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Investigation
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February 6, 2020

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

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

SUBJECT: Issues and Decision Memorandum for the Final Affirmative
Determination in the Less-Than-Fair-Value Investigation of
Acetone from Belgium

I. SUMMARY

The Department of Commerce (Commerce) determines that acetone from Belgium is being, or is likely to be, sold in the United States at less than fair value (LTFV), as provided in section 735 of the Tariff Act of 1930, as amended (the Act). The petitioner in this investigation is the Coalition for Acetone Fair Trade (the petitioner).¹ The period of investigation (POI) is January 1, 2018 through December 31, 2018.

We analyzed the comments submitted by the interested parties in this investigation. We recommend that you approve the positions described in the “Discussion of the Issues” section of this memorandum.

A complete list of the issues in this investigation on which we received comments is provided below.

Comment 1: Whether Commerce Should Adjust INEOS Europe’s Tolling Costs
Comment 2: Whether Commerce Should Use INEOS Europe’s Actual Demurrage Expenses

¹ The members of the Coalition for Acetone Fair Trade are AdvanSix Inc., Altivia Petrochemicals, LLC, and Olin Corporation.



II. BACKGROUND

On September 24, 2019, Commerce published the *Preliminary Determination* in the less-than-fair-value investigation of acetone from Belgium.² Commerce conducted the sales verification of INEOS Europe in Antwerp, Belgium from November 4 through November 8, 2019.³ Commerce also conducted the cost verification of INEOS Europe in Antwerp, Belgium from November 11 through November 15, 2019.⁴ Finally, Commerce conducted the constructed export price (CEP) verification of INEOS Americas, LLC (INEOS America) in Mobile, Alabama from December 4 through December 6, 2019.⁵

Commerce received a case brief from INEOS Europe AG (INEOS Europe) on January 7, 2020,⁶ and a rebuttal brief from the petitioner on January 13, 2020.⁷ In its rebuttal brief, the petitioner withdrew its request for a hearing.⁸ On January 13, 2020, INEOS Europe withdrew its request for a hearing.⁹ As there were no remaining requests for a hearing, no hearing was held in this investigation.

III. SCOPE OF THE INVESTIGATION

The products covered by this investigation are acetone from Belgium. For a complete description of the scope of this investigation, *see* Appendix I of the *Federal Register* notice.

IV. DISCUSSION OF THE ISSUES

Comment 1: Whether Commerce Should Adjust INEOS Europe's Tolling Costs

INEOS Europe's Case Brief

- Commerce collapsed INEOS Europe and INEOS Phenol Belgium, NV (INEOS Belgium) in the *Preliminary Determination*, and stated that it “replaced the tolling fee paid to INEOS Belgium with the actual production costs incurred by INEOS Belgium.”¹⁰

² See *Acetone from the Belgium: Preliminary Affirmative Determination of Sales at Less Than Fair Value, Postponement of Final Determination, and Extension of Provisional Measures*, 84 FR 49999 (September 24, 2019) (*Preliminary Determination*), and accompanying Preliminary Decision Memorandum (PDM).

³ See Memorandum, “Verification of the Sales Response of INEOS Europe AG in the Antidumping Investigation of Acetone from Belgium,” dated December 17, 2019.

⁴ See Memorandum, “Verification of the Cost Response of INEOS Phenol Belgium NV, Belgium in the Antidumping Duty Investigation of Acetone from Belgium,” dated December 20, 2019 (INEOS Europe Cost Verification Report).

⁵ See Memorandum, “Verification of the CEP Sales Response of INEOS Europe AG in the Antidumping Investigation of Acetone from Belgium,” dated December 27, 2019.

⁶ See INEOS Europe's Letter, “Acetone from Belgium: Case Brief,” dated January 7, 2020 (INEOS Europe's Case Brief).

⁷ See Petitioner's Letter, “Acetone from Belgium: Petitioner's Rebuttal Brief,” dated January 13, 2020 (Petitioner's Rebuttal Brief).

⁸ *Id.* at 2.

⁹ See INEOS Europe's Letter, “Acetone from Belgium: Withdrawal of Request for Hearing,” dated January 13, 2020.

¹⁰ See INEOS Europe's Case Brief at 2 (citing *Preliminary Determination* PDM at 19).

- In its calculation, Commerce used the amount paid by INEOS Europe to INEOS Belgium to represent the tolling expense.¹¹
- Commerce also made an upward adjustment to INEOS Belgium's tolling services for INEOS Belgium's general and administrative costs in the *Preliminary Determination*.¹²
- At verification, Commerce verified that INEOS Europe had fully reported all of INEOS Belgium's general and administrative costs as part of the variables INEOS Belgium's variable overhead (IBVOH) and (INEOS Belgium's fixed overhead) IBFOH as reported in its August 19, 2019 cost database.¹³
- Commerce should not make any upward adjustments to INEOS Belgium's processing costs. Rather, Commerce should use the IBVOH and IBFOH variables as reported in its August 19, 2019 cost database, as these represent the full costs incurred by INEOS Belgium for its tolling services.¹⁴

The petitioner did not comment on this issue.

Commerce's Position: We agree with INEOS Europe and have relied on the expenses reported in the IBVOH and IBFOH to represent the full tolling costs incurred by INEOS Belgium in this *Final Determination*.¹⁵ Moreover, we are no longer making a separate adjustment for general and administrative (G&A) expenses, as G&A expenses are accounted for in the IBVOH and IBFOH fields.¹⁶

During the cost verification, we found and verified that the G&A expenses incurred by INEOS Belgium had been included as either variable IBVOH or IBFOH in INEOS Belgium's reported cost file.¹⁷ Therefore, Commerce has excluded the G&A expense (IBGNA) reported in the cost file from the G&A expense ratio calculation for this *Final Determination*. More details concerning the changes made to INEOS Europe's calculations in this *Final Determination* can be found in INEOS Europe's Final Calc Memo, and INEOS Europe's Final Cost Calc Memo.¹⁸

¹¹ *Id.* (citing Memorandum, "Acetone from Belgium: Preliminary Determination Margin Calculation for INEOS Europe AG," dated September 17, 2019, at 2).

¹² See INEOS Europe's Case Brief at 3 (citing Memorandum, "Acetone from Belgium: Cost of Production and Constructed Value Calculation Adjustments for the Preliminary Determination – INEOS Europe AG," dated September 17, 2019, at 2).

¹³ *Id.* (citing INEOS Europe Cost Verification Report at 19); see also INEOS Europe's August 13, 2019 Supplemental Questionnaire Response (INEOS Europe's August 19, 2019 SQR) at 5-6 and Exhibit D-39.

¹⁴ See INEOS Europe's Case Brief at 3; see also INEOS Europe's August 13, 2019 SQR at 5-6 and Exhibit D-39.
¹⁵ See Memorandum, "Acetone from Belgium: Final Determination Margin Calculation for INEOS Europe AG," dated February 6, 2020 (INEOS Europe's Final Calc Memo).

¹⁶ *Id.*

¹⁷ See INEOS Europe Cost Verification Report at 19.

¹⁸ See INEOS Europe's Final Calc Memo; see also Memorandum, "Less Than Fair Value Investigation of Acetone from Belgium: Cost of Production and Constructed Value Calculation Adjustments for the Final Determination – INEOS Europe AG," dated February 6, 2020 (INEOS Europe's Final Cost Calc Memo).

Comment 2: Whether Commerce Should Use INEOS Europe's Actual Demurrage Expenses

INEOS Europe's Case Brief:

- Commerce “should replace certain provisional demurrage expenses reported by INEOS Europe with the final, actual demurrage expenses.”¹⁹
- Commerce verified that INEOS Europe had reached an agreement with its carrier to reduce the demurrage charge for certain contested demurrage invoices.²⁰

Petitioner's Rebuttal Brief

- The petitioner does not object to INEOS Europe's proposed revisions to its demurrage expenses. However, Commerce should ensure that the margin program is properly updated to deduct expenses in the INTERDEM1U field, as well as any remaining contested amounts in the INTERDEM2U field.²¹

Commerce's Position:

For this *Final Determination*, Commerce has revised INEOS Europe's demurrage expenses to include the final actual expenses as incurred by INEOS Europe and updated the margin program to ensure that all proper deductions are made as suggested by the petitioner.²²

V. 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 determination in the investigation and the final weighted-average dumping margins in the *Federal Register*.



Agree



Disagree

2/6/2020

X



Signed by: JEFFREY KESSLER

Jeffrey I. Kessler
Assistant Secretary
for Enforcement and Compliance

¹⁹ See INEOS Europe's Case Brief at 4.

²⁰ *Id.*; see also INEOS Europe's Letter, "Acetone from Belgium: INEOS Europe's Minor Corrections Filing," dated November 6, 2019, at Minor Correction #3.

²¹ See Petitioner's Rebuttal Brief at 1-2.

²² See INEOS Europe's Final Calc Memo.