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**PUBLIC VERSION**

**Business Proprietary Information Is Removed  
From Pages 1, 3 And Exhibits V-5, V-6 Of This  
Volume.**

**BEFORE THE  
INTERNATIONAL TRADE ADMINISTRATION  
UNITED STATES DEPARTMENT OF COMMERCE  
AND THE  
UNITED STATES INTERNATIONAL TRADE COMMISSION**

In the Matter of:	)	PETITIONS FOR THE IMPOSITION
	)	OF ANTIDUMPING AND
MELAMINE FROM	)	COUNTERVAILING DUTIES
GERMANY, INDIA, JAPAN,	)	
THE NETHERLANDS, QATAR, AND	)	
TRINIDAD AND TOBAGO	)	
	)	<b><u>VOLUME V: NETHERLANDS</u></b>
	)	<b><u>ANTIDUMPING</u></b>

**Petitioner:  
Cornerstone Chemical Company**

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## I. ALLEGATION OF SALES AT LESS THAN FAIR VALUE

This petition seeks the imposition of antidumping duties on imports of melamine from the Netherlands. As discussed below, melamine from the Netherlands has been sold, or offered for sale, in the United States for less than fair value. This volume provides information reasonably available to Petitioner regarding the calculation of normal value and export prices, as well as information on the Dutch melamine industry.

Accordingly, Petitioner requests that the Department of Commerce (the “Department” or “Commerce”) initiate an investigation into whether sales are made in the United States at less than fair value. The general information required by Section 351.202 of the Department’s regulations is provided in Volume I of this petition.

## II. DUTCH PRODUCERS AND EXPORTERS OF MELAMINE

### A. Description Of The Dutch Industry

Melamine is manufactured in the Netherlands by OCI Nitrogen B.V. (“OCI”) at its production facility in Geleen.<sup>1</sup> Relevant contact information is provided in Volume I to this petition at Exhibit I-18. [

],<sup>2</sup> It is therefore reasonable to infer that OCI accounted for all U.S. imports of Dutch melamine during the presumptive period of investigation (“POI”) of January 1, 2023, through December 31, 2023.

### B. Production Processes Of OCI

[

].<sup>3</sup>

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<sup>1</sup> See Exhibit I-18. [

], provided as Exhibit I-8.

<sup>2</sup> [ ], provided as Exhibit I-8.

<sup>3</sup> [ ], provided as Exhibit I-8.

### C. Known Importers Of Dutch Melamine

A complete list of known U.S. importers of melamine, including from the Netherlands, is contained in Volume I of this petition at **Exhibit I-19**.

## III. DUMPING MARGIN METHODOLOGY

### A. Export Price

The import data show that all melamine from the Netherlands enters under a single HTS code, *i.e.*, 2933.61.00.00, which reflects “Melamine (Cyanurtriamide; 2,4,6-triamino symtriazine).”<sup>4</sup> This product is representative of the melamine entering the United States from the Netherlands, and it is therefore an appropriate basis for the calculation of export price. To calculate export price, Petitioner calculated the weighted-average POI customs value (*i.e.*, FOB foreign port value) for melamine imported from the Netherlands under HTS subheading 2933.61.00.00.<sup>5</sup> From the average unit customs value, Petitioner deducted foreign brokerage and handling and inland freight from OCI’s facilities in Geleen to the port of entry at Rotterdam to arrive at an average ex-factory price in the Netherlands.<sup>6</sup> The net export price thus calculated appears at **Exhibit V-3**.

In the most recent case involving melamine, *i.e.*, *Melamine from China and Trinidad and Tobago* (A-570-020, A-274-806), Commerce accepted the use of average unit customs value as the basis for export price.<sup>7</sup> The use of average unit import values for melamine, therefore, is consistent with Commerce’s practice.

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<sup>4</sup> See U.S. Import Data of Melamine from the Netherlands, provided as **Exhibit V-1**.

<sup>5</sup> See *id.*

<sup>6</sup> See Brokerage & Handling and Inland Freight of OCI Nitrogen B.V., provided as **Exhibit V-2**.

<sup>7</sup> See *Initiation of Antidumping Duty Investigation: Melamine From the People’s Republic of China and Trinidad and Tobago*, 79 Fed. Reg. 73,037 (Dec. 9, 2014).

Petitioner also obtained a transaction-specific price for OCI.<sup>8</sup> As indicated, the U.S. price was derived by directly correlating monthly U.S. port-specific import statistics for melamine (*i.e.*, HTSUS 2933.61.0000) to shipments by OCI reflected in the ship manifest data during the same month during the POI.<sup>9</sup> From this price, and consistent with the method described above, Petitioner deducted foreign brokerage and handling and inland freight from OCI's facilities in Geleen to the port of entry at Rotterdam to arrive at an average ex-factory price.<sup>10</sup> The net export price thus calculated appears at Exhibit V-3.

## **B. Normal Value**

### **1. Home market price**

Petitioner retained the services of a market researcher who sought to obtain pricing information for melamine in the Netherlands but was unable to do so. **Exhibit V-5** contains a declaration discussing the efforts to acquire such information.<sup>11</sup> Accordingly, as explained below, Petitioner based normal value on constructed value ("CV").

### **2. Constructed value**

Normal value is based upon an estimate of the cost of production ("COP") and profit in the home market for melamine. Petitioner does not have access to OCI's factors of production ("FOPs") and consumption rates for those FOPs. Accordingly, as an estimate of OCI's FOPs, Petitioner relied on Cornerstone's actual consumption of raw materials, labor, and energy to make melamine. Cornerstone is an appropriate producer to use for such estimates because it has a similar production process to OCI. [ ]<sup>12</sup>

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<sup>8</sup> See Transaction-Specific Price for OCI Nitrogen B.V., provided as **Exhibit V-4**.

<sup>9</sup> See *id.*

<sup>10</sup> See Brokerage & Handling and Inland Freight of OCI Nitrogen B.V., provided as Exhibit V-2.

<sup>11</sup> Exhibit V-5 also includes a declaration addressing Cornerstone's efforts to obtain 2023 pricing of large-volume sales in the United States of melamine from foreign sources.

<sup>12</sup> [ ], provided as Exhibit I-8.

Petitioner provides a cost model at **Exhibit V-6**. A declaration from the individual at Cornerstone responsible for providing the usage rate information is also included in this exhibit.

Petitioner valued materials, labor, and energy inputs using value information from the Netherlands. Factory overhead, SG&A expenses, and profit are based on data from various sources as described below.

**a) Direct materials**

Petitioner calculated OCI's cost of direct materials by using the average CIF import value of these materials at the Dutch port using data available for the period January 2023 through December 2023. **Exhibit V-7** contains the Dutch import data obtained from Eurostat used to value materials. Consistent with Commerce's practice, Petitioner excluded imports from non-market economies, countries with generally-available export subsidies, and unspecified countries. Because the import data are contemporaneous with the presumptive POI, Petitioner did not inflate the data to the full POI, consistent with the Department's practice. Values were converted to U.S. dollars using the Department's Investigations Exchange Rates for the presumptive POI. **Exhibit V-7** contains Petitioner's calculations as well as the actual Dutch import data, a pivot table used to populate the summary page, and a list of countries excluded from the data. **Exhibit V-8** contains the Department's POI exchange rates to convert the foreign currency to U.S. Dollars.

**b) Labor**

Petitioner valued labor using information published by the International Labor Organization for the Netherlands for the most recent available period, specific to manufacturing workers.<sup>13</sup>

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<sup>13</sup> See Dutch Labor Rate, provided as **Exhibit V-9**.

**c) Energy and utilities**

Petitioner relied upon the following publicly available sources to value water, electricity, and natural gas in the Netherlands:

- Water – IBNet Tariffs Database;<sup>14</sup>
- Natural gas – Eurostat;<sup>15</sup> and
- Electricity – Eurostat.<sup>16</sup>

**d) Factory overhead, SG&A, and profit**

Factory overhead, SG&A, and profit rates were based upon OCI's consolidated audited financial statements for year ending December 31, 2022.<sup>17</sup> Petitioner is unaware of any publicly available non-consolidated information specific to OCI's melamine operations. Interest expense was based upon the consolidated financial statements of OCI's ultimate parent company, OCI N.V.<sup>18</sup> Calendar year 2022 is the most recent period for which annual audited financial statements are available.

**e) Packing inputs**

The packing costs reflected in the cost model include costs for labor and packing skids consumed in the packing operations. Petitioner valued the labor associated with packing using the surrogate labor rate, as described above.

CV is the sum of COP, profit, and packing costs.

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<sup>14</sup> See IBNet Tariffs Database, Water Value, provided as **Exhibit V-10**.

<sup>15</sup> See Eurostat, Natural Gas Value, provided as **Exhibit V-11**.

<sup>16</sup> See Eurostat, Electricity Value, provided as **Exhibit V-12**.

<sup>17</sup> See Consolidated Financial Statements of OCI Nitrogen B.V. and OCI Nitrogen N.V., provided as **Exhibit V-13**.

<sup>18</sup> See *id.*

### **C. Dumping Margin**

Exhibit V-3 provides the dumping margins Petitioner calculated based on a comparison of export price (based on the weighted-average customs value and ship manifest match) to CV for the same products. As shown therein, the alleged dumping margin ranges from 33 to 75 percent.

### **IV. MATERIAL INJURY AND THREAT OF MATERIAL INJURY TO THE DOMESTIC INDUSTRY**

Petitioner alleges that the domestic melamine industry is materially injured, and threatened with material injury, by reason of imports of melamine from the Netherlands sold at less than fair value. Volume I of this petition contains the argumentation and factual information in support of this allegation.

### **V. CONCLUSION AND REQUEST FOR INVESTIGATION**

As demonstrated above, the Dutch producer and exporter is selling melamine for less than fair value in the United States. Accordingly, Petitioner requests that the Department initiate an antidumping duty investigation on imports of melamine from the Netherlands.

Respectfully submitted,

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