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Administrative Review
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March 9, 2020

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

FROM: Scot Fullerton
Associate Deputy Assistant Secretary
for Antidumping and Countervailing Duty Operations

SUBJECT: Issues and Decision Memorandum for the Final Results of the Antidumping Duty Administrative Review: Certain Steel Nails from Taiwan; 2017-2018

I. SUMMARY

The Department of Commerce (Commerce) published the *Preliminary Results* of the administrative review of certain steel nails from Taiwan on September 12, 2019.[1] The period of review (POR) is July 1, 2017 to June 30, 2018. Commerce has analyzed the case and rebuttal briefs that interested parties submitted on the record. As a result of our analysis, we made certain changes from the *Preliminary Results*, as discussed below. We recommend that you approve the positions described in the "Discussion of the Issues" section of this memorandum.

II. BACKGROUND

On October 25, 2019, Liang Chyuan Industrial Co., Ltd. and its affiliated producer Integral Building Products Inc. (collectively LC),[2] PT Enterprise and its affiliated producer Pro-Team

[1] *See Certain Steel Nails from Taiwan: Preliminary Results of Antidumping Duty Administrative Review; 2017 – 2018,* 84 FR 48116 (September 12, 2019) (*Preliminary Results*) and accompanying Preliminary Decision Memorandum.

[2] As discussed in the *Preliminary Results*, we determined that LC and Integral Building Products Inc. (Integral) are affiliated and comprise a single entity. *See* Memorandum, "Preliminary Affiliation and Single Entity Determination," dated September 5, 2019, for a full discussion of the business proprietary details of Commerce's analysis; *see also* LC's Letter, "Case Brief," dated October 25, 2019 (LC Case Brief).

Coil Nail Enterprise, Inc. (Pro-Team) (collectively, PT),[3] Unicatch Industrial Co. Ltd. (Unicatch)[4] and Mid Continent Steel & Wire, Inc. (the petitioner)[5] filed case briefs. On November 1, 2019 LC,[6] PT,[7] Unicatch[8] and the petitioner[9] filed rebuttal briefs. On October 8, 2019, PT and Unicatch filed a request for a hearing, but subsequently withdrew the request on November 19, 2019.[10]

III. SCOPE OF THE ORDER

The merchandise covered by this order is certain steel nails having a nominal shaft length not exceeding 12 inches.[11] Certain steel nails include, but are not limited to, nails made from round wire and nails that are cut from flat-rolled steel. Certain steel nails may be of one piece construction or constructed of two or more pieces. Certain steel nails may be produced from any type of steel, and may have any type of surface finish, head type, shank, point type and shaft diameter. Finishes include, but are not limited to, coating in vinyl, zinc (galvanized, including but not limited to electroplating or hot dipping one or more times), phosphate, cement, and paint. Certain steel nails may have one or more surface finishes. Head styles include, but are not limited to, flat, projection, cupped, oval, brad, headless, double, countersunk, and sinker. Shank styles include, but are not limited to, smooth, barbed, screw threaded, ring shank and fluted.

Screw-threaded nails subject to this proceeding are driven using direct force and not by turning the nail using a tool that engages with the head. Point styles include, but are not limited to, diamond, needle, chisel and blunt or no point. Certain steel nails may be sold in bulk, or they may be collated in any manner using any material.

Excluded from the scope of this order are certain steel nails packaged in combination with one or more non-subject articles, if the total number of nails of all types, in aggregate regardless of size, is less than 25. If packaged in combination with one or more non-subject articles, certain steel nails remain subject merchandise if the total number of nails of all types, in aggregate regardless of size, is equal to or greater than 25, unless otherwise excluded based on the other exclusions below.

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[3] Commerce determined that Pro-Team and PT Enterprise comprise a single entity in a prior segment of the proceeding, and we find no new information in this segment that contradicts that finding. *See Certain Steel Nails from Taiwan: Preliminary Results of Antidumping Duty Administrative Review and Partial Rescission of Administrative Review; 2015-2016*, 82 FR 36744 (August 7, 2017) and accompanying Preliminary Decision Memorandum, unchanged in *Certain Steel Nails from Taiwan: Final Results of Antidumping Duty Administrative Review and Partial Rescission of Administrative Review; 2015-2016*, 83 FR 6163 (February 13, 2018). Accordingly, we continue to treat PT Enterprise and Pro-Team as a single entity in the review. *See* PT and Unicatch's Letter, "Case Brief," dated October 25, 2019 (PT and Unicatch Case Brief).

[4] *See* PT and Unicatch Case Brief.

[5] *See* Petitioner's Letter, "Case Brief,": dated October 25, 2019 (Petitioner Case Brief).

[6] *See* LC's Letter, "Rebuttal Brief," dated November 1, 2019 (LC Rebuttal Brief).

[7] *See* PT and Unicatch's Letter, "Rebuttal Brief," dated November 1, 2019 (PT and Unicatch Rebuttal Brief).

[8] *Id.*

[9] *See* Petitioner's Letter, "Rebuttal Brief," dated November 1, 2019 (Petitioner Rebuttal Brief).

[10] *See* PT and Unicatch Submission, "PT and Unicatch Withdrawal of Hearing Request," dated November 19, 2019.

[11] The shaft length of certain steel nails with flat heads or parallel shoulders under the head shall be measured from under the head or shoulder to the tip of the point. The shaft length of all other certain steel nails shall be measured overall.

Also, excluded from the scope are certain steel nails with a nominal shaft length of one inch or less that are (a) a component of an unassembled article, (b) the total number of nails is sixty (60) or less, and (c) the imported unassembled article falls into one of the following eight groupings: 1) builders' joinery and carpentry of wood that are classifiable as windows, French windows and their frames; 2) builders' joinery and carpentry of wood that are classifiable as doors and their frames and thresholds; 3) swivel seats with variable height adjustment; 4) seats that are convertible into beds (with the exception of those classifiable as garden seats or camping equipment); 5) seats of cane, osier, bamboo or similar materials; 6) other seats with wooden frames (with the exception of seats of a kind used for aircraft or motor vehicles); 7) furniture (other than seats) of wood (with the exception of i) medical, surgical, dental or veterinary furniture; and ii) barbers' chairs and similar chairs, having rotating as well as both reclining and elevating movements); or 8) furniture (other than seats) of materials other than wood, metal, or plastics (*e.g.*, furniture of cane, osier, bamboo or similar materials). The aforementioned imported unassembled articles are currently classified under the following Harmonized Tariff Schedule of the United States (HTSUS) subheadings: 4418.10, 4418.20, 9401.30, 9401.40, 9401.51, 9401.59, 9401.61, 9401.69, 9403.30, 9403.40, 9403.50, 9403.60, 9403.81 or 9403.89.

Also, excluded from the scope of this order are steel nails that meet the specifications of Type I, Style 20 nails as identified in Tables 29 through 33 of ASTM Standard FI667 (2013 revision).

Also, excluded from the scope of this order are nails suitable for use in powder-actuated hand tools, whether or not threaded, which are currently classified under HTSUS subheadings 7317.00.20.00 and 7317.00.30.00.

Also, excluded from the scope of this order are nails having a case hardness greater than or equal to 50 on the Rockwell Hardness C scale (HRC), a carbon content greater than or equal to percent, a round head, a secondary reduced-diameter raised head section, a centered shank, and a smooth symmetrical point, suitable for use in gas-actuated hand tools.

Also, excluded from the scope of this order are corrugated nails. A corrugated nail is made up of a small strip of corrugated steel with sharp points on one side.

Also, excluded from the scope of this order are thumb tacks, which are currently classified under HTSUS subheading 7317.00.10.00.

Certain steel nails subject to this order are currently classified under HTSUS subheadings 7317.00.55.02, 7317.00.55.03, 7317.00.55.05, 7317.00.55.07, 7317.00.55.08, 7317.00.55.11, 7317.00.55.18, 7317.00.55.19, 7317.00.55.20, 7317.00.55.30, 7317.00.55.40, 7317.00.55.50, 7317.00.55.60, 7317.00.55.70, 7317.00.55.80, 7317.00.55.90, 7317.00.65.30, 7317.00.65.60 and 7317.00.75.00. Certain steel nails subject to this order also may be classified under HTSUS subheadings 7907.00.60.00, 8206.00.00.00 or other HTSUS subheadings. While the HTSUS subheadings are provided for convenience and customs purposes, the written description of the scope of this order is dispositive.

IV. CHANGES SINCE THE PRELIMINARY RESULTS

Commerce made certain changes to the margin calculations for LC and Unicatch, as discussed in greater detail *infra*. As a result of these changes, the margin calculation for PT also changed based on Commerce's continued reliance on LC's and Unicatch's calculated selling and profit expense ratios in calculating constructed value (CV) for PT. Further, as a result of the changes to the margins calculated for the mandatory respondents, the review-specific margin for the companies not selected for individual examination was also revised.

Commerce also made a determination of no shipments in the accompanying *Federal Register* notice, as Commerce inadvertently omitted a preliminary analysis and determination of the no shipment certifications timely submitted on the record.

V. DISCUSSION OF THE ISSUES

A. Issues Pertaining to LC

Comment 1: Whether to Apply Adverse Facts Available (AFA)

Petitioner Case Brief:[12]

- Commerce should apply AFA to LC because LC made unsolicited revisions to its cost database and submitted a revised cost of production (COP) database (*i.e.,* lcicop02) with different control numbers (CONNUMS) and production quantities than its original version of the cost database.
- LC has incorrectly reported its costs due to an inappropriate methodology it used with a standard loss rate.
- LC has incorrectly reported its costs by using sales quantities instead of production quantities.
- LC failed to submit inventory movement schedules that would therein reconcile raw material purchases to consumption quantities.
- LC's basis for allocating its labor costs is inappropriate.
- LC failed to distinguish between the cost differences in raw materials used in producing nails.
- LC failed to produce a POR trial balance for reconciling its reported costs.

LC Rebuttal Brief:[13]

- LC has submitted and explained details for its costs that Commerce requested and has analyzed in the *Preliminary Results*.
- The standard loss rates used in the cost response are product-specific and represent LC's actual operating experience.

[12] *See* Petitioner Case Brief at 2-12.
[13] *See* LC Rebuttal Brief at 1-14.

- The production quantities reported in the cost database reconcile to LC's sales and production of subject merchandise.
- LC calculates COP and inventory movement at the end of each calendar year and therefore, LC could not provide a POR trial balance or inventory movement schedule.
- LC reasonably used processing output data from a representative month during the POR to allocate labor costs.
- LC reasonably reported the costs of steel used to produce nails, whether called "wire" or "wire rod."

Commerce's Position:

Commerce disagrees with the petitioner that LC's responses warrant applying total AFA to LC for the final results. Commerce finds that a determination under section 776(a) and (b) of the Tariff Act of 1930, as amended (the Act), is not warranted here because: (1) necessary information is not missing from the record; (2) LC did not withhold information that has been requested; (2) LC provided information within the deadlines established, and in the form and manner requested by Commerce;[14] and (3) LC did not impede the proceeding. Consequently, because LC did not fail the requirements under section 776(a) of the Act, there is no justification to make a determination under section 776(b) of the Act.

The petitioner asserts that LC provided unsolicited changes to its reported information and failed to provide accurate information in several sections of its response. However, LC provided a full explanation of the limitations of its accounting system in its initial and supplemental questionnaire responses.[15] Specifically, LC explained that its accounting system does not allow it to report product-specific costs consistent with Commerce's requirements and that its system could not determine costs on a POR-specific basis, as the POR does not coincide with LC's fiscal year. While LC's initial section D questionnaire response was deficient in certain areas, we issued section D supplemental questionnaires instructing LC to correct and clarify its initial response.[16] The petitioner argues that LC made unsolicited changes to its cost database, however, all changes made by LC to its initial section D cost database, and to its reporting methodology, were specifically requested by Commerce.[17] The petitioner is also incorrect in

[14] *See* LC's Section B-D Questionnaire Response (LC Section B-D Response), dated February 13, 2019; *see also* LC's Supplemental Section D Response (LC SDQR1), dated June 17, 2019 and LC's Supplemental Section D Questionnaire Response (LC SDQR2), dated August 14, 2019. LC submitted timely questionnaire responses to Commerce's initial and supplemental questionnaires. LC responded in accordance with Commerce's requests and LC revised its costs to incorporate Commerce's revision requests.

[15] *See* LC Section B-D Response at 70, 73-75; *see also* LC SDQR1 at 1-5, 11-12 and LC SDQR2 at 3-6.

[16] *See* Commerce's Letter, "Antidumping Duty Administrative Review of Steel Nails from Taiwan," dated May 28, 2019 (LC SDQ1).

[17] LC responded to Commerce's section D COP questionnaire on February 13, 2019. After our subsequent analysis of the original section D response, Commerce issued its section D supplemental questionnaire (SDQ1) on May 28, 2019. After analyzing LC's response to SDQ1, Commerce released its second and final section D supplemental questionnaire (*i.e.*, LC SDQ2) on August 2, 2019, to which LC subsequently responded. We note that each of the three cost submissions made by LC included a COP/CV database (*i.e.*, COP01, COP02, and COP03). We also note that in each of Commerce's cost questionnaires, LC was instructed to submit a revised cost database should the responses to Commerce's questionnaires warrant a revised cost database. Thus, we do not consider the respondent as having submitted unsolicited or unexplained information.

arguing that LC did not provide POR trial balances. LC explained that its normal books and records only allow it to provide trial balances for the mid-year and year-end.[18] LC submitted several alternative trial balances that allowed us to confirm the company's reported costs, and to complete the overall cost reconciliation.[19]

The remaining arguments made by the petitioner to support its assertion that Commerce should apply total AFA to LC are based on the reporting methodologies that the company used to report its costs based on Commerce's requirements using its normal books and records. Specifically, inventory movement schedules and consumption quantities; labor allocations; distinguishing between raw material costs; using sales quantities as production quantities; and, reporting its costs using a standard loss rate (*i.e.*, yield rate), are all related to the methodology that LC used to comply with Commerce's request for product-specific costs.[20] Each area was carefully reviewed and, where needed, addressed by Commerce via supplemental questionnaires.[21]

POR Trial Balances

Regarding the argument that POR trial balances were not placed on the record by LC, we note that while LC's initial section D questionnaire response failed to include the requested trial balances, LC did provide all necessary information in response to our supplemental questionnaires. In its initial section D response LC reported that it was unable to calculate the POR material consumption value until the close of its 2018 fiscal year because raw materials inventories are only calculated at year-end. In its supplemental responses, LC provided the information necessary to calculate POR material costs, as well as trial balance information that allowed us to complete the cost reconciliation. Specifically, LC submitted four trial balances: 1) January through June of 2017; 2) January through June of 2018; 3) Full year ending December 2017; 4) Full year ending December 2018.[22] These trial balances enabled us to complete the overall cost reconciliation and determine accurate POR product-specific material costs.

Inventory Movement Schedules

The petitioner is correct that LC did not submit raw material inventory movement schedules. However, LC has explained throughout this review the limitations it has within its accounting system and how such limitations affect its ability to report costs to Commerce. In its May 28, 2019 SDQ1, Commerce addressed this issue regarding raw material inventory movement schedules.[23] Specifically, Commerce requested that LC explain how it reported its material costs in total cost of manufacturing (COM). LC explained that its accounting system maintains purchase data for each month. Accordingly, LC was able to calculate and report different raw material POR average purchase costs by grade of steel by manually reviewing all of its raw material purchase invoices. While LC's cost accounting system is not able to produce inventory

[18] *See* LC SDQR2 at 3-4.
[19] *See* LC SDQR1 at 11, 12 and 14.
[20] *See* LC Rebuttal Brief at 1.
[21] *See* LC SQDR1 and LC SQDR2.
[22] *See* LC Section B-D Response at Exhibit D-8 and D-14; *see also* LC SDQR1 at 11,12, 23-26, and Exhibit 30; and LC SDQR2 at 3-5.
[23] *See* LC SDQ1 for a discussion of the relevant business proprietary information (BPI).

movement schedules on a per-month basis, LC was able to demonstrate otherwise that its overall POR purchase quantities are consistent with its overall POR production quantities.[24]

Labor Expense

We disagree with the petitioner that LC has distorted its reported costs by using one month's labor experience to derive labor ratios allocating total labor to the nail making, threading, and other production stages. Specifically, to report its costs to Commerce, LC used the December 2017 factory workers' salary and bonus costs to allocate labor costs to specific production stages (*i.e.*, nail making, threading, and other).[25] LC explained that using its labor experience from December 2017, the month that is in the middle of the POR and a month that experienced normal production levels, better reflects the actual experience of the company.[26] We do not find this methodology to be distortive, as allocating labor costs to products based on output efficiency at the nail making and threading stages is reasonable and based on LC's production experience and normal books and records. Further, direct labor in nail production is primarily involved in ensuring that the machines continuously operate, and therefore, labor is reasonably correlated with machine operation and less efficient machines should be allocated more labor costs.[27] Accordingly, we find that LC used a reasonable methodology to allocate labor costs and continue to accept it for the final results.

Drawn Wire Rod Versus Wire

In the normal course of business, LC buys wire rod in large quantities and draws it to a usable size to produce various steel nails.[28] Additionally, LC reported that it records the purchase of wire rod and wire as the same material in its normal books and records.[29] That is, there are not separate raw material accounts for wire and wire rod. Different wires must undergo different types of further processing, such as heat treatment, in addition to drawing, and all of these expenses are booked in the same material account and treated as raw material costs. Whether the input is wire rod or wire, both need to be drawn into wire of a suitable diameter in order to make a nail of a particular size.[30]

We disagree with the petitioner's assertion that identical nails made from purchased wire versus wire rod drawn down to wire should have different costs. Steel nails are produced using steel wire. A wire rod is simply a thicker wire that must be "drawn down" to be useable as wire to produce steel nails. The costs incurred for drawing the wire rod into wire have been included in LC's COP[31] and we find that LC properly reported its purchases of wire rod and wire.[32] LC used its purchases of wire rod to calculate the average wire rod unit prices. LC also incorporated into the COP the processing fees associated with drawing specific steel grade wire rod to a specific

[24] *See* LC SDQR1 at Exhibits 5-1, 5-5, and 28.
[25] *Id.* at 3-4.
[26] *Id.*
[27] *Id.*, at Exhibit 10.
[28] *See* LC SDQR1 at 13-14.
[29] *Id.*
[30] *Id.*
[31] *Id.* at 14 and Exhibit 1; *see also* LC SDQR2 at Exhibit 1.
[32] *Id.*

diameter.[33] It is not unreasonable to use a weighted-average material cost when an item can be produced from two substitutable inputs.[34] We therefore find that LC properly reported its costs of steel used to produce the subject merchandise, because LC's normal books and records were the basis for its reported raw material costs, and it raw material accounts capture all raw material costs involved in making steel nails.

Product Quantities

We disagree with the petitioner that LC reported distorted costs because it failed to report costs in accordance with Commerce's requirements and used quantities based on sales records instead of production records. In fact, respondent demonstrated that in aggregate, its production and sales quantities were virtually the same. [35] As discussed above, due to certain limitations in LC's accounting system, LC used product-specific sales quantities in order to report costs on a detailed CONNUM-specific basis as is requested by Commerce. Record evidence supports LC's assertion that its reported quantity sold reconciles to its reported quantity produced.[36] LC has stated that it does not track detailed product-specific production quantities in the ordinary course of business and its accounting system uses sales quantities to record product-specific production quantities because there is little to no stock of finished goods, the company manufactures to order and does not sell from stock.[37] We were able to reconcile total sales quantities to total production quantities reported on LC's cost data file.[38]

Standard Loss Rate

We disagree with the petitioner that LC's reporting methodology is inherently flawed by using a standard loss rate to report CONNUM costs. LC does not track yield loss information in its normal books and records (*i.e.*, cost accounting system) given the volume of individual nails and nail types. The standard loss rate LC used to report its costs was based on historical product yield losses calculated and provided by its production control personnel. We disagree with the petitioner that LC's reported loss rates methodology is unreasonable. To the contrary, LC's loss rates are product-specific and are based on the company's historical production experience. LC relied on yield loss information normally used in its operations to generate CONNUM-specific costs in reporting its costs to Commerce. Standard yield rates are often used in accounting when the tracking of specific transactional data are too voluminous.[39] In the instant case, LC applied a

[33] *Id.* at 3.
[34] *See Final Determination of Sales at Not Less Than Fair Value: Prestressed Concrete Steel Rail Tie Wire from Thailand*, 79 FR 25574 (May 5, 2014) and accompanying Issues and Decision Memorandum at Comment 3B.
[35] *See* LC SDQR1 at Exhibit 2; *see also* LC SDQR2 at 8-9.
[36] *See* LC SDQR1 at 1-5 and at Exhibits 4, 5 and 6.
[37] *Id*. at 1 and 14.
[38] *See* Memorandum, "Cost of Production and Constructed Value Calculation Adjustments for the Preliminary Results - Liang Chyuan Industrial Co., Ltd.," dated September 6, 2019 at Attachment 1.
[39] *See Notice of Final Determination of Sales at Less Than Fair Value: Non-Malleable Cast Iron Pipe Fittings from the People's Republic of China*, 68 FR 7765 (February 18, 2003) and accompanying Issues and Decision Memorandum at Comment 1 ("{Commerce} instructed {respondent} to report its factors using actual product specific yield rates, and, if actual CONNUM specific yield rates were not available, to report factor information based on product standards and product specific standard yield rates. When the books and records of a respondent do not fully account for all cost differences, it is {Commerce's} normal practice to instruct respondents to use other production and accounting data normally maintained to calculate the missing cost differences.")

weighted-average material purchase unit price to each CONNUM produced to calculate a theoretical input value. LC then summed up the theoretical material input values and compared it to the actual POR total material consumption value recorded in LC's financial accounting system. LC then applied the difference between the theoretical input value and total actual POR material consumption value as a variance to each product.

Due to the aforementioned nature of LC's financial accounting system, LC's responsiveness to our supplemental questions and its provision of alternative and verifiable information, we disagree with the petitioner that total AFA is warranted. In building the COM record in antidumping (AD) cases it is not unusual for a respondent to provide in response to our inquires further elaborations and explanations during the course of the review. Commerce finds that LC has cooperated to the best of its ability and did not "refuse" to provide the requested information. LC fully responded to Commerce's questionnaires and explained that it cannot provide information that does not exist in its accounting system. As stated above, LC provided timely narrative explanations and support for its reporting methodologies. Accordingly, for the final results, we have continued to use LC's reported COP and CV data.

Comment 2: Treatment of Resales of Subject Merchandise Produced by Unaffiliated Suppliers

LC Case Brief:[40]

- Commerce incorrectly included in its margin calculation for the *Preliminary Results*, LC's resales of subject merchandise produced by its unaffiliated suppliers. Commerce should not include these resales because LC's unaffiliated suppliers knew that the United States was the ultimate destination for these products.
- In *Pasta from Turkey*, Commerce declined to use shipments from unaffiliated producers to calculate a dumping rate for an unaffiliated exporter.[41] The determination was based on Commerce' reseller policy as described in *Parkdale International v. U.S.*[42] Therefore, under *Parkdale International v. U.S.*, Commerce should not include LC's U.S. resales of subject merchandise produced by unaffiliated suppliers, because LC's unaffiliated suppliers had knowledge that the U.S. was the ultimate destination.
- To establish LC's unaffiliated suppliers' knowledge of the ultimate destination, LC submitted a purchase order referencing LC's unaffiliated agent, U.S. importer, and the U.S. importer's

[40] *See* LC Case Brief at 1 – 5.
[41] *See* LC Case Brief at 2 (citing *Certain Pasta from Turkey: Notice of Preliminary Results of Antidumping Duty Administrative Review*, 76 FR 23974 (April 29, 2011) and accompanying Issues and Decision Memorandum at 2-3).
[42] *Id*. (citing *Parkdale International v. United States*, 508F. Supp. 2d 1338 (CIT 2007) ("If a review is requested for a reseller, Commerce will cease to assume that the producer was aware of the reseller's entries, and set a rate specific to the reseller if Commerce determines it was unaffiliated with a producer. If someone requests a review of a producer, Commerce will determine whether the producer in question was aware of the ultimate destination of sales to a given reseller. If Commerce discovers that the producer was aware of the destination of a sale to a reseller, Commerce will find that the producer set the price of sale into the United States and assess AD duties accordingly. If, however, Commerce finds that a producer is unaware of the ultimate destination of the sales to a reseller, it can no longer rely on its prior assumption to apply the producer's assessment rate calculated during the administrative review.")).

"packing method."[43] LC also provided additional purchase orders, commercial invoices, and packing lists indicating its unaffiliated suppliers packed the reported products into U.S. retail boxes and marked the boxes with the appropriate U.S. destinations.[44]

- LC's packing lists, commercial invoices, and packing instructions on the record demonstrate that its unaffiliated agent routinely placed orders to LC and LC's unaffiliated suppliers. These orders were shipped together to the U.S. importer and LC's unaffiliated suppliers knew the ultimate destination as directed by the unaffiliated agent.
- LC also submitted packing lists and instructions that identify the U.S. importer's brands and marks that are associated with the U.S. market. Accordingly, the evidence on the record demonstrates that LC's unaffiliated suppliers did have knowledge that its products were destined for the United States.[45]

Petitioner Rebuttal:[46]

- Commerce properly included in LC's margin calculation LC's resales of subject merchandise produced by its unaffiliated suppliers, as LC has provided no conclusive documentary evidence that its unaffiliated suppliers had reason to know at the time of the sale, that the reported subject merchandise sold to LC was destined for the United States.
- Commerce has stated that general knowledge or belief on part of the manufacturer is insufficient to establish knowledge of the ultimate destination.[47] LC did not provide any signed documents, certificates or contracts indicating that the unaffiliated suppliers had actual knowledge that the reported subject merchandise sold to LC was destined for the United States at the time of the sale.[48]
- The invoices, packing lists and purchase orders submitted by LC all indicate that the reported merchandise from LC's unaffiliated suppliers were combined with merchandise produced by LC to fulfill an agreement between LC and its unaffiliated agent. There is no documentation on the record regarding transactions between LC's unaffiliated suppliers and LC's unaffiliated agent or LC's U.S. importer. All invoices and purchase orders are between LC and LC's unaffiliated agent and U.S. importer.[49]
- LC's unaffiliated suppliers did not deliver the reported subject merchandise to the United States, and there is nothing on the record identifying LC's unaffiliated suppliers as the importer of record for any of LC's reported U.S. resales.[50]
- LC claims that the record contains purchase orders that indicate a packing type specific to the United States, but failed to provide any explanation or photos detailing the nature of the packing type.[51]

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[43] *Id*. (citing LC's Section A Questionnaire Response, dated December 11, 2018 (LC AQR) at Exhibit 6).
[44] *Id*. (citing LC's Sections A-C Response, dated July 12, 2019 (LC SQR) at Exhibit 27, 29, and 31).
[45] *Id*. (citing LC AQR at Exhibit 6).
[46] *See* Petitioner Rebuttal Brief at 18-24.
[47] *Id.* at 18-19 (citing *Final Results of Antidumping Duty Administrative Review: Certain In-Shell Raw Pistachios from Iran*, 70 FR 7470 (February 14, 2005) and accompanying Issues and Decision Memorandum at Comment 1).
[48] *Id.* at 22.
[49] *Id.*
[50] *Id.*
[51] *Id*. at 23.

- LC also claims that the shipping cartons sent by the unaffiliated suppliers for containerization were marked with U.S. destinations; however, LC failed to provide evidence that demonstrates the unaffiliated suppliers applied these shipping marks specifically to the reported merchandise sold to LC or if the marks were applied later when LC combined its products with the unaffiliated suppliers' reported products for shipment.[52]

Commerce Position:

Commerce disagrees with LC's argument to exclude its resales of subject merchandise produced by its unaffiliated suppliers from the final margin calculation. Although LC resold subject merchandise to the United States that was produced by unaffiliated suppliers, we find that the record lacks documentary evidence that LC's unaffiliated suppliers had knowledge at the time of the sale to LC that the merchandise at issue was destined for the United States. Accordingly, we continued to treat all of LC's resales that were shipped to the United States during the POR, as LC's sales for purpose of calculating LC's final dumping margin.

Commerce's policy is that "company-specific assessment rates must be based on the sales information of the first company in the commercial chain that knew, at the time the merchandise was sold, that the merchandise was destined for the United States."[53] By identifying the party that had knowledge of the destination of the subject merchandise, Commerce determines which entity was the potential "price discriminator" that may have engaged in the dumping, and hence which company's dumping margin should apply to a given entry.[54] Commerce applies the "knowledge test" to identify the first party in a transaction chain with knowledge of the U.S. destination.[55] In evaluating the knowledge test, Commerce considers both a sellers' actual knowledge (knew) and imputed knowledge (should have known) of the final destination of the subject merchandise at the time of sale.[56] Commerce's standard for the knowledge test is to consider documentary or physical evidence that the producer knew or should have known its goods were destined for the United States, because this type of evidence is more probative, reliable, and verifiable than statements or declarations.[57] In prior cases, Commerce considered whether the relevant party prepared or signed any certificates, shipping documents, contracts, or

[52] *Id*. at 24.
[53] *See Antidumping & Countervailing Duty Proceedings: Assessment of Antidumping Duties* (*Reseller Notice*), 63 FR 55361, 55362 (October 15, 1998).
[54] *See Antidumping & Countervailing Duty Proceedings: Assessment of Antidumping Duties* (*Reseller Policy*), 68 FR 23954, 23957 (May 6, 2003).
[55] *See Certain New Pneumatic Off-the-Road Tires from the People's Republic of China: Final Results of Antidumping Duty Administrative Review; 2014-2015*, 82 FR 18733 (April 21, 2017) and accompanying Issues and Decision Memorandum at 17.
[56] *See Grain-Oriented Electrical Steel from the Czech Republic: Final Determination of Sales at Less Than Fair Value and Final Affirmative Determination of Critical Circumstances*, 79 FR 58324 (September 29, 2014) and accompanying Issues and Decision Memorandum at Comment 2.
[57] *See Certain Circular Welded Non-Alloy Steel Pipe From Mexico: Final Results of Antidumping Duty Administrative Review*, 76 FR 36086 (June 21, 2011) and accompanying Issues and Decision Memorandum at 5.

other such documents stating that the merchandise was destined for the United States.[58] Commerce will also consider whether the relevant party used any packaging or labeling stating that the merchandise was destined for the United States.[59] Additionally, in prior cases, Commerce examined whether the features, brands, or specifications of the merchandise indicated that it was destined for the United States.[60]

With respect to LC, we find that the record evidence does not support the conclusion that LC's unaffiliated suppliers knew, or should have known, at the time of sale that the products sold to LC were destined for the United States. There is no documentary evidence, such as emails, notes, minutes, certificates, shipping documents, contracts, or other such documents generated at the time of sale, in support of LC's contention that its unaffiliated suppliers actually knew, or should have known, that the United States was the ultimate destination of the merchandise they sold to LC. Although LC reports that its products were combined with its unaffiliated suppliers' products for routine shipment to the United States, as directed by the unaffiliated agent, there is no documentary evidence on the record that demonstrates an agreement between LC's unaffiliated suppliers and the unaffiliated agent.

LC claims that its unaffiliated suppliers knew at the time of the sale that the ultimate destination was to the United States because its packing lists referenced U.S. destination "shipping marks."[61] However, there is nothing on the record that indicates LC's unaffiliated suppliers applied these "shipping marks," specifically to the merchandise they sold to LC, or if the marks were applied by LC after LC combined its unaffiliated suppliers' products with its own in a combined shipment to the United States. LC also claims that the record contains a purchase order that references a U.S. packing method and shipping notes that indicate LC's unaffiliated supplier would deliver a certain quantity of products to be consolidated with LC's products in a container to be shipped by LC to the United States.[62] However this purchase order was issued by LC's unaffiliated agent, and provides no indication that there was an agreement between LC's unaffiliated agent and LC's unaffiliated suppliers. Additionally, there is no way of knowing if LC's unaffiliated suppliers received the purchase order because the purchase order was not addressed to LC's unaffiliated suppliers. Furthermore, LC's commercial invoices and packing lists on the record indicate that the merchandise produced by LC's unaffiliated suppliers was combined with merchandise produced by LC to fulfill the purchase order between LC and its unaffiliated agent. The record does not contain any purchase orders or invoices that were issued

[58] *See Notice of Preliminary Determination of Sales at Less Than Fair Value and Postponement of Final Determination: Synthetic Indigo from the People's Republic of China*, 64 FR 69727 (December 14, 1999), unchanged in S*ynthetic Indigo from the People's Republic of China; Notice of Final Determination of Sales at Less Than Fair Value,* 65 FR 25706 (May 3, 2000).
[59] *See Certain Pasta from Italy: Termination of New Shipper Antidumping Duty Administrative Review*, 62 FR 66602 (December 19, 1997).
[60] *See*, *e.g.*, *GSA, S.R.L. v. United States*, 77 F. Supp. 2d 1349 (CIT 1999). The CIT upheld Commerce's finding that Company A knew the merchandise at issue was destined for the United States because Company A prepared the P-1 certificate, required for entry into the United States and which had imprinted at the top "For Certificate IPR Exports of Pasta to the USA;" Company A manufactured the labeling and packaging for the merchandise with the imprint: "Imported by Racconto, Melrose Park, IL 60160;" different package sizes were used for sales to the United States versus sales to Europe; and different brands were sold in the United States from those sold in Canada.
[61] *See* LC Case Brief at 4 (citing LC AQR at Exhibit 6).
[62] *Id.*, at 3 (citing LC AQR at Exhibit 6).

to or by the unaffiliated suppliers. Therefore, we find that the record lacks documentary evidence that LC's unaffiliated suppliers knew or should have known that the goods they sold to LC were destined for the United States.

LC claims its unaffiliated suppliers knew their products were destined for the United States at the time of the sale, because LC's packing lists on the record indicate that LC and its unaffiliated suppliers packed the reported merchandise into boxes which identify the U.S. importer's branding. However, LC's claim is unsubstantiated because LC failed to explain how the packaging is associated with the U.S. market. In *Ripe Olives from Spain*, Commerce found that there was substantial evidence on the record demonstrating that a company's unaffiliated supplier knew its products were destined for the United States. Specifically, the company provided its U.S. brand label, which was in English and contained markings with U.S. specifications (*i.e.*, weight in ounces and nutritional label in accordance with the U.S. Food and Drug Administration requirements).[63] In this case, LC provided its unaffiliated agent's purchase order that referenced the U.S. importer's "packing method." However, the purchase order provides no other explanation or details regarding the packing method which would identify it as a packing method for U.S. sales.[64] LC also provided its unaffiliated suppliers' packing lists which it claims identify the U.S. importer's brands and marks associated with the U.S. market; however, the packing list only contains small, and in some instances illegible, graphics of the U.S. importer's logos and brands.[65] There is no discussion on the record that explains what the brands and logos are and how they are associated with the U.S. market. Additionally, there is no evidence on the record that the brands and logos are specific to the U.S. market. Therefore, LC's argument that the purchase orders, commercial invoices, packing lists, and payment notices provide evidence that the United States is the ultimate destination, merely because they reference alleged U.S. packing methods and branding, is unsubstantiated. Accordingly, for these final results we find that LC's unaffiliated suppliers did not know at the time of the sale, that the merchandise they supplied to LC was destined for the United States, and as such we have continued to include these sales in LC's final margin calculation.

Comment 3: Third Country Credit Expense Calculation

LC Case Brief:[66]

- In the *Preliminary Results*, Commerce determined that LC used the incorrect short-term borrowing rate for its U.S. credit expense calculation.[67] Accordingly, Commerce revised LC's U.S. credit expense (CREDITU) using the average Federal Reserve interest rate of 4.47 percent.[68]

[63] *See Ripe Olives from Spain: Final Affirmative Determination of Sales at Less Than Fair Value*, 83 FR 28193 (June 18, 2018) and accompanying Issues and Decision Memorandum at Comment 13.
[64] *See* LC AQR at Exhibit 6.
[65] *Id.*
[66] *See* LC Case Brief at 5 - 6.
[67] *Id.* at 5 (citing Memorandum, "Antidumping Duty Administrative Review of Certain Steel Nails from Taiwan, 2017-2018: Preliminary Determination Margin Calculation for Liang Chyuan Co., Ltd.," dated September 5, 2019 (LC Prelim Calc Memo) at 4).
[68] *Id.* at 6.

- Although Commerce adjusted LC's CREDITU, it failed to revise LC's third country comparison market credit expenses (CREDITT) accordingly. Thus, Commerce should also recalculate LC's CREDITT using the same methodology and U.S. dollar short-term borrowing rate that Commerce used in the *Preliminary Results.* [69]

The petitioner did not comment on this issue.

Commerce Position:

Commerce agrees with LC and we find that it is appropriate to recalculate LC's third-country credit expense using the average Federal Reserve interest rate of 4.47 percent. In accordance with our normal practice, we use the average Federal Reserve interest rate as the short-term borrowing rate to calculate a company's U.S. and third country credit expenses in cases, such as this one, where the currency of the U.S. and third country sales transactions is U.S. dollars and the company did not have short-term borrowings in U.S. dollars during the POR.[70] Accordingly, for these final results, we have revised LC's third country credit expense by using the average Federal Reserve interest rate of 4.47 percent.

Comment 4: Packing Services Cost Calculation

Petitioner Case Brief:[71]

- LC should adjust the reported cost of packing services LC obtained from affiliate Party A[72] to the higher of the transfer price or market price.

LC Rebuttal Brief:[73]

- LC already reported the higher of the transfer price or actual price for the packing services at issue.
- The petitioner has selectively read from the record, in this case ignoring LC's response to Commerce's supplemental questionnaire[74] in which LC clearly stated that it had used the higher value, the transfer price.[75]

[69] *Id.* at 5.
[70] *See*, *e.g.*, *Certain Carbon and Alloy Steel Cut-to-Length Plate from Italy: Final Determination of Sales at Less Than Fair Value and Final Affirmative Determination of Critical Circumstances*, 82 FR 16345 (April 4, 2017) and accompanying Issues and Decision Memorandum at Comment 9.
[71] *See* Petitioner Case Brief at 12 - 13
[72] The identity of Party A is BPI.
[73] *See* LC Rebuttal Brief at 15 – 17.
[74] *See* LC SDQ2 at question 4.
[75] *See* LC Rebuttal Brief at 15-16 (citing to LC SDQR2at 10 ("LC has revised the packing expense reported in its section B and C sales listings by using the higher transfer prices in Exhibits 1 and 2..")).

Commerce Position:

Commerce agrees with LC with regard to the appropriate packing services cost employed in the *Preliminary Results*. Commerce requested and received from LC the revised packing services cost reflecting the higher transfer prices. Thus, the petitioner's argument here is moot, as Commerce is already employing the higher transfer price in its calculation.

Comment 5: Claimed Scrap Offset

Petitioner Case Brief:[76]

- LC failed to support that the offsetting value of scrap sold was less than the value of scrap it produced.

LC Rebuttal Brief:[77]

- LC has clearly demonstrated that it qualifies for a scrap offset. The quantity of scrap that it sold during the POR was less than the quantity it generated during the POR.

Commerce's Position:

Commerce agrees with LC that it has supported its claimed scrap offset with record evidence.[78] Although LC does not track scrap generated through nail production, it based its reported scrap offset on scrap sold during the POR.[79] The product-specific estimated raw material steel yield loss resulting from nail production is treated as an additional production cost for reporting purposes. To demonstrate that the reported scrap offset was reasonable, LC compared the quantity of scrap sold to the estimated scrap generated based on the yield loss rates incorporated in the reported costs. This comparison demonstrates that the quantity of scrap associated with the offset taken was significantly less than the quantity of scrap generated as incorporated in the reported costs.[80] Accordingly, because the quantity of scrap sold and used as the offset was less than the calculated quantity of scrap loss, we conclude that LC has used a reasonable methodology to estimate its generated scrap and has adequately demonstrated that it qualifies for a scrap offset.[81]

[76] *See* Petitioner Case Brief at 14.
[77] *See* LC Rebuttal Brief at 17.
[78] *See* LC Section B-D Response; *see also* SDQR1 at Exhibit D-28.
[79] *See* LC SDQR1 at 67.
[80] *Id*. at Exhibit D-28.
[81] *Id.*

B. Issues Pertaining to Unicatch

Comment 6: Home Market Viability

Unicatch's Case Brief:[82]

- In its *Preliminary Results*, Commerce calculated Unicatch's dumping margin by comparing the adjusted U.S. prices to its home market prices, as well as to CV for a small number of sales.
- Commerce rejected a large number of Unicatch's home market sales from the price comparisons to U.S. sales after the home market sales in question failed the cost test and, therefore, were outside the course of ordinary trade.
- Commerce has in the past and in the *Preliminary Results* relied on all sales to determine home market viability, but in this case, when sales outside the ordinary course of trade are excluded from the analysis, the home market is not viable.
- The Federal Circuit recently reasoned that Commerce should not use just any sales data but data that is from sales in the "ordinary course of trade."[83]
- The method Commerce uses to calculate CV profit should only be used when there are sufficient home market sales that are made in the "ordinary course of trade" to be compared to U.S. sales. The total number of home market sales used for comparison to the U.S. sales then would exclude below-cost sales. Accordingly, Commerce should exclude below-cost sales from its viability analysis.
- Courts have consistently found that, while there are many methodologies available to Commerce to complete its analysis, it must use those methodologies which arrive at the most accurate margin possible.
- The basis for normal value is that it be a "fair comparison between the export price or constructed export price and normal value."[84]
- Given these factors and that Unicatch does not have enough home market sales that pass the cost test and therefore are within the ordinary course of trade, Commerce should find Unicatch's home market to be not viable and rely on CV for all comparisons to U.S. sales in the final results.
- Unicatch acknowledges that Commerce's normal practice, which has been affirmed by the courts, is to determine home market viability based on all sales, both above and below cost.

Petitioner's Rebuttal Brief:[85]

- Commerce's regulations determining its home market viability analysis are clear. Commerce must use the home market so long as: (1) home market prices are representative, (2) the quantity of foreign like product sold in the home market is five percent or more of the aggregative quantity of product sold in the United States, and (3) no particular market situation exists which would prevent a proper comparison between markets.

[82] *See* PT and Unicatch Case Brief at 4-10.
[83] *Id*. at 6 (citing *Mid Continent Steel & Wire Inc. v. United States*, Appeal 2018-1296 (Fed. Circ. 2019)).
[84] *Id*. at 9 (citing section 773(a) of the Act).
[85] *See* Petitioner Rebuttal Brief at 4-6.

- Commerce should examine the aggregate quantity and not only those sales which are made in the ordinary course of trade.
- The reliance on aggregate quantity of home market sales and not those only in the ordinary course of trade has been affirmed by the Court.[86]
- Unicatch cites to *Mid Continent Steel & Wire, Inc. v. United States,*[87] but this decision is not relevant to home market viability, nor did the case address the framework Commerce uses in conducting its home market viability analysis. It instead litigates Commerce's ability to disregard a respondent's home market profit when determining CV, which is not relevant to question of home market viability.
- Contrary to the suggestion by Unicatch that the margin is "absurdly high," the rate assigned to Unicatch in the *Preliminary Results* is less than half the margin assigned to it in the first review (78.17 percent) and only twenty-two percentage points higher than the previous review (6.16 percent).
- Commerce should reject Unicatch's argument and continue to find that Unicatch's home market is viable for the purposes of calculating Unicatch's margin for the final results.

Commerce's Position:

We disagree with Unicatch regarding Commerce's finding that Unicatch's home market is viable. Commerce's regulations on home market viability are clear.[88] The home market is normally considered viable for comparison purposes if the aggregate quantity of foreign like product sold by an exporter or producer in a country is five percent or more of the aggregate quantity of its sales of the subject merchandise to the United States.[89] The regulations do not stipulate that Commerce must only consider those home market sales deemed to have been made in the ordinary course of trade. In the instant case, the regulations specifically guide Commerce to use aggregate sales quantities to determine home market viability. As the total aggregate quantity of Unicatch's home market sales of subject merchandise during the POI is greater than five percent of the aggregate quantity of its U.S. sales of subject merchandise during the POI, for the final results, Commerce continues to find the home market viable and to rely on Unicatch's home market for purposes of the final margin calculation.

Additionally, we agree with the petitioner that the recent court case which Unicatch cites in support of its position is irrelevant to the issue of home market viability in this review.[90] The issue in the appeal for *Mid Continent Steel* was the methodology that Commerce chose to use in calculating the margin when using a CV methodology. Of the CV methodologies available to Commerce, there is one preferred method and three alternative methods. In the investigation underlying the litigation, Commerce found insufficient information on the record to support the preferred method and, therefore, had to choose one of the three alternative methods.[91] Specifically, in that case, Commerce found that the respondent company's home market was not

[86] *Id*. at 5 (citing *Stupp Corp. v. United States,* WL 5306978 (CIT 2019) and *Itochu Bldg Prods. V. United States*, F. Supp 3d 1377, 1385 (CIT 2017)).
[87] *Id.* at 5 (citing *Mid Continent Steel & Wire Inc. v. United States,* 941 F.3d 530 (Fed. Cir. 2019) (*Mid Continent Steel)*).
[88] *See* 19 CFR 351.404(b).
[89] *Id*.
[90] *See Mid Continent Steel*, 941 F.3d at 538-39.
[91] *Id.*

viable, because its total home market sales quantity was less than five percent of its total U.S. sales quantity. Nothing in *Mid Continent Steel* undermines our approach to determining home market viability in this case. On the contrary, the Court in that case understood home market viability to be exactly as Commerce is interpreting it here; that is to say, in aggregate terms and not based only those sales made in the ordinary course of trade, as Unicatch asserts here.

Furthermore, we take issue with Unicatch's characterization that the margin we calculated in the *Preliminary Results* is "absurdly high." Specifically, we calculated Unicatch's margin based entirely on its own information and in accordance with our practice, and we therefore consider it to be a reasonable and accurate reflection of Unicatch's dumping margin. Additionally, we note that each of Commerce's segments of a proceeding stands on its own based on the particular evidentiary record in that segment.[92] Therefore, Commerce does not determine whether a rate is reasonable based on comparisons to the results of prior proceeding segments. Moreover, the magnitude of the calculated margin which results from our employment of the standard comparison market selection methodology in this case is not a basis upon which to change that methodology.

Given that Unicatch has cited no relevant court cases or case precedent to support its assertion that its home market should not be considered viable, we continue to find that Unicatch's home market is viable and to treat it as such for the final results.

Comment 7: Calculation of CV Profit Ratio

Unicatch's Case Brief:[93]

- Commerce should find Unicatch's home market to be not viable, and should calculate Unicatch's CV profit using the profit of the other mandatory respondent in this instant review, LC, or from the financial statements of Taiwanese fastener producers.
- If Commerce finds Unicatch's home market to be viable, Commerce should compute the profit percentage on all home market sales and not only those that are above cost.

Petitioner's Rebuttal Brief:[94]

- As Unicatch's home market is viable, Commerce should continue to base CV profit for Unicatch applying the preferred method.

Commerce's Position:

We disagree with Unicatch regarding Commerce's calculation of Unicatch's CV profit ratio. As discussed in Comment 6, we continue to find Unicatch's home market viable for the final results. Accordingly, there is no basis for calculating Unicatch's CV profit using a different method. We also disagree with Unicatch that Commerce should calculate a profit percentage based on all home market sales and not only those that are above cost. As Unicatch itself acknowledges in its

[92] *See U.S. Steel Corp. v. United States*, 637 F. Supp. 2d 1199, 1218 (CIT 2009) (*Steel Corp 2009*).
[93] *See* PT and Unicatch Case Brief at 10
[94] *See* Petitioner Rebuttal Brief at 11.

case brief,[95] as discussed in Comment 6 above, Commerce's practice of calculating CV profit based solely on home market sales above cost has been affirmed by the courts.[96] Therefore, we find no basis to depart from our normal practice, and continue to calculate CV profit for Unicatch as done in the *Preliminary Results.*

Comment 8: Calculation of Freight Revenue Cap

Unicatch's Case Brief:[97]

- Unicatch reported four movement expenses, all on a per-unit basis (*i.e.*, $/kg): U.S. Brokerage, U.S. International Freight, Inland Freight U.S. Port to Customer, and U.S. Duties.[98]
- In the *Preliminary Results*, Commerce included QTY2U (quantity) in the denominator when calculating a freight revenue cap.[99] In the final results, Commerce should remove QTY2U from the denominator, as these expenses are already all reported on a quantity basis.
- For Unicatch's reported CEP sales of subject merchandise made by its U.S. affiliate TC International, Inc., (TC) shipped directly from Unicatch to the unaffiliated U.S. customers, Unicatch billed the U.S. customers five CEP-specific movement expenses: international ocean freight, U.S. brokerage, U.S. inland freight port to customer, U.S. duty, and AD duty cash deposits. These five values represent Unicatch's freight revenue, and all five should have been included in its freight revenue cap.
- In the *Preliminary Results*, Commerce omitted AD duty cash deposits from its freight revenue capping language in the margin program.[100]
- Commerce incorrectly did not include AD duty cash deposits when capping freight revenue, contrary to law.[101] In doing so, Commerce deducted AD duty cash deposits from the U.S. price in its calculations.
- In the preceding administrative review, Commerce rejected the petitioner's argument that AD duty cash deposits should not be added to the price paid by TC's customers on direct sales.[102] In the final results, Commerce should follow the conclusion it reached in the previous administrative review.

[95] *See* PT and Unicatch Case Brief at 10.
[96] *See NEXTEEL Co. v. United States*, 392 F. Supp. 3d 1276 (CIT 2019).
[97] *See* PT and Unicatch Case Brief at 14-17.
[98] *Id*. at 14 (citing Unicatch Submission, "Section B, C, & D Response," dated February 13, 2019 at 29-32, Exhibits C-12, C-13, C-17, and C-19 (Unicatch Section C Response).
[99] *Id*. at 15 (citing Unicatch Preliminary Margin Program at lines 1110-1111).
[100] *Id*. at 15-16 (citing Memorandum, "Antidumping Duty Administrative Review of Certain Steel Nails from Taiwan, 2017-2018: Preliminary Determination Margin Calculation for Unicatch Industrial Co., Ltd.," dated September 5, 2019 (Unicatch Prelim Calc Memo) at 5)).
[101] *Id*. at 16-17 (citing *Xanthan Gum from the People's Republic of China: Rescission of 2014-2015 Antidumping Duty New Shipper Review*, 81 FR 56586 (August 22, 2016)).
[102] *Id.* at 17 (citing *Certain Steel Nails from Taiwan: Final Results of Antidumping Duty Administrative Review and Partial Rescission of Administrative Review; 2016-2017*, 84 FR 11506 (March 27, 2019) and accompanying Issues and Decisions Memorandum at Comment 9).

Petitioner's Rebuttal Brief:[103]

- Commerce correctly capped freight revenue in the *Preliminary Results* to not include AD duty cash deposits. It is consistent with Commerce's long-standing practice to cap freight revenue by an amount equal to the freight expenses incurred.[104]
- As noted in PT and Unicatch's Case Brief, AD duties are not considered to be an expense for the purpose of the margin calculation, and Commerce does not make deductions to the U.S. price for such expenses, because AD duties are not freight expenses.
- There is no cause for Commerce to include AD cash deposits in the capping of freight revenue in the margin program, and Commerce should continue to exclude this value in the final results.

Commerce's Position:

We agree, in part, with Unicatch regarding the denominator in the freight revenue formula used in the *Preliminary Results*. Given that Unicatch reported the related freight variables in per- unit terms, we agree that dividing the capping language by QTY2U was a ministerial error. For the final results, we have revised the freight revenue capping language in the margin program to not include QTY2U.

However, we disagree with Unicatch regarding its argument for the inclusion of AD duty cash deposits in the freight revenue cap. Additionally, we note that each segment of a proceeding stands on its own based on the particular evidentiary record of that segment.[105] Thus, while interested parties may argue the merits, or lack thereof, of determinations made in prior segments, Commerce is basing its final results on the record evidence of this segment of the proceeding, and not relying on the records of past segments. The record for this administrative review does not support the assertion implied in Unicatch's arguments that AD duty cash deposits are not fully captured in the reported gross unit price. Indeed, in its questionnaire response, Unicatch reported that the gross unit price (GRSUPR2U) represents the invoice price.[106] There is no further qualification or quantification of what components comprise the gross unit price. Thus, there is no record evidence to support including AD duty cash deposits in a freight revenue calculation. Further, even if Unicatch had broken down its gross unit price and demonstrated that AD duty cash deposits were billed as a separate line item in its invoices, it is not Commerce's practice to include such expenses/revenue in a freight calculation. Section 772(c)(2)(A) of the Act and 19 CFR 351.401(e) permit Commerce to reduce CEP by "the amount, if any, included in such price, attributable to any additional costs, charges, or expenses, and United States import duties, which are incident to bringing the subject merchandise from the

[103] *See* Petitioner Case Brief at 15-16.
[104] *Id*. at 15 (citing *Circular Welded Carbon Steel Pipes and Tubes From Thailand: Final Results of Antidumping Duty Administrative Review; 2011-212*, 78 FR 65272 (October 31, 2013) and accompany Issues and Decision Memorandum at Comment 5; *also Certain Orange Juice From Brazil: Final Results of Antidumping Duty Administrative Review and Notice of Intent Not to Revoke Antidumping Duty Order in Part*, 75 FR 50999 (August 18, 2010) and accompanying Issues and Decision Memorandum at Comment 2).
[105] *See Steel Corp 2009*, 637 F. Supp. 2d at 1218.
[106] *See* Unicatch Section C Response at 22.

original place of shipment in the exporting country to the place of delivery in the United States…" However, as AD duties are not among those described in the governing statute, there is no basis upon which to equate AD duties with movement expenses (*i.e.*, bringing the subject merchandise to the United States). Furthermore, as AD duties are not an expense (or revenue) for which Commerce makes adjustments to the U.S. price, we decline to treat them as such here.[107] Commerce declines to deduct AD duties when calculating the margins because that would be inappropriately circular and result in a double-counting of the remedy.[108] Thus, as AD duties are not deductible expenses, movement or otherwise, they are likewise, not a revenue item, movement or otherwise.

Thus, we disagree with Unicatch that by excluding AD duty cash deposits from the freight revenue calculation that we are effectively deducting them from the U.S. price. As stated above, it is long been Commerce's court-affirmed practice,[109] not to deduct AD duties from the U.S. price. Regardless of Commerce's determinations in prior segments of the proceeding, there is no record evidence demonstrating that AD duty cash deposits are not captured in GRSUPRU2U, and by excluding AD duty cash deposits from the freight revenue calculation, we remain consistent with our practice. Moreover, as stated above, AD duty cash deposits are not freight or other movement-related expenses. Accordingly, we are not revising the freight revenue cap from the *Preliminary Results*, with the exception, as mentioned above, of the removal of QTY2U from the denominator.

Comment 9: Treatment of Commissions

Unicatch's Case Brief:[110]

- Unicatch reported four commissions fields in its U.S. sales database, two of which are associated with CEP sales: COMM3U and COMM4U. Subsequently, Commerce included COMM3U and COMM4U in the CEPOTHER line in the margin program.
- By including COMM3U and COMM4U in CEPOTHER, Commerce has ignored its own instructions to include only "expenses not included in CEPISELL." Given that commissions are already included in CEPISELL (*i.e.*, indirect selling expenses incurred in the United

[107] *See, e.g.*, *Certain Oil Country Tubular Goods from the Republic of Korea: Final Results of Antidumping Duty Administrative Review and Final Determination of No Shipments; 2015-2016,* 83 FR 17146 (April 18, 2018) (*OCTG 2018*) and accompanying Issues and Decision Memorandum at Comment 5 ("Commerce consistently has treated AD duties as special duties not subject to the requirement to deduct 'United States import duties' (normal customs duties) from U.S. prices in calculating dumping margins. The {CIT} has upheld this position on five occasions…Congress specifically endorsed this position in the…SAA accompanying the Uruguay Round Agreements Act when, in explaining the consideration of duty absorption in administrative reviews, it stated that '{t}his new provision of law is not intended to provide for the treatment of antidumping duties as a cost.'")
[108] *See Apex Exports v. United States*, 777 F.3d 1373, 1379 (Fed. Cir. 2015).
[109] *See OCTG 2018* at Comment 5; *see also Ad Hoc Shrimp Trade Action Comm. v. United States*, 925 F. Supp. 2d 1367 (CIT 2013).
[110] *See* PT and Unicatch Case Brief at 19.

States by Unicatch), including them in CEPOTHER double-counts the expenses and distorts the margin calculation.
- Commerce should revise its margin program in the final results and exclude COMM3U and COMM4U from its CEPOTHER calculation.

Petitioner's Rebuttal Brief:[111]

- Record evidence supplied by Unicatch does not support the assertion that COMM3U and COMM4U are captured in its reported indirect selling expenses.
- Unicatch provided a breakdown of its U.S. indirect selling expenses, with a line item for POR commissions. The amount reported for commissions in this breakdown does not tie to the sum of COMM3U and COMM4U, and the record provides no evidence that COMM3U and COMM4U are captured in the U.S. indirect selling expenses.
- Commerce properly included COMM3U and COMM4U as part of CEPOTHER expenses and should continue to do so in the final results.

Commerce's Position:

We disagree with Unicatch that we should remove COMM3U and COMM4U from CEPOTHER in the margin program. Unicatch did not demonstrate that the aggregate commissions included in the indirect selling expense calculation provided by Unicatch were inclusive of COMM3U and COMM4U and therefore double-counted when included in CEPOTHER. Specifically, the total amount of commissions included in the indirect selling expenses breakdown provided by Unicatch in its questionnaire response does not reconcile with the sum of COMM3U and COMM4U.[112] Additionally, Unicatch provided no narrative explanation that tied the specific commissions reported in COMM3U and COMM4U to the commissions included in its indirect selling expense calculation, nor did it explain why it reported the fields for COMM3U and COMM4U if the values were already included in its reported indirect selling expenses. Due to our inability to reconcile these values using record evidence, we are unable to conclude that the commissions included in the indirect selling calculation are the same as those reported under COMM3U and COMM4U by Unicatch. Therefore, there is no record basis for Unicatch's assertion that our inclusion of COMM3U and COMM4U in CEPOTHER results in double-counting its expenses. Accordingly, we continue to include COMM3U and COMM4U in CEPOTHER.

Comment 10: Comparison of Brads and DA Nails to Other Nails

Unicatch's Case Brief:[113]

- Unicatch reported it was classifying brads and headless pins under the same product form (PFORM) as other nails, and provided pictures and other evidence to show distinctions between DA nails and brads and other nails.

[111] *See* Petitioner Case Brief at 17-18.
[112] *See* Unicatch Section C Response at Exhibits C-21(c) and C-26.
[113] *See* PT and Unicatch Case Brief at 11-13.

- Commerce compared home market sales of brads and DA nails to other nails sold in the United States, as well as the reverse (brads and DA nails sold in the United States to other nails sold in the home market). For example, some U.S. sales transactions with collation material codes 50, 72, and 80 were compared to sales of nails in the home market with collation material codes of 90 and 92 (which are the codes representing the collation material for brads and DA nails, respectively).
- Commerce should compare only the sale of identical nails in one market to the sale of the identical type of nails in the other. For example, Commerce should only compare the sales of brads in the home market to the sale of brads in the U.S. market.
- Given brads are not sold as nails, alternatively, Commerce should modify the model matching process in the margin calculation program.

Petitioner's Rebuttal Brief:[114]

- Though the record provides evidence that DA nails, brads, and other nails have some physical and production differences, Commerce's 20-percent difference-in-merchandise (DIFMER) test is used in the programming to assess product similarity and to decide if there is a reasonable justification for comparing merchandise, even with such differences.
- In the *Preliminary Results*, Commerce applied the DIFMER test, which then selected only those home market sales that were deemed meaningfully comparable to U.S. sales. When the results of the DIFMER test exceed a 20-percent difference, such a home market sale would have been disregarded and not compared to a U.S. sale.[115]
- Given the DIFMER test already accounts for differences between products to determine suitable comparability, there is no basis to redefine Commerce's precedent for model matching. Moreover, similar arguments have been rejected in different proceedings.[116]
- It is Commerce's practice not to change the established model-matching methodology from earlier segments in a proceeding, unless it can be proven that the model-matching criteria are not reflective of the subject merchandise in question, that there has been a change to the product on an industry-wide level, or that there is some other compelling reason to warrant a change.[117]
- Unicatch has not offered a compelling reason to conclude that the DIFMER test does not provide a reasonable comparison of similarity across products, and therefore, Commerce should not create a new category to compare brads and DA nails to other nails and should continue to rely on the DIFMER test for its final results.[118]

Commerce's Position:

We disagree with Unicatch regarding the separate classification and treatment of brads and DA

[114] *See* Petitioner Rebuttal Brief at 12-14.
[115] *Id*. at 12-13 (citing Unicatch Prelim Calc Memo).
[116] *Id*. (citing *Certain Steel Nails from the Republic of Korea: Final Determination of Sales at Less Than Fair Value*, 80 FR 28955 (May 20, 2015) and accompanying Issues and Decision Memorandum at 20-23.)
[117] *Id.* (citing *Stainless Steel Pipe from the Republic of Korea: Final Results of Antidumping Duty Administrative Review and Final Determination of No Shipments; 2014-2015*, 82 FR 22970 (May 19, 2017) and accompanying Issues and Decision Memorandum at 4.)
[118] *Id*. at 14.

nails from other types of nails for product comparison purposes.

The product comparison hierarchy established in the statute instructs that the most accurate methodology is that methodology which selects the most-similar product and which results in the greatest number of reasonable price-to-price comparisons.[119] This is generally satisfied by Commerce's standard product matching methodology under 19 CFR 351.411, which recognizes that similar products may differ in certain physical respects, and it provides a mechanism to account for those differences (*i.e.*, the difference-in-merchandise (DIFMER) adjustment). Commerce's practice is to find that U.S. prices and normal values can be reasonably compared if the difference in the variable COM of the merchandise being compared is within 20 percent of the total COM of the merchandise sold in the U.S. market (the DIFMER test).[120] The purpose of this guideline is to prevent the comparison of U.S. products to comparison market products that are too dissimilar to render a meaningful comparison.[121]

In this case, for example, if a steel nail is compared to a DA nail or brad and the DIFMER test demonstrates that there is less than a 20-percent difference in the variable COM between the two products, then the products are considered comparable and an adjustment to normal value is made to reflect that difference in the margin calculation. If the DIFMER test results in a percentage that is greater than or equal to 20 percent, then the products are considered non-comparable, and the comparison is discarded from the margin calculation.[122] Unicatch provided no support for its argument that the DIFMER test/adjustment is insufficient to address its product comparison concerns. Therefore, we find no basis to modify the product comparison methodology as suggested by Unicatch in the final results.

Comment 11: Calculation of Interest and General and Administrative Expenses

Unicatch's Case Brief:[123]

- In the *Preliminary Results*, Commerce made a clerical error when recalculating interest expense (INTEX) by excluding an important component from the numerator of the INTEX calculation, which can be tied to its 2017 financial statement. Commerce should correct this

[119] *See* sections 771(16)(B) and (C) of the Act.
[120] *See*, *e.g.*, *Certain Tapered Roller Bearings from the Republic of Korea: Preliminary Affirmative Determination of Sales at Less-Than-Fair-Value, Postponement of Final Determination, and Extension of Provisional Measures*, 83 FR 4901 (February 2, 2018) and accompany Preliminary Decision Memorandum at Section IX, unchanged in *Certain Tapered Roller Bearings from the Republic of Korea: Final Determination of Sales at Less Than Fair Value*, 83 FR 29092 (June 22, 2018).
[121] *Id.*; *see also Antidumping Proceedings: Affiliated Party Sales in the Ordinary Course of Trade*, 67 FR 69186, 69187 (November 15, 2002) ("While product characteristics differ from case to case, {Commerce} generally does not compare a comparison market product to a given product sold in the United States if the difference in variable manufacturing costs of the two products is greater than 20 percent").
[122] *See*, *e.g.*, *Certain Steel Nails from the Republic of Korea: Final Determination of Sales at Less Than Fair Value*, 80 FR 28955 (May 20, 2015) and accompanying Issues and Decision Memorandum at Comment 6 ("Sales of products in the comparison market with a DIFMER exceeding 20 percent of the total cost of manufacture of the product exported to the United States will normally not be used in determining normal value.")
[123] *See* PT and Unicatch Case Brief at 18-19.

error and include all components that Unicatch reported in the numerator of the INTEX recalculation formula.

Petitioner's Case Brief:[124]

- Commerce was correct to reduce the denominator of the INTEX and general and administrative expenses (G&A) recalculations for Unicatch by the packing cost and scrap offset, but the packing cost and scrap offset used by Commerce related only to POR amounts of subject merchandise based on Unicatch's cost reconciliation.
- Fiscal-year packing cost and scrap offset amounts are not on the record. Therefore, Commerce should revise the calculation and use the packing and scrap offset for not only subject merchandise but all products, given the denominator used to calculate INTEX and G&A relates to all products.

Petitioner's Rebuttal Brief:[125]

- While Unicatch claims that the missing component from the numerator in the INTEX calculation reconciles to its 2017 financial statement, the component in question does not reconcile to its audited financial statements in Unicatch's Section A questionnaire response. Unicatch has never explained the discrepancy between the trial balance and the audited financial statements with regards to the component in question.
- Given the discrepancy that Unicatch has not explained, Commerce correctly relied on the audited financial statements as the basis for its INTEX recalculation for the *Preliminary Results*.

Commerce's Position:

We disagree with Unicatch's claim that we made a clerical error in the calculation of INTEX. Specifically, we based our recalculation of INTEX on the audited financial statements provided by Unicatch in its questionnaire responses. The underlying elements of our recalculation of INTEX are business proprietary, therefore, for further explanation as to the exclusion of certain elements from the recalculation, *see* Attachment 4 of Unicatch Final Calculation Memo.[126]

Additionally, we agree with the petitioner that Commerce should revise the G&A and INTEX recalculation by offsetting the reported cost of sales by the packing and scrap offset for all products, as determined by the ratio of packing and scrap costs to total COM for all products. This is more accurate than basing the offset on packing and scrap for subject merchandise only, because the denominator used to calculate G&A and INTEX relates to all products. Therefore, in these final results, we calculated the offset for packing and scrap based on all products and not only the subject merchandise.

[124] *See* Petitioner Case Brief at 17.
[125] *See* Petitioner Rebuttal Brief at 16-17.
[126] *See* Memorandum, "Final Results Margin Calculation for Unicatch Industrial Co., Ltd.," dated concurrently with this memorandum (Unicatch Final Calculation Memo).

Comment 12: Cost of Manufacturing Adjustment

Petitioner's Case Brief:[127]

- In the *Preliminary Results*, Commerce made a COM adjustment using a market price that was the weighted-average price of all Unicatch's purchases of wire rod, from both affiliated and unaffiliated suppliers. Commerce should correct the figure so that it reflects the market price of only purchases from unaffiliated suppliers.
- Additionally, Commerce used the incorrect number for the percentage of affiliates' purchases relative to all purchases. Commerce should revise the percentage to reflect the correct figure.

Unicatch Rebuttal Brief:[128]

- In its questionnaire responses, Unicatch demonstrated that the purchase price for steel wire rod from affiliated suppliers was higher than the weighted-average price that was paid to unaffiliated suppliers, confirming that the transactions between Unicatch and the affiliated suppliers were arm's-length transactions. Using the weighted-average purchase price has been Commerce's practice and was the treatment Unicatch received in the immediately preceding segment, the second administrative review (AR2)..
- In the *Preliminary Results*, Commerce departed from previous practice and rejected the lower of two purchases paid to an affiliated supplier, resulting in an increase in TOTCOM.
- Should Commerce continue to reject the lower of the two purchase prices paid to one affiliate, it must then also reject the higher of the two purchase prices paid to the other affiliate.
- Commerce should either use the weighted-average purchase price from the two affiliated suppliers of steel wire rod, as it did in AR2, or use the market price paid to unaffiliated suppliers for all of the purchases of steel wire rod.

Commerce's Position:

We disagree with Unicatch's assertion that we should weight average the COM adjustment. It is Commerce's practice[129] to analyze the input transfer price from each supplier individually, not as a weight average from all affiliated suppliers. In this case, having performed that analysis and adjusted the transfer price for a single affiliated supplier, we then calculated a weight average to derive the total COM adjustment. Given that our adjustment at the individual supplier level is in accordance with previous practice,[130] we find no basis to follow Unicatch's suggested methodology and continue to calculate the COM adjustment in accordance with the *Preliminary Results*, except as noted below.

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[127] *See* Petitioner Case Brief at 17-18.
[128] *See* PT and Unicatch Rebuttal Brief at 3-4.
[129] *See, e.g.*, *Notice of Final Results and Partial Rescission of Antidumping Duty Administrative Review: Certain Oil Country Tubular Goods from Mexico*, 71 FR 54614 (September 18, 2006) and accompanying Issues and Decision Memorandum at Comment 5.
[130] *Id*.

Additionally, we agree with the petitioner regarding the clerical errors made with respect to the COM adjustment. Accordingly, we have adjusted the values used in the *Preliminary Results* for both the weighted-average price of all Unicatch's purchases of wire rod as well as the percentage of the affiliates' purchases relative to all purchases.[131] However, after correcting for these errors, we found that the COM adjustment remains unchanged from the *Preliminary Results*.

C. Issues Pertaining to PT

Comment 13: Calculation of CV Profit Ratio

PT Case Brief:[132]

- PT adopts all affirmative arguments presented by Unicatch. Based on affirmative arguments for Unicatch, Commerce should not rely on Unicatch's CV profit ratio to calculate PT's CV profit.
  - Commerce should only rely on the CV profit ratio calculated for LC, which was based on the actual profit amount realized by LC.
  - In the event that Commerce must apply its practice of disregarding proprietary information on the record when determining proper surrogate values, and Commerce is, thus, prevented from using LC's actual profit ratio, Commerce should rely on LC's publicly ranged ratio instead.
  - Alternatively, Commerce is able to calculate the CV profit ratio for PT based on the surrogate financial statements on the record from two Taiwanese producers.[133] The resulting surrogate profit ratio, as calculated by PT, is 0.73 percent.
  - Alternatively, if Commerce continues to determine that Unicatch had a viable home market, Commerce should recalculate Unicatch's CV profit ratio based on all of Unicatch's home market sales before using it to calculate the ratio for PT.[134] PT provided a calculation for Unicatch's CV profit ratio, should Commerce determine to rely on all of Unicatch's home market sales to determine the existence of a viable home market.

Petitioner's Rebuttal Brief:[135]

- Commerce should continue to base CV profit for Unicatch applying the preferred method and continue to use that same Unicatch CV profit ratio when deriving PT's CV profit.

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[131] *See* Unicatch Final Calculation Memo.
[132] *See* PT and Unicatch Case Brief at 20.
[133] *Id.* (citing to PT's Submission, "Factual Information for CV Profit and Selling Expenses: Antidumping Duty Administrative Review of Certain Steel Nails from Taiwan," dated May 31, 2019).
[134] PT supports and incorporates by reference the arguments made by Unicatch with regard to Unicatch's home-market viability test addressed in Comment 6. In its support of Unicatch's argument, PT argues that Commerce's decision to rely on all of Unicatch's home market sales to determine the existence of a viable home market, while at the same time relying solely on Unicatch's above-cost home market sales to determine Unicatch's normal value, creates a "facially absurd result, frustrating the Congressional intent to 'calculate the most accurate margin possible.'"
[135] *See* Petitioner Rebuttal Brief at 7.

Commerce Position:

Commerce disagrees with PT regarding the calculation of CV profit. As discussed above, because we have made no changes to the viability test of Unicatch's home market sales or the methodology applied to Unicatch's margin calculation, nor applied total AFA to LC, there is no basis to alter the methodology applied to calculate PT's CV profit in the final results.

Comment 14: Treatment of Certain Line Items in Financial Statements as G&A Expenses

Petitioner's Case Brief:[136]

- Commerce should account for certain information in PT's 2018 financial statements in the calculation of G&A expenses.[137]

PT Rebuttal Brief:[138]

- Commerce should reject the petitioner's proposed adjustment to G&A. The G&A ratio for the instant POR was calculated based upon PT's 2017 financial statement, not its 2018 financial statements.
- Even if Commerce were to entertain the petitioner's argument that this particular line item should be treated as a loss, according to Taiwan Generally Accepted Accounting Principles, a receivable can only be written off and recognized as a loss if the company did not receive the amount for more than two years. In other words, the earliest PT can write off the receivable is in 2020. Accordingly, Commerce should continue to reject the petitioner's proposal to include the particular line item in question in PT's G&A expenses.

Commerce Position:

Commerce disagrees with the petitioner regarding its proposed adjustment to PT's G&A. As PT correctly noted in its rebuttal brief, Commerce relied on PT's 2017 financial statements in the *Preliminary Results*, and made adjustments in the *Preliminary Results* to G&A using those 2017 financial statements.[139] Thus, the petitioner's proposed adjustment(s) to PT's G&A, which are specific to PT's 2018 financial statements, are moot for PT's margin calculation in this review period.

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[136] *See* Petitioner Case Brief at 15.

[137] The majority of the petitioner's argument regarding PT (at pages 15-16 of the Petitioner Case Brief) is bracketed to protect PT's BPI. However, Commerce's determination regarding this argument does not require a separate discussion of the BPI because the petitioner's argument focuses on proposed adjustments to financial statements that were not used in the margin calculation, as discussed in Commerce's position.

[138] In its rebuttal brief at page 3, PT supports and incorporates by reference the arguments made by LC in its rebuttal brief against the petitioner's argument that Commerce should apply AFA to LC. PT disagrees with the petitioner on those claims and supports and incorporates by reference the arguments made by LC in its rebuttal brief in opposition.

[139] *See* Memorandum, "Analysis for the Preliminary Results of the Administrative Review of Certain Steel Nails from Taiwan: PT," dated September 5, 2019, at Attachment 3 (PT Preliminary Calculation Memorandum). *See also* PT Submission, "Supplemental Section D Questionnaire Response," dated July 8, 2019, at Exhibit SD-24, which contains a revised G&A calculation and worksheet, as requested by Commerce in its supplemental questionnaire issued on June 14, 2019, at question 9 (ACCESS Barcode: 3849184-01).

VI. RECOMMENDATION

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

☒	☐
Agree	Disagree

3/9/2020

X 

Signed by: JEFFREY KESSLER

Jeffrey I. Kessler
Assistant Secretary
for Enforcement and Compliance