

TABLE OF CONTENTS

I.	INTRODUCTION	1
II.	GENERAL INFORMATION.....	4
A.	The Petitioner And The Degree Of Industry Support For The Petitions	4
1.	The Petitioner.....	4
2.	Industry support for the petitions.....	5
B.	Related Proceedings And Previous Requests For Relief	5
1.	The <i>Melamine from China</i> antidumping and countervailing duty orders	5
2.	Other requests for relief	6
C.	Description Of The Subject Merchandise.....	8
1.	Technical characteristics and uses	8
2.	Manufacturing process.....	10
3.	U.S. tariff classification numbers.....	11
4.	Requested scope of the investigations	11
D.	Class Or Kind Of Merchandise And Domestic Like Product.....	12
E.	Country Of Exportation	12
F.	Producers, Exporters, Importers, And Purchasers Of The Subject Merchandise.....	13
G.	Volume And Value Of Subject Merchandise	14
III.	THE DOMESTIC LIKE PRODUCT AND THE DOMESTIC INDUSTRY	14
A.	The Domestic Like Product Includes All Melamine Covered By The Scope.....	14
1.	Legal standard.....	15
2.	The like product factors normally considered by the Commission support finding a single like product in these investigations	16
B.	The Domestic Industry Includes All U.S. Producers Of The Domestic Like Product.....	17
IV.	THE DOMESTIC INDUSTRY IS MATERIALLY INJURED BY REASON OF SUBJECT IMPORTS	17
A.	Subject Imports Are Not Negligible	17

- B. The Subject Imports Should Be Cumulated..... 19
- C. Subject Imports Have Caused Material Injury To The Domestic Industry 22
 - 1. The conditions of competition in the melamine market make the domestic industry highly susceptible to the adverse impact of subject imports..... 24
 - 2. The volume of subject imports is significant..... 26
 - 3. The price effects of subject imports are significant 29
 - 4. Subject imports have had a significant adverse impact on the domestic industry 32
 - 5. Conclusion 34
- D. Subject Imports Threaten The Domestic Industry With Further Material Injury Going Forward..... 35
 - 1. The likely volume of subject imports will be significant 35
 - 2. The likely price effects of subject imports are significant..... 38
 - 3. The likely impact of subject imports is significant..... 39
- V. CONCLUSION..... 41

LIST OF EXHIBITS

- EXHIBIT I-1** Cornerstone Trade and Financial Data 2021 to 2023 (APO)
- EXHIBIT I-2** Cornerstone Energy Park Profile (Public)
- EXHIBIT I-3** *Melamine from China*, Inv. Nos. 701-TA-526 and 731-TA-1262 (Review), USITC Pub. 5210 (June 2021) (Public)
- EXHIBIT I-4** *Melamine from China and Trinidad and Tobago*, Inv. Nos. 701-TA-526-527 and 731-TA-1262-1263 (Final), USITC Pub. 4585 (Dec. 2015) (Public)
- EXHIBIT I-5** *Melamine From Japan*, Inv. No. AA1921-162 (Review), USITC Pub. 3209 (July 1999) (Public)
- EXHIBIT I-6** [] (APO)
- EXHIBIT I-7** *Notice of Action Pursuant to Section 301: China’s Acts, Policies, and Practices Related to Technology Transfer, Intellectual Property, and Innovation*, 83 Fed. Reg. 14,906 (USTR April 6, 2018) (Public)
- EXHIBIT I-8** [] (APO)
- EXHIBIT I-9** Cornerstone Chemical Company, “Technical Information Sheet: Melamine” (Public)
- EXHIBIT I-10** Relevant pages from Chapter 29 of the HTSUS (Public)
- EXHIBIT I-11** DSM-Firmenich, Our history (Public)
- EXHIBIT I-12** Eurotechnica, About Us (Public)
- EXHIBIT I-13** Census Subject Import Data 2021-2023 (Public)
- EXHIBIT I-14** European Commission, Case M.10834 – AGROFERT / BOREALIS NITRO Commission decision pursuant to Article 6(1)(b) of Council Regulation No 139/20041 and Article 57 of the Agreement on the European Economic Area (Mar. 13, 2023) (Public)
- EXHIBIT I-15** LAT Nitrogen website homepage (Public)
- EXHIBIT I-16** *BASF Plans Major Cutbacks at Ludwigshafen, CHEManager* (Feb. 27, 2023) (Public)

- EXHIBIT I-17** Nissan Chemical Corporation, Presentation for Investors: 1Q FY2023 (Aug. 10, 2023) (Public)
- EXHIBIT I-18** List of Subject Producers/Exporters of Melamine (Public)
- EXHIBIT I-19** List of U.S. Importers of Subject Melamine (Public)
- EXHIBIT I-20** List of U.S. Purchasers of Subject Melamine (APO)
- EXHIBIT I-21** Composite Panel Association website, “OCI Melamine” (Public)
- EXHIBIT I-22** Cornerstone website, “Products” (Public)
- EXHIBIT I-23** Negligibility Analysis (Public)
- EXHIBIT I-24** Geographic Distribution of the Subject Imports (Public)
- EXHIBIT I-25** Apparent Domestic Consumption and U.S. Market Shares 2021 to 2023 (APO)
- EXHIBIT I-26** Ratio of Subject Imports to Domestic Production 2021 to 2023 (APO)
- EXHIBIT I-27** Underselling Comparisons 2021 to 2023 (APO)
- EXHIBIT I-28** Lost Sales and Lost Revenues Information (APO)
- EXHIBIT I-29** Gujarat State Fertilizers & Chemicals Limited website, Melamine (Gujlamine) (Public)
- EXHIBIT I-30** QAFCO: Our Products (Public)
- EXHIBIT I-31** Proman Press Release, *Incident at the Melamine 1 Plant, Pt Lisas Industrial Estate* (Aug. 19, 2023) (Public)

**PETITIONS FOR THE IMPOSITION OF ANTIDUMPING AND COUNTERVAILING
DUTIES ON IMPORTS OF MELAMINE FROM GERMANY, INDIA, JAPAN, THE
NETHERLANDS, QATAR, AND TRINIDAD AND TOBAGO**

VOLUME I: GENERAL ISSUES AND INJURY

I. INTRODUCTION

These petitions are filed by Cornerstone Chemical Company (hereafter “Cornerstone” or “Petitioner”), on behalf of the U.S. melamine industry.¹

Trade remedies are needed urgently to remedy the unfair and injurious import competition that threatens the very existence of the U.S. melamine industry and the jobs of its workers. Cornerstone is the last remaining domestic melamine producer, and it is besieged. From 2021 to 2023, its production volumes declined by [] percent, its capacity utilization fell by [] points to [] percent, and its U.S. commercial shipments plummeted by [] percent.² These and other significant declines in the domestic industry’s condition are the direct result of unfairly traded melamine imports from Germany, India, Japan, the Netherlands, Qatar, and Trinidad and Tobago (“Trinidad”) (collectively, “subject imports”).³

In 2021, Cornerstone accounted for [] percent of apparent domestic consumption.⁴ However, subject imports surged by 62 percent from 2021 to 2022,⁵ underselling domestic melamine,⁶ taking [] points of U.S. market share from Cornerstone, and creating an inventory glut that carried over into 2023.⁷ On top of that 2022 surge, subject imports continued to enter at injurious levels in 2023. Compared to 2021, subject imports in 2023 increased significantly relative to both domestic production (from [] percent in 2021 to [] percent

¹ For the full scope of these investigations, see Section II.C.4 of this volume.

² **Exhibit I-1** (Cornerstone Trade and Financial Data 2021 to 2023).

³ *Id.*

⁴ *See infra* Section IV.C.2.b.

⁵ *See infra* Section IV.C.2.

⁶ *See infra* Section IV.C.3.a.

⁷ *See infra* Section IV.C.2.b.

in 2023) and apparent domestic consumption (from [] percent in 2021 to [] percent in 2023).⁸ To make what sales it could and avoid further share losses to subject imports, Cornerstone was forced to drop its average annual U.S. prices by [] percent from 2022 to 2023. Although this allowed Cornerstone to regain some of the share it lost from 2021 to 2022, it nevertheless left Cornerstone's share of the U.S. market in 2023 [] points lower than in 2021, and it did not arrest the absolute annual declines in the domestic industry's production and U.S. commercial shipments.⁹ Meanwhile, subject imports' share of the U.S. market in 2023 was [] points higher than in 2021.¹⁰

The import-induced declines in Cornerstone's production, sales volumes, and prices hammered its financial condition, with the adverse effects magnified by the capital-intensive nature of this industry. In 2023, Cornerstone had [] fewer sales revenues to rely upon in attempting to support [] capital-intensive production operations and workforce it had in 2021.¹¹ Consequently, Cornerstone's COGS to net sales ratio [] to [] percent, and the company suffered [].¹² Obviously, this is not sustainable without relief from unfairly traded imports.

Cornerstone therefore pleads for trade relief. The petitions seek the imposition of antidumping duties on imports of melamine from Germany, India, Japan, the Netherlands, Qatar, and Trinidad and Tobago ("Trinidad"), pursuant to Section 731 of the Tariff Act of 1930, as amended (the "Act"), 19 U.S.C. § 1673. The petitions present evidence that imports of

⁸ See *infra* Section IV.C.2.b.

⁹ See *infra* Section IV.C.2.b; Exhibit I-1 (Cornerstone Trade and Financial Data 2021 to 2023).

¹⁰ See *infra* Section IV.C.2.b.

¹¹ Exhibit I-1 (Cornerstone Trade and Financial Data 2021 to 2023).

¹² *Id.*

melamine from each subject country is being sold in the United States at less than fair value. The petitions also seek the imposition of countervailing duties on U.S. imports of melamine from Germany, India, Qatar, and Trinidad, pursuant to Section 701 of the Act, 19 U.S.C. § 1671. The petitions present evidence that imports of melamine from Germany, India, Qatar, and Trinidad benefit from countervailable subsidies.

The petitions also show that dumped and subsidized imports from the subject countries have: (1) taken market share, sales, and revenues from the domestic industry while significantly underselling, depressing, and suppressing Cornerstone's prices, (2) made it impossible for Cornerstone, the only remaining domestic producer, to obtain a fair rate of return on its operations, and (3) put the future of the domestic industry at risk.¹³ In short, trade relief is not only appropriate, it is essential to prevent further significant harm to the domestic melamine industry.

The petitions contain separate volumes for the allegations of dumping for Germany, India, Japan, the Netherlands, Qatar, and Trinidad,¹⁴ as well as separate volumes for the allegations of countervailable subsidies with respect to Germany, India, Qatar, and Trinidad.¹⁵ This volume contains general information relating to the antidumping duty petitions against imports from Germany, India, Japan, the Netherlands, Qatar, and Trinidad; the countervailing duty petitions against imports from Germany, India, Qatar, and Trinidad; and the required information concerning material injury and threat of material injury to the domestic industry. The allegations contained in these petitions consist of information that is reasonably available to the Petitioner. The petitions are being filed in conformity with the requirements of Section

¹³ See *infra* Section IV. See also Exhibit I-1 (Cornerstone Trade and Financial Data 2021 to 2023).

¹⁴ See Volumes II to VII of these petitions.

¹⁵ See Volumes VIII to XI of these petitions.

351.202 of the regulations of the U.S. Department of Commerce (“Commerce” or “the Department”)¹⁶ and Section 207.11 of the regulations of the U.S. International Trade Commission (“ITC” or the “Commission”).¹⁷

II. GENERAL INFORMATION

A. The Petitioner And The Degree Of Industry Support For The Petitions

1. The Petitioner¹⁸

Cornerstone, the Petitioner in these investigations, is the only U.S. producer of melamine. During the relevant period, Cornerstone was headquartered in Metairie, Louisiana, and maintained production facilities making the domestic like product in Waggaman, Louisiana.¹⁹ Due to the significant volumes of low-priced imports that have obtained significant market share, Cornerstone suffered significant deterioration in its melamine production operations during the 2021-2023 period, which [] in 2023.²⁰ Melamine plants are designed to run continuously at full capacity for efficient production. However, despite Cornerstone’s production capacity [] from 2021 to 2023, its capacity utilization declined [] over this period.²¹

As a domestic producer of the domestic like product, Cornerstone is an interested party within the meaning of the Act.²² Cornerstone’s contact information is as follows:

Cornerstone Chemical Company
 3838 N. Causeway Blvd.
 Suite 3150
 Metairie, LA 70002
 Phone: []

¹⁶ See generally 19 C.F.R. § 351.202.

¹⁷ See generally 19 C.F.R. § 207.11(b)(2)(i).

¹⁸ See 19 C.F.R. § 207.11(b)(2)(i) and 19 C.F.R. § 351.202(b)(1).

¹⁹ See Cornerstone Energy Park Profile, provided as **Exhibit I-2**.

²⁰ Exhibit I-1 (Cornerstone Trade and Financial Data 2021 to 2023).

²¹ Exhibit I-1 (Cornerstone Trade and Financial Data 2021 to 2023).

²² See 19 U.S.C. § 1677(9)(C) (defining “interested party” to include “a manufacturer, producer, or wholesaler in the United States of a domestic like product”).

Fax: (504) 431-6689
 Contact Name and Title: Mike Driscoll, Global Business Manager
 Contact Email: []
 Website: <http://www.cornerstonechemco.com>

2. Industry support for the petitions²³

The Department will determine that the petitions have sufficient industry support if the following criteria are met: (1) the domestic producers or workers who support the petition account for at least 25 percent of the total production of the domestic like product; and (2) the domestic producers or workers who support the petition account for more than 50 percent of the production of the domestic like product made by that portion of the industry expressing support for or opposition to the petition.²⁴

In these investigations, Petitioner accounts for 100 percent of U.S. production of melamine.²⁵ The Petitioner therefore satisfies both industry support requirements under the statute.

B. Related Proceedings And Previous Requests For Relief²⁶

1. The *Melamine from China* antidumping and countervailing duty orders

On November 12, 2014, Cornerstone filed petitions alleging material injury and threat of material injury to the domestic melamine industry by reason of dumped and subsidized imports

²³ See 19 C.F.R. § 351.202(b)(3). 19 C.F.R. § 351.202(b)(3)(i) asks for “the total volume and value of U.S. production of the domestic like product.” For confidential data regarding Cornerstone’s operations related to melamine production, see Exhibit I-1.

²⁴ See 19 U.S.C. § 1673a(c)(4)(A).

²⁵ See *Melamine from China*, Inv. Nos. 701-TA-526 and 731-TA-1262 (Review), USITC Pub. 5210 (June 2021), Views at 8 (defining “the domestic industry to encompass the sole known domestic producer of melamine, Cornerstone”) (“*Melamine from China ITC First Review Determination*”), provided as **Exhibit I-3**; [

], provided as **Exhibit I-8**.

²⁶ See 19 C.F.R. § 351.202(b)(4).

from China and Trinidad.²⁷ In December 2015, following the Department's determination that imports of melamine from China and Trinidad were being sold at less than fair value and benefited from countervailable subsidies, the Commission determined that the domestic industry producing melamine was materially injured by reason of dumped and subsidized imports from China, and reached negative determinations in the investigations of melamine from Trinidad.²⁸ Consequently, the Department issued antidumping and countervailing duty orders on melamine from China.²⁹

In November 2020, the Department and the Commission initiated the first five-year reviews of the orders on melamine from China.³⁰ The Department and the Commission issued affirmative final determinations in 2021,³¹ resulting in the continuation of the orders on melamine from China.³²

2. Other requests for relief

Antidumping. Prior to the investigations discussed in the preceding subsection, the domestic industry requested relief in the form of antidumping duty orders with respect to imports

²⁷ *Melamine from China and Trinidad and Tobago*, Inv. Nos. 701-TA-526-527 and 731-TA-1262-1263 (Final), USITC Pub. 4585 (Dec. 2015), Views at 3 (“*Melamine from China and Trinidad and Tobago ITC Final Determination*”), provided as **Exhibit I-4**.

²⁸ *Melamine from China and Trinidad and Tobago ITC Final Determination*, Views at 3, provided as Exhibit I-4.

²⁹ *Melamine From the People's Republic of China: Antidumping Duty and Countervailing Duty Orders*, 80 Fed. Reg. 80,751 (Dep't of Commerce Dec. 28, 2015).

³⁰ *Initiation of Five-Year (Sunset) Reviews*, 85 Fed. Reg. 69,585 (Dep't of Commerce Nov. 3, 2020); *Melamine from China: Notice of Institution*, 85 Fed. Reg. 69,359 (Int'l Trade Comm'n Nov. 2, 2020).

³¹ *Melamine From the People's Republic of China: Final Results of the Expedited Five-Year Sunset Review of the Countervailing Duty Order*, 86 Fed. Reg. 11,501 (Dep't of Commerce Feb. 25, 2021); *Melamine From the People's Republic of China: Final Results of the Expedited Sunset Review of the Antidumping Duty Order*, 86 Fed. Reg. 13,528 (Dep't of Commerce Mar. 9, 2021); *Melamine From China*, 86 Fed. Reg. 35,531 (Int'l Trade Comm'n July 6, 2021); *Melamine from China ITC First Review Determination*, Views at 3, provided as Exhibit I-3.

³² *Melamine From the People's Republic of China: Continuation of Antidumping and Countervailing Duty Orders*, 86 Fed. Reg. 36,252 (Dep't of Commerce July 9, 2021).

of melamine from Japan, Austria, Italy, the Netherlands, and Brazil.³³ None of these cases involved requests for countervailing duties.

Section 301. In April 2018, the U.S. Trade Representative (“USTR”) determined that acts, policies, and practices of the Government of China related to technology transfer, intellectual property, and innovation were unreasonable or discriminatory and burden or restrict U.S. commerce.³⁴ In response to these acts, policies, and practices, USTR used its authority under Section 301 of the Trade Act of 1974, as amended, (“Section 301”) to impose additional duties on various products from China.³⁵ Effective September 24, 2018, melamine became subject to an additional 10 percent *ad valorem* Section 301 duty. In May 2019, USTR increased the rate of the additional duty applicable to the relevant tariff subheadings from 10 percent to 25 percent.³⁶

³³ Melamine Chemicals Inc. (“MCI”), a company that went out of business in 2004, was the petitioner in these previous requests.

In 1975, MCI requested relief with respect to imports of melamine from Japan, and an antidumping order was imposed in 1977. *Melamine From Japan*, Inv. No. AA1921-162 (Review), USITC Pub. 3209 at I-1 (July 1999) (“*Melamine From Japan*”), extracts provided as **Exhibit I-5**. In 1999, the Department and the Commission issued affirmative sunset review determinations, continuing the order against imports of melamine from Japan. The order was revoked effective September 1, 2004, after no domestic party responded to the notice of initiation. *Melamine in Crystal Form From Japan: Revocation of Antidumping Duty Finding*, 69 Fed. Reg. 61,794 (Dep’t of Commerce Oct. 21, 2004).

In 1979, MCI requested relief with respect to imports of melamine from Austria, Italy, and the Netherlands in 1979. In 1982, MCI sought relief on imports of melamine from Brazil. Neither request resulted in an antidumping order. *Melamine From Japan* at I-1 – I-2, provided as Exhibit I-5.

After being purchased by Mississippi Chemical Corporation, MCI ceased operating in 2004. See [],

extracts provided as **Exhibit I-6**.

³⁴ See *Notice of Action Pursuant to Section 301: China’s Acts, Policies, and Practices Related to Technology Transfer, Intellectual Property, and Innovation*, 83 Fed. Reg. 14,906 (USTR April 6, 2018), included in **Exhibit I-7**.

³⁵ See *Notice of Action Pursuant to Section 301: China’s Acts, Policies, and Practices Related to Technology Transfer, Intellectual Property, and Innovation* 83 Fed. Reg. 28,710 (USTR June 20, 2018); *Notice of Action Pursuant to Section 301: China’s Acts, Policies, and Practices Related to Technology Transfer, Intellectual Property, and Innovation*, 83 Fed. Reg. 40,823 (USTR Aug. 16, 2018); *Notice of Action Pursuant to Section 301: China’s Acts, Policies, and Practices Related to Technology Transfer, Intellectual Property, and Innovation*, 83 Fed. Reg. 47,974 (USTR Sept. 21, 2018).

³⁶ See *Notice of Modification of Section 301 Action: China’s Acts, Policies, and Practices Related to Technology Transfer, Intellectual Property, and Innovation*, 84 Fed. Reg. 20,459 (May 9, 2019).

C. Description Of The Subject Merchandise

Below, Petitioner provides a “detailed description of the subject merchandise that defines the requested scope of the investigation, including the technical characteristics and uses of the merchandise and its current U.S. tariff classification number.”³⁷

1. Technical characteristics and uses

Melamine is “a fine, white crystalline powder that is used primarily to manufacture amino resins, the major end uses of which include surface coatings, laminates, molding compounds, paper treatment, adhesives, and textile-treatment applications in the automotive, appliance, dinnerware, furniture, fabric, and wood paneling industries.”³⁸ Melamine ($C_3H_6N_6$, and also known as 2,4,6-triamino-s-triazine) typically contains by weight a minimum of 99.8 percent melamine and has a molecular weight of 126.13, a specific density of 1.573 g/cc (depending on particle size), and a melting point of approximately 354°C, with sublimation.³⁹ Imports of melamine are generally entered into the United States under subheading 2933.61.0000 of the Harmonized Tariff Schedule of the United States (“HTSUS”).⁴⁰

Most melamine consumed in the United States is used to make melamine resins, predominantly melamine-formaldehyde (“MF”) resins.⁴¹ Melamine resins are typically used in laminates, surface coatings, adhesives, molding compounds, paper treatment, and other

³⁷ 19 C.F.R. § 351.202(b)(5).

³⁸ *Melamine from China ITC First Review Determination*, Views at 6, provided in Exhibit I-3; *Melamine From Japan* at 4, provided as Exhibit I-5.

³⁹ See [redacted], provided as Exhibit I-8; Cornerstone Chemical Company, “Technical Information Sheet: Melamine,” provided as **Exhibit I-9**; *Melamine from China and Trinidad and Tobago ITC Final Determination* at I-13, provided as Exhibit I-4.

⁴⁰ See **Exhibit I-10**. In fact, subheading 2933.61.00.00 is simply labeled “Melamine.”

⁴¹ [redacted], provided as Exhibit I-8; see also *Melamine from China ITC First Review Determination*, Views at 6, provided as Exhibit I-3; *Melamine from China and Trinidad and Tobago ITC Final Determination*, Views at 5, provided as Exhibit I-4; *Melamine From Japan* at I-2, provided as Exhibit I-5.

applications.⁴² Laminates accounted for approximately [] percent of U.S. melamine consumption (measured by melamine formaldehyde (“MF”) resin equivalent) in 2023.⁴³ Typical laminate products include kitchen and bathroom countertops, table tops, doors, and cabinets.⁴⁴ These applications use “low-pressure laminates” or “high-pressure laminates.” Low-pressure laminates [

] ⁴⁵ High-pressure laminates are “used as surface layers when a combination of decorative effect and durability (e.g., heat, abrasion, and stain resistance) is desired.”⁴⁶ These high-pressure laminates are [

] and are used in horizontal furniture tops, kitchen and bathroom countertops, doors, and other applications.⁴⁷

Surface coatings, another significant application of melamine resins in the United States, accounted for approximately [] percent of U.S. melamine consumption (in MF resin equivalent) in 2023.⁴⁸ [

] ⁴⁹ MF resins therefore “are further treated with additional chemicals, with the

⁴² *Melamine from China ITC First Review Determination*, Views at 6, provided as Exhibit I-3; *Melamine from China and Trinidad and Tobago ITC Final Determination*, Views at 5, provided as Exhibit I-4; *Melamine From Japan* at I-7, provided as Exhibit I-5.

⁴³ [], provided as Exhibit I-8.

⁴⁴ *Melamine from China ITC First Review Determination*, Views at 6, provided as Exhibit I-3; *Melamine from China and Trinidad and Tobago ITC Final Determination*, Views at 5, provided as Exhibit I-4; *Melamine From Japan* at I-7, provided as Exhibit I-5.

⁴⁵ [], provided as Exhibit I-8.

⁴⁶ *Melamine from China ITC First Review Determination*, Views at 6, provided at Exhibit I-3; *Melamine from China and Trinidad and Tobago ITC Final Determination* at I-10, provided as Exhibit I-4; *Melamine From Japan* at I-7, provided as Exhibit I-5.

⁴⁷ [], provided as Exhibit I-8.

⁴⁸ *Id.* at 24.

⁴⁹ *Id.* at 27.

resultant product rendered insoluble in organic solvents.”⁵⁰ This makes MF resins particularly suitable for use as coatings in appliance finishes, automotive topcoats, metal furniture finishes, and coil coatings.⁵¹

Other uses of melamine include wood adhesives ([] percent of U.S. melamine consumption (in MF resin equivalent) in 2023), molding compounds ([] percent), paper treatment ([] percent), textile treatment ([] percent), and other applications ([] percent) in the automotive, furniture, appliance, and other industries.⁵²

2. Manufacturing process

All melamine production is based on “thermal decomposition of urea. Melamine can be produced using a low-pressure catalytic process or a high-pressure non-catalytic process.”⁵³ The heat and pressure cause a reaction in the urea and ammonia (carrier gas), which yields melamine (which is further purified) and ammonia and carbon dioxide by-products. The pure melamine that results from this process contains a large particle size distribution and may be ground to a product with smaller particle size distribution. This product may be further ground and sieved to produce an even finer iteration of melamine.⁵⁴

Many companies have developed commercial processes to convert urea to melamine.⁵⁵ The two most common processes used in the production of melamine are a low-pressure,

⁵⁰ *Melamine From Japan* at I-7, provided as Exhibit I-5.

⁵¹ *Id.*; [], provided as Exhibit I-8.

⁵² *Melamine from China and Trinidad and Tobago ITC Final Determination* at I-4, provided as Exhibit I-4; *Melamine From Japan* at I-7, provided as Exhibit I-5; [], provided as Exhibit I-8.

⁵³ *Melamine from China and Trinidad and Tobago ITC Final Determination*, Views at 5, provided as Exhibit I-4; *Melamine From Japan* at I-8, provided as Exhibit I-5. [

], provided as Exhibit I-8.

⁵⁴ *Melamine From Japan* at I-8, provided as Exhibit I-5.

⁵⁵ *Melamine from China and Trinidad and Tobago ITC Final Determination*, at I-11, provided as Exhibit I-4; *Melamine From Japan* at I-8, provided as Exhibit I-5.

catalytic process developed by DSM and a high-pressure, non-catalytic process developed by Eurotecnica.⁵⁶ Regardless of the production process used, the end product has the same characteristics, specifications, and uses.⁵⁷ Although purity may vary slightly depending on the production process, the Commission has previously found that all melamine has the same chemical composition, is highly interchangeable, and is sold through the same channels of trade, regardless of particle size.⁵⁸

3. U.S. tariff classification numbers

Melamine is classifiable in the HTSUS under subheading 2933.61.0000.⁵⁹ The General Duty rate under HTSUS subheading 2933.61.0000 is 3.5 percent.⁶⁰ As discussed in the next section, the coverage of these petitions is determined by the written description of the scope of the investigations, not the HTSUS number.

4. Requested scope of the investigations

The language below describes the imported merchandise that Petitioner intends to be included in the scope of these investigations. The scope is the same applicable to the existing antidumping and countervailing duty orders on imports of melamine from China.⁶¹

The merchandise subject to these investigations is melamine (Chemical Abstracts Service (“CAS”) registry number 108–78–01, molecular formula $C_3H_6N_6$). Melamine is a crystalline powder or granule typically (but not

⁵⁶ *Melamine from China and Trinidad and Tobago ITC Final Determination* at I-10-11, provided as Exhibit I-4; *Melamine From Japan* at I-8, provided as Exhibit I-5. DSM was a Dutch chemical company that merged with Firmenich in 2023 to create DSM-Firmenich. See DSM-Firmenich, Our history, provided as **Exhibit I-11**. Eurotecnica GmbH is a German company that, among other things, designs high-pressure equipment and processes. See Eurotecnica, About Us, provided as **Exhibit I-12**.

⁵⁷ See *Melamine from China and Trinidad and Tobago ITC Final Determination* at 4, I-9, and I-9 n.19, provided as Exhibit I-4.

⁵⁸ See *Melamine from China and Trinidad and Tobago ITC Final Determination* at 4, I-9, and I-9 n.19, provided as Exhibit I-4.

⁵⁹ Chapter 29 of the HTSUS covers “Organic Chemicals,” and HTSUS number 2933.61.0000 covers “Melamine (Cyanurtriamide; 2,4,6-triamino symtriazine).” See Chapter 29 of the HTSUS, attached as **Exhibit I-10**.

⁶⁰ See Relevant pages from HTSUS Chapter 29, attached as Exhibit I-13.

⁶¹ See *Melamine From the People’s Republic of China: Antidumping Duty and Countervailing Duty Orders*, 80 Fed. Reg. 80,751 (Dep’t Commerce Dec. 28, 2015).

exclusively) used to manufacture melamine formaldehyde resins. All melamine is covered by the scope of these orders irrespective of purity, particle size, or physical form. Melamine that has been blended with other products is included within this scope when such blends include constituent parts that have been intermingled, but that have not been chemically reacted with each other to produce a different product. For such blends, only the melamine component of the mixture is covered by the scope of these orders. Melamine that is otherwise subject to these orders is not excluded when commingled with melamine from sources not subject to this investigation. Only the subject component of such commingled products is covered by the scope of these orders.

The subject merchandise is provided for in subheading 2933.61.0000 of the Harmonized Tariff Schedule of the United States (“HTSUS”). Although the HTSUS subheading and CAS registry number are provided for convenience and customs purposes, the written description of the scope is dispositive.

D. Class Or Kind Of Merchandise And Domestic Like Product⁶²

The melamine covered by these investigations constitutes a single class or kind of merchandise. Furthermore, pursuant to 19 U.S.C. § 1677(10), the melamine produced by the domestic industry represents the product that is “like, or in the absence of like, most similar in characteristics and uses with the article subject to investigation.” Thus, as explained in **Section III** below, there is a single like product in these investigations, which includes all melamine described by the scope of these investigations.

E. Country Of Exportation⁶³

The countries in which the subject merchandise is manufactured or produced are Germany, India, Japan, the Netherlands, Qatar, and Trinidad. Data regarding U.S. imports from these countries are included in **Exhibit I-13**. The Petitioner is not aware of significant volumes

⁶² 19 C.F.R. § 207.11(b)(2)(iv).

⁶³ See 19 C.F.R. § 351.202(b)(6).

of melamine made by producers in the subject countries being imported from a country other than the country of manufacture or production.

F. Producers, Exporters,⁶⁴ Importers,⁶⁵ And Purchasers⁶⁶ Of The Subject Merchandise

Petitioner is the only U.S. melamine producer, as discussed Section II.A above. Section II.A.1 provides Petitioner's contact information.

To the best of Petitioner's knowledge, only one company currently produces the subject merchandise in each of the foreign countries at issue:

- Germany: LAT Nitrogen Piesteritz GmbH⁶⁷
- India: Gujarat State Fertilizer and Chemicals Limited
- Japan: Mitsui Chemicals, Inc.⁶⁸
- The Netherlands: OCI Nitrogen B.V.
- Qatar: Qatar Melamine Company
- Trinidad: Methanol Holdings (Trinidad) Limited

The names, addresses, and contact information of the entities that the Petitioner believes produced and exported the subject merchandise are listed in **Exhibit I-18** (producers in the subject countries). Petitioner estimates – based on publicly available information and

⁶⁴ See 19 C.F.R. § 351.202(b)(7)(i)(A-B).

⁶⁵ See 19 C.F.R. § 207.11(b)(2)(iii); 19 C.F.R. § 351.202(b)(9).

⁶⁶ See 19 C.F.R. § 207.11(b)(2)(v).

⁶⁷ In 2023, AGROFERT Group acquired the nitrogen-related businesses of Borealis AG, including the German melamine producer Borealis Agrolinz Melamine Deutschland GmbH. See European Commission, Case M.10834 – AGROFERT / BOREALIS NITRO Commission decision pursuant to Article 6(1)(b) of Council Regulation No 139/20041 and Article 57 of the Agreement on the European Economic Area (Mar. 13, 2023), provided as **Exhibit I-14**. This transaction led to the creation of LAT Nitrogen Piesteritz GmbH. See LAT Nitrogen website homepage, provided as **Exhibit I-15**. In addition, Petitioner believes a second German company, BASF, previously produced melamine for internal consumption but ceased production when it shuttered an ammonia plant and various other facilities in the first quarter of 2023. See *BASF Plans Major Cutbacks at Ludwigshafen*, CHEManager (Feb. 27, 2023), provided as **Exhibit I-16**.

⁶⁸ Another Japanese melamine producer, Nissan Chemical Corporation, reportedly ceased production and sales in 2022. Nissan Chemical Corporation, Presentation for Investors: 1Q FY2023 (Aug. 10, 2023) at 15 n. 2, provided as, provided as **Exhibit I-17**.

Petitioner's business intelligence – that these are the sole producers of melamine in each of the respective subject countries.

The names, addresses, and contact information of the companies that the Petitioner believes may have imported the subject merchandise into the United States during the most recent twelve-month period preceding the filing of the petitions are listed in **Exhibit I-19**. A list of purchasers is provided in **Exhibit I-20**.

Contact information for all parties was collected via Petitioner's market knowledge, as supplemented by research on the Internet and elsewhere. The exhibits referenced above reflect all information that is reasonably available to Petitioner at this time.

G. Volume And Value Of Subject Merchandise⁶⁹

An analysis of the volume and value of subject merchandise imported into the United States during the 2021-2023 period is presented below in Section IV.C.2.

III. THE DOMESTIC LIKE PRODUCT AND THE DOMESTIC INDUSTRY

A. The Domestic Like Product Includes All Melamine Covered By The Scope

The domestic like product is defined as the product that is “like, or in the absence of like, most similar in characteristics and uses with the article subject to investigation.”⁷⁰ In these petitions, the “article subject to investigation” includes all items covered by the scope.

Application of the Commission's traditional like product factors demonstrates that all melamine covered by these investigations constitute a single like product. This conclusion is consistent with the Commission's prior determinations involving melamine. In the *Melamine from China* investigation, the Commission found that there is “a single domestic like product consisting of

⁶⁹ See 19 C.F.R. § 351.202(b)(8).

⁷⁰ 19 U.S.C. § 1677(10).

melamine.”⁷¹ In its June 2021 determination in the first sunset review of *Melamine from China*, the Commission “again define {d} a single domestic like product, melamine, as described in Commerce’s scope definition.”⁷² The analysis below confirms that the domestic like product should be defined coextensive with the scope.

1. Legal standard

By statute, the Commission’s analysis of the domestic like product begins with the “article subject to an investigation,” *i.e.*, the subject merchandise as determined by the Department.⁷³ Therefore, the scope of the imported merchandise is the starting point for the Commission’s analysis.⁷⁴ The Commission then defines the domestic like product in light of the imported articles covered by the scope.

The decision regarding the appropriate domestic like product is a factual determination, and the Commission has applied the statutory standard of “like” on a case-by-case basis.⁷⁵ When making its domestic like product determination, the Commission typically considers the following factors: (1) the physical characteristics and uses of the products; (2) their interchangeability; (3) their channels of distribution; (4) customer and producer perceptions of the products; (5) whether they are produced using similar manufacturing facilities, production processes and production employees; and, where appropriate, (6) price.⁷⁶ No single factor is dispositive, and the Commission may consider other factors it deems relevant based on the facts

⁷¹ *Melamine from China and Trinidad and Tobago ITC Final Determination*, Views at 6, provided as Exhibit I-4.

⁷² *Melamine from China ITC First Review Determination*, Views at 7, provided as Exhibit I-3.

⁷³ See *Thermal Paper from Germany, Japan, Korea, and Spain*, Inv. Nos. 731-TA-1546-1549 (Final), USITC Pub. 5237 (Nov. 2021) at 4 (hereinafter *Thermal Paper*).

⁷⁴ *Id.*

⁷⁵ *Id.* at 5.

⁷⁶ See *Nippon Steel Corp. v. United States*, 19 C.I.T. 450, 455 (1995); *Timken Co. v. United States*, 913 F. Supp. 580, 584 (Ct. Int’l Trade 1996).

of a particular investigation.⁷⁷ The Commission looks for clear dividing lines among possible like products and disregards minor variations.⁷⁸

2. The like product factors normally considered by the Commission support finding a single like product in these investigations

As noted above, the product included in the scope is the same product covered by the scope of the antidumping and countervailing duty orders on imports from China. In June 2021, in the first sunset review of *Melamine from China*, the Commission continued to find that there was a single like product covering melamine.⁷⁹ The Commission’s prior findings concerning melamine, as well as other information, demonstrate the following with respect to the Commission’s traditional like product factors:

- ***Physical characteristics and uses.*** All melamine covered by these investigations share similar physical characteristics. Although purity and particle size may vary, “{a}ll melamine has the same chemical composition.”⁸⁰
- ***Interchangeability.*** All melamine has the same chemical composition and must meet the same industry purity standards when sold in the United States.⁸¹ There is therefore a high degree of substitutability among domestic and foreign-sourced melamine.⁸²
- ***Channels of distribution.*** All melamine is sold through identical channels of distribution, regardless of particle size distribution or packaging.
- ***Customer and producer perceptions.*** Customers and producers perceive all melamine as comprising a single product,⁸³ with common manufacturing facilities, production processes, and production employees. Melamine is produced on “process-specific equipment using the same production employees,” and “{o}nly melamine can be produced on the equipment and machinery used in the production of melamine.”⁸⁴

⁷⁷ *Thermal Paper* at 5.

⁷⁸ *Id.*

⁷⁹ *Melamine from China ITC First Review Determination*, Views at 7, provided as Exhibit I-3.

⁸⁰ *See Melamine from China and Trinidad and Tobago ITC Final Determination* at I-13, provided as Exhibit I-4.

⁸¹ *Melamine from China and Trinidad and Tobago ITC Final Determination*, Views at 17, provided as Exhibit I-4.

⁸² *Id.*

⁸³ *See* Composite Panel Association website, “OCI Melamine,” provided as **Exhibit I-21**; Cornerstone website, “Products,” provided as **Exhibit I-22**.

⁸⁴ *Melamine From Japan* at I-9 – I-10, provided as Exhibit I-5. *See also Melamine from China and Trinidad and Tobago ITC Final Determination*, Views at 6, provided as Exhibit I-4.

- **Price.** Imported and domestic melamine are commercially interchangeable and “highly substitutable.”⁸⁵ Accordingly, price is “an important factor in purchasing decisions for melamine in the U.S. market.”⁸⁶

Since the Commission made the findings referenced above, nothing has changed to warrant different conclusions here. Therefore, all melamine at issue constitutes a single like product.

B. The Domestic Industry Includes All U.S. Producers Of The Domestic Like Product

The statute defines the term “industry” as “the producers as a whole of a domestic like product, or those producers whose collective output of a domestic like product constitutes a major proportion of the total domestic production of the product.”⁸⁷ Cornerstone comprises the entirety of the domestic industry because it is the only U.S. producer of melamine.

IV. THE DOMESTIC INDUSTRY IS MATERIALLY INJURED BY REASON OF SUBJECT IMPORTS⁸⁸

A. Subject Imports Are Not Negligible

If the Commission finds that imports of the subject merchandise from a particular country are “negligible,” then the investigation into those imports shall be terminated.⁸⁹ Under the Act, and subject to certain exceptions therein, dumped and subsidized imports are “negligible” if such imports account for less than 3 percent of the volume of all such merchandise imported into the United States in the most recent 12-month period.⁹⁰ The Act further provides that, in the context of a threat of injury determination, the Commission shall not treat imports as negligible if it determines that “there is a potential that” subject imports will imminently exceed the relevant

⁸⁵ See *Melamine from China ITC First Review Determination*, Views at 16, provided as Exhibit I-3.

⁸⁶ *Melamine from China ITC First Review Determination*, Views at 16, provided as Exhibit I-3.

⁸⁷ See 19 U.S.C. § 1677(4)(A).

⁸⁸ See 19 C.F.R. § 351.202(b)(10).

⁸⁹ See 19 U.S.C. §§ 1671b(a)(1), 1673b(a)(1).

⁹⁰ See 19 U.S.C. § 1677(24)(A)(i).

negligibility threshold.⁹¹ In analyzing negligibility, the Commission may make reasonable estimates on the basis of available statistics.⁹²

Information on subject imports for calendar year 2023, the most recent 12-month period for which Census data are available, is contained in **Exhibit I-23**. These data demonstrate that melamine imports from each of Germany, India, the Netherlands, Qatar, and Trinidad accounted for far more than three percent of total imports over that period. Thus, the available information clearly shows that subject imports from each of these subject countries are not negligible.

The same Census data indicate that imports from Japan accounted for 2.9 percent of total melamine imports in 2023 – just under the 3 percent threshold. However, official import statistics for the 12-month period preceding the filing of this petition in February 2024 – *i.e.*, February 2023 through January 2024 – are not yet available. Moreover, the Commission’s practice is to assess negligibility using the import data that are available at the time of its determination, as opposed to data available at the time a petition is filed.⁹³ Petitioner believes that, once data are available for the February 2023-January 2024 period, Japan will exceed the 3 percent threshold, given the rapid increase in Japanese imports during the 2021-2023 period. Melamine imports from Japan have increased every year from 2021 to 2023, by 12.1 percent from 2021 to 2022, and by 45 percent from 2022 to 2023.⁹⁴ These data also clearly establish that Japanese imports are not negligible for purposes of analyzing threat of material injury.⁹⁵ Thus, the available information shows that imports from Japan are not negligible.

⁹¹ 19 U.S.C. § 1677(24)(A)(iv).

⁹² 19 U.S.C. § 1677(24)(C).

⁹³ See, e.g., *Paper Shopping Bags From Cambodia, China, Colombia, India, Malaysia, Portugal, Taiwan, Turkey, and Vietnam*, Inv. Nos. 701-TA-690-691 and 731-TA-1619-1627 (Preliminary), USITC Pub. 5448 (July 2023), Views at 25-26 (relying on import data for the 12-month period from May 2022 through April 2023 where the petition was filed on May 31, 2023).

⁹⁴ Exhibit I-25 (Apparent Domestic Consumption and U.S. Market Shares 2021 to 2023).

⁹⁵ See 19 U.S.C. § 1677(24)(A)(iv).

B. The Subject Imports Should Be Cumulated

The Act provides for the cumulative analysis of subject imports from more than one country, subject to certain conditions and exceptions. Under the general cumulation rule, when deciding whether subject imports are materially injuring a domestic industry, the Commission must cumulatively assess the volume and effect of imports of the subject merchandise from all countries with respect to which petitions were filed on the same day, if such imports compete with each other and with the domestic like product in the U.S. market.⁹⁶ In assessing whether imports compete with each other and with the domestic like product, the Commission generally has considered the following four factors:

- The degree of fungibility between the imports from different countries and between imports and the domestic like product;
- The presence of sales or offers to sell in the same geographic markets of imports from different countries and the domestic like product;
- The existence of common or similar channels of distribution for imports from different countries and the domestic like product; and
- Whether the imports are simultaneously present in the market.⁹⁷

Although no single factor is necessarily determinative, and the list of factors is not exclusive, these factors provide the Commission with a framework for determining whether the subject imports compete with each other and with the domestic like product.⁹⁸ When assessing whether it should cumulate subject imports from multiple countries, the Commission looks only for a reasonable overlap of competition.⁹⁹

⁹⁶ 19 U.S.C. § 1677(7)(G).

⁹⁷ See *Certain Cast-Iron Pipe Fittings from Brazil, the Republic of Korea, and Taiwan*, Inv. Nos. 731-TA-278-280 (Final), USITC Pub. 1845 (May 1986), *aff'd*, *Fundicao Tupy, S.A. v. United States*, 678 F. Supp. 898 (Ct. Int'l Trade), *aff'd*, 859 F.2d 915 (Fed. Cir. 1988).

⁹⁸ *Granular Polytetrafluoroethylene (PTFE) Resin from India and Russia*, Inv. Nos. 701-TA-663-664 & 731-TA-1555-1556 (Final), USITC Pub. 5285 (March 2022), Views at 16-17.

⁹⁹ *Id.*

Trinidad falls under an exception to the general cumulation rule because it is a beneficiary country under the Caribbean Basin Economic Recovery Act (“CBERA”). Under the CBERA exception to cumulation under the Act, subject imports from Trinidad may not be cumulated with imports from non-CBERA countries for purposes of determining material injury, or threat thereof, by reason of imports from Trinidad.¹⁰⁰ However, if the requirements for cumulation are otherwise satisfied, the Commission is required to cumulate subject imports from Trinidad with those from non-CBERA countries for purposes of its material injury analysis for the non-CBERA countries.¹⁰¹

In these investigations, the statutory criteria for cumulation are met, such that imports from Germany, India, Japan, the Netherlands, Qatar, and Trinidad should be cumulated for purposes of the material injury analysis for Germany, India, Japan, the Netherlands, and Qatar. First, the petitions covering imports of melamine from Germany, India, Japan, the Netherlands, Qatar, and Trinidad are being filed on the same day. Second, as we discuss below, there is a reasonable overlap of competition among imports from the subject countries and the domestic like product. As a result, the Commission should find that subject imports from the six subject countries compete with one another and with the domestic like product and should cumulate them for purposes of the material injury analysis for Germany, India, Japan, the Netherlands, and Qatar. We discuss each of the cumulation factors below.

Fungibility. Subject and domestic melamine share the same physical characteristics and specifications. As the Commission has previously explained, “{t}he record indicates that all melamine has the same chemical composition and that, when sold in the United States, it must

¹⁰⁰ See 19 U.S.C. § 1677(7)(G)(ii)(III). See also *Urea Ammonium Nitrate Solutions from Russia and Trinidad and Tobago*, Inv. Nos. 701-TA-668-669 and 731-TA-1565-1566 (Final), USITC Pub. 5338 (Aug. 2022), Views at 10-11.

¹⁰¹ See *id.*

meet the same industry purity standards.”¹⁰² Moreover, the physical characteristics of melamine sold in the U.S. market are the same whether produced by Cornerstone or imported from the subject countries.¹⁰³ Petitioner believes that there continues to be a high degree of fungibility between the subject imports from each source and the domestic like product. Thus, the Commission should find that melamine from each of the subject countries is fungible with one another and the domestic like product.

Channels of Distribution. Subject imports and the domestic like product are sold for internal consumption/company transfers or directly to end users.¹⁰⁴ As the Commission has found, “all melamine is sold through identical channels of distribution.”¹⁰⁵ Petitioner is not aware of any information regarding other distribution channels or any other differences that would contradict the Commission’s findings. Thus, imported melamine from the subject countries and the domestic like product are being sold in the same channels of trade in the U.S. market.

Geographic Markets. Domestically produced melamine and imported melamine from all subject sources serve the same geographic areas of the U.S. market. As shown by official import statistics for the 2021-2023 period, subject imports entered at overlapping ports of entry throughout the United States.¹⁰⁶ These data show that most subject imports enter the U.S. market through ports in the Northeast and Southeast regions and that a majority of subject imports from

¹⁰² *Melamine from China and Trinidad and Tobago ITC Final Determination*, Views at 17, provided as Exhibit I-4. See also *Melamine From Japan*, Views at 8 (“melamine is a commodity product”), provided as Exhibit I-5.

¹⁰³ “All melamine . . . has a similar chemical composition.” See *id.* at I-9. Additionally, an industry publication states that [], provided as Exhibit I-8.

¹⁰⁴ See *Melamine from China and Trinidad and Tobago ITC Final Determination*, at II-2, provided as Exhibit I-4; *Melamine From Japan* at II-1, provided as Exhibit I-5.

¹⁰⁵ *Id.* at I-9.

¹⁰⁶ See **Exhibit I-24** (Geographic Distribution of the Subject Imports).

each of the six subject countries entered through ports in these regions.¹⁰⁷ Subject imports also entered through ports in the Central Southwest (*i.e.*, imports from Germany, India, Japan, and Trinidad), Midwest (Germany, India, and Japan), and Pacific Coast (India, Japan, and Trinidad).¹⁰⁸ Consequently, there is extensive geographic overlap among subject imports. An extensive geographic overlap also exists between subject imports and Petitioner's domestic melamine shipments.¹⁰⁹ Thus, the available information indicates that subject imports compete against each other and the domestic like product throughout the United States.

Simultaneous Presence. Petitioner sold substantial volumes of melamine in the U.S. market throughout the 2021-2023 period.¹¹⁰ In each year of that same period, melamine from each of the subject countries was simultaneously present in the U.S. market.¹¹¹ Thus, the data relating to simultaneous presence also support a finding of a reasonable overlap of competition.

Conclusion. The evidence available to Petitioner demonstrates that there is a reasonable overlap of competition between imports from each of the subject countries and the domestic like product. Accordingly, the Commission should cumulate subject imports from all six subject countries for purposes of its analysis of material injury with respect to Germany, India, Japan, the Netherlands, and Qatar.

C. Subject Imports Have Caused Material Injury To The Domestic Industry

In antidumping and countervailing duty investigations, the Commission must determine whether an industry in the United States is materially injured, or threatened with material injury,

¹⁰⁷ Exhibit I-24 (Geographic Distribution of the Subject Imports).

¹⁰⁸ Exhibit I-24 (Geographic Distribution of the Subject Imports).

¹⁰⁹ See Exhibit I-20 (List of U.S. Purchasers of Subject Melamine); [

]

¹¹⁰ See Exhibit I-1 (Cornerstone Trade and Financial Data 2021 to 2023).

¹¹¹ **Exhibit I-13** (Census Subject Import Data 2021-2023).

by reason of imports of subject merchandise.¹¹² The Act defines “material injury” as “harm which is not inconsequential, immaterial, or unimportant.”¹¹³

When analyzing the causal link between unfairly traded imports and material injury, the Commission has recognized that “{i}n many investigations, there are other economic factors at work, some or all of which may also be having adverse effects on the domestic industry.”¹¹⁴ Nonetheless, the Commission “need not isolate the injury caused by other factors from injury caused by unfairly traded imports.”¹¹⁵ Furthermore, the law does not “require that unfairly traded imports be the ‘principal’ cause of injury or contemplate that injury from unfairly traded imports be weighed against other factors, such as nonsubject imports, which may be contributing to overall injury to an industry.”¹¹⁶

When assessing whether the domestic industry has been materially injured by reason of imports of subject merchandise, the Commission considers: (1) the volume of imports of the subject merchandise, (2) the effect of imports of subject merchandise on prices in the United States for domestic like products, and (3) the impact of imports of such merchandise on producers of the domestic like product in the context of production operations within the United States.¹¹⁷ As shown below, each of these statutory factors shows that subject imports cause material injury to the domestic industry.

¹¹² See 19 U.S.C. §§ 1671d(b)(1), 1673d(b)(1).

¹¹³ 19 U.S.C. § 1677(7)(A).

¹¹⁴ See *Sodium Nitrate from Russia*, Inv. No. 701-TA-680 (Final), USITC Pub. 5342 (Aug. 2022) at 18.

¹¹⁵ *Id.* at 19.

¹¹⁶ *Id.* at 19-20.

¹¹⁷ 19 U.S.C. § 1677(7)(B)(i). The Commission may also consider “such other economic factors as are relevant to the determination regarding whether there is material injury by reason of imports.” 19 U.S.C. § 1677(7)(B)(ii).

1. The conditions of competition in the melamine market make the domestic industry highly susceptible to the adverse impact of subject imports

Under the Act, the Commission is directed to evaluate all relevant economic factors specified in the statute “within the context of the business cycle and conditions of competition that are distinctive to the affected industry.”¹¹⁸ Here, there are several conditions of competition in the market for melamine that make the domestic industry highly susceptible to the adverse impact of unfairly priced subject imports.

a. The subject imports and domestic like product are highly interchangeable, highly substitutable, and compete largely on the basis of price

Melamine is a commodity product,¹¹⁹ and the physical characteristics of melamine sold in the U.S. market are the same whether produced by Cornerstone or imported from the subject countries.¹²⁰ All melamine, regardless of where it is produced, “has the same chemical composition,” and – when sold in the United States – “it must meet the same industry purity standards.”¹²¹ In the investigation of melamine imports from China and Trinidad, the Commission noted that “{v}irtually all U.S. importers agreed that imports from each subject source and domestically produced melamine are always or frequently interchangeable,”¹²² and therefore found that “there is a high degree of substitutability among domestically produced melamine and subject imports.”¹²³ Thus, imports of melamine from the subject countries are

¹¹⁸ 19 U.S.C. § 1677(7)(B)(c)(iii).

¹¹⁹ *Melamine From Japan*, Views at 8 (“melamine is a commodity product”), provided as Exhibit I-5.

¹²⁰ *See id.* at I-9 (“All melamine . . . has a similar chemical composition.”). *See also* [], provided as Exhibit I-8.

¹²¹ *Melamine from China and Trinidad and Tobago ITC Final Determination*, Views at 17, provided as Exhibit I-4.

¹²² *Melamine from China and Trinidad and Tobago ITC Final Determination*, Views at 9, provided as Exhibit I-4 (citations omitted).

¹²³ *Melamine from China and Trinidad and Tobago ITC Final Determination*, Views at 17, provided as Exhibit I-4.

highly interchangeable with each other and with the domestic like product, and a high degree of substitutability exists between subject imports and domestic melamine.

Given the high level of substitutability between the subject and domestic merchandise, price is a critical factor in purchase decisions. The Commission confirmed this in its investigation of melamine from China and Trinidad, finding that price “is an important consideration for purchasers of melamine.”¹²⁴ The Commission found that all responding purchasers ranked price as one of their top three purchasing factors. Furthermore, “eight of 19 purchasers reported that they usually buy the lowest priced product.”¹²⁵

b. Demand for melamine is relatively price inelastic

Melamine is typically used to make resins used in various applications, including for automobiles and in homes.¹²⁶ There are no direct substitutes for melamine, and demand for melamine depends on the demand for downstream products.¹²⁷ Melamine represents a negligible portion of the cost of a new house or car, and consumers do not decide to purchase a house or car or renovate a kitchen or bathroom when prices for melamine decrease. Accordingly, the Staff Report in the Commission’s investigation of melamine imports from China states that “the aggregate demand for melamine is likely to be inelastic {.”¹²⁸ Thus, aggressive subject import pricing is unlikely to result in a meaningful increase in demand. Rather, aggressive subject import prices have a high propensity to adversely affect prices for the domestic like product.

¹²⁴ *Melamine from China and Trinidad and Tobago ITC Final Determination*, Views at 17, provided as Exhibit I-4.

¹²⁵ *Melamine from China and Trinidad and Tobago ITC Final Determination*, Views at 17, provided as Exhibit I-4.

¹²⁶ *Melamine from China and Trinidad and Tobago ITC Final Determination*, Views at 5, provided as Exhibit I-4.

¹²⁷ *See Melamine from China and Trinidad and Tobago ITC Final Determination*, at II-9, provided as Exhibit I-4.

¹²⁸ *Melamine from China and Trinidad and Tobago ITC Final Determination*, at II-25, provided as Exhibit I-4.

c. Melamine plants are designed to operate on a continuous basis, making the domestic industry susceptible to severe injury by reason of subject imports

Melamine production is highly capital-intensive. Melamine plants are designed to run continuously at full capacity for efficient production,¹²⁹ and as the Commission found previously, “{m}elamine plants must operate continuously to be efficient.”¹³⁰ Thus, reductions in production below full capacity resulting from subject import competition have a direct and significant effect on per-unit fixed costs and profitability.

2. The volume of subject imports is significant

a. Import volumes from subject countries

Under the Department’s regulations, a petition should contain the “volume and value of the subject merchandise imported during the most recent two-year period and any other recent period that the petitioner believes to be more representative.”¹³¹ In this case, the best information reasonably available to the Petitioner regarding subject import volumes and values comes from U.S. Census data showing imports under HTSUS subheading 2933.61.0000. Thus, throughout this discussion, we will use Census data under that HTSUS number to estimate the volume and value of subject merchandise. In Exhibit I-13, we provide import volume and value data for the period that are most likely to be considered by the Commission in its preliminary investigations – *i.e.*, for 2021 to 2023.¹³²

¹²⁹ *Melamine from China and Trinidad and Tobago ITC Final Determination* at II-3, II-7, provided as Exhibit I-4.

¹³⁰ *Melamine from China and Trinidad and Tobago ITC Final Determination*, Views at 17, provided as Exhibit I-4.

¹³¹ 19 C.F.R. § 351.202(b)(8).

¹³² Exhibit I-13 (Census Subject Import Data 2021-2023).

b. Subject import volumes are significant in both absolute and relative terms

The Act provides that “{i}n evaluating the volume of imports of merchandise, the Commission shall consider whether the volume of imports of the merchandise, or any increase in that volume, either in absolute terms or relative to production or consumption in the United States, is significant.”¹³³ As demonstrated below, the evidence available to Petitioner establishes that subject imports are significant, both in absolute terms and relative to apparent U.S. consumption.

As noted above, Exhibit I-13 contains Census import data for HTSUS number 2933.61.0000.¹³⁴ We also provide calculations of apparent U.S. consumption and U.S. market shares in **Exhibit I-25**,¹³⁵ and calculations of the ratio of subject imports to domestic production in **Exhibit I-26**.¹³⁶ According to those data:

- Cumulated subject imports were 51.9 million pounds in 2021, 84.1 million pounds in 2022, and 50.7 million pounds in 2023.¹³⁷ Imports from Trinidad were 25.1 million pounds in 2021, 36.6 million pounds in 2022, and 8.8 million pounds in 2023.¹³⁸
- Cumulated subject imports accounted for 97.9 percent of total imports in 2021, 98.5 percent of total imports in 2022, and 98.0 percent of total imports in 2023.¹³⁹ Imports from Trinidad accounted for 47.4 percent of total imports in 2021, 42.9 percent of total imports in 2022, and 17.0 percent of total imports in 2023.¹⁴⁰
- Cumulated subject imports’ share of apparent domestic consumption was [] percent in 2021, [] percent in 2022, and [] percent in 2023.¹⁴¹ Trinidadian imports’ share of apparent domestic consumption was [] percent in 2021, [] percent in 2022, and [] percent in 2023.¹⁴²

¹³³ 19 U.S.C. § 1677(7)(C)(i).

¹³⁴ Exhibit I-13 (Census Subject Import Data 2021-2023).

¹³⁵ Exhibit I-25 (Apparent Domestic Consumption and U.S. Market Shares 2021 to 2023).

¹³⁶ Exhibit I-26 (Ratio of Subject Imports to Domestic Production 2021 to 2023).

¹³⁷ Exhibit I-13 (Census Subject Import Data 2021-2023).

¹³⁸ Exhibit I-13 (Census Subject Import Data 2021-2023).

¹³⁹ See Exhibit I-13 (Census Subject Import Data 2021-2023).

¹⁴⁰ See Exhibit I-13 (Census Subject Import Data 2021-2023).

¹⁴¹ Exhibit I-25 (Apparent Domestic Consumption and U.S. Market Shares 2021 to 2023).

¹⁴² Exhibit I-25 (Apparent Domestic Consumption and U.S. Market Shares 2021 to 2023).

- The ratio of cumulated subject imports to domestic production was [] percent in 2021, [] percent in 2022, and [] percent in 2023.¹⁴³ The ratio of Trinidadian imports to domestic production was [] percent in 2021, [] percent in 2022, and [] percent in 2023.

These data demonstrate that cumulated subject imports and imports from Trinidad have been significant in absolute terms and relative to domestic consumption and domestic production throughout the 2021-2023 period. The data also demonstrate that cumulated subject imports have increased significantly relative to domestic consumption and domestic production from 2021 to 2023.

Furthermore, cumulated subject imports have taken U.S. market share from the domestic industry over the 2021-2023 period. Specifically, subject imports increased their share of the apparent domestic consumption from [] percent in 2021 to [] percent in 2023, while the domestic industry's (Cornerstone's) share declined from [] percent to [] percent over the same period.¹⁴⁴

Although these data show that subject imports captured [] share of apparent domestic consumption from the domestic industry, the data nonetheless understate subject imports' adverse effects because they do not account for the mismatch between import volumes and underlying demand trends. Specifically, subject imports and Trinidadian imports increased by 62.1 percent and 45.6 percent, respectively, from 2021 to 2022,¹⁴⁵ and these increases far exceeded any increase in domestic demand for melamine. According to the [], U.S. consumption of melamine by end users grew by only [] percent from 2021 to 2022, and the United States has generally experienced [] in demand for melamine.¹⁴⁶ Thus, the 2022 subject import surge necessarily led to a large buildup of

¹⁴³ Exhibit I-26 (Ratio of Subject Imports to Domestic Production 2021 to 2023).

¹⁴⁴ Exhibit I-25 (Apparent Domestic Consumption and U.S. Market Shares 2021 to 2023).

¹⁴⁵ Exhibit I-13 (Census Subject Import Data 2021-2023).

¹⁴⁶ See [], provided as Exhibit I-8.

imported melamine in U.S. inventories that adversely affected the domestic industry's sales, revenues, and prices in 2023.

In sum, the available information demonstrates that import volumes of melamine from the subject countries are highly significant, both in absolute terms and relative to domestic consumption and production.

3. The price effects of subject imports are significant

In evaluating the effects of subject imports on prices, the Commission shall consider whether: (1) there has been significant underselling by the imported merchandise as compared with the price of the domestic like product, and (2) the effect of such merchandise otherwise depresses prices to a significant degree or prevents price increases, which otherwise would have occurred, to a significant degree.¹⁴⁷ As shown below, both of these factors support a finding that the adverse price effects of unfairly traded melamine were significant.

a. Significant underselling

Compelling evidence exists that cumulated subject imports and Trinidadian imports significantly undersold the domestic industry's prices throughout the 2021-2023 period. This is clear from the table below and in **Exhibit I-27**, which provide a comparison of the average unit values ("AUVs") of Cornerstone's U.S. commercial shipments to the AUVs of subject imports during that period.¹⁴⁸

¹⁴⁷ 19 U.S.C. § 1677(7)(B)(ii).

¹⁴⁸ Exhibit I-27 (Underselling Comparisons 2021 to 2023).

AUV comparison (\$/pound)			
Item	[2021	2022
		2023	2023
Cornerstone U.S. commercial shipments	[
Cumulated subject imports		0.82	1.65
Trinidad imports		0.83	1.69

These data show significant [] between U.S. pricing and the average unit values of cumulated subject imports and Trinidadian imports []

Accordingly, the available information shows significant underselling by cumulated subject imports and imports from Trinidad.

This information is the best information available to Petitioner at this time. However, as part of its preliminary investigation, the Commission can obtain pricing data for both the domestic like product and subject imports. Petitioner requests that the Commission collect data for the following representative products:¹⁴⁹

Product 1.--Unground melamine crystal unpackaged in bulk.

Product 2.--Unground melamine crystal in bags of 1,000 to 3,000 pounds.

Product 3.--Unground melamine crystal in bags of 50 to 60 pounds.

b. Other adverse price effects

In addition to underselling, available information shows that the effect of subject imports “otherwise depresses prices to a significant degree or prevents price increases, which otherwise would have occurred, to a significant degree.”¹⁵⁰ As we have demonstrated above, subject imports are entering the U.S. market in significant volumes and taking market share from

¹⁴⁹ These proposed pricing products are identical to those used in the Commission’s most recent investigation of unfairly traded melamine imports. See *Melamine from China and Trinidad and Tobago ITC Final Determination at V-5*, provided as Exhibit I-4.

¹⁵⁰ 19 U.S.C. § 1677(7)(B)(ii).

domestic producers by offering aggressively low prices to purchasers in the marketplace. Subject imports and the domestic like product are commercially interchangeable and very good substitutes. Because “melamine is a commodity product,”¹⁵¹ sales negotiations are focused on price. Given that price is an important factor in melamine purchasing decisions, it is clear that the low prices being offered by the subject imports are having significant adverse effects on the domestic industry’s prices in the U.S. market.

Indeed, the data in the preceding section show that, from 2022 to 2023, the AUVs for cumulated subject imports and Trinidadian imports plummeted from \$1.65 and 1.69 to \$1.00 and \$0.66, respectively, or by 39.6 percent and 60.7 percent. In addition, the available information indicates that the outsized cumulated subject import and Trinidadian import volumes in 2022 led to a significant buildup of U.S. import inventories that hung over the market in 2023.¹⁵² [

] ¹⁵³ Although this [

].¹⁵⁴

In addition, subject imports have subjected the domestic industry to a cost-price squeeze. Specifically, Petitioner’s ratio of total COGS to net sales increased from [] percent in 2022 to [] percent in 2023.¹⁵⁵

Thus, the available information shows that cumulated subject imports and Trinidadian imports have significantly depressed and suppressed U.S. prices for the domestic like product.

¹⁵¹ *Melamine from China and Trinidad and Tobago ITC Final Determination*, at I-13 and n. 165, provided as Exhibit I-4.

¹⁵² *See supra* Section IV.C.2.b.

¹⁵³ *See* Exhibit I-27 (Underselling Comparisons 2021 to 2023).

¹⁵⁴ *See id.*; Exhibit I-25 (Apparent Domestic Consumption and U.S. Market Shares 2021 to 2023).

¹⁵⁵ Exhibit I-1 (Cornerstone Trade and Financial Data 2021 to 2023).

c. Lost sales and lost revenues

As demonstrated in Section IV.C.2.b above, dumped and subsidized imports took [] share of the U.S. market from Petitioner during the 2021-2023 period. This establishes that the domestic industry has lost significant sales and revenues by reason of subject imports. In addition, Petitioner provides available information in **Exhibit I-28** showing that it suffered significant lost sales and lost revenues to aggressively priced subject imports at key customer accounts.¹⁵⁶ The evidence in Exhibit I-28 shows that pervasive underselling by subject imports has caused Cornerstone to:

- Lose sales volumes involving [] U.S. customers and approximately [] pounds from 2021 to 2023.
- Lose at least [] in revenues by meeting the lower prices of subject imports during the POI.
- []

This evidence, combined with the other evidence cited above, clearly establishes that cumulated subject imports and Trinidadian imports are inflicting significant adverse price effects on the domestic industry.

4. Subject imports have had a significant adverse impact on the domestic industry

Under the Act, the Commission is directed to assess whether the subject imports have had a significant adverse impact on the industry's production operations in the United States.¹⁵⁷

When examining the impact of subject imports, the Commission is directed to evaluate all

¹⁵⁶ Lost Sales and Lost Revenues Information, provided as Exhibit I-28. In accordance with 19 C.F.R. § 207.11(b)(2)(v), Petitioner will submit lost sales and lost revenues allegations electronically in the manner specified in the Commission's Handbook on Filing Procedures.

¹⁵⁷ 19 U.S.C. § 1677(7)(B)(iii).

relevant economic factors which have a bearing on the state of the industry in the United States, including, but not limited to:

- actual and potential decline in output, sales, market share, gross profits, operating profits, net profits, ability to service debt, productivity, return on investments, return on assets, and utilization of capacity,
- factors affecting domestic prices,
- actual and potential negative effects on cash flow, inventories, employment, wages, growth, ability to raise capital, and investment, and
- actual and potential negative effects on the existing development and production efforts of the domestic industry, including efforts to develop a derivative or more advanced version of the domestic like product.¹⁵⁸

The Commission must evaluate all relevant economic factors within the context of the business cycle and conditions of competition that are distinctive to the affected industry.¹⁵⁹

The available evidence indicates that, during the 2021-2023 period, the significant volumes of aggressively priced subject imports had a significant adverse impact on the domestic industry's condition. In particular, the evidence shows that:

- The domestic industry lost significant market share to subject imports [].
 - U.S. producers' share of apparent domestic consumption of melamine decreased by [] percentage points from 2021 to 2023, while cumulated subject imports' share increased by [] points.¹⁶⁰
 - [],¹⁶¹ it was []

¹⁵⁸ 19 U.S.C. § 1677(7)(C)(iii).

¹⁵⁹ *Id.*

¹⁶⁰ Exhibit I-25 (Apparent Domestic Consumption and U.S. Market Shares 2021 to 2023).

¹⁶¹ Exhibit I-25 (Apparent Domestic Consumption and U.S. Market Shares 2021 to 2023).

].¹⁶²

- This loss of market share was a significant factor causing [] in Cornerstone’s U.S. shipments, production, and capacity utilization. From 2021 to 2023:
 - Cornerstone’s U.S. shipments declined [];
 - Cornerstone’s production declined [];
 - Cornerstone’s capacity utilization rate declined [].¹⁶³
- Subject imports have adversely affected the financial performance of Cornerstone’s melamine operations.
 - Cornerstone’s [].
 - []

].¹⁶⁴

Given these facts, the Commission should find that the adverse impact of subject imports was significant.

5. Conclusion

As shown above, evidence relevant to each statutory factor that the Commission considers with respect to material injury – the volume of subject imports, the adverse price effects of subject imports, and the adverse impact of subject imports – supports the conclusion

¹⁶² Exhibit I-1 (Cornerstone Trade and Financial Data 2021 to 2023); Exhibit I-27 (Underselling Comparisons 2021 to 2023).

¹⁶³ Exhibit I-1 (Cornerstone Trade and Financial Data 2021 to 2023). The data on Cornerstone’s melamine production operations reflect production interruptions that occurred during the 2021-2023 period. These interruptions included scheduled plant maintenance turnarounds as well as two *force majeure* events. The first *force majeure* event was caused by Hurricane Ida and involved a plant shutdown []

of 2021. The second *force majeure* event halted production for [] of 2022 and stemmed from a []. These *force majeure* events did not affect Cornerstone’s production capacity, production, or capacity utilization in 2023.

¹⁶⁴ Exhibit I-1 (Cornerstone Trade and Financial Data 2021 to 2023).

that the domestic melamine industry is materially injured by reason of cumulated subject imports and by reason of subject imports from Trinidad.

D. Subject Imports Threaten The Domestic Industry With Further Material Injury Going Forward

Under the Act, the Commission is directed to consider eight factors when determining whether an industry in the United States is threatened with material injury by reason of sales of the subject merchandise.¹⁶⁵ In addition to those eight factors, the Commission is also directed to consider “any other demonstrable adverse trends that indicate the probability that there is likely to be material injury” by reason of subject imports.¹⁶⁶ As discussed below, these factors indicate that, in the absence of trade relief, the subject imports threaten to cause further material injury to the domestic industry in the imminent future.

1. The likely volume of subject imports will be significant

Under the Act, the Commission is directed to consider several factors relating to the likely volume of subject imports in the absence of trade relief. In this case, all relevant factors for which the Petitioner has information demonstrate that, unless trade relief is imposed, imports of melamine from the subject countries will continue to damage the U.S. market.¹⁶⁷

First, under the Act, the Commission is directed to consider whether there has been “a significant rate of increase of the volume or market penetration of imports of the subject merchandise indicating the likelihood of substantially increased imports.”¹⁶⁸ As we have already shown above, imports of melamine from the subject countries have been significant, and have increased significantly relative to domestic consumption and domestic production, since 2021.

¹⁶⁵ See 19 U.S.C. §§ 1677(7)(F)(i)(I) to (VIII). Please note that one of these factors, which relates to raw agricultural products, is not relevant here. See 19 U.S.C. § 1677(7)(F)(i)(VII).

¹⁶⁶ 19 U.S.C. § 1677(7)(F)(i)(IX).

¹⁶⁷ 19 U.S.C. § 1677(7)(F)(i)(III).

¹⁶⁸ *Id.*

During this period, subject imports have taken sales and market share from the domestic industry. These facts demonstrate that, in the absence of trade relief, the subject imports will continue entering the market in significant volumes in the imminent future.

Under the Act, the Commission is also directed to consider whether there is “any existing unused capacity or {an} imminent, substantial increase in production capacity” in the subject countries that indicates “the likelihood of substantially increased imports of the subject merchandise into the United States.”¹⁶⁹ There is a relatively limited amount of public information concerning the capacity and unused capacity levels of the melamine industries in the subject countries. Nonetheless, the available information indicates that subject foreign producers have large production capacities and ample unused capacity to direct significant additional volumes of subject imports into the U.S. market. Specifically, the table below shows data on subject country production capacity, production, and unused capacity sourced from [], and it compares cumulated unused capacity to Petitioner’s calculation of apparent domestic consumption in 2023. These figures show that subject producers’ aggregate unused capacity far exceeds total apparent U.S. consumption in 2023.

Subject Capacity, Production, and Unused Capacity in 2023 (in metric tons unless otherwise noted)				
Country/Item		Capacity	Production	Unused Capacity
India ¹⁷⁰	[]			
Japan ¹⁷¹	[]			
Germany ¹⁷²	[]			

¹⁶⁹ 19 U.S.C. § 1677(7)(F)(i)(II).

¹⁷⁰ [], provided as Exhibit I-8. *See also* Gujarat State Fertilizers & Chemicals Limited website, Melamine (Gujlamine), attached as **Exhibit I-29**. Furthermore, on Sept. 30, 2021, India terminated its antidumping duty on imports of melamine from China, which will continue to limit sales opportunities for the subject producers in India and drive them to export to the United States. *See* [], provided as Exhibit I-8.

¹⁷¹ [], provided as Exhibit I-8.

¹⁷² [], provided as Exhibit I-8. This source does not provide production data specific to Germany. Petitioner estimated production data for Germany by multiplying the capacity amount by the operating rate of [] percent that the report provides for producers in Austria, Germany, and the Netherlands. The unused

Netherlands ¹⁷³	[]
Qatar ¹⁷⁴	[]
Trinidad ¹⁷⁵	[]
Total	[]
Total (in pounds)	[]
Apparent U.S. consumption in 2023 (in pounds)	[]
Ratio of unused capacity to apparent U.S. consumption	[]

Based on the available information, the industries in the subject countries evidently have ample amounts of unused capacity that can, and will, be used to ship significant amounts of additional melamine to the United States unless orders are issued. More evidence along these lines will likely become available as the Commission issues questionnaires to subject producers.

The Act also directs the Commission to consider the potential for product shifting by subject producers.¹⁷⁶ If a subject producer can use the same equipment and employees to shift output from another product to melamine, then that producer can increase shipments of melamine to the United States. In these investigations, as shown above, the Commission need not reach this factor because the available evidence indicates that producers in the subject countries can significantly increase shipments of melamine to the United States without shifting production.

capacity amount is calculated by subtracting the estimated production amount from the capacity figure provided in the report.

¹⁷³ [], provided as Exhibit I-8. This source does not provide production data specific to the Netherlands. Petitioner estimated production data for the Netherlands by multiplying the capacity amount by the operating rate of [] percent that the report provides for producers in Austria, Germany, and the Netherlands. The unused capacity amount is calculated by subtracting the estimated production amount from the capacity figure provided in the report.

¹⁷⁴ [], provided as Exhibit I-8. *See also* QAFCO: Our Products, attached as **Exhibit I-30**.

¹⁷⁵ [], provided as Exhibit I-8. In August 2023, a fire occurred at MHTL's Melamine 1 Plant in Trinidad, which resulted in the temporary shutdown of the plant. *See* Proman press release, *Incident at the Melamine 1 Plant, Pt Lisas Industrial Estate* (Aug. 19, 2023), attached as **Exhibit I-31**.

¹⁷⁶ 19 U.S.C. § 1677(7)(F)(i)(VI).

The Act also directs the Commission to consider inventories of the subject merchandise.¹⁷⁷ When properly stored, melamine has a shelf-life in excess of one year.¹⁷⁸ This enables subject producers to draw down inventories during times of lower demand. By doing so, subject producers continue to oversupply the market during those periods thereby driving the price of melamine further down.

Finally, under the Act, the Commission is directed to consider whether subject producers benefit from subsidies in their home market, especially export subsidies, and whether these subsidies make it likely to cause them to increase their exports of the subject imports.¹⁷⁹ As we discuss in detail in Volumes VIII through XI of these petitions, the subject producers of melamine in Germany, India, Qatar, and Trinidad are benefitting from a variety of subsidy programs provided in their home market, including export subsidies in some cases. Obviously, these subsidies, including subsidies that are specifically tied to exports of the subject melamine, will encourage producers in Germany, India, Qatar, and Trinidad to increase their exports to the United States in the imminent future.

2. The likely price effects of subject imports are significant

As part of its threat analysis, the Commission is directed to consider “whether imports of the subject merchandise are entering at prices that are likely to have a significant depressing or suppressing effect on domestic prices, and are likely to increase demand for further imports.”¹⁸⁰ There is no question that, unless trade relief is provided to the domestic industry, the subject imports will enter the U.S. market at prices that will have a significant depressing and suppressing effect on domestic prices.

¹⁷⁷ 19 U.S.C. § 1677(7)(F)(i)(V).

¹⁷⁸ *Melamine from China and Trinidad and Tobago ITC Final Determination*, at III-3, provided as Exhibit I-4

¹⁷⁹ 19 U.S.C. § 1677(7)(F)(i)(I).

¹⁸⁰ 19 U.S.C. § 1677(7)(F)(i)(IV).

Melamine is sold largely on the basis of price.¹⁸¹ As shown above, the subject imports have competed aggressively on price with the domestic industry, taken sales and market share from the domestic industry, and effectively made it impossible for Cornerstone to obtain a true market price for their melamine. To maintain sales volume, Cornerstone must reduce prices or limit necessary price increases to avoid losing sales to subject imports. The commercial interchangeability of subject imports and the domestic like product and the adverse prices effects of subject imports are documented in the lost sales and lost revenues allegations contained in these petitions.¹⁸² In short, the available evidence demonstrates that the subject imports will continue to be offered at prices that will put downward pressure on domestic pricing, suppress domestic pricing levels, and increase demand for unfairly traded imports in the imminent future.

Given these facts, the Commission should determine that, in the absence of trade relief, the subject imports will enter the U.S. market at prices that will likely depress and suppress domestic prices.

3. The likely impact of subject imports is significant

In assessing whether the subject imports will have a significant impact on the domestic industry unless trade relief is provided, the Commission typically considers whether the domestic industry is vulnerable to the adverse impact of the subject imports in the imminent future.¹⁸³ As we have already shown, between 2021 and 2023, [

].¹⁸⁴ The domestic industry's operating

¹⁸¹ See *supra* Section IV.C.1.a. See also *Melamine from China and Trinidad and Tobago ITC Final Determination*, Views at 17 (finding price to be an important factor in purchase decisions), provided as Exhibit I-4.

¹⁸² Lost Sales and Lost Revenues Information, attached as Exhibit I-28.

¹⁸³ E.g., *Drill Pipe and Drill Collars from China*, Inv. Nos. 701-TA-474 & 731-TA-1176 (Final), USITC Pub. 4213 (February 2011) at 35-36.

¹⁸⁴ See Exhibit I-1 (Cornerstone Trade and Financial Data 2021 to 2023).

income margin was [] percent in 2023.¹⁸⁵ Moreover, apparent U.S. consumption of melamine declined by [] percent from 2022 to 2023.¹⁸⁶ Thus, the domestic industry and subject imports are competing for sales in a market where apparent consumption has recently declined. Given the [], the domestic industry is clearly vulnerable to further material injury in the absence of trade relief. These facts render domestic producers susceptible to the likely adverse impact of the significant volumes of low-priced subject imports that will continue to enter the country in the imminent future in the absence of trade relief.

Under the Act, the Commission must also consider whether the subject imports will have a significant impact on the existing development and production efforts of the domestic industry as part of its threat analysis.¹⁸⁷ In these investigations, there is no doubt that [] Thus, the Commission should conclude that unless antidumping and countervailing duty orders are issued, the subject imports will continue to have a significant adverse impact on the domestic industry's ability to make the on-going investments needed to maintain development and production efforts.

In sum, the likely volume, the likely price effects, and the likely impact of subject imports are all significant – unless domestic producers obtain trade relief. Thus, information available to the Petitioner plainly shows that subject imports threaten domestic producers with additional material injury.

¹⁸⁵ See Exhibit I-1 (Cornerstone Trade and Financial Data 2021 to 2023).

¹⁸⁶ See Exhibit I-25 (Apparent Domestic Consumption and U.S. Market Share 2021-2023).

¹⁸⁷ 19 U.S.C. § 1677(7)(F)(i)(VIII) & (IX).

V. CONCLUSION

As set forth in the other volumes of these petitions, imports of melamine from Germany, India, Japan, the Netherlands, Qatar, and Trinidad are sold at less than fair value in the United States, and imports of melamine from Germany, India, Qatar, and Trinidad benefit from countervailable subsidies. The domestic industry is materially injured and threatened with additional material injury by reason of the cumulated subject imports and by reason of imports from Trinidad. To prevent further deterioration of the domestic industry, Petitioner urges the Department to initiate antidumping duty investigations on imports of melamine from Germany, India, Japan, the Netherlands, Qatar, and Trinidad and to initiate countervailing duty investigations on imports of melamine from Germany, India, Qatar, and Trinidad. The Petitioner further urges the Commission to make affirmative determinations of material injury or threat of material injury by reason of such unfairly traded imports.

Respectfully submitted,

/s/ Stephen J. Orava

Stephen J. Orava

Stephen P. Vaughn

Patrick J. McLain

Nicholas K. Paster

Richard C. Lutz, Consultant

Bonnie B. Byers, Consultant

*Counsel for Cornerstone
Chemical Company*