



A-469-814  
Administrative Review  
POR: 06/01/2021 – 05/31/2022  
**Public Document**  
E&C/OVII: AH

June 29, 2023

**MEMORANDUM TO:** Lisa W. Wang  
Assistant Secretary  
for Enforcement and Compliance

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

**SUBJECT:** Decision Memorandum for the Preliminary Results of the  
Antidumping Duty Administrative Review: Chlorinated  
Isocyanurates from Spain; 2021-2022

---

## I. SUMMARY

The U.S. Department of Commerce (Commerce) is conducting an administrative review of the antidumping duty (AD) order on chlorinated isocyanurates (chlorinated isos) from Spain for the period of review (POR) June 1, 2021, through May 31, 2022. This review covers three producers or exporters of the subject merchandise, of which we selected Ercros S.A. (Ercros) as the mandatory respondent. We preliminarily determine that Ercros sold chlorinated isos in the United States at prices below normal value (NV) during the POR.

## II. BACKGROUND

On June 24, 2005, Commerce published the AD order on chlorinated isos from Spain in the *Federal Register*.<sup>1</sup> On June 3, 2022, Commerce published in the *Federal Register* a notice of opportunity to request an administrative review of the *Order*.<sup>2</sup> On June 30, 2022, Bio-Lab, Inc., Clearon Corp. and Occidental Chemical Corporation (collectively, the petitioners) filed a timely request for an administrative review of Ercros, Industrias Quimicas Tamar S.L. (Industrias Quimicas Tamar), and Electroquimic de Hernani, S.A. (EHER).<sup>3</sup> This request was filed pursuant to section 751(a)(1) of the Tariff Act of 1930, as amended (the Act), and in accordance with 19

---

<sup>1</sup> See *Chlorinated Isocyanurates from Spain: Notice of Antidumping Duty Order* 70 FR 36562 (June 24, 2005) (*Order*).

<sup>2</sup> See *Antidumping or Countervailing Duty Order, Finding, or Suspended Investigation; Opportunity to Request Administrative Review and Join Annual Inquiry Service List*, 87 FR 33706 (June 3, 2022).

<sup>3</sup> See Petitioners' Letter, "Chlorinated Isocyanurates from Spain: Request for Administrative Review," dated June 30, 2022.



CFR 351.213(b). No other parties submitted a request for an administrative review. Accordingly, on August 9, 2022, Commerce initiated the instant administrative review of the *Order* with respect to Ercros, Industrias Quimicas Tamar, and EHER.<sup>4</sup> On August 17, 2022, we released U.S. Customs and Border Protection (CBP) import data to eligible parties.<sup>5</sup> On September 16, 2022, Commerce selected Ercros as the sole mandatory respondent in this administrative review.<sup>6</sup>

On September 19, 2022, we issued the AD questionnaire to Ercros. Between October 18, 2022, and April 7, 2023, Ercros timely responded to our AD questionnaire and supplemental questionnaires. On February 16, 2023, we extended the deadline for these preliminary results until no later than June 30, 2023.<sup>7</sup>

### III. SCOPE OF THE *ORDER*

The products covered by the *Order* are chlorinated isocyanurates. Chlorinated isocyanurates are derivatives of cyanuric acid, described as chlorinated s-triazine triones. There are three primary chemical compositions of chlorinated isocyanurates: (1) trichloroisocyanuric acid (Cl<sub>3</sub>(NCO)<sub>3</sub>), (2) sodium dichloroisocyanurate (dihydrate) (NaCl<sub>2</sub>(NCO)<sub>3</sub> 2H<sub>2</sub>O), and (3) sodium dichloroisocyanurate (anhydrous) (NaCl<sub>2</sub>(NCO)<sub>3</sub>). Chlorinated isocyanurates are available in powder, granular, and tableted forms. The *Order* covers all chlorinated isocyanurates. Chlorinated isocyanurates are currently classifiable under subheadings 2933.69.6015, 2933.69.6021, and 2933.69.6050 of the Harmonized Tariff Schedule of the United States (HTSUS). The tariff classification 2933.69.6015 covers sodium dichloroisocyanurates (anhydrous and dihydrate forms) and trichloroisocyanuric acid. The tariff classifications 2933.69.6021 and 2933.69.6050 represent basket categories that include chlorinated isocyanurates and other compounds including an unfused triazine ring. Although the HTSUS subheadings are provided for convenience and customs purposes, the written description of the scope of the *Order* is dispositive.

### IV. COMPANIES NOT SELECTED FOR INDIVIDUAL EXAMINATION

In this review, there are two companies for which a review was requested but which were not selected for individual examination and did not demonstrate that they had no shipments during the POR.<sup>8</sup>

The statute and Commerce's regulations do not directly address the establishment of a rate to be applied to individual companies not selected for examination when Commerce limits its examination in an administrative review pursuant to section 777A(c)(2) of the Act. Generally,

---

<sup>4</sup> See *Initiation of Antidumping and Countervailing Duty Administrative Reviews*, 87 FR 48459 (August 9, 2022).

<sup>5</sup> See Memorandum, "Antidumping Duty Administrative Review of Chlorinated Isocyanurates from Spain; 2021-2022: Customs Entries from June 1, 2021 through May 31, 2022," dated August 17, 2022.

<sup>6</sup> See Memorandum, "Administrative Review of Chlorinated Isocyanurates from Spain: Respondent Selection," dated September 16, 2022.

<sup>7</sup> See Memorandum, "Chlorinated Isocyanurates from Spain: Extension of Deadline for Preliminary Results of Antidumping Duty Administrative Review," dated February 16, 2023.

<sup>8</sup> See Petitioners' Letter, "Chlorinated Isocyanurates from Spain: Request for Administrative Review," dated June 30, 2022.

Commerce looks to section 735(c)(5) of the Act, which provides instructions for calculating the all-others rate in a market economy investigation, for guidance when calculating the rate for companies which were not selected for individual review in an administrative review. Under section 735(c)(5)(A) of the Act, the all-others rate is normally “an amount equal to the weighted average of the estimated weighted-average dumping margins established for exporters and producers individually investigated, excluding any zero or *de minimis* margins, and any margins determined entirely {on the basis of facts available}.”<sup>9</sup>

In this review, we have preliminarily calculated a weighted-average dumping margin that is not zero, *de minimis*, or determined entirely on the basis of facts available for Ercros. Accordingly, we have preliminarily applied the margin calculated for Ercros to the non-individually examined companies.<sup>10</sup>

## V. DISCUSSION OF THE METHODOLOGY

### A. Comparisons to Normal Value

Pursuant to section 773(a) of the Act and 19 CFR 351.414(c)(1) and (d), to determine whether Ercros’ sales of subject merchandise from Spain to the United States were made at prices less than NV, Commerce compared the export price (EP) to the NV as described in the “Export Price” and “Normal Value” sections of this memorandum.

#### 1. Determination of Comparison Method

Pursuant to 19 CFR 351.414(c)(1), Commerce calculates weighted-average dumping margins by comparing weighted-average NVs to weighted-average EPs or constructed export prices (CEPs) (*i.e.*, the average-to-average method) unless Commerce determines that another method is appropriate in a particular situation. In less-than-fair-value (LTFV) investigations, Commerce examines whether to compare the weighted-average NVs to the EPs or CEPs of individual U.S. sales (*i.e.*, the average-to-transaction method) as an alternative comparison method using an analysis consistent with section 777A(d)(1)(B) of the Act. Although section 777A(d)(1)(B) of the Act does not strictly govern Commerce’s examination of this question in the context of administrative reviews, Commerce nevertheless finds that the issue arising under 19 CFR 351.414(c)(1) in administrative reviews is, in fact, analogous to the issue in LTFV investigations.<sup>11</sup>

In numerous investigations and administrative reviews, Commerce has applied a “differential pricing” analysis for determining whether application of the average-to-transaction method is

---

<sup>9</sup> See *Ball Bearings and Parts Thereof from France, Germany, Italy, Japan, and the United Kingdom: Final Results of Antidumping Duty Administrative Reviews, Final Results of Changed-Circumstances Review, and Revocation of an Order in Part*, 75 FR 53661, 53663 (September 1, 2010), and accompanying Issues and Decision Memorandum (IDM) at Comment 1.

<sup>10</sup> See, e.g., *Welded Stainless Pressure Pipe from India: Final Results of Antidumping Duty Administrative Review; 2020-2021*, 88 FR 37858 (June 9, 2023), and accompanying IDM at Comment 4.

<sup>11</sup> See *Ball Bearings and Parts Thereof from France, Germany, and Italy: Final Results of Antidumping Duty Administrative Reviews; 2010-2011*, 77 FR 73415 (December 10, 2012), and accompanying IDM at Comment 1; see also *Apex Frozen Foods Private Ltd. v. United States*, 37 F. Supp. 3d 1286, 1293 (CIT 2014).

appropriate in a particular situation consistent with 19 CFR 351.414(c)(1) and section 777A(d)(1)(B) of the Act.<sup>12</sup> Commerce finds that the differential pricing analysis is instructive for purposes of examining whether to apply an alternative comparison method in this administrative review. Commerce will continue to evaluate its approach in this area based on comments received in this review and the application of the differential pricing analysis on a case-by-case basis, and on Commerce's additional experience with addressing the potential masking of dumping that can occur when Commerce uses the average-to-average method in calculating a respondent's weighted-average dumping margin.

The differential pricing analysis used in these preliminary results requires a finding of a pattern of prices for comparable merchandise that differ significantly among purchasers, regions, or time periods. The analysis evaluates all export sales by purchaser, region, and time period to determine whether a pattern of prices that differ significantly exists. If such a pattern is found, then the differential pricing analysis evaluates whether such differences can be taken into account when using the average-to-average method to calculate the weighted-average dumping margin. The analysis incorporates default group definitions for purchasers, regions, time periods, and comparable merchandise. Purchasers are based on the reported customer codes. Regions are defined using the reported destination code (*e.g.*, ZIP code) and are grouped into regions based upon standard definitions published by the U.S. Census Bureau. Time periods are defined by the quarter within the POR based on the reported date of sale. For purposes of analyzing sales transactions by purchaser, region, and time period, comparable merchandise is defined by using the product control number and all characteristics of the U.S. sales, other than purchaser, region, and time period, that Commerce uses in making comparisons between EP or CEP and NV for the individual dumping margins.

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

---

<sup>12</sup> See, *e.g.*, *Xanthan Gum from the People's Republic of China: Final Determination of Sales at Less Than Fair Value*, 78 FR 33351 (June 4, 2013); see also *Steel Concrete Reinforcing Bar from Mexico: Final Determination of Sales at Less Than Fair Value and Final Affirmative Determination of Critical Circumstances*, 79 FR 54967 (September 15, 2014); and *Welded Line Pipe from the Republic of Turkey: Final Determination of Sales at Less Than Fair Value*, 80 FR 61362 (October 13, 2015).

Cohen's *d* test, if the calculated Cohen's *d* coefficient is equal to or exceeds the large (*i.e.*, 0.8) threshold.

Next, the "ratio test" assesses the extent of the significant price differences for all sales as measured by the Cohen's *d* test. If the value of sales to purchasers, regions, and time periods that pass the Cohen's *d* test account for 66 percent or more of the value of total sales, then the identified pattern of prices that differ significantly supports the consideration of the application of the average-to-transaction method to all sales as an alternative to the average-to-average method. If the value of sales to purchasers, regions, and time periods that pass the Cohen's *d* test accounts for more than 33 percent and less than 66 percent of the value of total sales, then the results support consideration of the application of an average-to-transaction method to those sales identified as passing the Cohen's *d* test as an alternative to the average-to-average method, and application of the average-to-average method to those sales identified as not passing the Cohen's *d* test. If 33 percent or less of the value of total sales passes the Cohen's *d* test, then the results of the Cohen's *d* test do not support consideration of an alternative to the average-to-average method.

If both tests in the first stage (*i.e.*, the Cohen's *d* test and the ratio test) demonstrate the existence of a pattern of prices that differ significantly such that an alternative comparison method should be considered, then in the second stage of the differential pricing analysis, Commerce examines whether using only the average-to-average method can appropriately account for such differences. In considering this question, Commerce tests whether using an alternative comparison method, based on the results of the Cohen's *d* test and ratio tests described above, yields a meaningful difference in the weighted-average dumping margin as compared to that resulting from the use of the average-to-average method only. If the difference between the two calculations is meaningful, then this demonstrates that the average-to-average method cannot account for differences such as those observed in this analysis, and, therefore, an alternative comparison method would be appropriate. A difference in the weighted-average dumping margins is considered meaningful if: (1) there is a 25 percent relative change in the weighted-average dumping margin between the average-to-average method and the appropriate alternative method where both rates are above the *de minimis* threshold; or (2) the resulting weighted-average dumping margin between the average-to-average method and the appropriate alternative method move across the *de minimis* threshold.

Interested parties may present arguments and justifications in relation to the above-described differential pricing approach used in these preliminary results.

## 2. Results of Differential Pricing Analysis

For Ercros, based on the results of the differential pricing analysis, we preliminarily find that the value of U.S. sales passing the Cohen's *d* test is 69.67 percent and, thus, confirms the existence of a pattern of prices that differ significantly among purchasers, regions, or time periods.<sup>13</sup> Further, we preliminarily determine that the average-to-average methodology cannot account for such differences because the weighted-average dumping margin crosses the *de minimis* threshold

---

<sup>13</sup> See Memorandum, "Preliminary Analysis for Ercros S.A.," dated concurrently with this memorandum (Ercros Analysis Memorandum).

when calculating using the average-to-average methodology and when calculating using an alternative comparison method based on applying the average-to-transaction method for all U.S. sales. Thus, for these preliminary results, Commerce used the average-to-transaction method for all U.S. sales to calculate the weighted-average dumping margin for Ercros.

B. Product Comparisons

In accordance with section 771(16) of the Act, we compared prices for products sold in the U.S. market with prices for products sold in the home market that were either identical or most similar in terms of the physical characteristics. In the order of importance, these physical characteristics are chemical structure, free available chlorine content, physical form and packaging. Where there were no sales of identical merchandise in the home market to compare to U.S. sales, in accordance with section 771(16)(B) of the Act, we compared the U.S. sales to the most similar foreign like product based on the characteristics listed above.

C. Date of Sale

Section 351.401(i) of Commerce's regulations states that, "{i}n identifying the date of sale of the subject merchandise or foreign like product, the Secretary will use the date of invoice, as recorded in the exporter or producer's records kept in the ordinary course of business." The regulation provides further that Commerce may use a date other than the date of invoice if Commerce is satisfied that a different date better reflects the date on which the exporter or producer establishes the material terms of sale.<sup>14</sup> In addition, Commerce has a long-standing practice of finding that, where the shipment date precedes the invoice date, the shipment date better reflects the date on which the material terms of sale are established.<sup>15</sup>

Ercros reported the earlier of the invoice date or shipment date as the date of sale for both U.S. and home market sales.<sup>16</sup> The record does not indicate that material terms of sale are established at a different time in sales process than reported. We preliminarily relied on the dates of sale reported by Ercros for its home market and U.S. sales.

D. Export Price

Section 772(a) of the Act defines EP as "the price at which the subject merchandise is first sold (or agreed to be sold) before the date of importation by the producer or exporter of subject merchandise outside of the United States to an unaffiliated purchaser in the United States or to an unaffiliated purchaser for exportation to the United States," as adjusted under subsection 772(c) of the Act.

---

<sup>14</sup> See 19 CFR 351.401(i); see also *Allied Tube & Conduit Corp. v. United States*, 132 F. Supp. 2d 1087, 1090 (CIT 2001) (quoting 19 CFR 351.401(i)).

<sup>15</sup> See, e.g., *Notice of Final Determination of Sales at Less Than Fair Value and Negative Final Determination of Critical Circumstances: Certain Frozen and Canned Warmwater Shrimp from Thailand*, 69 FR 76918 (December 23, 2004), and accompanying IDM at Comment 10; see also *Notice of Final Determination of Sales at Less Than Fair Value: Structural Steel Beams from Germany*, 67 FR 35497 (May 20, 2002), and accompanying IDM at Comment 2.

<sup>16</sup> See Ercros' Letter, "Chlorinated Isocyanurates from Spain: Sections B - C Response," dated November 2, 2022, at 7 and 33.

We calculated EP based on delivered prices to unaffiliated purchasers in the United States. In accordance with section 772(c)(2)(A) of the Act, we made deductions from the starting price, where appropriate, for foreign movement expenses (inland freight from plant to distribution warehouse, warehousing, inland freight from plant and/or warehouse to port of exportation, inland insurance, brokerage and handling), and international and U.S. movement expenses (international freight, U.S. brokerage and handling, and U.S. duties).

## VI. NORMAL VALUE

### A. Home Market Viability as Comparison Market

In order to determine whether there is a sufficient volume of sales in the home market to serve as a viable basis for calculating NV, *i.e.*, the aggregate volume of home market sales of the foreign like product is equal to or greater than five percent of the aggregate volume of U.S. sales, we normally compare the respondent's volume of home market sales of the foreign like product to the volume of U.S. sales of the subject merchandise, in accordance with sections 773(a)(1)(A) and (B) of the Act. If we determine that no viable home market exists, we may, if appropriate, use a respondent's sales of the foreign like product to a third country market as the basis for comparison market sales, in accordance with section 773(a)(1)(C) of the Act and 19 CFR 351.404.

To determine whether there was a sufficient volume of sales in the home market to serve as a viable basis for calculating NV, we compared the volume of home market sales of the foreign like product to the volume of U.S. sales of subject merchandise, in accordance with section 773(a)(1)(C) of the Act. Based on this comparison, we find that, pursuant to 19 CFR 351.404(b), Ercros had a viable home market during the POR. Consequently, we based NV on Ercros' home market sales.

### B. Level of Trade

In accordance with section 773(a)(1)(b)(i) of the Act and the SAA,<sup>17</sup> to the extent practicable, Commerce will calculate NV based on sales in the comparison market at the same level of trade (LOT) as the U.S. sales. Sales are made at different LOTs if they are made at different marketing stages (or their equivalent).<sup>18</sup> Substantial differences in selling activities are a necessary, but not sufficient, condition for determining that there is a difference in the stages of marketing.<sup>19</sup> To determine whether the comparison market sales are at different stages in the marketing process than U.S. sales, Commerce examines the distribution system in each market (*i.e.*, the chain of distribution), including selling functions and class of customer (*i.e.*, customer category), and the level of selling expenses for each type of sale.

<sup>17</sup> See Statement of Administrative Action Accompanying the Uruguay Rounds Agreement Act, H.R. Doc. No. 103-316, Vol. 1 (1994) (SAA), at 829-831.

<sup>18</sup> See 19 CFR 351.412(c)(2).

<sup>19</sup> *Id.*; see also *Certain Orange Juice from Brazil: Final Results of Antidumping Duty Administrative Review and Notice of Intent Not to Revoke Antidumping Duty Order in Part*, 75 FR 50999 (August 18, 2010), and accompanying IDM at Comment 7.

Pursuant to section 773(a)(1)(B)(i) of the Act, in identifying LOTs for EP and comparison market sales (*i.e.*, NV based on either home market or third country prices),<sup>20</sup> we consider the starting prices before any adjustments.

When Commerce is unable to match U.S. sales of the foreign like product in the comparison market at the same LOT as the EP, Commerce may compare the U.S. sale to sales at a different LOT in the comparison market. In comparing EP sales at a different LOT in the comparison market, where available data make it possible, we make an LOT adjustment under section 773(a)(7)(A) of the Act.

In this administrative review, we obtained information from Ercros regarding the marketing stages involved in making the reported home market and U.S. sales, including a description of the selling activities performed for each channel of distribution.<sup>21</sup> Our LOT findings are summarized below.

Ercros reported that it made sales in the home market through two channels of distribution (*i.e.*, industrial customers and distributor/retail customers). Ercros made identical arguments in a previous review.<sup>22</sup> Consistent with the previous review, we preliminarily find that Ercros performed similar selling activities in the home market for these two distribution channels. Ercros reported that nine of its 16 reported selling activities had identical levels of activity. Of the remaining seven selling activities for which Ercros reported differences in the two channels of distribution, we continue to find that three were provided at essentially the same levels of activity and two can be accounted for as adjustments to NV. Ercros reported that for freight and delivery in the home market, the merchandise is almost always sent by truck with carriage and insurance paid terms, no matter the channel of distribution.<sup>23</sup> In addition, Ercros noted that the respective procedures for its quantity rebates and cash discounts do not differ between the two channels of distribution in the home market.<sup>24</sup> The two other selling activities that Ercros reported, packing and commissions, can already be accounted for as adjustments to NV.<sup>25</sup> Consistent with previous reviews, we preliminarily find that only two of Ercros' 16 reported selling activities, order processing and direct sales personnel, differ among the two distribution channels. Thus, we preliminarily find that sales to the industrial and distributor/retail customers in the home market constitute sales at one NV level of trade.

Finally, Commerce compared the EP level of trade to the home market level of trade. Commerce finds that selling activities performed by Ercros for industrial users in the U.S. market and industrial and distributor/retail customers in the home market, are similar. Because Ercros

<sup>20</sup> Where NV is based on constructed value (CV), we determine the NV LOT based on the LOT of the sales from which we derive selling, general, and administrative expenses, and profit for CV, where possible. *See* 19 CFR 351.512(c)(1).

<sup>21</sup> *See* Ercros' Letter, "Chlorinated Isocyanurates from Spain; Section A Response," dated October 18, 2022 (Ercros October 18, 2022 AQR) at Exhibit 3.

<sup>22</sup> *See Chlorinated Isocyanurates from Spain: Preliminary Results of Antidumping Duty Administrative Review; 2011-2012*, 78 FR 41367 (July 10, 2013), and accompanying Preliminary Decision Memorandum at 9.

<sup>23</sup> *See* Ercros October 18, 2022 AQR at 21.

<sup>24</sup> *Id.* at 20.

<sup>25</sup> *Id.* at 19-21.



provided virtually the same level of customer support services on its U.S. sales (all of which were EP) as it did on its home market sales, and that the minor differences that do exist do not establish a distinct and separate LOT, we determine that the EP and the starting price of home market sales represent the same stage in the marketing process, and are, thus, at the same LOT. For this reason, we preliminarily find that an LOT adjustment is not warranted for Ercros. As there are no CEP sales, no CEP offset is appropriate.

D. Cost of Production Analysis

In accordance with section 773(b)(3) of the Act, we calculated cost of production (COP) based on the sum of the costs of materials and fabrication for the foreign like product, plus amounts for general and administrative expenses and interest expenses.

1. Calculation of Cost of Production

In its section D response, Ercros claimed that there were “significant changes in the purchase cost for cyanuric acid during the POR” and requested that Commerce use its quarterly cost methodology.<sup>26</sup> On November 22, 2022, Commerce requested that Ercros report the percentage that cyanuric acid represents of the total COP.<sup>27</sup> Ercros submitted the requested information regarding cyanuric acid on November 29, 2022.<sup>28</sup> Commerce’s practice is to use quarterly costs when the difference between the costs of the highest and lowest quarters are greater than 25 percent of the total COP.<sup>29</sup> After analyzing Ercros’ section D response, and November 29, 2022 supplemental response, we preliminarily determine that the change in cost of cyanuric acid does not meet this threshold and that our quarterly cost methodology is not warranted.<sup>30</sup> As a result, we have applied our standard methodology using the data Ercros submitted in its November 9, 2022 section D response.

2. Test of Comparison Market Sales Prices

On a product-specific basis, pursuant to section 773(a)(1)(B)(i) of the Act, we compared the adjusted weight-averaged COP to the home market sales of the foreign like product, to determine whether the sale prices were below the COP. The prices were exclusive of any applicable billing adjustments, discounts and rebates, movement charges, and actual direct and indirect selling expenses.

---

<sup>26</sup> See Ercros’ Letter, “Chlorinated Isocyanurates from Spain; Section D Response,” dated November 9, 2022, at 3.

<sup>27</sup> See Commerce’s Letter, “Chlorinated Isocyanurates from Spain: First Supplemental Questionnaire,” dated November 22, 2022.

<sup>28</sup> See Ercros’ Letter, “Chlorinated Isocyanurates from Spain: Supplemental Section D Response,” dated November 29, 2022.

<sup>29</sup> See *Stainless Steel Sheet and Strip in Coils from Mexico: Final Results of Antidumping Duty Administrative Review*, 75 FR 6627 (February 10, 2010), and accompanying IDM at Comment 6; see also, *Stainless-Steel Plate in Coils from Belgium: Final Results of Antidumping Duty Administrative Review*, 73 FR 75398 (December 11, 2008), and accompanying IDM at Comment 4.

<sup>30</sup> See Ercros Analysis Memorandum.

### 3. Results of COP Test

In determining whether to disregard home market sales made at prices below the COP, we examined, in accordance with sections 773(b)(1)(A) and (B) of the Act: (1) whether, within an extended period of time, such sales were made in substantial quantities; and (2) whether such sales were made at prices which permitted the recovery of all costs within a reasonable period of time in the normal course of trade. In accordance with sections 773(b)(2)(B) and (C) of the Act, where less than 20 percent of the respondent's home market sales of a given product are at prices less than the COP, we do not disregard any below-cost sales of that product because we determine that in such instances the below-cost sales were not made within an extended period of time and in "substantial quantities." Where 20 percent or more of the respondent's sales of a given product are at prices less than the COP, we disregard the below-cost sales when: (1) the sales were made within an extended period of time in "substantial quantities," in accordance with sections 773(b)(2)(B) and (C) of the Act; and (2) based on our comparison of prices to the weighted-average COPs for the POR, they were at prices which would not permit the recovery of all costs within a reasonable period of time, in accordance with section 773(b)(2)(D) of the Act. Because we are applying our standard annual-average costs in these preliminary results, we also applied our standard cost recovery test with no adjustments.

We found that, for certain products, more than 20 percent of Ercros' home market sales during the POR were at prices less than the COP and, in addition, such sales did not provide for the recovery of costs within a reasonable period of time. Therefore, we excluded these sales and used the remaining sales as the basis for determining NV, in accordance with section 773(b)(1) of the Act.

### 4. Calculation of Normal Value Based on Comparison Market Prices

We based NV for Ercros on the reported ex-factory prices to unaffiliated customers in the home market. For comparisons to EP sales, we made adjustments, pursuant to section 773(a)(6)(C)(iii) of the Act and 19 CFR 351.410, for differences in circumstances of sale for direct selling expenses (including imputed credit expenses). Where applicable, we added U.S. packing costs and deducted home market packing costs, in accordance with sections 773(a)(6)(A) and (B)(i) of the Act. When comparing U.S. sales with home market sales of similar, but not identical, merchandise, we also adjusted for physical differences in the merchandise, in accordance with section 773(a)(6)(C)(ii) of the Act and 19 CFR 351.411. We based this adjustment on the difference in the variable cost of manufacturing for the foreign like product and the subject merchandise.<sup>31</sup>

## VII. CURRENCY CONVERSION

We made currency conversions into U.S. dollars in accordance with section 773A(a) of the Act and 19 CFR 351.415, based on the exchange rates in effect on the dates of the U.S. sales as certified by the Federal Reserve Bank. The exchange rates are available on Enforcement and Compliance's website at <https://enforcement.trade.gov/exchange>.

---

<sup>31</sup> See 19 CFR 351.411(b).

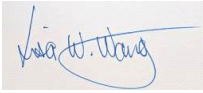
### VIII. RECOMMENDATION

We recommend applying the above methodology for these preliminary results.

\_\_\_\_\_  
Agree

\_\_\_\_\_  
Disagree

X



Signed by: LISA WANG

Lisa W. Wang

Assistant Secretary

for Enforcement and Compliance