor rate, which shows only one overall labor category for chemicals, whereas EMIM lists several different chemical manufacturing classifications.
- The ILO 6A labor rate upon which Commerce relies contains all the dissimilar chemical industry manufacturing, including the more expensive chemical manufacturing, such as pharmaceuticals, pesticide, and toiletries.
- The ILO 6A hourly rates are often based on assumptions on the hours worked while the EMIM data provides both renumeration and the hours worked, thereby making the EMIM calculation more precise.
- The EMIM renumeration labor rate shows the data covers a broad range of benefits and contributions such that Commerce would not be undervaluing labor.
- The ILO 6A labor rate is from eight years prior to the POR and adjusting for inflation does not address any significant changes in the labor market that would change the price of labor independent of normal inflation.

Petitioners' Rebuttal

- Commerce correctly found in the preliminary results that the INEGI labor data is not broad enough to capture all labor costs. This was consistent with Commerce finding in the prior review,[22] and the record in the instant review is no different.
- Respondents have not demonstrated that the INEGI labor data for "other chemical products" is any more specific than the ILO 6A data for "other chemical products," since there is no description of this category on the record.
- Commerce has correctly accounted for inflation in the 2008 ILO 6A data using the IMF Consumer Price Index (CPI). In addition, there is no evidence of any "significant change" or event that occurred in Mexico that would have affected the labor rate since 2008, which Commerce found in the prior review.[23]
- The INEGI labor data is not contemporaneous with the current POR but rather, the prior one.
- Much of the INEGI labor documentation is largely untranslated. This does not meet the requirement under 19 CFR 351.303(e) to provide an English translation of the entire

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[22] *See 2015-2016 Final Results* and accompanying Issues and Decision Memorandum at Comment 5(c).
[23] *Id.* at 17.

document or of only pertinent portions, where appropriate, unless the Secretary waives this requirement for an individual document.

- Commerce consistently relies upon labor costs published by the ILO.[24]

Commerce's Position: In the *Preliminary Results*, as in the prior administrative review, we found the Mexican labor rate from the International Labor Organization (ILO) Yearbook Chapter 6A to be the best available information on the record to use as the surrogate value for labor.[25] We inflated the labor rate –from 2008 – using the Consumer Price Index (CPI) rate for Mexico, as published by the International Monetary Fund (IMF) to account properly for inflation.[26] The respondents provided an alternative contemporaneous Mexican surrogate value wage rate published by Instituto Nacional de Estadistica y Geografia (INEGO) from the Encuesta Mensual de la Industria Manufacturera, (Monthly Survey of the Manufacturing Industry) (EMIM), arguing that these data are the underlying source of the ILO 6A data.[27] In the previous administrative review, Commerce found that the INEGI labor data is not broad enough to capture all labor costs and could not be linked to the ILO labor costs.[28] No new information has been provided in the instant review to account for these deficiencies in the INEGI data source. Therefore, we continue to find the 2008 ILO data to be the best available information on the record to use as the surrogate value for industry-specific labor rates.

The respondents make the same argument from the previous review that, in comparing INEGI's EMIM "other chemical products" manufacturing rate in 2008 to the ILO more general chemical manufacturing rate, the differences between the two manufacturing rates are due to the fact that the ILO rate includes labor costs for more expensive chemical manufacturing that are excluded from the EMIM "manufacturing of other chemical products" labor rate category. Consistent with our finding in the previous review, we continue to find that the EMIM "manufacturing of other chemical products" labor rate also excludes a number of inexpensive chemical manufacturing classifications such as basic chemicals, resins, synthetics, and fibers.[29] As such, we continue to find that there is no basis to conclude that the EMIM "manufacturing of other chemical products" labor rate should be lower when both expensive and inexpensive chemical products are also being excluded.

With respect to respondents' argument that the INEGI data are more "specific" than ILO data in terms of the manufacturing sector, we agree with the petitioners. As we explained in the previous review, there is no basis to conclude that the EMIM "manufacturing of other chemical products" labor rate is any more specific then the ILO data since both expensive and inexpensive chemical products are also being excluded from the INEGI data. The INEGI data pertain to "other chemical products" which is a broad and undefined sector.[30]

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[24] *See Antidumping Methodologies in Proceedings Involving Non-Market Economies Valuing the Factor of Production: Labor*, 76 FR 36092-36093 (June 21, 2011).
[25] *See Preliminary Results* at 21.
[26] *Id.*; *see also* SV Memo.
[27] *See* Respondents' Rebuttal Surrogate Values Submission for the Preliminary Results, dated December 29, 2017, at Exhibits SVR-2 and SVR-3.
[28] *See 2015-2016 Final Results* and accompanying Issues and Decision Memorandum at Comment 5(c).
[29] *Id.* at Comment 5(c).
[30] *Id.* at Comment 5(c).

Finally, with respect to the respondents' argument that the older Mexican labor value is less reliable, we find this argument to be unsupported by the record evidence. The respondents contend inflation alone does not properly account for the trends in labor prices over time because inflation rates change at a different pace than labor rates do. As we have previously found, there is no basis to conclude that Commerce's normal method of adjusting surrogate values using the CPI rate for Mexico—as published by the International Monetary Fund—fails to properly account for inflation or changes in the labor rate over this time period.[31] Furthermore, we agree with the petitioners in finding that the INEGI data is also not contemporaneous with the POR and includes portions that are not fully translated. For these reasons, the record does not support respondents' argument that the Mexican ILO labor values should not be used as a surrogate value.

Comment 3: Selection of Mexican Surrogate Value Record over the Brazilian and Bulgarian Surrogate Value Record

A. Financial Statements

Respondents' Case Brief

- Although the financial statements of the Bulgarian company Neochim AD (Neochim) show it is not a producer of comparable products calcium or sodium hypochlorite, its overwhelming amount of sales are the basic chemicals ammonium nitrate and ammonia.
- Neochim's raw material, production, sales and overhead costs are more comparable to respondents than the Mexican producer CYDSA, which is highly integrated and has only one minor and comparable product, sodium hypochlorite.
- Unlike CYDSA's financial statements, Neochim's statements include separate line items for labor and electricity.
- The divisions and production of CYDSA are not comparable to that of the respondents because its chemical division accounts for only one of its three business divisions.
- CYDSA has two other dissimilar business divisions, cogeneration of electricity and underground storage of hydrocarbons, that are not accounted for in sales because these divisions are internally used or part of larger infrastructure projects that do not result in typical sales.
- The advertising and promoting of numerous global brand names is dissimilar from the respondents, since none of the respondents have advertising costs.[32]
- CYDSA should not be used because the costs of its expansions into different business segments are unlike the respondents', who did not make major expansions or open new operating segments. These costs accounted for in CYDSA's financial statements are a fundamental flaw in the comparability of CYDSA to the financial costs of respondents.
- CYDSA's selling, general, and administrative (SG&A) expenses financial ratio is an outlier compared to respondents and other comparable surrogate chemical producers in past reviews because of CYDSA's massive construction and expansion projects.

[31] *Id.* at Comment 5(c)
[32] *See Shenzen Xinboda Industries Co., Ltd. v. United States*, 976 F. Supp. 2d, 1333, 1383 (CIT 2014).

- Unlike respondents, who must purchase energy in the market, CYDSA produces a significant amount of its own steam and electricity, which does not allow energy to be properly accounted for in its financial statements.
- In all administrative reviews prior to Commerce's use of CYDSA's financial statement in the last review, the financial ratios were significantly lower and in line with the ratios of the other statements on this record.
- Commerce addresses the issue of matching surrogate financial level of integration in applying its intermediate input methodology, which ignores the respondent's greater level of integration by co-generation because the surrogate company whose financial statements are being used purchases, instead of produces, a large portion of energy inputs.[33]
- CYDSA's financial statement does not contain a separate line item for labor, so Commerce had to use a less accurate method that calculates all remaining material, labor, and energy costs.
- If CYDSA's financial statements are used, they should be averaged with one or more of the two other financial statements on the record.

Petitioners' Rebuttal Brief

- The selection of a surrogate company or the identification of financial ratios is not a "preeminent" factor in relation to economic comparability or production of comparable merchandise,[34] arguing that all of the FOPs should be compared.
- Neochim is not usable as a surrogate company because it is not a producer of comparable merchandise.
- Notwithstanding that Mexico offers more reliable and accurate data regarding the FOPs than does Bulgaria or Brazil, CYDSA provides a useable surrogate company for purposes of calculating surrogate financial ratios, noting that it is a producer and exporter of comparable merchandise, and its financial statements are publicly available and free of evidence of countervailable subsidies.
- CYDSA is the only producer of comparable merchandise and its operations are similar to the operations of the Chinese respondents, noting that CYDSA's chemical business accounts for 68.8 percent of its total sales[35] and its chlor-alkali business alone accounts for 39.2 percent of its net sales.[36]
- The refrigerant gas and salts business also involves the production of chemical products that use shared raw materials such as sea salt and chlorine,[37] reflecting that CYDSA's business involves the production and sale of chemical products, thereby making it fully comparable to respondents' business.

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[33] *See e.g.*, *Xanthan Gum from the People's Republic of China: Final Results of 2013 Antidumping Duty New Shipper Review*, 80 FR 29615 (May 22, 2015) and accompanying Issues and Decision Memorandum (*Xanthan Gum*) at 10-11.

[34] *See Clearon Corp. v. United States*, Slip Op. 14-88 (CIT 2014), *citing Ad Hoc Shrimp Trade Action Comm. V. United States*, 882 F. Supp. 2d 1377 (CIT 2013).

[35] *See* Petitioners' Initial Surrogate Value Data, dated December 19, 2017 (Petitioners' SV Data), at Exhibit 10, CYDSA 2016 Annual Report, at 43.

[36] *Id.*, Exhibit 10, CYDSA 2016 Annual Report, at 102.

[37] *Id.*, Exhibit 10, CYDSA 2016 Annual Report, at 24.

- CYDSA's construction and expansion projects do not disqualify it as a suitable surrogate because Commerce is not required to duplicate the exact production experience of the Chinese manufacturers.[38]
- Respondents have not shown how CYDSA's expansion and construction projects have impacted its financial statements, noting that the total of the financial ratios calculated in the current review are lower than those in the prior review.
- CYDSA's co-generation of electricity and overall integration also does not disqualify it as a suitable surrogate, noting that Commerce has addressed this same argument in the two prior administrative reviews in finding that CYDSA's level of integration is not notably different from the respondents.[39]
- CYDSA continues to purchase electricity in 2016, noting that its new chlorine-caustic soda plant actually increased its energy costs.[40]
- In *Xantham Gum*, Commerce found that it does not require an exact match between the production experience of the respondent and that of the surrogate producer in order for surrogate financial statements to be usable.[41]
- CYDSA's annual report provides adequate information concerning labor and overhead expenses since Commerce can identify an appropriate denominator based on the sum of materials, labor, and energy for purposes of applying the financial ratios.
- Commerce rejected respondents' same argument in the prior review which also noted CYDSA's lack of line items details for labor and energy costs.[42]

Commerce's Position: Commerce's criteria for choosing financial statements for the calculation of surrogate financial ratios is based on the availability of contemporaneous financial statements, comparability to the respondent's experience, and publicly available information.[43] Moreover, for valuing overhead, SG&A expenses, and profit, Commerce uses non-proprietary information gathered from producers of identical or comparable merchandise in the surrogate country.[44] Further, the courts have recognized Commerce's discretion when choosing appropriate companies' financial statements to calculate surrogate financial ratios.[45]

In the two previous reviews, we found that CYDSA's financial statements contained ample information to determine that its major chloro product, sodium hypochlorite, is a significant or primary product of the company.[46] This determination in the 2014/2015 review was affirmed by

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[38] *See Certain Oil Country Tubular Goods from the People's Republic of China: Final Determination of Sales at Less Than Fair Value, Affirmative Final Determination of Critical Circumstances and Final Determination of Targeted Dumping*, 75 FR 20335 (April 19, 2010), and accompanying Issues and Decision Memorandum at 26, *citing Nation Ford Chem. Co. v. United States*, 166 F.3d 1373 (Fed. Cir. 1999) (*Nation Ford Chem*).
[39] *See 2015-2016 Final Results* and accompanying Issues and Decision Memorandum at 14.
[40] *See* Petitioners' SV Data, Exhibit 10 at 8.
[41] *See Xantham Gum* at 13.
[42] *See 2014-2015 Final Results* at 8.
[43] *See, e.g., Notice of Final Determination of Sales at Less Than Fair Value: Chlorinated Isocyanurates from the People's Republic of China,* 70 FR 24502 (May 10, 2005), and accompanying Issues and Decision Memorandum, at Comment 3.
[44] *See* 19 CFR 351.408(c)(4).
[45] *See, e.g., FMC Corp.* v. *United States,* 27 CIT 240, 251 (2003) (finding that Commerce "has wide discretion in choosing among various surrogate sources"), *aff'd FMC Corp.* v. *United States,* 87 Fed. Appx. 753 (CAFC 2004).
[46] *See 2015-2016 Final Results*, and accompanying Issues and Decision Memorandum, at Comment 5A; *see also*

the CIT.[47] Commerce continues to find that calcium hypochlorite and sodium hypochlorite are comparable to subject merchandise because, as previously determined in prior segments of this proceeding, it has similar physical characteristics and end uses, and a similar production process, as the subject merchandise.[48] The respondents relied on this comparable product finding to place evidence on the record showing that all six economically comparable countries have exports in commercial quantities of comparable merchandise—calcium hypochlorite and sodium hypochlorite.

The respondents have not provided any analysis demonstrating that another product qualifies as a comparable product based on similar physical characteristics and end uses, and a similar production process, as the subject merchandise. Rather, the respondents rely on unsupported and blanket statements that "{T}he financial ratios of a company that only produces chemicals, even if not producing the most comparable chemical (calcium or sodium hypochlorite) will far more accurately account for the costs of respondents than a major conglomerate . . ."[49] The respondents contend that because we have the financial statements of surrogate companies in Brazil and Bulgaria that produce and sell chemicals, this alone should be sufficient in finding the raw material, production, overhead and sales costs are more comparable than a highly integrated CYDSA.[50] However, the respondents have not provided any evidence of other products sharing the similar physical characteristics and end uses, as well as a similar production process, as the subject merchandise, other than noting that Neochim produces chemical products such as ammonium nitrate and ammonia. Absent such information and analysis, Commerce cannot conclude that these two products specifically, or chemical products generally, are comparable products. Therefore, CYDSA is the only surrogate company on record with financial statements reflecting the production of a comparable product to subject merchandise, sodium hypochlorite.

In the two prior reviews, we addressed the same argument raised by respondents concerning CYDSA and the potentially distortive production costs due to its level of integration and having its own energy division.[51] Our finding in this review is consistent with the past two reviews based on the information contained in CYDSA's financial statements showing that its business and operating segments have actually moved more toward its chemicals specialties segment given CYDSA's exiting of its yarns segment[52] and its adding of new capacity from expansion projects "{. . .} with the start-up of the new Chlorine, Caustic Soda, and Chemical Specialties plant in Garcia, Nuevo Leon (Iquisa Noreste), contributed to higher 2016 sales."[53] The sales

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2014-2015 Final Results, and accompanying Issues and Decision Memorandum, at Comment 2A.

47 *Heze Huayi*, Slip Op. 18-57 at 17.

48 *See Notice of Final Determination of Sales at Less Than Fair Value: Chlorinated Isocyanurates from the People's Republic of China,* 70 FR 24502 (May 10, 2005) and accompanying Issues and Decision Memorandum at 18-21.

49 *See* Respondents' Case Brief at 9.

50 *Id.*

51 *See 2014-2015 Final Results*, at Comment 2A; *see also 2016-2017 Final Results*, at Comment 5.

52 *See* Petitioners' SV Data, Exhibit 10, CYDSA 2016 Annual Report, at 60.

53 *Id.*, Exhibit 10, CYDSA 2016 Annual Report, at 41.

figures in the instant review for CYDSA's chemical business[54] and its chlor-alkali business,[55] are similar to those that Commerce relied on in past reviews.[56]

We continue to find that CYDSA is not energy independent, but still relies on outside purchases of electricity to support its production processes, and that these costs can reasonably be considered substantial.[57] In the instant review, CYDSA's financial statements continue to note gas and electricity are two specific raw material inputs used in the production of chlorine and caustic soda, noting that these two energy inputs were still subject to "price risk" because the public company in Mexico that produces and distributes electricity using natural gas is vulnerable to the volatility of the natural gas market.[58] This demonstrates that CYDSA is not energy independent but still relies on outside purchases of electricity to support its production processes, and that these costs can reasonably be considered substantial given its reported vulnerability to "price risk."

We do not agree with the respondents that the material, labor, and energy (MLE) amounts have to be separate items in the income statement or in the notes to the financial statements. This is not required since the sum of MLE is being used to calculate only the denominator of the financial ratios, which helps to determine the surrogate manufacturing overhead ratio and subsequently the SG&A and profit ratios.[59] In the FOPs build-up for MLE, the MLE costs are separate because each factor is measured in a different way, thereby not allowing the addition and summing of all FOPs together. Normally, the FOPs for various materials are reported in weight; the FOPs for labor are expressed in hours; and, the FOPs of energy are expressed in kilowatt-hours. We cannot add the FOP of materials to the FOP of labor and the FOP of energy to get a combined FOP for MLE. However, MLE are inclusive in the cost of goods sold amount because they are expressed in value amounts rather than different units of measure. Therefore, the combined MLE value from CYDSA's surrogate financial statements is in harmony and not in conflict with the separate MLE FOPs in the FOP build-up.

B. Surrogate Value for Sodium Hydroxide (Caustic Soda)

Respondents' Case Brief

- Commerce should rely on the COMTRADE Brazilian import prices for caustic soda because the COMTRADE Mexican import price is aberrantly high, or 76 percent higher than the average of the import prices from all the listed surrogate countries.
- This is consistent with Commerce's practice to use the largest importer of the input in question from the listed surrogate countries when the import value from the primary surrogate country is aberrant.[60]

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[54] *Id.*, Exhibit 10, CYDSA 2016 Annual Report, at 43.
[55] *Id.,* Exhibit 10, CYDSA 2016 Annual Report, at 102.
[56] *See* e.g*., 2014-2015 Final Results*, at Comment 2A.
[57] *Id. 2014-2015 Final Results*, at Comment 2A; *see also 2015-2016 Final Results*, at Comment 5.
[58] *Id.,* Exhibit 10, CYDSA 2016 Annual Report, at 81.
[59] *See* e.g*., 2014-2015 Final Results*, at Comment 2A.
[60] *See e.g.,Chlorinated Isocyanurates from the People's Republic of China: Final Results of Antidumping Duty Administrative Review; 2013-2014*, 81 FR 1167 (January 11, 2016) and accompanying Issues and Decision

Petitioners' Rebuttal Brief

- The respondents have not shown that the Mexican surrogate value GTA data for caustic soda is aberrant but rather, is part of a similar spectrum of values which is not "many" or "several times" greater than the other values on the record.[61]
- In the prior review, Commerce rejected a similar argument in not finding the Mexican surrogate value for caustic soda aberrational, noting a value is not aberrant "{…} simply because it is lower or higher than the average."[62]
- Caustic soda is commonly sold in different concentrations[63] and the HTS does not identify or distinguish between imports of different concentrations.[64] Therefore, the difference between the Mexican and Brazilian AUVs is easily within the range of values.

<u>Commerce's Position</u>: Pursuant to section 773(c)(1) of the Act, we continue to find that the Mexican surrogate value derived from the GTA import data represents the best available information for valuing caustic soda. These data represent information that is product-specific, representative of a broad-market average, publicly available, contemporaneous with the POR, and free of taxes and duties. Commerce has also found the GTA import data for caustic soda reliable in the last two reviews.[65]

Furthermore, the only argument put forth by the respondents is that the Mexican COMTRADE data are aberrational. However, as noted above, we are not relying on the Mexican COMTRADE data. Thus, the respondents have not demonstrated any error in our use of the Mexican GTA data. Indeed, the record reflects that the GTA data for caustic soda imports are being traded in significant quantities (*i.e.*, quantities indicative of commercial transactions). Additionally, although the Mexican GTA data may be the highest value from among the data on the record from economically comparable countries, this comparison does not render them necessarily aberrational, especially in light of the large volume of imports. Indeed, because an average is necessarily calculated from higher and lower values within a range of numbers, it cannot be the case that a value is aberrant simply because it is lower or higher than the average. Simply showing that a price is high is not enough.[66] Therefore, we have continued to rely on the GTA import data for caustic soda in this review.

Finally, we found no information on the record defining the actual concentrations of sodium hydroxide as reported in GTA and COMTRADE import data for Brazil and Mexico. Accordingly, there is no evidence on the record suggesting that the Brazilian and Mexican

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Memorandum (*2013-2014 Final Results*) at Comment 1.

[61] *See, e.g.*, *Certain Polyethylene Terephthalate Resin from the People's Republic of China*, 81 FR 13331 (March 14, 2016.) and accompanying Issues and Decision Memorandum at Comment 1 (finding a value of $1.89/kg. to be "merely the highest value among the available surrogate values and benchmark data for PTA ranging from $0.84/kg. $1.89/kg.).

[62] *See 2015-2016 Final Results* and accompanying Issues and Decision Memorandum at 15.

[63] *See e.g.*, *2014-2015 Final Results* and accompanying Issues and Decision Memorandum at 13.

[64] *Id.*

[65] *Id.* at 14; *see also 2015-2016 Final Results* and accompanying Issues and Decision Memorandum at 14-15.

[66] See *2015-2016 Final Results* and accompanying Issues and Decision Memorandum at 14-15.

surrogate values for sodium hydroxide do not reflect the normal commercial grade and concentration that is commonly traded and used by chemical companies like respondents.

C. Other Bulgarian Surrogate Values

Respondents' Case Brief

- Although the Bulgarian labor data are not specific to the manufacture of chemicals, they are more contemporaneous than the Mexican labor data. Commerce has preferred the contemporaneous overall manufacturing labor rate in Thailand to the more specific but less contemporaneous labor rate in Thailand.[67]
- Commerce may reasonably prefer the broader Mexican water rate that covers 20 cities over the Bulgarian one that is only for the city of Sofia, but this is not an adequate basis given the other deficiencies in the Mexican surrogate values, and most notably the Mexican financial statements of CYDSA.

Petitioners' Rebuttal Brief

- The Bulgarian labor data pertain to general manufacturing rather than the more specific Mexican labor data that are specific to the chemical industry. Consistent with Commerce's finding in *Final Results 2014-2015*,[68] Commerce should rely on the more specific labor data, even though the Bulgarian labor data is more recent.
- The respondents have not shown that adjusting labor rates using the CPI fails to account for inflation and have not provided any evidence of any significant changes or events occurring in Mexico that would affect the labor rate since 2008.
- The Bulgarian water costs for "industrial process water" are specific to a single city and not reflective of a national average. In addition, the respondents have not explained the relevance of an additional rate in the source documentation from Sofiyska Voda AD for the price of water to industrial customers for potable water, sewage, and wastewater treatment.[69]

Commerce's Position: As previously noted and discussed above, the information and data on the record shows that Mexico is the only surrogate country at the same level of economic development that has production of identical merchandise, and the selection of the Mexican data has not led to factor valuation difficulties in the instant and past two administrative reviews. Notwithstanding these findings, we still do not find the Bulgarian surrogate values for labor and water to be superior to the Mexican values. The respondents have not properly characterized Commerce's decision in *Diamond Sawblades* because they failed to acknowledge that our decision rested on the fact that no ILO labor data was on the record of that review, and that the alternative labor data used was not just more contemporaneous, but also specific to the industry in question.[70] In this review, we have Mexican ILO labor data on the record and it is specific to the chemical industry, whereas the Bulgarian labor data is not. Accordingly, we do not find the

[67] *See e.g.*, *Diamond Sawblades and Parts Thereof from the People's Republic of China: Final Results of Antidumping Duty Administrative Review; 2014-2015*, 82 FR 26912 (June 12, 2017) (*Diamond Sawblades*) and accompanying Issues and Decision Memorandum at Comment 14.
[68] *See AR 2014-2015* at 12-13.
[69] *See* Petitioners' Rebuttal Surrogate Value Comments, dated December 29, 2017 at 8.
[70] *See Diamond Sawblades* and accompanying Issues and Decision Memorandum at Comment 14.

Bulgarian labor data superior to the more specific Mexican ILO 6A labor data even though it is less contemporaneous.

Finally, the respondents themselves acknowledge that Commerce may reasonably prefer the broader Mexican water rate than the Bulgarian water rate if not for what they characterize as deficiencies in the Mexican data. As we have already noted, we do not find any such deficiencies in the any of the Mexican surrogate values. Accordingly, we will continue to rely on the broader Mexican water rate.

D. Other Brazilian Surrogate Values

Respondents' Case Brief

- Commerce found that the two Brazilian financial statements on the record from Braskem and Cristal had evidence of countervailable subsidies. While Commerce does not necessarily have a practice of going behind the financial statement and adjusting financial ratios to account for these countervailable benefits, Commerce can adjust the financial ratio calculations in this instance because of the small amount of the countervailable benefits received by each company and the transparency in how these benefits impacted the financial statements.
- Commerce has relied upon financial statements with receipt of subsidies when it found there were no other reliable financial statements.[71] The two Brazilian companies are more comparable than CYDSA to the production and costs of the respondents.
- Although Commerce found the Brazilian water rate was not effective until after the POR, Commerce can adjust this water rate for the few months that it postdates the POR.
- Contrary to Commerce's finding that the Brazilian labor rate did not cover total labor costs, the source for this data does contain a separate line item noting a change in Brazilian labor costs, thereby inferring that this Brazilian data only covers wages. Moreover, the Brazilian labor rate is higher than the Bulgarian one, with which Commerce found no issue, and is consistent with the labor costs relied upon in past reviews.
- Since the Brazilian financial statements do not separately delineate additional labor costs, Commerce can rely upon this Brazilian labor rate data even though it lacks the additional labor costs which would already be accounted for in these financial statements.

Petitioners' Rebuttal Brief

- Cristal Pigmentos de Brazil, S.A. (Cristal) and Braskem S.A. (Braskem) are not usable as a surrogate company because both received countervailable subsidies and both are not producers of comparable merchandise.
- Much of Cristal's activities related to "research, mining, exploration and processing, import and export" do not involve manufacturing.[72]

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[71] *See Crystalline Silicon Photovoltaic Cells, Whether or Not Assembled Into Modules Final Results of Antidumping Duty Administrative Review and Final Determination of No Shipments; 2015-2016*, 83 FR 35616 (July 27, 2018) (*Photovoltaic Cells*) and accompanying Issues and Decision Memorandum at Comment 10.

[72] *See* Respondents "Final Surrogate Value Submission," dated June 4, 2018 (Respondents Final SV), at Exhibit SV2-2, "Notes to the financial statements," at 2.

- Braskem's also operates in other non-manufacturing activities as a trading company and the supplier of utilities.[73]
- Cristal and Braskem are engaged in as many or more businesses than CYDSA.
- The Brazilian surrogate value for water does not reflect a national average since it only covers the state of Sao Paulo.
- The Brazilian surrogate value for labor identifies only a wage rate and not a cost of labor.

Commerce's Position: As explained in detail under Comment 3A above, we continue to find CYDSA's financial statements to be a reliable source for calculating the surrogate financial ratios. The respondents are correct in noting that Commerce does not have a practice of adjusting financial ratios to account for countervailable benefits. Rather, our practice is not to rely on financial statements where there is evidence that the company received countervailable subsidies and there are other, more reliable and representative data on the record for purposes of calculating the surrogate financial ratios.[74] The Brazilian financial statements of both Cristal and Braskem contain evidence of receipt of countervailable subsidies, thereby making them unsuitable to use.

As we have noted throughout this memorandum, use of the Mexican data has not led to factor valuation difficulties, as we have found all the Mexican surrogate values suitable for use in this review and the past two administrative review periods. Notwithstanding these findings, we still do not find the Brazilian surrogate values for water and labor to be superior to the Mexican values. The Mexican surrogate value for water is contemporaneous with the POR, whereas the Brazilian water rate was not effective until after the POR. In *Labor Methodologies*, Commerce decided to change to the use of ILO 6A data because it can account for all direct and indirect labor costs.[75] Although older, the Mexican ILO 6A data do provide for all the labor costs, whereas the Brazilian labor rate data, by the respondents own account, lack these additional labor costs. For these reasons, the record evidence continues to support the use of the Mexican data as the surrogate values for the respondents' water and labor inputs.

Comment 4: Adjustment to Export Price for Free-of-Charges Packing Materials

Petitioners' Case Brief

- Section 772(c)(1) of the Act does not permit the export price to be increased by the surrogate value of packing supplied by U.S. customers, since they are not actual costs.
- Section 773(c)(1) requires the constructed value to include the surrogate value cost of packing materials supplied by respondents' customers. Accordingly, Commerce must include a surrogate value for packing in calculating normal value independent of whether any packing cost is added to the export value.

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[73] *See* Respondents Final SV at Exhibit SV2-4, "Management notes to the financial statements," section 1 "Operations," at 9.
[74] *See* Omnibus Trade and Competitiveness Act of 1988, H.R. Rep. No. 576, 100th Cong., 2d Sess., at 590-91 (1988).
[75] *See Antidumping Methodologies in Proceedings Involving Non-Market Economies: Valuing the Factor of Production: Labor*, 76 FR 36092, 36093 (June 21, 2011) (*Labor Methodologies*).

- The respondents have not demonstrated that the packing costs were not included in the export price and therefore, should not be increased pursuant to section 772(c)(1) because it would overstate the resulting U.S. net price.

Respondents' Rebuttal Brief

- Commerce's practice in past reviews is to account for the packing materials in the normal value build-up, despite being provided free of charge, and therefore, Commerce must also account for this in the export price for a fair comparison.
- The respondents have established that they do not pay for certain packing materials. Thus, Commerce's calculation cannot value them as part of the normal value without equally accounting for this in its upward adjustment to export price.
- If Commerce decides not to make this upward adjustment to export price, then it must exclude these packing costs in the calculation of normal value.

Commerce's Position: Sections 773(c)(1)(B) and (3)(B) of the Act require Commerce to value all inputs used to produce the merchandise under review. For purposes of constructing normal value (NV), Commerce does not distinguish between purchased inputs and free-of-charge inputs. Accordingly, to construct NV, Commerce will normally value free-of-charge inputs by using a surrogate value. However, if a respondent sufficiently documents its claim that a free-of-charge input was received from its U.S. customer, Commerce will make an offsetting adjustment to the respondent's reported U.S. price to include the value of the free-of-charge input. In such cases, we adjust the U.S. price by adding the same per-unit value as calculated in the normal value build-up for the customer-provided factors at issue:

> "This is done to ensure: first, that we followed the statute by including this FOP in the normal value; second, that we properly accounted for the U.S. price's non-inclusion of the customer-provided inputs; and third, that we added the same amount to both the normal value and U.S. price."[76]

Commerce has consistently followed this practice of making an offsetting adjustment to the respondent's reported U.S. price to include the value of the free-of-charge packing material in all prior proceedings and administrative reviews of this order when such material has been provided by the respondent's U.S. customer.[77] The record evidence in this review is consistent with the information submitted in previous reviews demonstrating the respondents' claim that certain packing materials were received from customers free-of-charge.[78] Moreover, the use of commercial invoices and entry documents as the basis for determining whether such packing materials costs were actually incurred, as suggested by the petitioners, is inadequate because

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[76] *See Folding Metal Tables and Chairs from the People's Republic of China: Final Results of Antidumping Duty Administrative Review*, 71 FR 71509 (December 11, 2006)), and accompanying Issues and Decision Memorandum, at Comment 6; citing *Certain Preserved Mushrooms from the People's Republic of China: Final Results and Final Rescission, in Part, of Antidumping Duty Administrative Review*, 70 FR 54361 (September 14, 2005), and accompanying Issues and Decision Memorandum, at Comment 13.
[77] *See e.g.*, *2015-2016 Final Results* and accompanying Issues and Decision Memorandum at Comment 4.
[78] *See* Heze Huayi's Supplemental Questionnaire Response dated April 20, 2018, at 7-8 and Exhibits SQ1-1, SQ1-7, and SQ1-8; *also* Kangtai's Supplemental Questionnaire Response dated April 24, 2018, at 7-8 and Exhibits SQ1-1, SQ1-13, and SQ1-14.

these are sales-related documents that are reflective of the final export price to the customer and are not intended to be used as an internal record of the costs incurred by the producer.

Comment 5: Calculation of VAT Expenses

Petitioners' Case Brief

- The respondents have already reported in their "VATTAXU" field the per-unit amount equal to the difference between the 17 percent VAT tax rate and the 9 percent refund rate (*i.e.*, 8 percent), multiplied by the reported gross unit price for each U.S. sales observation.
- Commerce's margin programs overwrite the reported VAT amounts by the respondents.

Respondents' Rebuttal Brief

- A recent CIT opinion remanded a case to Commerce to further explain and reconsider Commerce's VAT methodology, specifically how its deduction of "taxes prohibited from exemption and offset" accounts for an amount of "input VAT not fully recouped on export sales."[79] In other words, Commerce must reconsider how its definition of irrecoverable VAT, as an amount of unrefunded tax charged on inputs and raw materials, reconciles with its calculation of the irrecoverable VAT based on the FOB value of finished merchandise.
- Commerce should "provide the respondents and the petitioners an opportunity to comment on this VAT issue after Commerce has fully reconsidered its methodology."

Commerce's Position: We have corrected the program error in the margin program that overwrote the correct VAT amounts reported by the respondents.

With respect to the respondents' substantive arguments concerning a CIT opinion and remand on the VAT methodology, as an initial matter, we find that these arguments have been improperly raised in their rebuttal briefs. The respondents could have affirmatively raised this argument in their August 16, 2018, case brief because the opinion at issue was available before their case brief was due. But they failed to do so. The respondents' argument also is not a proper rebuttal, because, although the petitioners raised an argument concerning Commerce's VAT calculation in their case brief, this argument was limited to a correction of certain ministerial errors in the calculation, not the underlying methodology itself.[80] Notwithstanding whether the respondents properly raised their argument, we note that the *Aristocraft* decision is not a final nor conclusive decision. We therefore have not further addressed the respondents' arguments.

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[79] *See Aristocraft of America, LLC v. United States*, Court No. 15-00307, Slip Op. 18-97 (Ct. Int'l Trade August 9, 2018) (*Aristocraft of America*).

[80] Rebuttal briefs "may respond only to arguments raised in case briefs and should identify the arguments to which it is responding." 19 C.F.R. 351.309(d)(2).

Comment 6: Assigning the NME-Entity Rate to Jiheng

Petitioners' Case Brief

- Jiheng did not provide a separate rate certification and did not respond to Commerce's questionnaires.
- Commerce's practice is to deny a foreign producer separate rate status if such status was never requested and that producer subsequently chooses not to cooperate.[81]

No other party commented on this issue.

Commerce's Position: Jiheng did not provide a separate rate certification nor did it respond to Commerce's questionnaires. Therefore, consistent with our finding in the prior review[82] and for purposes of these final results, we continue to find that Jiheng is part of the China-wide entity.

RECOMMENDATION

Based on our analysis of the comments received, we recommend adopting the above positions. If this recommendation is accepted, we will publish the final results of the review and the final dumping margin in the *Federal Register*.

☒ ☐

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Agree Disagree

2/12/2019

X

Signed by: CHRISTIAN MARSH

Christian Marsh
Deputy Assistant Secretary
for Enforcement and Compliance

81 *See e.g., Furfuryl Alcohol from the People's Republic of China: Preliminary Results of Antidumping Duty Administrative Review; 2014-2015*, 81 FR 12876 (March 11, 2016), unchanged in *Furfuryl Alcohol from the People's Republic of China: Final Results of Antidumping Duty Administrative Review; 2014-2015*, 81 FR 36873 (June 8, 2016) (*Furfuryl Alcohol*).

82 *See 2015-2016 Final Results* and accompanying Issues and Decision Memorandum at Comment 6.