



A-570-137
Investigation
POI: 07/01/2020 – 12/31/2020
Public Document
E&C/OII: AWW/BAL

August 10, 2021

MEMORANDUM TO: James Maeder
Deputy Assistant Secretary
for Antidumping and Countervailing Duty Operations

FROM: Jill Pollack
Director, Office II
Antidumping and Countervailing Duty Operations

SUBJECT: Decision Memorandum for the Preliminary Determination in the
Less-Than-Fair-Value Investigation of Pentafluoroethane (R-125)
from the People's Republic of China

I. SUMMARY

The Department of Commerce (Commerce) preliminarily determines that pentafluoroethane (R-125) from the People's Republic of China (China) is being, or is likely to be, sold in the United States at less than fair value (LTFV), as provided in section 733 of the Tariff Act of 1930, as amended (the Act). The period of investigation (POI) is July 1, 2020, through December 31, 2020. The estimated margins of sales at LTFV are shown in the accompanying *Federal Register* notice.

II. BACKGROUND

On January 12, 2021, Commerce received antidumping duty (AD) and countervailing duty (CVD) petitions concerning imports of R-125 from China, filed in proper form on behalf of Honeywell International, Inc. (the petitioner).¹ On February 1, 2021, Commerce initiated the LTFV investigation of R-125 from China.²

In the *Initiation Notice*, Commerce notified the public that we would select the companies required to respond to our AD questionnaire using data collected via “quantity and value” (Q&V) questionnaires.³ Also in the *Initiation Notice*, Commerce notified parties of an opportunity to comment on the scope of the investigation, as well as the appropriate physical

¹ See Petitioner's Letter, “Petitions for the Imposition of Antidumping and Countervailing Duties: R-125 (Pentafluoroethane) from the People's Republic of China,” dated January 12, 2021 (Petition).

² See *Pentafluoroethane (R-125) from the People's Republic of China: Initiation of Less-Than-Fair-Value Investigation*, 86 FR 8583 (February 8, 2021) (*Initiation Notice*).

³ See *Initiation Notice*, 86 FR at 8586.



characteristics of R-125 to be reported in response to Commerce's AD questionnaire.⁴ From February through March 2021, we received comments from certain interested parties on the scope of this investigation as it appeared in the *Initiation Notice*.⁵ For further discussion of these comments, *see* the "Scope Comments" section below.

In March 2021, the U.S. International Trade Commission (ITC) determined that there is a reasonable indication that an industry in the United States was materially injured by reason of imports of R-125 from China.⁶

A. Respondent Selection

As noted above, in the *Initiation Notice*, Commerce notified the public that we would select the companies required to respond to our AD questionnaire using data collected via Q&V questionnaires.⁷ In the *Initiation Notice*, we also stated that separate rate applications (SRAs) would be due 30 days after publication of the notice, which was then extended until March 17, 2021.⁸ On February 3, 2021, Commerce issued Q&V questionnaires to exporters or producers of the merchandise under consideration identified by the petitioner with complete contact information in the Petition.⁹ Additionally, Commerce posted the Q&V questionnaire, along with filing instructions, on the Enforcement and Compliance website.¹⁰ On February 16 and 17, 2021, Commerce received timely Q&V responses from eight exporters/producers.¹¹

On March 12, 2021, Commerce limited the number of respondents selected for individual examination to the two largest R-125 producers/exporters, by volume, that submitted a Q&V questionnaire response and we issued the AD questionnaire to them.¹² These companies are

⁴ *Id.* at 8584.

⁵ *See* Petitioner's Letter, "Scope Comments," dated February 22, 2021 (Petitioner Scope Comments); *see also* The Chemours Company FC, LLC's (Chemours') Letter, "Scope Comments on behalf of The Chemours Company," dated February 22, 2021 (Chemours Scope Comments); National Refrigerants, Inc.'s (National's) Letter, "Scope Comments," dated February 22, 2021 (National Scope Comments); Petitioner's Letter, "Rebuttal Scope Comments," dated March 11, 2021 (Petitioner Rebuttal Scope Comments); and National's Letter, "Rebuttal Scope Comments," dated March 11, 2021 (National Rebuttal Scope Comments).

⁶ *See Pentafluoroethane (R-125) from China; Determinations*, 86 FR 12712 (March 4, 2021) (*ITC Prelim*); *see also Pentafluoroethane (R-125) from China*, Investigations Nos. 701-TA-62 and 731-TA-1554 (Preliminary), ITC Publication 5170 (March 2021).

⁷ *See Initiation Notice*, 86 FR at 8586.

⁸ *Id.*, 86 FR at 858; *see also* Commerce's Letter, "Extension of Deadline to Submit Separate Rate Applications," dated March 8, 2021.

⁹ *See* Petition at Exhibit I-11.

¹⁰ *See* <https://enforcement.trade.gov/questionnaires/questionnaires-ad.html>.

¹¹ *See* Memorandum, "Quantity and Value Delivery Confirmation in the Less-Than-Fair-Value Investigation of Pentafluoroethane (R-125) from the People's Republic of China," dated March 12, 2021 (Q&V Delivery Confirmation Memo) at Attachment I. As detailed in this memorandum, Commerce did not receive responses to six Q&V questionnaires. Each of these six companies received the Q&V questionnaire; however, they either refused the delivery of the questionnaire or did not respond. These companies are, respectively: (1) Arkema Daikin Advanced Fluorochemicals (Changshu) Co., Ltd. (Arkema Daikin); (2) Daikin Fluorochemicals (China) Co., Ltd. (Daikin Fluorochemicals); (3) Hongkong Richmax (Richmax); (4) Jinhua Yonghe Fluorochemical Co., Ltd. (Jinhua Yonghe); (5) Sinochem Environmental Protection Chemicals (Taicang) (Sinochem); and (6) Weitron International Refrigeration Equipment (Kunshan) Co., Ltd. (Weitron).

¹² *See* Memorandum, "Respondent Selection," dated March 12, 2021.

Zhejiang Quzhou Juxin Fluorine Chemical Co., Ltd., (Juxin) and Zhejiang Sanmei Chemical Ind. Co., Ltd. (Sanmei).

B. Questionnaire and Responses

As noted above, on March 12, 2021, we issued the questionnaire to Juxin and Sanmei. We received timely responses to section A of this questionnaire (*i.e.*, the section relating to general information) from Juxin and Sanmei in April.¹³

From March 15 through 17, 2021, we received timely SRAs from six companies.¹⁴ On April 14, 2021, the petitioner made timely comments regarding the SRA of Zhejiang Yonghe Refrigerant Co., Ltd. (Zhejiang Yonghe).¹⁵ The following day, Zhejiang Yonghe filed rebuttal comments.¹⁶

On March 23, 2021, we received a letter from Juxin requesting that Commerce excuse it from reporting certain factors of production from various unaffiliated suppliers.¹⁷ Based on the information Juxin provided, on March 29, 2021, we granted Juxin's request.¹⁸

In May 2021, we received responses to sections C and D of the questionnaire (*i.e.*, the sections relating to U.S. sales and factors of production (FOPs), respectively) from each of the mandatory respondents.¹⁹ On May 10, 2021, Juxin informed Commerce that it would no longer participate as a mandatory respondent in this investigation.²⁰ In May and June 2021, Sanmei and the petitioner requested that Commerce select another mandatory respondent.²¹

On May 21, 2021, the petitioner requested that the date for the issuance of the preliminary determination in this investigation be extended until 190 days after the date of initiation.²² Based on the request, and pursuant to section 733(c)(1)(A) of the Act and 19 CFR 351.205(e), on June 3, 2021, Commerce published in the *Federal Register* a postponement of the preliminary determination by 50 days, until no later than August 10, 2021.²³

¹³ See Juxin's Letter, "Juxin Section A Questionnaire Response," dated April 9, 2021; *see also* Sanmei's Letter, "Submission of Zhejiang Sanmei's Section A Response," Dated April 9, 2021 (Sanmei AQR).

¹⁴ For a list of the companies that submitted SRAs, *see* Appendix III. The mandatory respondents applied for separate rate status as part of their responses to section A of Commerce's initial antidumping questionnaire.

¹⁵ See Petitioner's Letter, "Separate Rate Application Deficiency Comments," dated April 14, 2021.

¹⁶ See Zhejiang Yonghe's Letter, "Submission of New Factual Information in Response to Petitioner's Separate Rate Application Deficiency Comments," dated April 15, 2021.

¹⁷ See Juxin's Letter, "Juxin Request for Waiver of Reporting FOP Data from Certain Unaffiliated Suppliers," dated March 23, 2021.

¹⁸ See Commerce's Letter, "Grants Exclusion for Reporting FOPs of Unaffiliated Suppliers of Subject Merchandise," dated March 29, 2021.

¹⁹ See Juxin's Letter, "Juxin Sections C and E Questionnaire Response," dated May 3, 2021; *see also* Sanmei's Letter, "Submission of Zhejiang Sanmei's Section C Response," dated May 3, 2021 (Sanmei CQR); and Sanmei's Letter, "Submission of Zhejiang Sanmei's Section D Response," dated May 11, 2021 (Sanmei DQR).

²⁰ See Juxin's Letter, "Juxin Withdrawal as a Mandatory Respondent," dated May 10, 2021 (Juxin Withdrawal Letter).

²¹ See Sanmei's Letter, "Selection of Alternative Mandatory Respondent," dated May 21, 2021; *see also* Petitioner's Letter, "Request for Mandatory Respondent Selection," dated June 10, 2021.

²² See Petitioner's Letter, "Petitioner's Request to Postpone the Preliminary Determination," dated May 21, 2021.

²³ See *Pentafluoroethane (R-125) from the People's Republic of China: Postponement of Preliminary Determination in the Less-Than-Fair-Value Investigation*, 86 FR 29752 (June 3, 2021).

From May 2021 through July 2021, we received comments from the petitioner and Sanmei regarding the selection of the appropriate surrogate country from which to select surrogate values (SVs) in the investigation,²⁴ as well as affirmative and rebuttal factual information relating to SVs from the relevant countries.²⁵

From April through July 2021, we issued supplemental questionnaires to Sanmei, and certain companies which submitted SRAs. We received timely responses to these supplemental questionnaires during the same time period.²⁶

On June 4, 2021, the petitioner alleged that critical circumstances exist with respect to imports of R-125 from China.²⁷ At our request, Sanmei provided information regarding its exports of R-125 into the United States in July 2021.²⁸ Certain Q&V data related to critical circumstances for the months of July 2021 and August 2021 from Sanmei is due by August 16, 2021, and September 15, 2021, respectively (*i.e.*, after the date of this preliminary determination).²⁹

On July 29, 2021, we received comments in advance of the preliminary determination from the petitioner.³⁰ On August 5, 2021, the petitioner submitted additional comments in advance of the preliminary determination.³¹

²⁴ See Petitioner's Letter, "Petitioner's Comments on the Selection of the Primary Surrogate Country," dated May 21, 2021 (Petitioner Surrogate Country Comments); *see also* Sanmei's Letter, "Surrogate Country Comments," dated May 28, 2021 (Sanmei Surrogate Country Comments).

²⁵ See Petitioner's Letter, "Submission of Surrogate Values," dated June 14, 2021 (Petitioner 1st SV Submission); *see also* Sanmei's Letter, "Initial Surrogate Value Submission," dated June 14, 2021 (Sanmei 1st SV Submission); Petitioner's Letter, "Second Submission of Surrogate Values," dated July 12, 2021 (Petitioner 2nd SV Submission); Sanmei's Letter, "Final Surrogate Value Submission," dated July 15, 2021 (Sanmei 2nd SV Submission); Petitioner's Letter, "Surrogate Value Rebuttal Comments," dated July 26, 2021; and Sanmei's Letter, "Pentafluoroethane (R-125) from the People's Republic of China: Response to Commerce's Letter Dated July 29, 2021," dated August 2, 2021 (Sanmei HaloPolymer Response).

²⁶ See Sanmei's Letter, "Submission of Zhejiang Sanmei's Supplemental Section A Response," dated May 3, 2021 (Sanmei SAQR); *see also* Sanmei's Letter, "Submission of Zhejiang Sanmei's Supplemental Sections A and C Response," dated July 23, 2021 (Sanmei SACQR); Sanmei's Letter, "Submission of Zhejiang Sanmei's Supplemental Section D Response," dated July 26, 2021 (Sanmei SDQR); Huantai Dongyue International Trade Co. Ltd.'s (Huantai Dongyue's) Letter, "SRA Supplemental Questionnaire Response," dated August 5, 2021; Shandong Dongyue Chemical Co., Ltd.'s (Dongyue Chemical's) Letter, "SRA Supplemental Questionnaire Response," dated August 5, 2021; and Shandong Huaan New Material Co., Ltd.'s (New Material's) Letter, "SRA Supplemental Questionnaire Response," dated August 5, 2021.

²⁷ See Petitioner's Letter, "Petitioner's Critical Circumstances Allegation," dated June 4, 2021 (Critical Circumstances Allegation).

²⁸ See Sanmei's Letter, "Submission of Zhejiang Sanmei's Critical Circumstances Information," dated July 15, 2021 (Sanmei CC Data).

²⁹ See Commerce's Letter, "Less-Than-Fair-Value Investigation of Pentafluoroethane (R-125) from the People's Republic of China: Request for Monthly Quantity and Value Shipment Data," dated July 2, 2021.

³⁰ See Petitioner's Letter, "Antidumping Duty Investigation of R-125 (Pentafluoroethane) from the People's Republic of China: Pre-Preliminary Comments for Sanmei," dated July 29, 2021.

³¹ See Petitioner's Letter, "Antidumping Duty Investigation of R-125 (Pentafluoroethane) from the People's Republic of China: Additional Pre-Preliminary Comments," dated August 5, 2021 (Petitioner 2nd Pre-Prelim Comments).

III. PERIOD OF INVESTIGATION

The POI is July 1, 2020, through December 31, 2020. This period corresponds to the two most recent fiscal quarters prior to the month of the filing of the Petition, which was January 2021.³²

IV. SCOPE COMMENTS

In accordance with the *Preamble* to our regulations,³³ the *Initiation Notice* set aside a period of time for parties to raise issues regarding product coverage, *i.e.*, scope.³⁴ From February through March 2021, we received comments from certain interested parties on the scope of this investigation as it appeared in the *Initiation Notice*.³⁵ On July 6, 2021 we issued a supplemental questionnaire to the petitioner that requested clarification and additional information regarding the scope of the investigation.³⁶ On July 20, 2021, the petitioner timely responded to our scope supplemental questionnaire.³⁷ No party submitted rebuttal comments or information to the petitioner's scope supplemental questionnaire response.

Based on our analysis of these scope comments, we are issuing the Preliminary Scope Memorandum concurrently with this memorandum.³⁸ In the Preliminary Scope Decision Memorandum, we made a number of preliminary modifications to the scope including: (1) excluding R-125 contained in blends that conform to American National Standards Institute (ANSI)/American Society of Heating, Refrigeration, and Air-Conditioning Engineers (ASHRAE) Standard 34; (2) only covering R-125 contained in blends not conforming to ANSI/ASHRAE Standard 34 (*i.e.*, unfinished blends) when such blends contain greater than 85 percent by volume on an actual percentage basis of R-125; and (3) other minor modifications including updating the applicable list of Harmonized Tariff Schedule of the United States (HTSUS) codes for the merchandise subject to the investigation due to an update to the HTSUS that occurred on July 1, 2021.³⁹

These preliminary scope modifications are reflected in Appendix I of the accompanying *Federal Register* notice to this preliminary decision memorandum. For a summary of the scope comments and rebuttal responses submitted to the record for this preliminary determination and

³² See 19 CFR 351.204(b)(1).

³³ See *Antidumping Duties; Countervailing Duties; Final Rule*, 62 FR 27296, 27323 (May 19, 1997) (*Preamble*).

³⁴ See *Initiation Notice*, 86 FR 8584.

³⁵ We received scope comments from the petitioner, Chemours, and National. See Petitioner Scope Comments; Chemours Scope Comments; see also National Scope Comments; Petitioner Rebuttal Scope Comments; and National Rebuttal Scope Comments.

³⁶ See Commerce's Letter, "Antidumping and Countervailing Duty Investigations of Pentafluoroethane (R-125) from the People's Republic of China: Scope Supplemental Questionnaire," dated July 6, 2021.

³⁷ See Petitioner's Letter, "R-125 (Pentafluoroethane) from the People's Republic of China: Honeywell International Inc's Scope Supplemental Questionnaire Response," dated July 20, 2021.

³⁸ See Memorandum, "Antidumping and Countervailing Duty Investigations of Pentafluoroethane (R-125) from the People's Republic of China: Preliminary Scope Decision Memorandum," dated concurrently with, and hereby adopted by, this memorandum (Preliminary Scope Decision Memorandum).

³⁹ See Harmonized Tariff Schedule of the United States (2021) Basic Revision 5, USITC Pub. No. 5213 (July 2021) (HTSUS 2021 Basic Revision 5) (<https://hts.usitc.gov/view/release?release=2021HTSABasicRev5>).

accompanying analysis of all comments timely received, *see* the Preliminary Scope Decision Memorandum.⁴⁰

V. SCOPE OF THE INVESTIGATION

The product covered by the scope of the investigation is pentafluoroethane (R-125). For a full description of the scope of the investigation, as modified in the Preliminary Scope Decision Memorandum, *see* the accompanying *Federal Register* notice at Appendix I.

VI. DISCUSSION OF THE METHODOLOGY

A. Non-Market Economy Country

Commerce considers China to be a non-market economy (NME) country.⁴¹ In accordance with section 771(18)(C)(i) of the Act, a determination that a country is an NME country shall remain in effect until revoked by the administering authority. Further, no party submitted a request to reconsider China's NME status as part of this investigation. Therefore, we continue to treat China as an NME country for purposes of this preliminary determination.

B. Surrogate Country

When Commerce is investigating imports from an NME country, section 773(c)(1) of the Act directs it to base normal value (NV), in most circumstances, on the NME producer's FOPs, valued in a surrogate market economy (ME) country or countries considered to be appropriate by Commerce. Specifically, in accordance with section 773(c)(4) of the Act, in valuing the FOPs, Commerce shall utilize, "to the extent possible, the prices or costs of FOPs in one or more ME countries that are: (A) at a level of economic development comparable to that of the NME country; and (B) significant producers of comparable merchandise."⁴² As a general rule, Commerce selects a surrogate country that is at the same level of economic development as the NME unless it is determined that none of the countries are viable options because: (a) they either are not significant producers of comparable merchandise; (b) do not provide sufficient reliable sources of publicly available SV data; or (c) are not suitable for use based on other reasons. Surrogate countries that are not at the same level of economic development as the NME country, but still at a level of economic development comparable to the NME country, are selected only to the extent that data considerations outweigh the difference in levels of economic development. To determine which countries are at a similar level of economic development, Commerce generally relies solely on per capita gross national income (GNI) data from the World Bank's *World Development Report*.⁴³ In addition, if more than one country satisfies the two

⁴⁰ *Id.*

⁴¹ *See Antidumping Duty Investigation of Certain Aluminum Foil from the People's Republic of China: Affirmative Preliminary Determination of Sales at Less-Than-Fair Value and Postponement of Final Determination*, 82 FR 50858, 50861 (November 2, 2017) (citing Memorandum, "China's Status as a Non-Market Economy," dated October 26, 2017), unchanged in *Certain Aluminum Foil from the People's Republic of China: Final Determination of Sales at Less Than Fair Value*, 83 FR 9282 (March 5, 2018).

⁴² *See* Commerce Policy Bulletin No. 04.1: Non-Market Economy Surrogate Country Selection Process (March 1, 2004) (Policy Bulletin 04.1) available on Commerce's website at <http://enforcement.trade.gov/policy/bull04-1.html>.

⁴³ *Id.*

criteria noted above, Commerce narrows the field of potential surrogate countries to a single country (pursuant to 19 CFR 351.408(c)(2), Commerce will normally value FOPs in a single surrogate country) based on data availability and quality.

On May 6, 2021, Commerce issued a letter to the interested parties soliciting comments on the list of countries that Commerce determined, based on per capita GNI, to be at the same level of economic development as China and the selection of the primary surrogate country, and we provided deadlines for the consideration of any submitted SV information for the preliminary determination.⁴⁴ We received timely comments on the surrogate country list and surrogate country selection from the petitioner and Sanmei.⁴⁵

Sanmei states that Mexico should be considered as a surrogate country because it is comparable in terms of economic development with China, a significant exporter of identical or comparable merchandise and offers reliable import data to value FOPs.⁴⁶ In addition, the petitioner submitted limited surrogate value information for Mexico.⁴⁷ However, Sanmei and the petitioner both agree that the Russian Federation (Russia) is suitable to serve as the primary surrogate country.⁴⁸ The petitioner and Sanmei note that Russia is not only comparable in terms of economic development with China, but it is also a significant exporter of identical or comparable merchandise and offers reliable import data to value the respondent's FOPs.

Economic Comparability

Section 773(c)(4) of the Act states that Commerce “shall utilize, to the extent possible, the prices or costs of {FOP}s in one or more market economy countries that are . . . at a level of economic development comparable to that of the {NME} country.” However, the applicable section of the Act does not expressly define the phrase “level of economic development comparable” or what methodology Commerce must use in evaluating the criterion. Commerce’s regulations at 19 CFR 351.408(b) state that, in determining whether a country is at a level of economic development comparable to the NME country, Commerce will place primary emphasis on per capita gross domestic product (GDP) as the measure of economic comparability.⁴⁹ The Court of International Trade (CIT) has found the use of per capita GNI to be a “consistent, transparent, and objective metric to identify and compare a country’s level of economic development” and “a reasonable interpretation of the statute.”⁵⁰

Unless it is determined that none of the countries identified above are viable options because: (a) they either are not significant producers of comparable merchandise; (b) do not provide

⁴⁴ See Commerce’s Letter, “Request for Economic Development, Surrogate Country and Surrogate Value Comments and Information,” dated May 6, 2021 (containing Memorandum, “List of Surrogate Countries for Antidumping Investigations and Reviews from the People’s Republic of China (‘China’),” dated August 25, 2020).

⁴⁵ See Petitioner’s Surrogate Country Comments; *see also* Sanmei Surrogate Country Comments; and Petitioner 1st SV Submission.

⁴⁶ See Sanmei Surrogate Country Comments.

⁴⁷ See Petitioner 1st SV Submission.

⁴⁸ See Petitioner Surrogate Country Comments; *see also* Sanmei Surrogate Country Comments.

⁴⁹ Commerce uses per capita GNI as a proxy for per capita GDP. GNI is GDP plus net receipt of primary income (compensation of employees and property income) from nonresident sources. *See* Policy Bulletin 04.1.

⁵⁰ *See Jiaying Brother Fastener Co. v. United States*, 961 F. Supp. 2d 1323, 1329 (CIT 2014).

sufficient reliable sources of publicly available SV data; or (c) are not suitable for use based on other reasons, we will rely on data from one of these countries.

Consistent with its practice and section 773(c)(4)(A) of the Act,⁵¹ as noted above, Commerce identified Malaysia, Turkey, Russia, Mexico, Brazil, and Romania as countries at the same level of economic development as China based on the most current annual issue of the World Bank's *World Development Report*.⁵² Commerce does not consider any of the countries on the surrogate country list to be more comparable to China than any other country on the surrogate country list.⁵³ Therefore, we consider all six countries as having met this prong of the surrogate country selection criteria.

Significant Producer of Comparable Merchandise

Section 773(c)(4)(B) of the Act requires Commerce, to the extent possible, to value FOPs in a surrogate country that is a significant producer of comparable merchandise. Neither the Act nor Commerce's regulations provide further guidance on what may be considered comparable merchandise. Among the factors we consider in determining whether a country is a significant producer of comparable merchandise is whether the country is an exporter of comparable merchandise. In order to determine whether the above-referenced countries are significant producers of comparable merchandise, Commerce's practice is to examine which countries on the surrogate country list exported merchandise comparable to the subject merchandise.

Information on the record indicates that Russia, Mexico, and Turkey are significant exporters of merchandise covered by harmonized tariff schedule (HTS) categories identified in the scope of this investigation (*i.e.*, identical and/or comparable merchandise).⁵⁴ Accordingly, we preliminarily find that Russia, Mexico, and Turkey meet the significant producer of comparable merchandise prong of the surrogate country selection criteria as provided in section 773(c)(4)(B) of the Act.

Data Availability

If more than one potential surrogate country satisfies the statutory requirements for selection as the primary surrogate country, Commerce selects the primary surrogate country based on SV data availability and reliability.⁵⁵ When evaluating SV data, Commerce considers several factors, including whether the SVs are publicly available, contemporaneous with the POI, representative of a broad market average, tax and duty-exclusive, and specific to the inputs being

⁵¹ See Surrogate Country Memo.

⁵² *Id.*

⁵³ See Policy Bulletin 04.1 ("The surrogate countries on the list are not ranked and should be considered equivalent in terms of economic comparability.").

⁵⁴ See Petitioner Surrogate Country Comments at 4 and Exhibit 1. The petitioner provided export data from Datamyne for each country on the surrogate country list except Malaysia for HTS subheading 2903.39. The 10-digit HTSUS subheading(s) listed in the scope of the investigation for standalone R-125 fall under this six-digit subheading; see also Sanmei Surrogate Country Comments at 2 and Attachment I. Sanmei provided International Trade Centre Trade Map data for HTS subheading 2903.39 for all countries on the surrogate country list except Malaysia. International Trade Centre data is calculated based on United Nations Comtrade data.

⁵⁵ See Policy Bulletin 04.1.

valued.⁵⁶ There is no hierarchy among these criteria.⁵⁷ Commerce's preference is to satisfy the breadth of these aforementioned selection criteria.⁵⁸ Moreover, it is Commerce's practice to carefully consider the available evidence in light of the particular facts regarding the industry under consideration when undertaking its analysis of valuing the FOPs.⁵⁹ Commerce must weigh the available information with respect to each input value and make a product-specific and case-specific decision as to what constitutes the "best" available SV for each input.⁶⁰ Additionally, pursuant to 19 CFR 351.408(c)(2), Commerce has a preference for valuing all FOPs in a single surrogate country.

Parties have placed complete SV data for Russia on the record.⁶¹ The petitioner also placed limited data for Mexico on the record.⁶² SV data for the other countries on the list (*i.e.*, Romania, Malaysia, Turkey, and Brazil) are not on the record, nor has any party argued in favor of using SV data from any of these countries to value FOPs. Therefore, we have not further considered relying on these other countries as the primary surrogate country in this investigation.

Both the petitioner and Sanmei argue that we should use Global Trade Atlas (GTA) data from Russia to value the respondents' FOPs.⁶³ Additionally, each party place a single set of financial statements on the record, both of which were for Russian chemicals manufacturer, HaloPolymer Kirovo-Chepetsk LLC (HaloPolymer).⁶⁴

All parties that provided arguments with respect to this issue agree that SV data from Russia are appropriate to value respondents' FOPs, and the Russian SV data are: (1) publicly available; (2) contemporaneous with the POI, where available; and (3) generally include tax-exclusive broad market averages. Thus, Commerce preliminarily determines that Russian SV data are the best available SV data on the record and best meet our selection criteria. For these reasons, we are selecting Russia as the primary surrogate country for this preliminary determination.

Therefore, for the reasons outlined above, Commerce preliminarily determines, pursuant to section 773(c)(4) of the Act, that it is appropriate to use Russia as the primary surrogate country because: (1) Russia is at the same level of economic development as China; (2) Russia is a significant producer of merchandise identical or comparable to the subject merchandise; and (3)

⁵⁶ *Id.*

⁵⁷ See, e.g., *Certain Preserved Mushrooms from the People's Republic of China: Final Results and Final Partial Rescission of the Sixth Administrative Review*, 71 FR 40477 (July 17, 2006) (*Mushrooms from China*), and accompanying Issues and Decision Memorandum (IDM) at Comment 1.

⁵⁸ See, e.g., *Certain Frozen Fish Fillets from the Socialist Republic of Vietnam: Final Results of Antidumping Duty Administrative Review and New Shipper Reviews, 2010-2011*, 78 FR 17350 (March 21, 2013), and accompanying IDM at Comment I(C).

⁵⁹ See Policy Bulletin 04.1.

⁶⁰ See *Mushrooms from China* IDM at Comment 1.

⁶¹ See Petition at Volume II; Petitioner 1st SV Submission; see also Petitioner 2nd SV Submission; Sanmei 1st SV Submission; and Sanmei 2nd SV Submission. We note that Sanmei stated it was submitting Romanian SV data on the record in its 1st SV Submission. However, all the SV data placed on the record by Sanmei is for Russia.

⁶² See Petitioner 1st SV Submission.

⁶³ *Id.* at 2 and Exhibit 1; see also Sanmei 1st SV Submission at 2-3 and Exhibit 1.

⁶⁴ See Petition Volume II at Exhibit II-3c (the petitioner placed the 2018 financial statements of HaloPolymer on the record); see also Sanmei 2nd SV Submission at Exhibit 1 (Sanmei placed the 2020 financial statements of HaloPolymer on the record).

the Russian SV data on the record are the best available data for valuing FOPs. Therefore, Commerce used Russian data, where appropriate, to value Sanmei's FOPs.⁶⁵ For a detailed discussion of the SVs used in this investigation, see the "Factor Valuation Methodology" section of this memorandum and the Preliminary SV Memorandum.⁶⁶

C. Separate Rates

In NME proceedings, there is a rebuttable presumption that companies are subject to government control and, thus, should be assessed a single AD rate.⁶⁷ In the *Initiation Notice*, Commerce notified parties of the application process by which exporters may obtain separate rate status in an NME proceeding.⁶⁸ It is Commerce's policy to assign exporters of the subject merchandise from an NME country a single rate unless an exporter can affirmatively demonstrate an absence of government control, both in law (*de jure*) and in fact (*de facto*), with respect to its export activities. To establish whether a company is sufficiently independent to be entitled to a separate, company-specific rate, Commerce analyzes each exporting entity in an NME country under the test established in *Sparklers*,⁶⁹ as amplified by *Silicon Carbide*.⁷⁰ However, if Commerce determines that a company is wholly foreign-owned, then consideration of the *de jure* and *de facto* criteria is not necessary to determine whether it is independent from government control.⁷¹

Under the separate rates test, Commerce considers the following *de jure* criteria in determining whether an individual company may be granted a separate rate: (1) an absence of restrictive stipulations associated with an individual exporter's business and export licenses; (2) legislative enactments decentralizing control over export activities of the companies; and (3) other formal measures by the government decentralizing control over export activities of companies.⁷²

Further, Commerce typically considers four factors in evaluating whether a respondent is subject to *de facto* government control of its export functions: (1) whether the export prices are set by, or are subject to the approval of, a government agency; (2) whether the respondent has authority to negotiate and sign contracts and other agreements; (3) whether the respondent has autonomy from the government in making decisions regarding the selection of management; and (4)

⁶⁵ We did not use Russian SV data to value Juxin's FOPs because, as explained below, we have preliminarily applied total adverse facts available (AFA) to Juxin and found that Juxin is part of the China-wide entity.

⁶⁶ See Memorandum, "Surrogate Value Memorandum for the Preliminary Determination," dated concurrently with this memorandum (Preliminary SV Memorandum).

⁶⁷ See *Notice of Final Determination of Sales at Less Than Fair Value, and Affirmative Critical Circumstances, In Part: Certain Lined Paper Products from the People's Republic of China*, 71 FR 53079, 53082 (September 8, 2006); see also *Final Determination of Sales at Less Than Fair Value and Final Partial Affirmative Determination of Critical Circumstances: Diamond Sawblades and Parts Thereof from the People's Republic of China*, 71 FR 29303, 29307 (May 22, 2006).

⁶⁸ See *Initiation Notice*, 86 FR at 8587.

⁶⁹ See *Final Determination of Sales at Less Than Fair Value: Sparklers from the People's Republic of China*, 56 FR 20588 (May 6, 1991) (*Sparklers*).

⁷⁰ See *Notice of Final Determination of Sales at Less Than Fair Value: Silicon Carbide from the People's Republic of China*, 59 FR 22585 (May 2, 1994) (*Silicon Carbide*).

⁷¹ See, e.g., *Final Results of Antidumping Duty Administrative Review: Petroleum Candles from the People's Republic of China*, 72 FR 52355, 52356 (September 13, 2007).

⁷² See *Sparklers*, 56 FR at 20589.

whether the respondent retains the proceeds of its export sales and makes independent decisions regarding the disposition of profits or financing of losses.⁷³

Commerce continues to evaluate its practice with regard to the separate rates analysis in light of the *Diamond Sawblades from China* AD proceeding and Commerce's determinations therein.⁷⁴ In particular, we note that in litigation involving the *Diamond Sawblades* proceeding, the CIT found Commerce's existing separate rates analysis deficient in the circumstances of that proceeding, in which a government-controlled entity had significant ownership in the respondent exporter.⁷⁵ We have concluded that, where a government entity holds a majority ownership share, either directly or indirectly, in an exporter, the majority ownership holding in and of itself means that the government exercises or has the potential to exercise control over the company's operations generally, which may include control over, for example, the selection of management, a key factor in determining whether a company has sufficient independence in its export activities to merit a separate rate. Consistent with normal business practices, we would expect that a majority shareholder, including a government, to have the ability to control, and an interest in controlling, the operations of the company, including the selection of management and the profitability of the company. Accordingly, we have considered the level of government ownership, where necessary.

D. Separate Rate Recipients

In accordance with our practice, Commerce analyzed whether each company submitting both a Q&V response and an SRA in this investigation demonstrated the absence of *de jure* and *de facto* governmental control over their respective export activities. In the instant review, we preliminarily find no evidence of Chinese Government ownership of Sanmei, and the exporters

⁷³ See *Silicon Carbide*, 59 FR at 22586-89; see also *Notice of Final Determination of Sales at Less Than Fair Value: Furfuryl Alcohol from the People's Republic of China*, 60 FR 22544, 22545 (May 8, 1995) (*Furfuryl Alcohol*).

⁷⁴ See Final Results of Redetermination Pursuant to Remand Order for *Diamond Sawblades and Parts Thereof from the People's Republic of China* (May 6, 2013) in *Advanced Technology & Materials Co. v. United States*, 885 F. Supp. 2d 1343 (CIT 2012) (*Advanced Technology*), affirmed in *Advanced Technology & Materials Co. v. United States*, 938 F. Supp. 2d 1342 (CIT 2013). This remand redetermination is available on the Enforcement and Compliance website at <http://enforcement.trade.gov/remands/12-147.pdf>; see also *Diamond Sawblades and Parts Thereof from the People's Republic of China: Preliminary Results of Antidumping Duty Administrative Review; 2011-2012*, 78 FR 77098 (December 20, 2013), and accompanying Preliminary Decision Memorandum (PDM) at 7, unchanged in *Diamond Sawblades and Parts Thereof from the People's Republic of China: Final Results of Antidumping Duty Administrative Review; 2011-2012*, 79 FR 35723 (June 24, 2014), and accompanying IDM at Comment 1.

⁷⁵ See, e.g., *Advanced Technology*, 885 F. Supp. 2d at 1349 ("The court remains concerned that Commerce has failed to consider important aspects of the problem and offered explanations that run counter to the evidence before it."); *id.* at 1351 ("Further substantial evidence of record does not support the inference that SASAC's {State-Owned Assets Supervision and Administration Commission} 'management' of its 'state-owned assets' is restricted to the kind of passive-investor *de jure* 'separation' that Commerce concludes.") (footnotes omitted); *id.* at 1355 ("The point here is that 'governmental control' in the context of the separate rate test appears to be a fuzzy concept at least to this court, since a 'degree' of it can obviously be traced from the controlling shareholder, to the board, to the general manager, and so on along the chain to 'day-to-day decisions of export operations, 'including terms, financing, and inputs into finished product for export.'"); and *id.* at 1357 ("AT&M *itself* identifies its 'controlling shareholder' as CISRI {owned by SASAC} in its financial statements and the power to veto nomination does not equilibrate the power of control *over* nomination.") (footnotes omitted).

listed in Appendices I of this document, and we further preliminarily find that those companies otherwise are entitled to a separate rate in this review.

1. Wholly Foreign-Owned Companies

No wholly foreign-owned companies applied for a separate rate.

2. Wholly China-Owned Companies and Joint Ventures

We received SRAs from eight exporters, including Sanmei and Juxin, who stated that they are either Chinese limited liability companies or are otherwise wholly Chinese-owned companies.⁷⁶ In accordance with our practice, Commerce analyzed whether these companies demonstrated the absence of *de jure* and *de facto* governmental control over their respective export activities.

a. Absence of *De Jure* Control

Commerce considers the following *de jure* criteria in determining whether an individual company may be granted a separate rate: (1) an absence of restrictive stipulations associated with an individual exporter's business and export licenses; (2) legislative enactments decentralizing control over export activities of the companies; and (3) other formal measures by the government decentralizing control over export activities of companies.⁷⁷

The evidence provided by Sanmei and the exporters listed in Appendix I supports a preliminary finding of an absence of *de jure* government control for each of these companies based on the following: (1) an absence of restrictive stipulations associated with the individual exporters' business and export licenses; (2) the existence of applicable legislative enactments decentralizing control of the companies; and (3) the implementation of formal measures by the government decentralizing control of Chinese companies.⁷⁸

b. Absence of *De Facto* Control

Typically, Commerce considers four factors in evaluating whether a respondent is subject to *de facto* government control of its export functions: (1) whether the export prices (EPs) are set by, or are subject to the approval of, a government agency; (2) whether the respondent has authority to negotiate and sign contracts and other agreements; (3) whether the respondent has autonomy from the government in making decisions regarding the selection of management; and (4) whether the respondent retains the proceeds of its export sales and makes independent decisions regarding the disposition of profits or financing of losses.⁷⁹ Commerce has determined that an analysis of *de facto* control is critical in determining whether respondents are, in fact, subject to a degree of government control which would preclude Commerce from assigning separate rates.

⁷⁶ See Appendix II for a list of these exporters.

⁷⁷ See *Sparklers*, 56 FR at 20589.

⁷⁸ See, e.g., Sanmei AQR at 10-15.

⁷⁹ See *Silicon Carbide*, 59 FR at 22586-87; see also *Furfuryl Alcohol*, 60 FR at 22545.

The evidence provided by Sanmei and the exporters listed in Appendix I supports a preliminary finding of an absence of *de facto* government control based on record statements and supporting documentation showing that the companies: (1) set their own EPs independent of the government and without the approval of a government authority; (2) have the authority to negotiate and sign contracts and other agreements; (3) maintain autonomy from the government in making decisions regarding the selection of management; and (4) retain the proceeds of their respective export sales and make independent decisions regarding disposition of profits or financing of losses.⁸⁰

Therefore, the evidence Sanmei and the exporters listed in Appendix I placed on the record of this investigation demonstrates an absence of *de jure* and *de facto* government control under the criteria identified in *Sparklers* and *Silicon Carbide*.⁸¹ Accordingly, we are preliminarily granting separate rates to Sanmei and the exporters listed in Appendix I.

E. Companies Not Receiving a Separate Rate

Our *Initiation Notice* states the following: “Commerce requires that companies from China submit a response to both the Q&V questionnaire and the separate-rate application by the respective deadlines in order to receive consideration for separate-rate status. Companies not filing a timely Q&V questionnaire response will not receive separate rate consideration.”⁸²

Arkema Daikin Advanced Fluorochemicals (Changshu) Co., Ltd.; Daikin Fluorochemicals (China) Co., Ltd.; Hongkong Richmax; Jinhua Yonghe Fluorochemical Co., Ltd.; Sinochem Environmental Protection Chemicals (Taicang); and Weitron International Refrigeration Equipment (Kunshan) Co., Ltd. each failed to file a Q&V questionnaire response, and, therefore, we are preliminarily denying these companies a separate rate.

With respect to Juxin, we preliminarily determine that this company is not eligible for a separate rate. Specifically, although Juxin initially responded to the separate rate questions outlined in our AD questionnaire, it subsequently withdrew from participation as a mandatory respondent in this investigation,⁸³ and did not respond to all sections of Commerce’s antidumping questionnaire. Therefore, we are unable to confirm, clarify, or verify this information. Thus, we preliminarily determine that Juxin failed to rebut the presumption of government control and is ineligible for a separate rate. Accordingly, we preliminarily determine that Juxin is part of the China-wide entity.

⁸⁰ See Huantai Dongyue’s Letter, “Separate Rate Application,” dated March 16, 2021 at 14-22; *see also* Dongyue Chemical’s Letter, “Separate Rate Application,” dated March 17, 2021 at 13-21; Shandong Huaan New Material Co., Ltd.’s Letter, “Separate Rate Application,” dated March 16, 2021 at 13-21 T.T. International Co., Ltd.’s Letter, “Separate Rate Application,” dated March 17, 2021 at 12-20; Sanmei AQR at 15-22; Zhejiang Yonghe’s Letter, “Separate Rate Application,” dated March 15, 2021 at 13-20; and Zibo Feiyuan Chemical Co., Ltd.’s Letter, “Separate Rate Application,” dated March 17, 2021 at 10-19.

⁸¹ *See Sparklers*, 56 FR at 20589; *see also Silicon Carbide*, 59 FR at 22586-89; and Sanmei AQR at 15-20 and Appendices A-4 through A-11.

⁸² *See Initiation Notice*, 86 FR at 8587.

⁸³ *See Juxin Withdrawal Letter*.

F. Margin for the Separate Rate Companies

Generally, Commerce looks to section 735(c)(5) of the Act, which provides instructions for calculating the all-others rate in an investigation, for guidance when calculating the rate for separate rate respondents that we did not individually examine. Section 735(c)(5)(A) of the Act indicates that we are not to calculate an all-others rate using rates that are zero, *de minimis*, or based entirely on adverse facts available (AFA).⁸⁴ Accordingly, Commerce's usual practice has been to average the weighted-average dumping margins for the individually-examined respondents, excluding rates that are zero, *de minimis*, or based entirely on facts available, in calculating the separate rate.⁸⁵ The statute further provides that, where all margins are zero rates, *de minimis* rates, or rates based entirely on facts available, Commerce may use "any reasonable method" for assigning the rate to non-selected respondents.⁸⁶

For this preliminary determination, we calculated a weighted-average dumping margin that is above the *de minimis* threshold and is not based on total facts available for Sanmei. Because there is only one weighted-average dumping margin for this preliminary determination that is not zero, *de minimis*, or based entirely on the facts available (*i.e.*, the weighted-average dumping margin calculated for Sanmei), Commerce has assigned Sanmei's calculated weighted-average margin to the separate rate companies for this preliminary determination. This approach is consistent with our practice.⁸⁷

G. Combination Rates

In the *Initiation Notice*, Commerce stated that it would calculate combination rates for respondents that are eligible for a separate rate in this investigation.⁸⁸ This practice is described in Policy Bulletin 05.1.

H. The China-Wide Entity

The record indicates that there are Chinese exporters and/or producers of R-125 during the POI that did not respond to Commerce's requests for information. Specifically, Commerce did not receive responses to its Q&V questionnaire from numerous Chinese exporters and/or producers

⁸⁴ See, e.g., *Preliminary Determination of Sales at Less Than Fair Value and Partial Affirmative Determination of Critical Circumstances: Certain Polyester Staple Fiber from the People's Republic of China*, 71 FR 77373, 77377 (December 26, 2006), unchanged in *Final Determination of Sales at Less Than Fair Value and Partial Affirmative Determination of Critical Circumstances: Certain Polyester Staple Fiber from the People's Republic of China*, 72 FR 19690 (April 19, 2007).

⁸⁵ See *Ball Bearings and Parts Thereof from France, Germany, Italy, Japan, and the United Kingdom: Final Results of Antidumping Duty Administrative Reviews and Rescission of Reviews in Part*, 73 FR 52823, 52824 (September 11, 2008), and accompanying IDM at Comment 16.

⁸⁶ See section 735(c)(5)(B) of the Act.

⁸⁷ See, e.g., *Tapered Roller Bearings and Parts Thereof, Finished and Unfinished, from the People's Republic of China: Final Results of the 2011-2012 Antidumping Duty Administrative Review and New Shipper Reviews*, 79 FR 4328 (January 27, 2014).

⁸⁸ See *Initiation Notice*, 86 FR at 8587.

of R-125 that were named in the Petition to whom Commerce issued the Q&V questionnaire.⁸⁹ Because non-responsive Chinese companies have not demonstrated that they are eligible for separate rate status, Commerce considers them part of the China-wide entity. In addition, as explained above, we have preliminarily determined not to grant a separate rate to Juxin because Juxin has failed to rebut the presumption of government control. Because Juxin has not demonstrated that it is eligible for separate rate status, Commerce considers it to be part of the China-wide entity. Furthermore, as explained in the next section, because the China-wide entity, including Juxin, has failed to cooperate to the best of its ability, we preliminarily determine to calculate the China-wide rate on the basis of AFA. We have preliminarily assigned the China-wide entity an estimated dumping margin of 280.48 percent.

I. Application of Facts Available

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

Where Commerce determines that a response to a request for information does not comply with the request, section 782(d) of the Act provides that Commerce will so inform the party submitting the response and will, to the extent practicable, provide that party an opportunity to remedy or explain the deficiency. If the party fails to remedy or satisfactorily explain the deficiency within the applicable time limits, subject to section 782(e) of the Act, Commerce may disregard all or part of the original and subsequent responses, as appropriate.

Section 776(b) of the Act provides that Commerce may use an adverse inference in applying the facts otherwise available when a party fails to cooperate by not acting to the best of its ability to comply with a request for information. In doing so, Commerce is not required to determine, or make any adjustments to, a weighted-average dumping margin based on any assumptions about information an interested party would have provided if the interested party had complied with the request for information. Further, section 776(b)(2) of the Act states that an adverse inference may include reliance on information derived from the Petition, the final determination from the LTFV investigation, a previous administrative review, or other information placed on the record.

1. Use of Facts Available with Respect to Sanmei

In its initial response, Sanmei reported that it produced and sold three types of R-125 to the United States during the POI.⁹⁰ Sanmei stated that Fujian Qingliu processed one of the three types of R-125 (*i.e.*, outsourcing processed) by incorporating Sanmei's raw materials as the

⁸⁹ See Q&V Delivery Confirmation Memo at Attachment I, documenting that Arkema Daikin, Daikin Fluorochemicals, Richmax, Jinhua Yonghe, Sinochem, and Weitron received (or refused delivery of) Commerce's Q&V questionnaire, but did not respond to the Q&V questionnaire.

⁹⁰ See Sanmei AQR at 32.

inputs.⁹¹ In the section D response, Sanmei provided a general description of the manufacturing process for R-125.⁹² In a supplemental questionnaire, we requested that Sanmei provide further clarification of the manufacturing process due to differences between Sanmei and Fujian Qingliu's production of R-125.⁹³ However, despite requesting for further information on the manufacturing process, the record only contains a detailed description of the manufacturing process for Sanmei.⁹⁴ Further, we inquired about the distances reported between Sanmei and Fujian Qingliu's NME suppliers for each input consumed in the production of subject merchandise at Sanmei and Fujian Qingliu's facilities during the POI, to which Sanmei provided additional information, but did not provide the distance or report expenses related to the shipment of inputs from Sanmei to Fujian Qingliu used to produce "outsourcing processed" R-125.⁹⁵ Therefore, based on Sanmei's limited description of the three types of R-125 produced and sold to the United States during the POI, we find that certain information pertaining to Fujian Qingliu's manufacturing process is missing from the record. In accordance with section 776(a)(1) of the Act, we have assigned, as facts available, an additional transportation expense to the direct materials sent from Sanmei to Fujian Qingliu associated with sales of R-125 that Fujian Qingliu produced to account for the distance between Sanmei and Fujian Qingliu.⁹⁶

In addition, we have identified deficiencies in Sanmei's reported FOPs and manufacturing description. In its response to section D of the initial questionnaire, Sanmei reports that it "uses coal, water, electricity and natural gas to generate steam through boilers. The steam is then supplied to a number of workshops for use."⁹⁷ As is apparent from the limited information about production process on the record and known differences between Sanmei and Fujian Qingliu's facilities, we will rely on Sanmei's production process as facts available, for both Sanmei and Fujian Qingliu. Even though Sanmei reports that water is a significant input in the production of R-125, we note that Sanmei only reported water as an energy input and Fujian Qingliu did not measure its water consumption because "Fujian Qingliu used water pumped from the nearby river for production."⁹⁸ Further, Sanmei failed to report steam as a separate FOP, even though it provided a description of the production process involving steam, as well as sub-ledgers and trial balances demonstrating that steam is reported separately in Sanmei's accounting system.⁹⁹ Therefore, as facts available, we are treating water as both an energy and direct material input, and we have added steam as an energy input, using the water FOP and SV to value steam.¹⁰⁰ Moreover, as described in the Factor Valuation Methodology section, below, we find that Sanmei has not substantiated its claims for by-product offsets, which were generated in the production of an intermediate product and R-125. Accordingly, as facts available, we are

⁹¹ *Id.*

⁹² See Sanmei DQR at Exhibits D-2 and D-3.

⁹³ *Id.* at 3, and 15-16. We note that, based on Sanmei's response and, given that R-125 outsourcing processed is reported as a separate type of R-125, Sanmei and Fujian Qingliu's manufacturing process appears to be similar, but not identical.

⁹⁴ *Id.* at 32-33; see also Sanmei DQR at 3-5 and Exhibits D-2 and D-3; and Sanmei SDQR at 1 and Exhibits SD-1 and SD-2.

⁹⁵ See Sanmei SDQR at 11-12.

⁹⁶ See Memorandum, "Preliminary Analysis Memorandum for Zhejiang Sanmei Chemical Ind. Co., Ltd.," dated concurrently with this memorandum (Sanmei Preliminary Analysis Memorandum).

⁹⁷ See Sanmei DQR at 15-16 and Exhibit D-11.

⁹⁸ *Id.* at Exhibit SD-8; see also Sanmei SDQR at 7, 8, 11, and Exhibits SD-5, SD-8, SD-18, and SD-22.

⁹⁹ See Sanmei SDQR at Exhibits SD-1, SD-2, SD-5, and SD-22.

¹⁰⁰ See Preliminary SV Memorandum.

disallowing by-product offsets and, where appropriate, valuing the intermediate product directly, consistent with our practice.¹⁰¹

2. Application of Facts Available with Respect to Juxin.

Commerce preliminarily finds that Juxin did not respond to Commerce's requests for information, did not provide information in a timely manner, and significantly impeded the proceeding by withdrawing from participation in this investigation. Accordingly, Commerce preliminarily determines that use of facts available is warranted for Juxin. Therefore, pursuant to sections 776(a)(1) and (a)(2)(A)-(C) of the Act, we are assigning Juxin to the China-wide entity.

3. Application of Facts Available with Respect to the China-Wide Entity

Commerce preliminarily finds that the China-wide entity, which includes Juxin and other Chinese exporters and/or producers that did not respond to Commerce's requests for information, failed to provide necessary information, withheld information requested by Commerce, failed to provide information in a timely manner, and significantly impeded the proceeding by not submitting the requested information. Accordingly, Commerce preliminarily determines that the use of facts available is warranted in determining the rate of the China-wide entity, pursuant to sections 776(a)(1) and (a)(2)(A)-(C) of the Act.¹⁰²

4. Application of Facts Available with an Adverse Inference

Section 776(b) of the Act provides that Commerce, in selecting from among the facts otherwise available, may use an inference that is adverse to the interests of a party if that party has failed to cooperate by not acting to the best of its ability to comply with a request for information. Commerce finds that the China-wide entity's failure to provide the requested information constitutes circumstances under which it is reasonable to conclude that the China-wide entity was not fully cooperative.¹⁰³ The China-wide entity neither filed documents indicating that it was having difficulty providing the information nor did it request to submit the information in an alternate form. Moreover, as discussed above, Juxin, who we preliminarily find to be part of the China-wide entity, withdrew from participation in the investigation and failed to completely respond to our AD questionnaire. Therefore, we preliminarily find that an adverse inference is

¹⁰¹ See *Fresh Garlic from the People's Republic of China: Final Results and Partial Rescission of Antidumping Duty Administrative Review and Final Results of New Shipper Reviews*, 71 FR 26329 (May 4, 2006), and accompanying IDM at Comment 1; see also *Xanthan Gum from the People's Republic of China: Final Results of Antidumping Duty New Shipper Review*, 80 FR 29615 (May 22, 2015), and accompanying IDM at Comment 1.

¹⁰² See, e.g., *Notice of Preliminary Determination of Sales at Less Than Fair Value, Affirmative Preliminary Determination of Critical Circumstances and Postponement of Final Determination: Certain Frozen Fish Fillets from the Socialist Republic of Vietnam*, 68 FR 4986, 4991 (January 31, 2003), unchanged in *Notice of Final Determination of Sales at Less Than Fair Value and Affirmative Critical Circumstances: Certain Frozen Fish Fillets from the Socialist Republic of Vietnam*, 68 FR 37116 (June 23, 2003).

¹⁰³ See *Nippon Steel Corporation v. United States*, 337 F.3d 1373, 1383 (Fed. Cir. 2003) (*Nippon Steel*) (noting that Commerce need not show intentional conduct existed on the part of the respondent, but merely that a "failure to cooperate to the best of a respondent's ability" existed (*i.e.*, information was not provided "under circumstances in which it is reasonable to conclude that less than full cooperation has been shown"))).

warranted in selecting from the facts otherwise available with respect to the China-wide entity in accordance with section 776(b) of the Act and 19 CFR 351.308(a).¹⁰⁴

5. Selection and Corroboration of the AFA Rate

When using facts otherwise available, section 776(c) of the Act provides that, where Commerce relies on secondary information (such as the Petition) rather than information obtained in the course of an investigation, it must corroborate, to the extent practicable, information from independent sources that are reasonably at its disposal. Secondary information is defined as information derived from the Petition that gave rise to the investigation or review, the final determination concerning the subject merchandise, or any previous review under section 751 of the Act concerning the subject merchandise.¹⁰⁵ The SAA clarifies that “corroborate” means that Commerce will satisfy itself that the secondary information to be used has probative value,¹⁰⁶ although Commerce is not required to corroborate any dumping margin applied in a separate segment of the same proceeding.¹⁰⁷ To corroborate secondary information, Commerce will, to the extent practicable, examine the reliability and relevance of the information to be used, although Commerce is not required to estimate what the dumping margin would have been if the interested party failing to cooperate had cooperated or to demonstrate that the dumping margin reflects an “alleged commercial reality” of the interested party.¹⁰⁸ Finally, under section 776(d) of the Act, Commerce may use any dumping margin from any segment of a proceeding under an antidumping order when applying an adverse inference, including the highest of such margins.¹⁰⁹

In selecting an AFA rate, Commerce selects a rate that is sufficiently adverse to ensure that the uncooperative party does not obtain a more favorable result by failing to cooperate than if it had fully cooperated.¹¹⁰ Consistent with sections 776(b)(2) and 776(d)(2) of the Act, in an investigation, Commerce’s practice with respect to the assignment of an AFA rate is to select the higher of: (1) the highest dumping margin alleged in the petition; or (2) the highest calculated dumping margin of any respondent in the investigation.¹¹¹ However, Commerce has used other rates, such as the highest transaction-specific margin of a cooperative respondent, as the basis for the AFA rate where it has determined use of the higher of the highest dumping margin alleged in the petition or the highest rate calculated for a respondent in the investigation would not be fair to the cooperative respondent and where the use of an alternative rate strikes an appropriate

¹⁰⁴ See *Nippon Steel*, 337 F.3d at 1382-83.

¹⁰⁵ See Statement of Administrative Action, H.R. Doc. No. 316, Vol. I, 103d Cong., 2d Sess. (1994) (SAA) at 870.

¹⁰⁶ *Id.*; see also 19 CFR 351.308(d).

¹⁰⁷ See section 776(c)(2) of the Act.

¹⁰⁸ See, e.g., *Tapered Roller Bearings and Parts Thereof, Finished and Unfinished, from Japan, and Tapered Roller Bearings, Four Inches or Less in Outside Diameter, and Components Thereof, from Japan*; *Preliminary Results of Antidumping Duty Administrative Reviews and Partial Termination of Administrative Reviews*, 61 FR 57391, 57392 (November 6, 1996), unchanged in *Tapered Roller Bearings and Parts Thereof, Finished and Unfinished, from Japan, and Tapered Roller Bearings, Four Inches or Less in Outside Diameter, and Components Thereof, from Japan*; *Final Results of Antidumping Duty Administrative Reviews and Termination in Part*, 62 FR 11825 (March 13, 1997).

¹⁰⁹ See section 776(d)(1)-(2) of the Act.

¹¹⁰ See SAA at 870.

¹¹¹ See, e.g., *Certain Uncoated Paper from Indonesia: Final Determination of Sales at Less Than Fair Value*, 81 FR 3101 (January 20, 2016).

balance between the goal of inducing future cooperation by the uncooperative respondent and the rate not being punitive.¹¹²

With respect to the AFA rate applied to the China-wide entity, we find it is most appropriate to apply the highest transaction-specific margin of the sole cooperative mandatory respondent, Sanmei, for the preliminary determination. As noted above, applying the highest transaction-specific margin of a cooperative respondent as a non-cooperative respondent's AFA rate is consistent with our approach in similar circumstances and has been sustained by the Court of Appeals for the Federal Circuit.¹¹³ Our normal method for determining the AFA rate would result in applying Sanmei's weighted-average dumping margin of 280.37 percent to the China-wide entity as AFA. However, using our normal method here is not only insufficient to induce cooperation, but it is also unfair to Sanmei and the separate rate respondents, which cooperated with Commerce in this investigation. Further, we find that the highest petition rate of 238.83 percent¹¹⁴ is insufficiently adverse to induce cooperation because it is lower than the weighted-average dumping margin of Sanmei. The SAA explains that, where a respondent has failed to cooperate under section 776(b) of the Act, Commerce is "to ensure that the party does not obtain a more favorable result by failing to cooperate than if it had cooperated fully" and that one factor that Commerce may consider in selecting adverse facts available is "the extent to which a party may benefit from its own lack of cooperation."¹¹⁵ In considering this factor, we find that applying the petition rate as the China-wide entity's total AFA rate would reward the China-wide entity for being uncooperative because that rate is lower than cooperative respondent Sanmei's calculated margin. We find that relying on Sanmei's highest transaction-specific dumping margin as the China-wide entity's AFA rate strikes an appropriate balance between the goals of inducing future cooperation and avoiding a punitive rate. The individual dumping margin selected does not involve an aberrational sale in terms of the type of product or quantity sold. The individual dumping margin is also within the mainstream of Sanmei's other calculated rates. Therefore, Commerce has preliminarily applied Sanmei's highest individual transaction-specific dumping margin of 280.48 to the China-wide entity as AFA. It is unnecessary to corroborate this rate because it was calculated using data obtained in the course of this investigation and, therefore, is not secondary information, pursuant to section 776(c) of the Act. The China-wide rate applies to all entries of subject merchandise except to entries from Sanmei and the other producers/exporters receiving a separate rate.

¹¹² See *Biodiesel from Indonesia: Final Determination of Sales at Less Than Fair Value*, 83 FR 8835 (March 1, 2018) (*Biodiesel from Indonesia*), and accompanying IDM at Comment 9; see also *Nan Ya Plastics Corp. v. United States*, 810 F.3d 1333, 1345-46 (Fed. Cir. 2016) (*Nan Ya*); and *Certain Non-Refillable Steel Cylinders from the People's Republic of China: Preliminary Affirmative Determination of Sales at Less Than Fair Value, Postponement of Final Determination and Extension of Provisional Measures*, 85 FR 68852 (October 30, 2020), and accompanying PDM at 18-19, unchanged in *Non-Refillable Steel Cylinders from the People's Republic of China: Final Affirmative Determination of Sales at Less Than Fair Value*, 86 FR 15188 (March 22, 2021), and accompanying IDM at "V. China-Wide Rate."

¹¹³ See *Biodiesel from Indonesia* IDM at Comment 9; see also *Nan Ya*, 810 F.3d at 1345-46.

¹¹⁴ See *Initiation Notice*, 86 FR at 8586.

¹¹⁵ See SAA at 870.

J. Critical Circumstances

On June 4, 2021, the petitioner filed a timely allegation, pursuant to section 733(e)(1) of the Act and 19 CFR 351.206(c)(1), alleging that critical circumstances exist with respect to imports of R-125 from China.¹¹⁶ On June 14, 2021, A-Gas USA, Inc., d/b/a A-Gas Americas (A-Gas) submitted a letter protesting the petitioner's allegation.¹¹⁷ However, the arguments contained in A-Gas's letter are either not relevant to our critical circumstances analysis under the statute, are assertions unsupported by factual information on the record, or have been overcome by case events, such as the solicitation of monthly Q&V data.¹¹⁸ Therefore, we have not considered A-Gas' arguments in our critical circumstances preliminary determination. On July 2, 2021, Commerce requested shipment data from Sanmei concerning the critical circumstances allegation.¹¹⁹ Sanmei responded to the Commerce's request for shipment data on July 15, 2021.¹²⁰

In accordance with 19 CFR 351.206(c)(2)(i), when a critical circumstances allegation is submitted more than 20 days before the scheduled date of the preliminary determination, Commerce must issue a preliminary finding of whether there is a reasonable basis to believe or suspect that critical circumstances exist no later than the date of the preliminary determination.

Legal Framework

Section 733(e)(1) of the Act provides that Commerce, upon receipt of a timely allegation of critical circumstances, will determine whether there is a reasonable basis to believe or suspect that: (A)(i) there is a history of dumping and material injury by reason of dumped imports in the United States or elsewhere of the subject merchandise, or (ii) the person by whom, or for whose account, the merchandise was imported knew or should know that the exporter was selling the subject merchandise at less than its fair value and that there was likely to be material injury by reason of such sales; and (B) there were massive imports of the subject merchandise over a relatively short period.

Further, 19 CFR 351.206(h)(1) provides that, in determining whether imports of the subject merchandise have been "massive," Commerce normally will examine: (i) the volume and value of the imports; (ii) seasonal trends; and (iii) the share of domestic consumption accounted for by the imports. In addition, 19 CFR 351.206(h)(2) provides that, "{i}n general, unless the imports during the 'relatively short period' . . . have increased by at least 15 percent over the imports during an immediately preceding period of comparable duration, the Secretary will not consider the imports massive." Section 351.206(i) of Commerce's regulations defines "relatively short period" generally as the period starting on the date the proceeding begins (*i.e.*, the date the Petition is filed) and ending at least three months later. This section of the regulations further provides that, if Commerce "finds that importers, or exporters or producers, had reason to

¹¹⁶ See Critical Circumstances Allegation.

¹¹⁷ See A-Gas' Letter, "Antidumping and Countervailing Duty Investigations of Pentafluoroethane (R-125) from the People's Republic of China: Rebuttal to the Petitioner's Critical Circumstances Allegation," dated June 14, 2021.

¹¹⁸ *Id.*; see also section 733(e) of the Act.

¹¹⁹ See Commerce's Letter, "Less-Than-Fair-Value Investigation of Pentafluoroethane (R-125) from the People's Republic of China: Request for Monthly Quantity and Value Shipment Data," dated July 2, 2021.

¹²⁰ See Sanmei CC Data.

believe, at some time prior to the beginning of the proceeding, that a proceeding was likely,” then Commerce may consider a period of not less than three months from that earlier time.

Critical Circumstances Allegation

In its allegation, the petitioner contends that, because Commerce has not yet made its preliminary determination in this investigation, Commerce may rely on the margins alleged in the Petition to decide whether importers knew, or should have known, that dumping was occurring.¹²¹ The estimated dumping margins for R-125 from China in the Petition range from 149.09 percent to 238.83 percent.¹²² Therefore, the petitioner maintains that there is information on the record of this investigation to impute knowledge to importers that R-125 from China was being sold in the United States at LTFV.¹²³

The petitioner also contends that, based on the preliminary determination of injury by the ITC, there is a reasonable basis to impute importers’ knowledge that material injury is likely by reason of such imports.¹²⁴

Finally, as part of its allegation and pursuant to 19 CFR 351.206(h)(2), the petitioner submitted import statistics for the subject merchandise covered by the scope of this investigation for the periods October 2020 through December 2020 and January 2021 through March 2021, as evidence of massive imports of R-125 from China during a relatively short period.¹²⁵

Analysis

Commerce’s normal practice in determining whether critical circumstances exist pursuant to the statutory criteria has been to examine evidence available to Commerce, such as: (1) the evidence presented in the petitioner’s critical circumstances allegation; (2) import statistics released by the ITC; and (3) shipment information submitted to Commerce by the respondents selected for individual examination.¹²⁶ As further provided below, in determining whether the above statutory criteria have been satisfied in this case, we have examined: (1) the evidence presented in the petitioner’s September 24, 2021 allegation; (2) information obtained since the initiation of this investigation; and (3) the ITC’s preliminary injury determination.

We considered each of the statutory criteria for finding critical circumstances below.

¹²¹ See Critical Circumstances Allegation at 4-5.

¹²² See *Initiation Notice*, 86 FR at 8586.

¹²³ See Critical Circumstances Allegation at 5.

¹²⁴ *Id.* at 4-5.

¹²⁵ *Id.* at Exhibit 1.

¹²⁶ See, e.g., *Notice of Final Determination of Sales at Less Than Fair Value and Affirmative Final Determination of Critical Circumstances: Circular Welded Carbon Quality Steel Pipe from the People’s Republic of China*, 73 FR 31970, 31972-73 (June 5, 2008); and *Final Determination of Sales at Less Than Fair Value and Affirmative Determination of Critical Circumstances: Small Diameter Graphite Electrodes from the People’s Republic of China*, 74 FR 2049, 2052-53 (January 14, 2009).

Section 733(e)(1)(A)(i) of the Act: History of dumping and material injury by reason of dumped imports in the United States or elsewhere of the subject merchandise

In order to determine whether there is a history of dumping pursuant to section 733(e)(1)(A)(i) of the Act, Commerce generally considers current or previous AD orders on subject merchandise from the country in question in the United States and current orders in any other country with regard to imports of subject merchandise.¹²⁷ There have been no previous orders on R-125 in the United States, and Commerce is not aware of the existence of any active AD orders on R-125 from China in other countries. As a result, Commerce does not find that there is a history of injurious dumping of R-125 from China pursuant to section 733(e)(1)(A)(i) of the Act.

Section 733(e)(1)(A)(ii) of the Act: Whether the person by whom, or for whose account, the merchandise was imported knew or should have known that the exporter was selling the subject merchandise at LTFV and that there was likely to be material injury by reason of such sales

In determining whether an importer knew or should have known that the exporter was selling subject merchandise at LTFV and that there was likely to be material injury by reason of such sales, Commerce must rely on the facts before it at the time the determination is made. Commerce generally bases its decision with respect to knowledge on the margins calculated in the preliminary determination and the ITC's preliminary injury determination.

Commerce normally considers margins of 25 percent or more for EP sales and 15 percent or more for constructed export price (CEP) sales sufficient to impute importer knowledge of sales at LTFV.¹²⁸ In this investigation Sanmei reported only EP sales,¹²⁹ and Sanmei's preliminary margin is 280.37 percent. Further, we are assigning a rate of 280.37 percent to the non-individually investigated companies qualifying for a separate rate, and a rate of 280.48 percent to the China-wide entity. Because the preliminary dumping margins exceed the threshold sufficient to impute knowledge of dumping, we preliminarily find for all producers/exporters of R-125 from China, that there is a reasonable basis to believe or suspect that all producers/ importers of R-125 knew, or should have known, that exporters were selling subject merchandise at LTFV.

In determining whether an importer knew or should have known that there was likely to be material injury caused by reason of such imports, Commerce normally will look to the

¹²⁷ See, e.g., *Certain Oil Country Tubular Goods from the People's Republic of China: Notice of Preliminary Determination of Sales at Less Than Fair Value, Affirmative Preliminary Determination of Critical Circumstances and Postponement of Final Determination*, 74 FR 59117, 59120 (November 17, 2009), unchanged in *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).

¹²⁸ See, e.g., *Carbon and Alloy Steel Wire Rod from Germany, Mexico, Moldova, Trinidad and Tobago, and Ukraine: Preliminary Determination of Critical Circumstances*, 67 FR 6224, 6225 (February 11, 2002) (*Steel Wire Rod Prelim*), unchanged in *Notice of Final Determination of Sales at Less Than Fair Value: Carbon and Certain Alloy Steel Wire Rod from Moldova*, 67 FR 55790 (August 30, 2002) (*Steel Wire Rod Final*); and *Affirmative Preliminary Determination of Critical Circumstances: Magnesium Metal from the People's Republic of China*, 69 FR 59187 (October 4, 2004) (*Magnesium Metal Prelim*), unchanged in *Final Determination of Sales at Less Than Fair Value and Affirmative Critical Circumstances: Magnesium Metal from the People's Republic of China*, 70 FR 9037 (February 24, 2005) (*Magnesium Metal Final*).

¹²⁹ See Sanmei CQR at C-9.

preliminary injury determination of the ITC.¹³⁰ If the ITC finds a reasonable indication of present material injury to the relevant U.S. industry, Commerce will determine that a reasonable basis exists to impute importer knowledge that material injury is likely by reason of such imports.¹³¹ Therefore, because the ITC preliminarily found a reasonable indication that an industry in the United States is materially injured by imports of R-125 from China,¹³² Commerce determines that importers knew or should have known that there was likely to be material injury by reason of sales of R-125 at LTFV by all producers/exporters of R-125 from China.

Section 733(e)(1)(B) of the Act: Whether There Have Been Massive Imports Over a Relatively Short Period

As detailed in the “Legal Framework” section, Commerce considers an increase in the imports during the ‘relatively short period’ of at least 15 percent over the imports during an immediately preceding period of comparable duration to be evidence of a ‘massive’ increase. In determining whether a massive increase has occurred, the comparison period is normally compared to a corresponding period prior to the filing of the Petition (*i.e.*, the base period). Moreover, it is Commerce’s practice to base the critical circumstances analysis on all available data, using base and comparison periods of no less than three months.¹³³ Further, Commerce’s practice is to limit the comparison period by the month that Commerce began suspension of liquidation resulting from an affirmative preliminary determination.¹³⁴ However, when, as is the case here, there is a companion CVD investigation, we limit the duration of the comparison period by the month that Commerce began imposing preliminary countervailing duties on subject imports¹³⁵

Commerce compared the import volumes of Sanmei’s reported shipments of subject merchandise for the six months immediately preceding and following the filing of the Petition. Because Commerce began imposing preliminary countervailing duties on subject merchandise

¹³⁰ See, e.g., *Certain Potassium Phosphate Salts from the People’s Republic of China: Preliminary Affirmative Determination of Critical Circumstances in the Antidumping Duty Investigation*, 75 FR 24572, 24573 (May 5, 2010).

¹³¹ See, e.g., *Steel Wire Rod Prelim*, 67 FR at 6225, unchanged in *Steel Wire Rod Final*; and *Magnesium Metal Prelim*, 70 FR at 5607, unchanged in *Magnesium Metal Final*.

¹³² See *ITC Prelim*.

¹³³ See, e.g., *Notice of Preliminary Determination of Sales at Less Than Fair Value Postponement of Final Determination, and Affirmative Preliminary Determination of Critical Circumstances: Certain Frozen and Canned Warmwater Shrimp from India*, 69 FR 47111, 47118-19 (August 4, 2004), unchanged in *Notice of Final Determination of Sales at Less Than Fair Value and Negative Determination of Critical Circumstances: Certain Frozen and Canned Warmwater Shrimp from India*, 69 FR 76916 (December 23, 2004); and *Notice of Final Determination of Sales at Less Than Fair Value and Negative Final Determination of Critical Circumstances: Certain Color Television Receivers from the People’s Republic of China*, 69 FR 20594 (April 16, 2004), and accompanying IDM at Comment 3.

¹³⁴ See, e.g., *Certain Steel Wheels 12 to 16.5 Inches in Diameter from the People’s Republic of China: Final Affirmative Determination of Sales at Less Than Fair Value, and Final Affirmative Determination of Critical Circumstances*, 84 FR 32707 (July 9, 2019), and accompanying IDM at “V. Affirmative Determination of Critical Circumstances”; and *Certain Quartz Surface Products from the People’s Republic of China: Final Affirmative Determination of Sales at Less Than Fair Value, and Final Affirmative Determination of Critical Circumstances*, 84 FR 23767 (May 23, 2019) (*Quartz Surface Products from China*), and accompanying IDM at 2.

¹³⁵ See, e.g., *Quartz Surface Products from China* IDM at Comment 2; and *Truck and Bus Tires from the People’s Republic of China: Final Affirmative Determinations of Sales at Less Than Fair Value and Critical Circumstances*, 82 FR 8599 (January 27, 2017), and accompanying IDM at Comment 28.

beginning on June 25, 2021,¹³⁶ we have limited our comparison period to this month. Because the Petition was filed on January 12, 2021, and in order to determine whether there was a massive surge in imports for the mandatory respondent, Sanmei, Commerce compared the total volume of shipments during the period July 2020 through December 2020 (*i.e.*, the base period) with the total volume of shipments during the period of January 2021 through June 2021 (*i.e.*, the comparison period).¹³⁷ We preliminarily determine that imports from Sanmei increased by more than 15 percent between the base and comparison period.¹³⁸

However, for purposes of our “massive imports” determination, we received information on the record about seasonality with respect to Sanmei’s imports which we considered as part of our analysis. Sanmei stated that, while it did experience a massive surge of imports of R-125 between the base and comparison periods, this surge was seasonal in nature.¹³⁹ Sanmei also provided its shipment data for comparable periods in 2018-2019 and 2019-2020.¹⁴⁰ Based on our analysis of Sanmei’s shipment data reported for 2018 through 2021, we preliminarily find that there is a consistent pattern of seasonality evidenced by a significant increase in shipments during the months of January through June (in 2019, 2020, and 2021), when compared to July through December (in 2018, 2019, and 2020).¹⁴¹ As a result, we preliminarily find that the record reflects that any surge in Sanmei’s imports between the base and comparison period in this investigation can be explained by seasonal trends. Therefore, we preliminarily determine that, although the surge in imports of R-125 from Sanmei during the comparison period was massive, the import surge was massive as a result of seasonal trends, and, therefore, critical circumstances do not exist for Sanmei, in accordance with section 733(e)(1)(B) of the Act.

To determine whether imports were massive for the non-selected companies receiving a separate rate, Commerce’s normal practice is to subtract shipments reported by the cooperating mandatory respondents from shipment data for subject merchandise from GTA.¹⁴² However, the HTSUS number under which the subject merchandise entered the United States during this time period is a basket category under which non-subject merchandise may have entered.¹⁴³ Therefore, consistent with our practice, we preliminarily relied on the data of the cooperating mandatory respondent as “facts available,” in accordance with section 776(a)(1) of the Act, to determine whether imports from the non-selected companies receiving a separate rate were

¹³⁶ See *Pentafluoroethane (R-125) from the People’s Republic of China: Preliminary Affirmative Countervailing Duty Determination and Alignment of Final Determination with Final Antidumping Duty Determination*, 86 FR 33648 (June 25, 2021).

¹³⁷ See Sanmei CC Data.

¹³⁸ See Memorandum, “Critical Circumstances Analysis for the Preliminary Determination,” dated concurrently with this memorandum (Critical Circumstances Analysis).

¹³⁹ See Sanmei CC Data at 3.

¹⁴⁰ *Id.* at Attachment 1.

¹⁴¹ See Critical Circumstances Analysis.

¹⁴² See, e.g., *Antidumping Duty Investigation on Refillable Stainless Steel Kegs from Mexico: Preliminary Affirmative Determination of Critical Circumstances*, 84 FR 18796, 18798 (May 2, 2019) (*Kegs from Mexico Preliminary Critical Circumstances Determination*), unchanged in *Refillable Stainless Steel Kegs from Mexico: Final Affirmative Determination of Sales at Less Than Fair Value and Final Affirmative Determination of Critical Circumstances*, 84 FR 42894 (August 19, 2019).

¹⁴³ During the base and comparison period, R-125 was entered into the United States under HTSUS 2903.39.2035, which also covered difluoromethane (R-32) and 1,1,1-trifluoroethane (R-143a). However, beginning on July 1, R-125 is covered under its own HTSUS number: 2903.39.2038. See HTSUS 2021 Basic Revision 5.

massive.¹⁴⁴ Because we preliminarily determine that imports from Sanmei increased by more than 15 percent between the base and comparison periods, we also preliminarily determine that imports for the non-selected companies receiving a separate rate were massive.

Because, as explained above, the China-wide entity has been unresponsive, as AFA, we preliminarily find there to be massive imports for the China-wide entity, pursuant to section 733(e)(1)(B) of the Act and 19 CFR 351.206(c)(2)(i).

Therefore, based on the above analysis, we preliminarily find that critical circumstances did not exist for Sanmei and did exist for the non-selected companies receiving a separate rate and the China-wide entity (including Juxin).

K. Date of Sale

Section 351.401(i) of Commerce's regulations states that, in identifying the date of sale of the subject merchandise, Commerce normally will use the date of invoice, as recorded in the exporter or producer's records kept in the ordinary course of business. Additionally, Commerce may use a date other than the date of invoice if it is satisfied that a different date better reflects the date on which the exporter or producer establishes the material terms of sale.¹⁴⁵ Finally, Commerce has a long-standing practice of finding that, where the shipment date precedes the invoice date, the shipment date better reflects the date on which the material terms of sale are established.¹⁴⁶

Sanmei reported the sale contract date as its date of sale and argued that sales contract date was the appropriate date of sale because the material terms of sale are fixed after the contract is issued to the customer.¹⁴⁷ Sanmei states that, as part of the sales contract, the buyer agrees that the quantity of subject merchandise established in the sales contract may change within a five percent tolerance level of the agreed purchase quantity, but that the negotiated price will remain the same.¹⁴⁸ Further, Sanmei states that once the actual quantity is established, the invoice will include the exact amount and is not subject to change.¹⁴⁹ However, Sanmei also reports that for certain sales, "{d}ue to the limitation of booking space, the customer allows {Sanmei} to freely switch between the Port of Newark and the Port of New York," and "ISO Tank charges are normally set by the sales contract," but Sanmei does not consider the ISO tank charge as a necessary term of the invoice and, thus, does not include it in the invoice.¹⁵⁰ After noting these changes, we requested further documentation to confirm Sanmei's statements; however, Sanmei

¹⁴⁴ See, e.g., *Kegs from Mexico Preliminary Critical Circumstances Determination*, 84 FR at 18798.

¹⁴⁵ See 19 CFR 351.401(i); see also *Allied Tube & Conduit Corp. v. United States*, 132 F. Supp. 2d 1087, 1090 (CIT 2001) (quoting 19 CFR 351.401(i)).

¹⁴⁶ See, e.g., *Certain Frozen Warmwater Shrimp from Thailand: Final Results and Final Partial Rescission of Antidumping Duty Administrative Review*, 72 FR 52065 (September 12, 2007) (*Shrimp from Thailand*), and accompanying IDM at Comment 11; and *Notice of Final Determination of Sales at Less Than Fair Value: Structural Steel Beams from Germany*, 67 FR 35497 (May 20, 2002) (*Steel Beams from Germany*), and accompanying IDM at Comment 2.

¹⁴⁷ See Sanmei AQR at 28; see also Sanmei SAQR at 1-3.

¹⁴⁸ See Sanmei SAQR at 2-3.

¹⁴⁹ *Id.* at 3.

¹⁵⁰ See Sanmei SACQR at 4-5.

did not provide the requested documentation (*i.e.*, sales contracts) and, thus, failed to demonstrate that the material terms of sale did not change after the date of shipment.¹⁵¹ Therefore, consistent with Commerce's long-standing practice,¹⁵² we used the earlier of invoice or shipment date as the date of sale for Sanmei in our preliminary margin calculations.

L. Fair Value Comparisons

In accordance with section 777A(d)(1)(A) of the Act, Commerce compared the weighted-average price of the U.S. sales of subject merchandise to the weighted-average NV to determine whether the mandatory respondents sold subject merchandise to the United States at LTFV during the POI.¹⁵³

M. Export Price

In accordance with section 772(a) of the Act, Commerce defined the U.S. price of subject merchandise based on export price (EP) for Sanmei's sales.¹⁵⁴ Commerce calculated EP based on the prices at which subject merchandise was sold to unaffiliated purchasers in the United States. We calculated EP based on packed prices to unaffiliated customers in the United States. We made deductions, as appropriate, from the starting price for movement expenses (*i.e.*, foreign inland freight, foreign brokerage and handling, ocean freight, marine insurance, and ISO tank rentals¹⁵⁵), in accordance with section 772(c)(2)(A) of the Act. We based movement expenses on SVs where the service was purchased from a Chinese company.¹⁵⁶

N. Value-Added Tax (VAT)

In 2012, Commerce announced a change of methodology with respect to the calculation of EP and CEP to include an adjustment of any irrecoverable VAT in certain NME countries in accordance with section 772(c)(2)(B) of the Act.¹⁵⁷ Commerce explained that when an NME government imposes an export tax, duty, or other charge on subject merchandise, or on inputs used to produce subject merchandise, from which the respondent was not exempted, Commerce will reduce the respondent's EP and CEP prices accordingly by the amount of the tax, duty, or charge paid but not rebated where the EP and CEP prices include such amount.¹⁵⁸ The amount of irrecoverable VAT is a liability calculated based on the standard VAT rate and the refund rate specific to the exported good. Where the irrecoverable VAT is a fixed percentage of EP or CEP,

¹⁵¹ *Id.* at 9 and Exhibit SC-8.

¹⁵² See, e.g., *Notice of Final Determination of Sales at Less Than Fair Value and Negative Final Determination of Critical Circumstances: Certain Frozen and Canned Warmwater Shrimp from Thailand*, 69 FR 76918 (December 23, 2004), and accompanying IDM at Comment 10.

¹⁵³ See "Export Price" and "Normal Value," below.

¹⁵⁴ See Sanmei CQR at 9.

¹⁵⁵ While the value of an ISO tank rental is deducted from the U.S. price side of the dumping margin calculations for Sanmei, we discuss the source of the surrogate value for ISO tank rental in the "Normal Value" section of this memorandum, below.

¹⁵⁶ See "Factor Valuation Methodology," below.

¹⁵⁷ See *Methodological Change for Implementation of Section 772(c)(2)(B) of the Tariff Act of 1930, as Amended, In Certain Non-Market Economy Antidumping Proceedings*, 77 FR 36481 (June 19, 2012).

¹⁵⁸ *Id.*; see also *Chlorinated Isocyanurates from the People's Republic of China: Final Results of Antidumping Duty Administrative Review; 2011-2012*, 79 FR 4875 (January 30, 2014), and accompanying IDM at Comment 5.A.

Commerce explained that the final step in arriving at a tax neutral dumping comparison is to reduce the EP or CEP downward by this same percentage.¹⁵⁹

Commerce's methodology, as explained above and applied in this investigation, incorporates two basic steps: (1) determine the amount of irrecoverable VAT on subject merchandise; and (2) reduce EP or CEP price by the amount determined in step one. Information placed on the record of this investigation by Sanmei indicates that, according to the Chinese VAT schedule, the standard VAT rate is 13 percent and the refund rate for R-125 is 13 percent and that the EPs do not include irrecoverable VAT.¹⁶⁰ Consistent with Commerce's standard methodology, for purposes of this preliminary determination, we would reduce EP or CEP by the amount of irrecoverable VAT included in the EP or CEP price, calculated as the difference between those rates (*i.e.*, zero percent) and applied to the export sales value, consistent with the definition of irrecoverable VAT under Chinese tax law and regulation. However, because the difference between the tax rate and the refund rate is zero and there is no irrecoverable VAT included in the EP, we made no adjustments for irrecoverable VAT for the preliminary determination.

O. Normal Value

Section 773(c)(1) of the Act provides that Commerce shall determine NV using the FOP methodology if the merchandise is exported from an NME and the information does not permit the calculation of NV using home market prices, third-country prices, or constructed value under section 773(a) of the Act. Commerce bases NV on FOPs because the presence of government controls on various aspects of NMEs renders price comparisons and the calculation of production costs invalid under Commerce's normal methodologies.¹⁶¹ Therefore, in accordance with sections 773(c)(3) and (4) of the Act and 19 CFR 351.408(c), Commerce calculated NV based on FOPs. Under section 773(c)(3) of the Act, FOPs include, but are not limited to: (1) hours of labor required; (2) quantities of raw materials employed; (3) amounts of energy and other utilities consumed; and (4) representative capital costs.¹⁶²

Factor Valuation Methodology

In accordance with section 773(c) of the Act, Commerce calculated NV based on FOP data reported by Sanmei. To calculate NV, Commerce multiplied the reported per-unit factor-consumption rates by publicly available SVs. Commerce's practice when selecting the best available information for valuing FOPs is to select, to the extent practicable, SVs that are product-specific, representative of a broad market average, publicly available, contemporaneous with the POI, and exclusive of taxes and duties.¹⁶³

¹⁵⁹ *Id.*

¹⁶⁰ See Sanmei CQR at 33-35.

¹⁶¹ See, *e.g.*, *Preliminary Determination of Sales at Less Than Fair Value, Affirmative Critical Circumstances, In Part, and Postponement of Final Determination: Certain Lined Paper Products from the People's Republic of China*, 71 FR 19695, 19703 (April 17, 2006), unchanged in *Notice of Final Determination of Sales at Less Than Fair Value, and Affirmative Critical Circumstances, In Part: Certain Lined Paper Products from the People's Republic of China*, 71 FR 53079 (September 8, 2006).

¹⁶² See section 773(c)(3)(A)-(D) of the Act.

¹⁶³ See, *e.g.*, *Electrolytic Manganese Dioxide from the People's Republic of China: Final Determination of Sales at Less Than Fair Value*, 73 FR 48195 (August 18, 2008), and accompanying IDM at Comment 2.

When selecting the SVs, Commerce considered, among other factors, the quality, specificity, and contemporaneity of the data.¹⁶⁴ As appropriate, Commerce adjusted input prices by including freight costs to make them delivered prices. Specifically, Commerce added a surrogate freight cost, where appropriate, to surrogate input values using the shorter of the reported distance from the domestic supplier to the respondent's factory or the distance from the nearest port to the respondent's factory.¹⁶⁵ A detailed description of all SVs used for Sanmei can be found in the Preliminary SV Memorandum.

1. Direct Materials

For this preliminary determination, Commerce used Russian import data, as published by GTA, and data from other publicly available sources from Russia to calculate SVs for respondents' FOPs. In accordance with section 773(c)(1) of the Act, Commerce applied the best available information for valuing FOPs by selecting, to the extent practicable, SVs that are: (1) non-export average values; (2) contemporaneous with, or closest in time to, the POI; (3) product-specific; and (4) tax-exclusive.¹⁶⁶ The record shows that Russian import data obtained through GTA, as well as data from other Russian sources, are broad market averages, product-specific, tax-exclusive, and generally contemporaneous with the POI.¹⁶⁷ In those instances where Commerce could not obtain information contemporaneous with the POI with which to value FOPs, Commerce adjusted the SVs using, where appropriate, Russia's producer price index (PPI) or consumer price index (CPI) (*i.e.*, for labor costs), as published in the International Monetary Fund's (IMF's) International Financial Statistics. Generally, where we used Russian PPI to adjust data that was not contemporaneous with the POI, we deflated the non-contemporaneous rates because Russian PPI was higher, on average, pre-dating the POI.¹⁶⁸

Commerce continues to apply its long-standing practice of disregarding SVs if it has a reason to believe or suspect the source data may be dumped or subsidized.¹⁶⁹ In this regard, Commerce has previously found that it is appropriate to disregard such prices from India, Indonesia, South Korea, and Thailand because we have determined that these countries maintain broadly available, non-industry specific export subsidies.¹⁷⁰ Based on the existence of these subsidy

¹⁶⁴ See, e.g., *Certain New Pneumatic Off-the-Road Tires from the People's Republic of China: Final Affirmative Determination of Sales at Less Than Fair Value and Partial Affirmative Determination of Critical Circumstances*, 73 FR 40485 (July 15, 2008), and accompanying IDM at Comment 9.

¹⁶⁵ See *Sigma Corp. v. United States*, 117 F.3d 1401, 1407-08 (Fed. Cir. 1997).

¹⁶⁶ See, e.g., *Notice of Preliminary Determination of Sales at Less Than Fair Value, Negative Preliminary Determination of Critical Circumstances and Postponement of Final Determination: Certain Frozen and Canned Warmwater Shrimp from the Socialist Republic of Vietnam*, 69 FR 42672, 42682 (July 16, 2004), unchanged in *Final Determination of Sales at Less Than Fair Value: Certain Frozen and Canned Warmwater Shrimp from the Socialist Republic of Vietnam*, 69 FR 71005 (December 8, 2004).

¹⁶⁷ See Preliminary SV Memorandum.

¹⁶⁸ *Id.* at Exhibit 2-A.

¹⁶⁹ See section 773(c)(5) of the Act (permitting Commerce to disregard price or cost values without further investigation if it has determined that certain subsidies existed with respect to those values).

¹⁷⁰ See, e.g., *Certain Frozen Warmwater Shrimp from India: Final Results of Antidumping Duty Administrative Review and Final No Shipment Determination; 2011-2012*, 78 FR 42492 (July 16, 2013), and accompanying IDM at 7-19; *Certain Lined Paper Products from Indonesia: Final Results of the Expedited Sunset Review of the Countervailing Duty Order*, 76 FR 73592 (November 29, 2011), and accompanying IDM at 1; *Cut-to-Length*

programs that were generally available to all exporters and producers in these countries at the time of the POI, Commerce finds that it is reasonable to infer that all exporters from India, Indonesia, South Korea, and Thailand may have benefitted from these subsidies. Therefore, Commerce has not used prices from these countries in calculating Russian import-based SVs.

Additionally, Commerce disregarded data from NME countries when calculating Russian import-based per-unit SVs.¹⁷¹ Commerce also excluded imports labeled as originating from an “unidentified” country from the calculation of Russian import-based per-unit SVs because Commerce could not be certain that these imports were not from either an NME country or a country with generally available export subsidies.¹⁷²

Pursuant to 19 CFR 351.408(c)(1), where a factor is produced in one or more ME countries, purchased from one or more ME suppliers, and paid for in an ME currency, Commerce normally will use the prices paid to the ME suppliers if substantially all (*i.e.*, 85 percent or more) of the total volume of the factor is purchased from the ME suppliers. In those instances where less than substantially all the total volume of the factor is produced in one or more ME countries and purchased from one or more ME suppliers, Commerce will weight-average the actual prices paid for the ME portion and the SV for the NME portion by their respective quantities. Sanmei purchased certain material inputs that were produced in ME countries, from ME suppliers, and paid for in an ME currency during the POI.¹⁷³ Thus, where appropriate, Commerce valued those material inputs, according to the methodology stated above, using ME prices in the preliminary determination.

Commerce used Russian import statistics from GTA to value raw materials, and certain energy inputs, except as listed below.

2. Labor

In NME AD proceedings, Commerce prefers to value labor solely based on data from the primary surrogate country.¹⁷⁴ In *Labor Methodologies*, Commerce determined that the best methodology to value the labor input is to use industry-specific labor rates from the primary surrogate country. Additionally, Commerce determined that the best data source for industry-specific labor rates is Chapter 6A: Labor Cost in Manufacturing from the International Labor Organization Yearbook of Labor Statistics. Commerce does not, however, preclude the use of other sources for valuing labor. Rather, we continue to follow our practice of selecting the best

Carbon-Quality Steel Plate from the Republic of Korea: Final Results of Countervailing Duty Administrative Review; 2012, 79 FR 46770 (August 11, 2014), and accompanying IDM at 4; and *Certain Frozen Warmwater Shrimp from Thailand: Final Negative Countervailing Duty Determination*, 78 FR 50379 (August 19, 2013), and accompanying IDM at IV.

¹⁷¹ See *Notice of Preliminary Determination of Sales at Less Than Fair Value and Postponement of Final Determination: Chlorinated Isocyanurates from the People's Republic of China*, 69 FR 75294, 75301 (December 16, 2004), unchanged in *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).

¹⁷² *Id.*

¹⁷³ See Sanmei DQR at 3 and Exhibit D-4.

¹⁷⁴ See *Antidumping Methodologies in Proceedings Involving Non-Market Economies: Valuing the Factor of Production: Labor*, 76 FR 36092 (June 21, 2011) (*Labor Methodologies*).

available information. Here, we valued labor using industry-specific hourly labor data from the Federal State Statistics Service of Russia (ROSSTAT), within the “production of chemicals and chemical products” industry, and we find no record evidence that the labor data include taxes similar to VAT or excise tax. We inflated these rates using the Russian CPI because they were not contemporaneous with the POI.¹⁷⁵

3. Electricity

We valued electricity using data from the World Bank’s *Doing Business 2020: Russian Federation (Doing Business 2020: Russia)* publication, which contains pricing data for the period June 2018 through May 2019 for electricity rates for Russia.¹⁷⁶ We deflated these rates using the Russian PPI because they were not contemporaneous with the POI.¹⁷⁷

4. Water

We valued water and steam using data from utility companies in St. Petersburg and Moscow: SUE “Vodokanal of St. Petersburg” (SUE) and JSC Mosvodokanal (Mosvodokanal). The data for SUE were for the period July through December 2020.¹⁷⁸ The data for Mosvodokanal were for the periods January 2019 through June 2019 and July 2019 through December 2019.¹⁷⁹ Because the Mosvodokanal rates predated the POI, we adjusted them using the Russian PPI.¹⁸⁰ While we would usually use exclusively data contemporaneous with the POI, Commerce prefers to use SVs that represent broad market averages. While the Mosvodokanal water rates are not contemporaneous with the POI, neither the Mosvodokanal nor the SUE rates are representative of broad market averages by themselves. Thus, we used an average of the adjusted water rates for both SUE and Mosvodokanal to obtain an SV for water and steam.

5. Natural gas

We valued natural gas using rates established in an order published by the Russian Federal Antimonopoly Service, which contains wholesale natural gas prices for natural gas for 69 different regions and republics within Russia for the period July 1, 2019, onward.¹⁸¹

6. Coal

We valued coal using Russian import statistics from GTA; specifically, HTS subheading 2701.12 (“Bituminous Coal, Whether Or Not Pulverized, But Not Agglomerated”).¹⁸² These energy rates represent publicly available, broad-market averages.

¹⁷⁵ See Preliminary SV Memorandum at Exhibit 2-C.

¹⁷⁶ See Petitioner 1st SV Submission at Exhibit SV-3.1; see also Sanmei 1st SV submission at Exhibit 4.

¹⁷⁷ See Preliminary SV Memorandum at Exhibit 2-C.

¹⁷⁸ See Petitioner SV Comments at Exhibit SV-2.

¹⁷⁹ See Sanmei 1st SV Comments at Exhibit 4.

¹⁸⁰ See Preliminary SV Memorandum at Exhibit 2-C.

¹⁸¹ See Petition Volume II at Exhibit II-15b.

¹⁸² The description for HTS code 2701.12.41.0000 is provided by GTA.

7. Movement Expenses

We valued foreign inland truck freight expenses (both for import and export) using data from the World Bank's *Doing Business 2020: Russia* publication.¹⁸³ We also valued brokerage and handling (B&H) expenses using this data source, which provided a price list of export procedures necessary to export a standardized cargo of goods in Russia.¹⁸⁴ Because these data predate the POI, we adjusted these prices using the Russian PPI to be contemporaneous with the POI.¹⁸⁵

We valued marine insurance expenses using a 2010 rate offered by RJG Consultants, an ME provider of marine insurance.¹⁸⁶ The rate is a percentage of the dollar value of the shipment; thus, we did not inflate or deflate the rate.

We valued ocean freight expenses based on rates identified by the website *icontainers.com* for shipping from Qingdao and Yantian, China, to New Orleans, LA. These rates are publicly available and are contemporaneous with the POI.¹⁸⁷ We calculated a per-unit ocean freight rate using the standard net weight of a shipment of R-125 (*i.e.*, 18,000 kilograms) as provided by the petitioner.¹⁸⁸

We valued ISO tank rentals using the petitioner's own average ISO tank lease rates for calendar year 2020.¹⁸⁹ This data provides the total lease fee for ISO tanks incurred by the petitioner, as well as the length of the lease in days. Using this information, we determined a daily ISO tank lease rate. Then, using the transit time of the above-mentioned ocean freight shipping routes, as provided by *icontainers.com*,¹⁹⁰ we calculated a total lease rate for a shipment of R-125. Finally, we calculated a per-unit ISO tank rental SV by dividing the total shipment rate by the standard net weight of a shipment of R-125.¹⁹¹ Since these data were contemporaneous with the POI, we did not inflate or deflate them. As noted above, we did not use the ISO tank SV in our calculation of NV, but, rather, we deducted this per-unit SV from U.S. price as a movement expense, in accordance with section 772(c)(2)(A) of the Act.

8. Financial Ratios

According to 19 CFR 351.408(c)(4), Commerce is directed to value overhead; selling, general, and administrative expenses (SG&A); and profit using non-proprietary information gathered from producers of merchandise that is identical or comparable to the merchandise under consideration in the surrogate country. Commerce's preference is to derive surrogate overhead

¹⁸³ See Petitioner 1st SV Submission at Exhibit SV-3.1; *see also* Sanmei 1st SV submission at Exhibit 4.

¹⁸⁴ *Id.*

¹⁸⁵ See Preliminary SV Memorandum at Exhibit 2-C.

¹⁸⁶ See Petitioner 2nd SV Submission at Exhibit SV-1.

¹⁸⁷ See Petition Volume II at Exhibit II-6a.

¹⁸⁸ See Petitioner's Letter, "R-125 (Pentafluoroethane) from the People's Republic of China: Honeywell International Inc.'s Supplemental Questionnaire Response," dated January 19, 2021 (Petitioner 1st Petition Supplemental Response), at 5.

¹⁸⁹ *Id.* at Exhibit Supp-II-20 (Public Version).

¹⁹⁰ See Petition Volume II at Exhibit II-6a.

¹⁹¹ See Petitioner 1st Petition Supplemental Response at 5.

expenses, SG&A, and profit using financial statements that cover a period that is contemporaneous with the POI,¹⁹² show a profit, are from companies with a production experience similar to the respondents' production experience, and are not distorted or otherwise unreliable, such as financial statements that indicate the company received countervailable subsidies.¹⁹³

The record contains financial statements for HaloPolymer Kirovo-Chepetsk LLC (HaloPolymer) for the years 2018 and 2020.¹⁹⁴ HaloPolymer is a Russian producer of identical and comparable merchandise to the merchandise under consideration. Neither set of financial statements is distorted or otherwise unreliable due to countervailable subsidies.¹⁹⁵ However, Sanmei posits that, while Commerce relied on HaloPolymer's 2018 financial statements for purposes of initiation, Commerce should rely on HaloPolymer's 2020 financial statements because they are contemporaneous with the POI.¹⁹⁶ The petitioner argues that the HaloPolymer's 2020 financials are not suitable surrogates for financial ratios statements because: (1) they are considered proprietary information in other antidumping and countervailing duty proceedings and the nature by which Sanmei acquired the 2020 statements seems dubious;¹⁹⁷ (2) there is not enough time to analyze the information thoroughly before the preliminary determination; (3) Sanmei translated the 2020 statements using Google Translate, which should be considered unreliable as a comparison of the 2018 and 2020 statements shows significant quality and clarity issues regarding the translation; (4) COVID-19 pandemic rendered extreme hardship on HaloPolymer's operations;¹⁹⁸ and (5) HaloPolymer's stability in 2020 is questionable as it suffered major losses and was only profitable with the addition of "other income."¹⁹⁹ Further, the petitioner contends that Commerce should disregard financial statements that only demonstrated a profit due to subsidies or other income that is unrelated to the production and sale of the comparable merchandise.²⁰⁰ According to Sanmei, however, the 2020 HaloPolymer financial statements were obtained through the "Electronic Ecologist," a Russian website that operates free of charge

¹⁹² See *Certain Frozen Fish Fillets from the Socialist Republic of Vietnam: Final Results of Antidumping Duty Administrative Review and New Shipper Reviews; 2010-2011*, 78 FR 17350 (March 21, 2013), and accompanying IDM at Comment 1.

¹⁹³ See *Hand Trucks and Certain Parts Thereof from the People's Republic of China: Final Results of Antidumping Duty Administrative Review; 2010-2011*, 78 FR 28801 (May 16, 2013), and accompanying IDM at Comment 2; see also *Certain Kitchen Appliance Shelving and Racks from the People's Republic of China; 2010-2011; Final Results of Antidumping Duty Administrative Review*, 78 FR 5414 (January 25, 2013) (*Kitchen Appliance Shelving from China*), and accompanying IDM at Comment 1.

¹⁹⁴ See Petitioner Volume II at Exhibits II-3 and II-12; see also Sanmei 2nd SV Submission.

¹⁹⁵ In the Petitioner's 2nd Pre-Prelim Comments, the Petitioner states that HaloPolymer received subsidies during the POI, as shown in the financial statements for year 2020. See Petitioner 2nd Pre-Prelim Comments at 4. However, we note that the petitioner does not point to any evidence that the subsidies received were countervailable. Moreover, we note that HaloPolymer's 2018 financial statements also received subsidies for the "cost of transportation of high-tech products" and "to finance preventive measures to reduce industrial injuries and occupational diseases." See Petitioner Volume II at Exhibit II-3c.

¹⁹⁶ See Sanmei 2nd SV Submission at 3.

¹⁹⁷ See Petitioner 2nd Pre-Prelim Comments at 2.

¹⁹⁸ *Id.* at 3 (citing Sanmei 2nd SV Submission at Exhibit 1, Section "17. RISKS.").

¹⁹⁹ *Id.* at 3-4.

²⁰⁰ *Id.* at 4 (citing *Glycine from The People's Republic of China: Final Results of Antidumping Duty Administrative Review*, 75 FR 41121 (August 14, 2009), and accompanying IDM at Comment 1.

and posts financial statements and audit reports of Russian companies, and is otherwise generally available to the public.²⁰¹

As stated above, Commerce's preference is to derive surrogate overhead expenses, SG&A, and profit using financial statements that cover a period that is contemporaneous with the POI, show a profit, are from companies with a production experience similar to the respondents' production experience, and are not distorted or otherwise unreliable, such as financial statements that indicate the company received countervailable subsidies. While the HaloPolymer 2020 financial statements are contemporaneous with the POI, we find that the financial stability of HaloPolymer is questionable given the limited information that is translated into English. Specifically, HaloPolymer's 2020 financial statements show a "profit (loss) before tax" of 22,933 thousand rubles, but that profit includes "other income" and "other expenses" of 367,371 and -343,277 thousand rubles, respectfully.²⁰² After removing other income and expenses, HaloPolymer suffered a loss of 1,161 thousand rubles in 2020.²⁰³ Since HaloPolymer was not profitable in 2020, we look to HaloPolymer's 2018 financial statements, which was the last year in which HaloPolymer was profitable and for which we have financial statements on the record, and we find the 2018 financial statements suitable to derive overhead expenses, SG&A, and profit, pursuant to our practice.²⁰⁴ Therefore, for the preliminary determination, we calculated surrogate financial ratios (*i.e.*, manufacturing overhead, SG&A, and profit) using HaloPolymer's 2018 financial statements.²⁰⁵

P. By-product Offset

Sanmei provided information regarding its reported by-products of fluosilicic acid, fluorine gypsum, hydrochloric acid, and R-134a.²⁰⁶ Specifically, Sanmei claimed a by-product offset for the production of anhydrous hydrofluoric acid (AHF), an intermediate input that produces fluosilicic acid and fluorine gypsum, and R-125, which produces hydrochloric acid and R-134a.²⁰⁷ However, the information Sanmei and Fujian Qingliu provided regarding the production of the reported by-products of fluosilicic acid, fluorine gypsum, hydrochloric acid, and R-134a is insufficient to grant a by-product offset.

We note that Sanmei states that only AHF produced by itself or Fujian Qingliu is used in the production of R-125.²⁰⁸ Sanmei also reports that it purchased AHF from affiliated and unaffiliated Chinese suppliers, but that this AHF is shipped directly to AHF customers or used in the production of non-subject merchandise.²⁰⁹ However, there is no record evidence demonstrating how Sanmei differentiates between the production of AHF and purchases of AHF.

²⁰¹ See Sanmei HaloPolymer Response at 2.

²⁰² See Sanmei 2nd SV Submission at Exhibit 1 at the "Income Statement."

²⁰³ *Id.*

²⁰⁴ See *Kitchen Appliance Shelving from China* IDM at Comment 1 ("It is {Commerce's} practice to only consider companies that are profitable for calculation of surrogate financial ratios...")

²⁰⁵ See Preliminary SV Memorandum.

²⁰⁶ See Sanmei DQR at 17-18; see also Sanmei SDQR at 3-8 and Exhibits SD-13, SD-14, SD-16, SD-17, SD-18, and SD-19.

²⁰⁷ See Sanmei DQR at 6, 17, and 18 and Exhibits D-12 – D-14.

²⁰⁸ *Id.* at 3 and 6.

²⁰⁹ *Id.*

Thus, the record is not clear as to how self-produced AHF and purchases of AHF are distinguished based on end-use applications for production of subject and non-subject merchandise, as each intermediate input and product appears to have its own workshop, but no further distinction is made as to whether there are separate storage facilities for AHF purchased from Chinese suppliers. Sanmei has also not provided adequate evidence that it is able to track the specific types of AHF sold in China.²¹⁰ Further, Sanmei has not provided sufficient evidence to substantiate FOPs of the upstream inputs for AHF (*i.e.*, fluosilicic acid and fluorine gypsum) by not providing evidence for how Sanmei accounts for the yield loss from these inputs in the consolidated FOP database. Moreover, the by-products reportedly produced while manufacturing AHF and R-125 do not reconcile with the total raw materials consumed for 98 percent sulfuric acid, 105 percent sulfuric acid, and fluorite powder.²¹¹

Regarding the by-products for R-125, Sanmei stated that the “majority of these by-products are sold without further processing”²¹² and “by-products are not pure except R-134a,” yet Sanmei did not provide information regarding further processing for R-134a.²¹³ We requested that Sanmei explain how it distinguishes between R-134a produced as a result of manufacturing R-125 and non-subject merchandise, to which Sanmei responded that R-134a is only produced as a by-product of R-125.²¹⁴ Sanmei’s response also appears to indicate that it processed and purchased or sold R-134a during the POI with warehouse-in slips showing the inclusion of R-134a “processed” and “domestic.”²¹⁵ For hydrochloric acid, Sanmei reports that it is generated from the production of both subject and non-subject merchandise.²¹⁶ However, Sanmei states that “the generation of hydrochloric acid from different workshops is recorded in the production reports and the inventory records,” and “the ultimate sale and shipment of hydrochloric acid by-product is just mixed together without distinction of source.”²¹⁷

Water is also a significant input in the production of AHF and R-125, but Sanmei failed to report water as a direct material input and instead claims the by-product offset for the full amount of the by-products, even though, for example, hydrochloric acid “may contain as much as 70 percent water so that the weight of by-product could be a factor of 4...over the weight of main product.”²¹⁸ In other instances where companies have been unable to provide POI production records to support their claims, it has been Commerce’s practice to not grant a scrap or by-product offset.²¹⁹ Because Sanmei did not provide adequate records to support its claimed

²¹⁰ *Id.* at Exhibit D-14; *see also* Sanmei SDQR at Exhibits SD-17 and SD-19.

²¹¹ *See* Sanmei DQR at Exhibits D-7, VI-5, VI-6; *see also* Sanmei SDQR at Exhibit SD-14.

²¹² *See* Sanmei DQR at 17.

²¹³ *Id.* at 4.

²¹⁴ *Id.* at 5.

²¹⁵ *Id.* at 2 and Exhibits SD-16 and SD-19. Based on Sanmei’s response, it appears that “domestic” could either mean purchases from the domestic market if there is a warehouse-in slip or sales in the domestic market if there is a warehouse-out slip, which corresponds to “the Department of Domestic Trading.”

²¹⁶ *See* Sanmei SDQR at 5-6.

²¹⁷ *Id.* at 5-6.

²¹⁸ *Id.* at 7.

²¹⁹ *See, e.g., Tapered Roller Bearings and Parts Thereof, Finished and Unfinished, from the People’s Republic of China: Final Results of the Antidumping Duty Administrative Review and Final Results of the New Shipper Review; 2012-2013*, 80 FR 4244 (January 27, 2015), and accompanying IDM at Comment 3 (denying claims for a by-product offset where the companies did not provide data of their, or their subcontractors, by-product production during the period of review).

production of fluosilicic acid and fluorine gypsum for AHF, we are, consistent with our practice, valuing AHF directly rather than valuing the upstream inputs, and we are preliminarily not granting a by-product offset for Sanmei's reported quantities of fluosilicic acid and fluorine gypsum. Further, because Sanmei did not provide adequate records to support its claimed production and sales of R-134a and hydrochloric acid, we are, consistent with our practice, preliminarily not granting a by-product offset for Sanmei's reported quantities of R-134a and hydrochloric acid.

Q. Comparisons to Normal Value

Pursuant to section 773(a)(1)(B) of the Act and 19 CFR 351.414(c)(1) and (d), to determine whether Sanmei's sales of the subject merchandise to the United States were made at less than NV, Commerce compared the EPs to the NVs, as described in the "Export Price" and "Normal Value" sections of this memorandum.

Determination of Comparison Method

Pursuant to 19 CFR 351.414(c)(1), Commerce calculates weighted-average dumping margins by comparing weighted-average NVs to weighted-average EPs, *i.e.*, the average-to-average method, unless the Secretary determines that another method is appropriate in a particular situation. In LTFV investigations, Commerce examines whether to compare weighted-average NVs with the EPs (or CEPs) of individual sales, *i.e.*, the average-to-transaction method, as an alternative comparison method using an analysis consistent with section 777A(d)(1)(B) of the Act.

In numerous investigations and reviews, Commerce applied a "differential pricing" analysis for determining whether application of the average-to-transaction method is appropriate in a particular situation pursuant to 19 CFR 351.414(c)(1) and section 777A(d)(1)(B) of the Act.²²⁰ Commerce finds that the differential pricing analysis is instructive for purposes of examining whether to apply an alternative comparison method in this investigation. The differential pricing analysis used in this preliminary determination examines whether there exists a pattern of export prices for comparable merchandise that differ significantly among purchasers, regions, or time periods. The analysis evaluates all export sales by purchasers, regions, and time periods to determine whether a pattern of prices that differ significantly exists. If such a pattern is found, then the differential pricing analysis evaluates whether such differences can be taken into account when using the average-to-average method to calculate the weighted-average dumping margin. The analysis incorporates default group definitions for purchasers, regions, time periods, and comparable merchandise. Purchasers are based on the reported customer codes. Regions are defined using the reported destination code, *i.e.*, zip code, 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 POI based upon the reported date of sale. For purposes of analyzing sales transactions by purchaser, region, and time period, comparable merchandise is

²²⁰ See, e.g., *Xanthan Gum from the People's Republic of China: Final Determination of Sales at Less Than Fair Value*, 78 FR 33351 (June 4, 2013); *Steel Concrete Reinforcing Bar from Mexico: Final Determination of Sales at Less Than Fair Value and Final Affirmative Determination of Critical Circumstances*, 79 FR 54967 (September 15, 2014); and *Welded Line Pipe from the Republic of Turkey: Final Determination of Sales at Less Than Fair Value*, 80 FR 61362 (October 13, 2015).

defined using the product control number and all characteristics of the U.S. sales, other than purchaser, region, and time period, that Commerce uses in making comparisons between EP or CEP and NV for the individual dumping margins.

In the first stage of the differential pricing analysis used here, the “Cohen’s *d* test” is applied. The Cohen’s *d* coefficient is a generally recognized statistical measure of the extent of the difference between the mean, *i.e.*, weighted-average price, of a test group and the mean, *i.e.*, weighted-average price, of a comparison group. First, for comparable merchandise, the Cohen’s *d* coefficient is calculated when the test and comparison groups of data for a particular purchaser, region, or time period each have at least two observations and when the sales quantity for the comparison group accounts for at least five percent of the total sales quantity of the comparable merchandise. Then, the Cohen’s *d* coefficient is used to evaluate the extent to which the prices to the particular purchaser, region, or time period differ significantly from the prices of all other sales of comparable merchandise. The extent of these differences can be quantified by one of three fixed thresholds defined by the Cohen’s *d* test: small, medium, or large (0.2, 0.5, and 0.8, respectively). Of these thresholds, the large threshold provides the strongest indication that there is a significant difference between the mean of the test and comparison groups, while the small threshold provides the weakest indication that such a difference exists. For this analysis, the difference is considered significant, and the sales in the test group are found to pass the Cohen’s *d* test, if the calculated Cohen’s *d* coefficient is equal to or exceeds the large, *i.e.*, 0.8, threshold.

Next, the “ratio test” assesses the extent of the significant price differences for all sales as measured by the Cohen’s *d* test. If the value of sales to purchasers, regions, and time periods that pass the Cohen’s *d* test account for 66 percent or more of the value of total sales, then the identified pattern of prices that differ significantly supports the consideration of the application of the 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 and less than 66 percent of the value of total sales, then the results support consideration of 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 consideration 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, Commerce examines whether using only the average-to-average method can appropriately account for such differences. In considering this question, Commerce tests whether using an alternative comparison method, based on the results of the Cohen’s *d* and ratio tests described above, yields a meaningful difference in the weighted-average dumping margin as compared to that resulting from the use of the average-to-average method only. If the difference between the two calculations is meaningful, then this demonstrates that the average-to-average method cannot account for differences such as those observed in this analysis, and, therefore, an alternative comparison method would be appropriate. A difference in the weighted-average dumping

margins is considered meaningful if: (1) there is a 25 percent relative change in the weighted-average dumping margins between the 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 margins between the average-to-average method and the appropriate alternative method move across the *de minimis* threshold.

Interested parties may present arguments and justifications in relation to the above-described differential pricing approach used in this preliminary determination, including arguments for modifying the group definitions used in this proceeding.²²¹

Results of the Differential Pricing Analysis

For Sanmei, based on the results of the differential pricing analysis, Commerce preliminarily finds that 0.00 percent of the value of U.S. sales pass the Cohen's *d* test²²² and does not confirm the existence of a pattern of prices that differ significantly among purchasers, regions, or time periods. Thus, the results of the Cohen's *d* and ratio tests do not support consideration of an alternative to the average-to-average method. Accordingly, Commerce preliminarily determines to apply the average-to-average method for all U.S. sales to calculate the weighted-average dumping margin for Sanmei.

VII. CURRENCY CONVERSION

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

VIII. ADJUSTMENT UNDER SECTION 777A(f) OF THE ACT

In applying section 777A(f) of the Act, Commerce examines: (1) whether a countervailable subsidy (other than an export subsidy) has been provided with respect to a class or kind of merchandise; (2) whether such countervailable subsidy has been demonstrated to have reduced the average price of imports of the class or kind of merchandise during the relevant period; and (3) whether Commerce can reasonably estimate the extent to which that countervailable subsidy, in combination with the use of NV determined pursuant to section 773(c) of the Act, has increased the weighted-average dumping margin for the class or kind of merchandise.²²³ For a subsidy meeting these criteria, the statute requires Commerce to reduce the dumping margin by the estimated amount of the increase in the weighted-average dumping margin due to a countervailable subsidy, subject to a specified cap.²²⁴

²²¹ The Court of Appeals for the Federal Circuit (CAFC) has affirmed much of Commerce's differential pricing methodology. *See, e.g., Apex Frozen Foods v. United States*, 862 F.3d 1322 (Fed. Cir. 2017). We ask that interested parties present only arguments on issues which have not already been decided by the CAFC.

²²² *See* Sanmei Preliminary Analysis Memorandum.

²²³ *See* section 777A(f)(1)(A)-(C) of the Act.

²²⁴ *See* section 777A(f)(1)-(2) of the Act.

In conducting this analysis, Commerce has not concluded that concurrent application of NME dumping duties and countervailing duties necessarily and automatically results in overlapping remedies. Rather, a finding that there is an overlap in remedies, and any resulting adjustment, is based on a case-by-case analysis of the totality of facts on the administrative record for that segment of the proceeding as required by the statute.²²⁵

For purposes of our analysis under sections 777A(f)(1)(A) and (f)(1)(C) of the Act, Commerce requested firm-specific information from the mandatory respondents as part of the initial antidumping questionnaire.²²⁶ We sought information regarding whether the respondents received countervailable subsidies during the relevant period, the respondents' costs, and the respondents' pricing policies and practices. Additionally, we required the respondents to provide documentary support for this information.

No respondent provided a response to Commerce's double remedy questions. Accordingly, for the preliminary determination, Commerce is not making any double remedies adjustment to the estimated weighted-average dumping margins assigned to any producer/exporter of subject merchandise.

IX. ADJUSTMENTS TO CASH DEPOSIT RATES FOR EXPORT SUBSIDIES

In an LTFV investigation, where there is a concurrent CVD investigation, it is Commerce's normal practice to calculate the cash deposit rate for each respondent by adjusting the respondent's estimated weighted-average dumping margin to account for export subsidies found for each respective respondent in the concurrent CVD investigation. Doing so is in accordance with section 772(c)(1)(C) of the Act, which states that U.S. price "shall be increased by the amount of any countervailing duty imposed on the subject merchandise . . . to offset an export subsidy."²²⁷

Commerce determined in the preliminary determination of the companion CVD investigation that the mandatory respondents (*i.e.*, Juxin and Sanmei) and the non-selected respondents (*i.e.*, the "All Others" companies) did not benefit from export subsidies.²²⁸ Thus, we have not adjusted the cash deposit rates for either Sanmei or the separate rate companies to account for export subsidies. Further, since we applied the highest, transaction-specific rate calculated for Sanmei to the China-wide entity as AFA (*see* discussion above), we have not made any adjustment for export subsidies to the China-wide entity, since we determined in the concurrent CVD investigation that Sanmei did not have any export subsidies.

²²⁵ See, *e.g.*, *Certain Hardwood Plywood Products from the People's Republic of China: Preliminary Affirmative Determination of Sales at Less Than Fair Value, Preliminary Affirmative Determination of Critical Circumstances, in Part*, 82 FR 28629 (June 23, 2017), and accompanying PDM at 43, unchanged in *Certain Hardwood Plywood Products from the People's Republic of China: Final Determination of Sales at Less Than Fair Value, and Final Affirmative Determination of Critical Circumstances, in Part*, 82 FR 53460 (November 16, 2017).

²²⁶ See Commerce's Letter, "Initial Antidumping Duty Questionnaire," dated March 12, 2021 at Appendix XII.

²²⁷ See *Carbazole Violet Pigment 23 from India: Final Results of Antidumping Duty Administrative Review*, 75 FR 38076, 38077 (July 1, 2010), and accompanying IDM at Comment 1.

²²⁸ See *Pentafluoroethane (R-125) from the People's Republic of China: Preliminary Affirmative Countervailing Duty Determination and Alignment of Final Determination with Final Antidumping Duty Determination*, 86 FR 33648 (June 25, 2021), and accompanying PDM at 12-13.

X. ITC NOTIFICATION

In accordance with section 733(f) of the Act, we will notify the ITC of our preliminary determination. In addition, we are making available to the ITC all non-privileged and non-proprietary information relating to this investigation. We will allow the ITC access to all privileged and business proprietary information in our files, provided the ITC confirms that it will not disclose such information, either publicly or under an administrative protective order, without the written consent of the Assistant Secretary for Enforcement or Compliance. In accordance with section 735(b)(2) of the Act, the ITC will make its final determination before the later of 120 days after the date of this preliminary determination or 45 days after Commerce makes its final affirmative determination.

XI. RECOMMENDATION

We recommend applying the above methodology for this preliminary determination.

☒

Agree

☐

Disagree

8/10/2021

X

James Maeder

Signed by: JAMES MAEDER

James Maeder

Deputy Assistant Secretary

for Antidumping and Countervailing Duty Operations

Appendix I

List of China-Owned Companies Receiving Separate Rates

Exporters Receiving a Separate Rate (China-Owned or Joint-Venture)
Huantai Dongyue International Trade Co. Ltd.
Shandong Dongyue Chemical Co., Ltd.
Shandong Huaan New Material Co., Ltd.
T.T. International Co., Ltd./T.T. International Co., Limited ²²⁹
Zhejiang Sanmei Chemical Ind. Co., Ltd.
Zhejiang Yonghe Refrigerant Co., Ltd.
Zibo Feiyuan Chemical Co., Ltd.

²²⁹ We preliminarily determine to collapse T.T. International Co., Ltd. and its affiliate T. T. International Co., Limited (collectively, TTI) because they are affiliated pursuant to section 771(33)(F) of the Act, and they sold merchandise during the POI. Further, we preliminarily find that there is a significant potential for the manipulation of price and/or export decisions between these companies. Therefore, we are treating them as a single entity for the purposes of our analysis in this preliminary determination, in accordance with 19 CFR 351.401(f). For a further discussion of our collapsing methodology and our analysis with respect to TTI, *see* Memorandum, “Less-Than-Fair-Value Investigation of Pentafluoroethane (R-125) from the People’s Republic of China: Affiliation and Single Entity Status – T.T. International Co., Ltd.,” dated concurrently with, and hereby adopted by, this memorandum.

Appendix II

List of Companies Which Filed Separate Rate Applications

	Exporter	SRA Submission Date
1	Huantai Dongyue International Trade Co. Ltd.	3/16/2021
2	Shandong Dongyue Chemical Co., Ltd.	3/17/2021
3	Shandong Huaan New Material Co., Ltd.	3/16/2021
4	T.T. International Co., Ltd.	3/17/2021
5	Zhejiang Sanmei Chemical Ind. Co., Ltd.*	4/12/2021
6	Zhejiang Quzhou Juxin Fluorine Chemical Co., Ltd.*	4/9/2021
7	Zhejiang Yonghe Refrigerant Co., Ltd.	3/15/2021
8	Zibo Feiyuan Chemical Co., Ltd.	3/17/2021

* These companies were selected as mandatory respondents and filed a separate rate application as part of their response to Section A of the Commerce's Antidumping Questionnaire.