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DEPARTMENT OF COMMERCE

International Trade Administration

[A-423-814, A-580-899, A-517-805, A-559-808, A-791-824, A-469-819]

Acetone from Belgium, the Republic of Korea, the Kingdom of Saudi Arabia, Singapore, the Republic of South Africa, and Spain: Initiation of Less-Than-Fair-Value Investigations

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce

DATES: Applicable March 11, 2019.

FOR FURTHER INFORMATION CONTACT: Alex Cipolla at (202) 482-4956 (Belgium); Sean Carey at (202) 482-3964 (the Republic of Korea (Korea)); Michael J. Heaney or Heather Lui at (202) 482-4475 or (202) 482-0016, respectively (the Kingdom of Saudi Arabia (Saudi Arabia)); Moses Y. Song or Joshua A. DeMoss at (202) 482-7885 or (202) 482-3362, respectively (Singapore); Charlotte Baskin-Gerwitz at (202) 482-4880 (the Republic of South Africa (South Africa)); and John C. McGowan or Preston N. Cox at (202) 482-3019 or (202) 482-5041, respectively (Spain); AD/CVD Operations, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230.

SUPPLEMENTARY INFORMATION:

The Petitions

On February 19, 2019, the U.S. Department of Commerce (Commerce) received antidumping duty (AD) Petitions concerning imports of acetone from Belgium, Korea, Saudi Arabia, Singapore, South Africa, and Spain, filed in proper form on behalf of the Coalition for

Acetone Fair Trade (the petitioner).<sup>1</sup> The petitioner is a coalition consisting of domestic producers of acetone.<sup>2</sup>

Between February 22 and 28, 2019, Commerce requested supplemental information pertaining to certain aspects of the Petitions.<sup>3</sup> The petitioner filed responses to these requests on

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<sup>1</sup> See Petitioner's Letter, "Petitions for the Imposition of Antidumping on Imports of Acetone from Belgium, Korea, Saudi Arabia, Singapore, South Africa and Spain," dated February 19, 2019 (the Petitions).

<sup>2</sup> The Coalition for Acetone Fair Trade includes AdvanSix Inc., Altivia Petrochemicals, LLC, and Olin Corporation. See Volume I of the Petitions, at 1-2.

<sup>3</sup> See Commerce's Letters, "Petitions for the Imposition of Antidumping Duties on Imports of Acetone from Belgium, Korea, Saudi Arabia, Singapore, South Africa, and Spain: Supplemental Questions" (General Issues Supplemental Questionnaire); "Petition for the Imposition of Antidumping Duties on Imports of Acetone from Belgium: Supplemental Questions" (Belgium Supplemental Questionnaire); "Petition for the Imposition of Antidumping Duties on Imports of Acetone from Korea: Supplemental Questions" (Korea Supplemental Questionnaire); "Petition for the Imposition of Antidumping Duties on Imports of Acetone from Saudi Arabia: Supplemental Questions" (Saudi Arabia Supplemental Questionnaire); "Petition for the Imposition of Antidumping Duties on Imports of Acetone from Singapore: Supplemental Questions" (Singapore Supplemental Questionnaire); "Petition for the Imposition of Antidumping Duties on Imports of Acetone from South Africa: Supplemental Questions" (South Africa Supplemental Questionnaire); and "Petition for the Imposition of Antidumping Duties on Imports of Acetone from Spain: Supplemental Questions" (Spain Supplemental Questionnaire). All of these documents are dated February 22, 2019. See also Commerce's Letters, "Petitions for the Imposition of Antidumping Duties on Acetone from Belgium, Korea, Saudi Arabia, Singapore, South Africa, and Spain: Phone Call with Counsel to the Petitioner Regarding Scope" (Scope Supplemental Questionnaire); "Petitions for the Imposition of Antidumping Duties Acetone from Singapore: Phone Call with Counsel to the Petitioner" (Singapore Second Supplemental Questionnaire); "Petitions for the Imposition of Antidumping Duties Acetone from South Africa: Phone Call with Counsel to the Petitioner" (South Africa Second Supplemental Questionnaire); "Petitions for the Imposition of Antidumping Duties Acetone from Spain: Phone Call with Counsel to the Petitioner" (Spain Second Supplemental Questionnaire); "Petitions for the Imposition of Antidumping Duties Acetone from Saudi Arabia: Phone Call with Counsel to the Petitioner" (Saudi Second Supplemental Questionnaire); and "Petition for the Imposition of Antidumping Duties on Acetone from Belgium: Phone Call with Counsel to the Petitioner" (Belgium Second Supplemental Questionnaire"). All of these documents are dated February 28, 2019.

February 26, 2019 and March 4, 2019, respectively.<sup>4</sup> Also on March 4, 2019, the petitioner submitted certain revisions to the scope as requested by Commerce.<sup>5</sup>

In accordance with section 732(b) of the Tariff Act of 1930, as amended (the Act), the petitioner alleges that imports of acetone from Belgium, Korea, Saudi Arabia, Singapore, South Africa and Spain are being, or are likely to be, sold in the United States at less than fair value (LTFV) within the meaning of section 731 of the Act, and that such imports are materially injuring, or threatening material injury to, the domestic industry producing acetone in the United States. Consistent with section 732(b)(1) of the Act, the Petitions are accompanied by information reasonably available to the petitioner supporting its allegations.

Commerce finds that the petitioner filed the Petitions on behalf of the domestic industry because the petitioner is a coalition of interested parties as defined in section 771(9)(C) and (F) of the Act. Commerce also finds that the petitioner demonstrated sufficient industry support with respect to the initiation of the requested AD investigations.<sup>6</sup>

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<sup>4</sup> See Petitioner's Letters, "Acetone from Belgium, Korea, Saudi Arabia, Singapore, South Africa, and Spain / Petitioner's Responses to Supplemental Questions Regarding Volume I" (General Issues Supplement); "Acetone from Belgium / Petitioner's Responses to Supplemental Questions Regarding Volume II" (Belgium Supplement); "Acetone from Korea / Petitioner's Responses to Supplemental Questions Regarding Volume III" (Korea Supplement); "Acetone from Saudi Arabia / Petitioner's Responses to Supplemental Questions Regarding Volume IV" (Saudi Arabia Supplement); "Acetone from Singapore / Petitioner's Responses to Supplemental Questions Regarding Volume V" (Singapore Supplement); "Acetone from South Africa / Petitioner's Responses to Supplemental Questions Regarding Volume VI" (South Africa Supplement); and "Acetone from Spain: Response to Questionnaire on Antidumping Petition/ Petitioner's Responses to Supplemental Questions Regarding Volume VII." (Spain Supplement). All of these documents are dated February 26, 2019. See also Petitioner's Letters, "Acetone from Belgium / Petitioner's Responses to Second Supplemental Questions Regarding Volume II" (Second Belgium Supplement); "Acetone from Singapore / Petitioner's Responses to Second Supplemental Questions Regarding Volume II" (Second Singapore Supplement); "Acetone from South Africa/Petitioner's Responses to Second Supplemental Questions Regarding Volume VI" (Second South Africa Supplement); Petitioner's Letter, "Acetone from Spain: Second Supplemental Response to Antidumping Petition" (Second Spain Supplement). All of these documents are dated March 4, 2019.

<sup>5</sup> See Petitioner's Letter, "Acetone from Belgium Korea, Saudi Arabia, Singapore, South Africa, and Spain/ Petitioner's Responses to Supplemental Questions Regarding Scope" (Scope Supplement), dated March 4, 2019.

<sup>6</sup> See the "Determination of Industry Support for the Petitions" section, *infra*.

### Periods of Investigation

Because the Petitions were filed on February 19, 2019, the period of investigation (POI) for each of the investigations is January 1, 2018, through December 31, 2018.<sup>7</sup>

### Scope of the Investigations

The product covered by these investigations is acetone from Belgium, Korea, Saudi Arabia, Singapore, South Africa and Spain. For a full description of the scope of these investigations, *see* the Appendix to this notice.

### Comments on Scope of the Investigations

During our review of the Petitions, Commerce issued questions to, and received responses from, the petitioner pertaining to the proposed scope to ensure that the scope language in the Petitions is an accurate reflection of the products for which the domestic industry is seeking relief.<sup>8</sup> As a result of these exchanges, the scope of the Petitions was modified to clarify the description of merchandise covered by the Petitions. The description of the merchandise covered by these initiations, as described in the Appendix to this notice, reflects these clarifications.

As discussed in the *Preamble* to Commerce's regulations, we are setting aside a period for interested parties to raise issues regarding product coverage (scope).<sup>9</sup> Commerce will consider all comments received from interested parties and, if necessary, will consult with interested parties prior to the issuance of the preliminary determinations. If scope comments include factual information,<sup>10</sup> all such factual information should be limited to public

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<sup>7</sup> See 19 CFR 351.204(b)(1).

<sup>8</sup> See General Issues Supplemental Questionnaire, at 2-4 and Exhibit I-S1; *see also* Scope Supplemental Questionnaire, at 2 and Exhibit I-S4.

<sup>9</sup> See *Antidumping Duties; Countervailing Duties, Final Rule*, 62 FR 27296, 27323 (May 19, 1997).

<sup>10</sup> See 19 CFR 351.102(b)(21) (defining "factual information").

information. To facilitate preparation of its questionnaires, Commerce requests that all interested parties submit such comments by 5:00 p.m. Eastern Time (ET) on April 1, 2019, which is the next business day after 20 calendar days from the signature date of this notice.<sup>11</sup> Any rebuttal comments, which may include factual information, must be filed by 5:00 p.m. ET on April 11, 2019, which is 10 calendar days from the initial comments deadline.

Commerce requests that any factual information parties consider relevant to the scope of the investigations be submitted during this period. However, if a party subsequently finds that additional factual information pertaining to the scope of the investigations may be relevant, the party may contact Commerce and request permission to submit the additional information. All such submissions must be filed on the records of each of the concurrent AD investigations.

#### Filing Requirements

All submissions to Commerce must be filed electronically using Enforcement and Compliance's Antidumping Duty and Countervailing Duty Centralized Electronic Service System (ACCESS).<sup>12</sup> An electronically filed document must be received successfully in its entirety by the time and date it is due. Documents exempted from the electronic submission requirements must be filed manually (*i.e.*, in paper form) with Enforcement and Compliance's APO/Dockets Unit, Room 18022, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230, and stamped with the date and time of receipt by the applicable deadlines.

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<sup>11</sup> See 19 CFR 351.303(b).

<sup>12</sup> See *Antidumping and Countervailing Duty Proceedings: Electronic Filing Procedures; Administrative Protective Order Procedures*, 76 FR 39263 (July 6, 2011); see also *Enforcement and Compliance; Change of Electronic Filing System Name*, 79 FR 69046 (November 20, 2014) for details of Commerce's electronic filing requirements, effective August 5, 2011. Information on help using ACCESS can be found at <https://access.trade.gov/help.aspx> and a handbook can be found at <https://access.trade.gov/help/Handbook%20on%20Electronic%20Filing%20Procedures.pdf>.

## Comments on Product Characteristics for AD Questionnaires

Commerce is providing interested parties an opportunity to comment on the appropriate physical characteristics of acetone to be reported in response to Commerce's AD questionnaires. This information will be used to identify the key physical characteristics of the merchandise under consideration in order to report the relevant costs of production accurately as well as to develop appropriate product-comparison criteria.

Interested parties may provide any information or comments that they feel are relevant to the development of an accurate list of physical characteristics. Specifically, they may provide comments as to which characteristics are appropriate to use as: (1) general product characteristics, and (2) product-comparison criteria. We note that it is not always appropriate to use all product characteristics as product comparison criteria. We base product comparison criteria on meaningful commercial differences among products. In other words, although there may be some physical product characteristics utilized by manufacturers to describe acetone, it may be that only a select few product characteristics take into account commercially meaningful physical characteristics. In addition, interested parties may comment on the order in which the physical characteristics should be used in matching products. Generally, Commerce attempts to list the most important physical characteristics first and the least important characteristics last.

In order to consider the suggestions of interested parties in developing and issuing the AD questionnaires, all product characteristics comments must be filed by 5:00 p.m. ET on April 1, 2019, which is the next business day after 20 calendar days from the signature date of this notice.<sup>13</sup> Any rebuttal comments must be filed by 5:00 p.m. ET on April 11, 2019. All comments and submissions to Commerce must be filed electronically using ACCESS, as

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<sup>13</sup> See 19 CFR 351.303(b).

explained above, on the records of the Belgium, Korea, Saudi Arabia, Singapore, South Africa and Spain LTFV investigations.

#### Determination of Industry Support for the Petitions

Section 732(b)(1) of the Act requires that a petition be filed on behalf of the domestic industry. Section 732(c)(4)(A) of the Act provides that a petition meets this requirement if the domestic producers or workers who support the petition account for: (i) at least 25 percent of the total production of the domestic like product; and (ii) more than 50 percent of the production of the domestic like product produced by that portion of the industry expressing support for, or opposition to, the petition. Moreover, section 732(c)(4)(D) of the Act provides that, if the petition does not establish support of domestic producers or workers accounting for more than 50 percent of the total production of the domestic like product, Commerce shall: (i) poll the industry or rely on other information in order to determine if there is support for the petition, as required by subparagraph (A); or (ii) determine industry support using a statistically valid sampling method to poll the “industry.”

Section 771(4)(A) of the Act defines the “industry” as the producers, as a whole, of a domestic like product. Thus, to determine whether a petition has the requisite industry support, the statute directs Commerce to look to producers and workers who produce the domestic like product. The International Trade Commission (ITC), which is responsible for determining whether “the domestic industry” has been injured, must also determine what constitutes a domestic like product in order to define the industry. While both Commerce and the ITC must apply the same statutory definition regarding the domestic like product,<sup>14</sup> they do so for different purposes and pursuant to a separate and distinct authority. In addition, Commerce’s

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<sup>14</sup> See section 771(10) of the Act.

determination is subject to limitations of time and information. Although this may result in different definitions of the like product, such differences do not render the decision of either agency contrary to law.<sup>15</sup>

Section 771(10) of the Act defines the domestic like product as “a product which is like, or in the absence of like, most similar in characteristics and uses with, the article subject to an investigation under this title.” Thus, the reference point from which the domestic like product analysis begins is “the article subject to an investigation” (*i.e.*, the class or kind of merchandise to be investigated, which normally will be the scope as defined in the petition).

With regard to the domestic like product, the petitioner does not offer a definition of the domestic like product distinct from the scope of the Petitions.<sup>16</sup> Based on our analysis of the information submitted on the record, we have determined that acetone, as defined in the scope, constitutes a single domestic like product, and we have analyzed industry support in terms of that domestic like product.<sup>17</sup>

In determining whether the petitioner has standing under section 732(c)(4)(A) of the Act, we considered the industry support data contained in the Petitions with reference to the domestic like product as defined in the “Scope of the Investigations,” in the Appendix to this notice. To

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<sup>15</sup> See *USEC, Inc. v. United States*, 132 F. Supp. 2d 1, 8 (CIT 2001) (citing *Algoma Steel Corp., Ltd. v. United States*, 688 F. Supp. 639, 644 (CIT 1988), *aff'd* 865 F.2d 240 (Fed. Cir. 1989)).

<sup>16</sup> See Volume I of the Petitions, at 12-15 and Exhibits I-2 and I-6.

<sup>17</sup> For a discussion of the domestic like product analysis as applied to these cases and information regarding industry support, see Antidumping Duty Investigation Initiation Checklist: Acetone from Belgium (Belgium AD Initiation Checklist), at Attachment II, Analysis of Industry Support for the Antidumping Duty Petitions Covering Acetone from Belgium, Korea, Saudi Arabia, Singapore, South Africa, and Spain (Attachment II); Antidumping Duty Investigation Initiation Checklist: Acetone from Korea (Korea AD Initiation Checklist), at Attachment II; Antidumping Duty Investigation Initiation Checklist: Acetone from Saudi Arabia (Saudi Arabia AD Initiation Checklist), at Attachment II; Antidumping Duty Investigation Initiation Checklist: Acetone from Singapore (Singapore AD Initiation Checklist), at Attachment II; Antidumping Duty Investigation Initiation Checklist: Acetone from South Africa (South Africa AD Initiation Checklist), at Attachment II; and Antidumping Duty Investigation Initiation Checklist: Acetone from Spain (Spain AD Initiation Checklist), at Attachment II. These checklists are dated concurrently with this notice and on file electronically via ACCESS. Access to documents filed via ACCESS is also available in the Central Records Unit, Room B8024 of the main Department of Commerce building.



establish industry support, the petitioner provided its own production of the domestic like product in 2018. In addition, the petitioner provided a letter of support from the United Steel, Paper & Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union (USW), which represents workers at three U.S. production facilities (AdvanSix, LyondellBasell, and Shell Chemical). The petitioner added the production of the two producers not in the petitioning coalition (LyondellBassell and Shell Chemical) to the petitioner's own production data to calculate total support for the Petitions. The petitioner compared its own production plus the production of the two additional producers represented by the USW to the estimated total production of the domestic like product for the entire domestic industry.<sup>18</sup> We relied on data the petitioner provided for purposes of measuring industry support.<sup>19</sup>

Our review of the data provided in the Petitions, the General Issues Supplement, and other information readily available to Commerce indicates that the petitioner has established industry support for the Petitions.<sup>20</sup> First, the Petitions established support from domestic producers (or workers) accounting for more than 50 percent of the total production of the domestic like product and, as such, Commerce is not required to take further action in order to evaluate industry support (*e.g.*, polling).<sup>21</sup> Second, the domestic producers (or workers) have met the statutory criteria for industry support under section 732(c)(4)(A)(i) of the Act because the domestic producers (or workers) who support the Petitions account for at least 25 percent of

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<sup>18</sup> See Volume I of the Petitions, at 2-4 and Exhibits I-1 through I-5 and Exhibit I-29; see also General Issues Supplement, at 5.

<sup>19</sup> *Id.*, at 2-4 and Exhibits I-1 through I-5 and Exhibit I-29; see also General Issues Supplement, at 5. For further discussion, see Attachment II of the Belgium AD Initiation Checklist, Korea AD Initiation Checklist, Saudi Arabia AD Initiation Checklist, Singapore AD Initiation Checklist, South Africa AD Initiation Checklist, and Spain AD Initiation Checklist.

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

<sup>21</sup> *Id.*; see also section 732(c)(4)(D) of the Act.

the total production of the domestic like product.<sup>22</sup> Finally, the domestic producers (or workers) have met the statutory criteria for industry support under section 732(c)(4)(A)(ii) of the Act because the domestic producers (or workers) who support the Petitions account for more than 50 percent of the production of the domestic like product produced by that portion of the industry expressing support for, or opposition to, the Petitions.<sup>23</sup> Accordingly, Commerce determines that the Petitions were filed on behalf of the domestic industry within the meaning of section 732(b)(1) of the Act.

#### Allegations and Evidence of Material Injury and Causation

The petitioner alleges that the U.S. industry producing the domestic like product is being materially injured, or is threatened with material injury, by reason of the imports of the subject merchandise sold at LTFV. In addition, the petitioner alleges that subject imports exceed the negligibility threshold provided for under section 771(24)(A) of the Act.<sup>24</sup>

The petitioner contends that the industry's injured condition is illustrated by a significant and increasing volume of subject imports; reduced market share; underselling and price depression or suppression; a decline in the domestic industry's financial performance; and lost sales and revenues.<sup>25</sup> We have assessed the allegations and supporting evidence regarding material injury, threat of material injury, causation, negligibility, as well as cumulation, and we have determined that these allegations are properly supported by adequate evidence, and meet the statutory requirements for initiation.<sup>26</sup>

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<sup>22</sup> See Attachment II of the Belgium AD Initiation Checklist, Korea AD Initiation Checklist, Saudi Arabia AD Initiation Checklist, Singapore AD Initiation Checklist, South Africa AD Initiation Checklist, and Spain AD Initiation Checklist.

<sup>23</sup> *Id.*

<sup>24</sup> See Volume I of the Petitions, at 19-20 and Exhibit I-16.

<sup>25</sup> *Id.*, at 19-25 and Exhibits I-12 through I-13, and I-16 through I-20.

<sup>26</sup> See Belgium AD Initiation Checklist, at Attachment III; Korea AD Initiation Checklist, at Attachment III; Saudi Arabia AD Initiation Checklist, at Attachment III; Singapore AD Initiation Checklist, at Attachment III; South

## Allegations of Sales at Less Than Fair Value

The following is a description of the allegations of sales at LTFV upon which Commerce based its decision to initiate AD investigations of imports of acetone from Belgium, Korea, Saudi Arabia, Singapore, South Africa and Spain. The sources of data for the deductions and adjustments relating to U.S. price and normal value (NV) are discussed in greater detail in the country-specific initiation checklists.

### Export Price

For Belgium, the petitioner based export price (EP) on two methods.<sup>27</sup> First, the petitioner used import data to determine average unit values (AUVs) of imports of acetone from Belgium.<sup>28</sup> Second, the petitioner was able to match individual shipments of acetone identified in the publicly available shipment data to individual entries of acetone in publicly available import data to determine the shipper, consignee, and AUV of specific shipments.<sup>29</sup>

For Korea and Singapore, the petitioner based EP on three methods.<sup>30</sup> First, the petitioner used publicly available customs data to determine AUV of imports of acetone from Korea and Singapore.<sup>31</sup> Second, the petitioner matched individual shipments of goods identified in publicly available import data from Korea and Singapore into the United States with individual entries of acetone in publicly available customs data, to determine transaction-specific AUVs.<sup>32</sup> Lastly, the petitioner used offers from a Korean and Singaporean producer to a U.S. customer to establish EP.<sup>33</sup>

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Africa AD Initiation Checklist, at Attachment III; and Spain AD Initiation Checklist, at Attachment III.

<sup>27</sup> See Belgium Initiation Checklist.

<sup>28</sup> *Id.*

<sup>29</sup> *Id.*

<sup>30</sup> See Korea and Singapore Initiation Checklists.

<sup>31</sup> *Id.*

<sup>32</sup> *Id.*

<sup>33</sup> *Id.*

For Saudi Arabia, the petitioner based EP on AUVs which were based on publicly available import data.<sup>34</sup>

For South Africa, the petitioner based EP on two methodologies—the first method relied on official U.S. Customs statistics to determine the AUV of imports of acetone from South Africa; the second method involved matching individual shipments of goods identified in Custom and Border Protection’s Automated Manifest System (AMS) to individual entries of acetone in the official U.S. Customs statistics to determine the AUV of specific shipments.<sup>35</sup>

For Spain, the petitioner based EP on two methodologies.<sup>36</sup> First, the petitioner based EP on pricing information for acetone produced in, and exported from, Spain and sold or offered for sale in the United States.<sup>37</sup> Second, the petitioner relied on AUVs of publicly available U.S. import data from Spain to establish EP<sup>38</sup>

#### Normal Value

The petitioner obtained home market prices for Korea, Singapore, and South Africa and third country prices for Belgium, but these prices were below cost of production. Consequently, the petitioner, relied on CV as the basis for NV. For further discussion of CV, *see* the section “Normal Value Based on Constructed Value” below.

For Saudi Arabia and Spain, the petitioner was unable to obtain reliable information relating to the prices charged for acetone produced and sold in Saudi Arabia and Spain or third country sales prices for acetone produced in these countries.<sup>39</sup> Because home market prices and third country prices were not reasonably available, the petitioner calculated NV based on

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<sup>34</sup> *See* Saudi Arabia Initiation Checklist.

<sup>35</sup> *See* South Africa AD Initiation Checklist.

<sup>36</sup> *See* Spain Initiation Checklist.

<sup>37</sup> *Id.*

<sup>38</sup> *Id.*

<sup>39</sup> *See* Saudi Arabia and Spain AD Initiation Checklists.

constructed value (CV). For further discussion of CV, *see* the section “Normal Value Based on Constructed Value” below.<sup>40</sup>

#### Normal Value Based on Constructed Value

As noted above, the petitioner obtained home market prices for Korea, Singapore, and South Africa and third country prices for Belgium, but demonstrated that these prices were below the COP; therefore, the petitioner based NV on CV pursuant to section 773(a)(4) of the Act.<sup>41</sup> The petitioner was unable to obtain information relating to the prices charged for acetone in Saudi Arabia and Spain, or any third country market; accordingly, the petitioner also based NV on CV.<sup>42</sup> Pursuant to section 773(e) of the Act, CV consists of the cost of manufacturing (COM), SG&A expenses, financial expenses, profit, and packing expenses.

The petitioner calculated the COM based on domestic producers’ input FOPs and usage rates for raw materials, labor, and energy.<sup>43</sup> The petitioner valued the input FOPs using publicly available data on costs specific to Belgium, Singapore, South Africa, Korea, Saudi Arabia, and Spain during the proposed POI. Specifically, the petitioner based the prices for raw material inputs on publicly available import data for Belgium, Singapore, South Africa, Korea, Saudi Arabia, and Spain.<sup>44</sup> The prices for benzene and propylene for South Africa were based on the cost information from another acetone producer. The petitioner valued labor and energy costs

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<sup>40</sup> In accordance with section 505(a) of the Trade Preferences Extension Act of 2015, amending section 773(b)(2) of the Act, for this investigation, Commerce will request information necessary to calculate the CV and cost of production (COP) to determine whether there are reasonable grounds to believe or suspect that sales of the foreign like product have been made at prices that represent less than the COP of the product. Commerce no longer requires a COP allegation to conduct this analysis.

<sup>41</sup> *See* Belgium AD Initiation Checklist; Singapore AD Initiation Checklist; South Africa AD Initiation Checklist; and South Korea AD Initiation Checklist.

<sup>42</sup> *See* Saudi Arabia AD Initiation Checklist and Spain AD Initiation Checklist.

<sup>43</sup> *See* Belgium AD Initiation Checklist; Singapore AD Initiation Checklist; South Africa AD Initiation Checklist; South Korea AD Initiation Checklist; Saudi Arabia AD Initiation Checklist; and, Spain AD Initiation Checklist. Because the petitioner’s member producers in the United States purchase cumene, whereas the Korean producers of acetone produce their own cumene, the petitioner based the input factors of production for cumene on a cumene production facility located in a third country. *See* Volume III of the Petitions, at Korea Exhibit III-3.

<sup>44</sup> *Id.*

using publicly available sources for Belgium, Singapore, South Africa, Korea, Saudi Arabia, and Spain.<sup>45</sup> The petitioner calculated factory overhead, SG&A, financial expenses, and profit for Belgium, Singapore, South Africa, Korea, Saudi Arabia, and Spain based on the experience of a producer of acetone from each of these countries.<sup>46</sup>

#### Fair Value Comparisons

Based on the data provided by the petitioner, there is reason to believe that imports of acetone from Belgium, Korea, Saudi Arabia, Singapore, South Africa and Spain are being, or are likely to be, sold in the United States at LTFV. Based on comparisons of EP to NV in accordance with sections 772 and 773 of the Act, the estimated dumping margins for acetone for each of the countries covered by this initiation are as follows: (1) Belgium – 43.14 to 73.69 percent;<sup>47</sup> (2) Korea – 112.72 to 174.66 percent;<sup>48</sup> (3) Saudi Arabia – 36.88 percent;<sup>49</sup> (4) Singapore – 14.52 to 131.75 percent;<sup>50</sup> (5) South Africa – 214.09 to 414.92 percent;<sup>51</sup> and (6) Spain – 102.97 and 171.81 percent.<sup>52</sup>

#### Initiation of LTFV Investigations

Based upon the examination of the AD Petitions and supplemental responses, we find that the Petitions meet the requirements of section 732 of the Act. Therefore, we are initiating AD investigations to determine whether imports of acetone from Belgium, Korea, Saudi Arabia, Singapore, South Africa and Spain are being, or are likely to be, sold in the United States at LTFV. In accordance with section 733(b)(1)(A) of the Act and 19 CFR 351.205(b)(1), unless

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<sup>45</sup> *Id.*

<sup>46</sup> *Id.*

<sup>47</sup> See Belgium AD Initiation Checklist.

<sup>48</sup> See Korea AD Initiation Checklist.

<sup>49</sup> See Saudi Arabia AD Initiation Checklist.

<sup>50</sup> See Singapore AD Initiation Checklist.

<sup>51</sup> See South Africa AD Initiation Checklist.

<sup>52</sup> See Spain AD Initiation Checklist.

postponed, we will make our preliminary determinations no later than 140 days after the date of this initiation.

#### Identification of Respondents

The petitioner named one producer in Belgium (INEOS Phenol Belgium NV (INEOS Phenol)),<sup>53</sup> two producers in Korea (Kumho P & B Chemicals, Inc. (Kumho) and LG Chem, Ltd. (LG Chem)),<sup>54</sup> two producers in Saudi Arabia (Rabigh Refining & Petrochemical Company (Petro Rabigh) and Saudi Kayan Petrochemical Company (Saudi Kayan)),<sup>55</sup> one producer in Singapore (Mitsui Phenols Singapore Pte Ltd (Mitsui)),<sup>56</sup> one producer in South Africa (Sasol Limited (Sasol)),<sup>57</sup> and two producers in Spain (CEPSA Quimica, S.A. and IQOXE).<sup>58</sup> Moreover, the petitioner provided evidence in each of the Petitions indicating that the named producers were the only producers of acetone in the subject countries.<sup>59</sup>

Although Commerce normally relies on import data using United States Customs and Border Protection (CBP) import statistics to determine whether to select a limited number of producers/exporters for individual examination in AD investigations, the petitioner has identified only one or two producers in each subject country and has demonstrated that these are the sole producers. We currently know of no additional producers/exporters of acetone from Belgium, Korea, Saudi Arabia, Singapore, South Africa, or Spain. Accordingly, Commerce intends to examine all known producers in each of the six investigations, as indicated by the supporting

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<sup>53</sup> See Volume I of the Petitions at Exhibit I-10.

<sup>54</sup> *Id.*

<sup>55</sup> *Id.*

<sup>56</sup> *Id.*

<sup>57</sup> *Id.* Sasol is identified in the petition by various names including: Sasol Limited Company (Exhibit VI-3), Sasol Limited Group (Exhibit VI-3), Sasol Limited (Exhibit VI-3), and as Sasol Solvents Sasol Limited (Exhibit I-10). Commerce intends to issue one questionnaire addressed to all variations of the company name under one cover letter.

<sup>58</sup> *Id.*

<sup>59</sup> See, e.g., Volume II of the Petitions at Exhibit II-6; Volume VI of the Petitions at Exhibit VI-7. See also Volume I of the Petitions at Exhibit I-2.

information included in the Petitions (described above).<sup>60</sup> We invite interested parties to comment on this issue. Such comments may include factual information within the meaning of 19 CFR 351.102(b)(21). Parties wishing to comment must do so within three business days of the publication of this notice in the *Federal Register*. Comments must be filed electronically using ACCESS. An electronically filed document must be received successfully in its entirety by Commerce's electronic records system, ACCESS, by 5 p.m. ET by the specified deadline.

#### Distribution of Copies of the Petitions

In accordance with section 732(b)(3)(A) of the Act and 19 CFR 351.202(f), copies of the public version of the Petitions have been provided to the governments of Belgium, Korea, Saudi Arabia, Singapore, South Africa, and Spain *via* ACCESS. To the extent practicable, we will attempt to provide a copy of the public version of the Petitions to each exporter named in the Petitions, as provided under 19 CFR 351.203(c)(2).

#### ITC Notification

We will notify the ITC of our initiation, as required by section 732(d) of the Act.

#### Preliminary Determinations by the ITC

The ITC will preliminarily determine, within 45 days after the date on which the Petitions were filed, whether there is a reasonable indication that imports of acetone from Belgium, Korea, Saudi Arabia, Singapore, South Africa and Spain are materially injuring or threatening material injury to a U.S. industry.<sup>61</sup> A negative ITC determination for any country will result in the

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<sup>60</sup> The Petitions also identify four possible trading companies, with no indication of which countries' acetone those companies might be trading/exporting to the United States. However, because the Petitions have identified the complete set of producers in each country, there currently is no need to issue questionnaires to the trading companies/exporters as well.

<sup>61</sup> See section 733(a) of the Act.



investigation being terminated with respect to that country.<sup>62</sup> Otherwise, the investigations will proceed according to statutory and regulatory time limits.

#### Submission of Factual Information

Factual information is defined in 19 CFR 351.102(b)(21) as: (i) evidence submitted in response to questionnaires; (ii) evidence submitted in support of allegations; (iii) publicly available information to value factors under 19 CFR 351.408(c) or to measure the adequacy of remuneration under 19 CFR 351.511(a)(2); (iv) evidence placed on the record by Commerce; and (v) evidence other than factual information described in (i)–(iv). 19 CFR 351.301(b) requires any party, when submitting factual information, to specify under which subsection of 19 CFR 351.102(b)(21) the information is being submitted<sup>63</sup> and, if the information is submitted to rebut, clarify, or correct factual information already on the record, to provide an explanation identifying the information already on the record that the factual information seeks to rebut, clarify, or correct.<sup>64</sup> Time limits for the submission of factual information are addressed in 19 CFR 351.301, which provides specific time limits based on the type of factual information being submitted. Interested parties should review the regulations prior to submitting factual information in these investigations.

#### Particular Market Situation Allegation

Section 504 of the Trade Preferences Extension Act of 2015 amended the Act by adding

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<sup>62</sup> *Id.*

<sup>63</sup> *See* 19 CFR 351.301(b).

<sup>64</sup> *See* 19 CFR 351.301(b)(2).

the concept of particular market situation (PMS) for purposes of CV under section 773(e) of the Act.<sup>65</sup> Section 773(e) of the Act states that “if a particular market situation exists such that the cost of materials and fabrication or other processing of any kind does not accurately reflect the cost of production in the ordinary course of trade, the administering authority may use another calculation methodology under this subtitle or any other calculation methodology.” When an interested party submits a PMS allegation pursuant to section 773(e) of the Act, Commerce will respond to such a submission consistent with 19 CFR 351.301(c)(2)(v). If Commerce finds that a PMS exists under section 773(e) of the Act, then it will modify its dumping calculations appropriately.

Neither section 773(e) of the Act nor 19 CFR 351.301(c)(2)(v) set a deadline for the submission of PMS allegations and supporting factual information. However, in order to administer section 773(e) of the Act, Commerce must receive PMS allegations and supporting factual information with enough time to consider the submission. Thus, should an interested party wish to submit a PMS allegation and supporting new factual information pursuant to section 773(e) of the Act, it must do so no later than 20 days after submission of a respondent’s initial section D questionnaire response.

#### Extensions of Time Limits

Parties may request an extension of time limits before the expiration of a time limit established under 19 CFR 351.301, or as otherwise specified by the Secretary. In general, an extension request will be considered untimely if it is filed after the expiration of the time limit established under 19 CFR 351.301. For submissions that are due from multiple parties simultaneously, an extension request will be considered untimely if it is filed after 10:00 a.m. ET

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<sup>65</sup> See *Trade Preferences Extension Act of 2015*, Public Law 114-27, 129 Stat. 362 (2015).

on the due date. Under certain circumstances, we may elect to specify a different time limit by which extension requests will be considered untimely for submissions which are due from multiple parties simultaneously. In such a case, we will inform parties in a letter or memorandum setting forth the deadline (including a specified time) by which extension requests must be filed to be considered timely. An extension request must be made in a separate, stand-alone submission; under limited circumstances we will grant untimely-filed requests for the extension of time limits. Parties should review *Extension of Time Limits; Final Rule*, 78 FR 57790 (September 20, 2013), available at <http://www.gpo.gov/fdsys/pkg/FR-2013-09-20/html/2013-22853.htm>, prior to submitting factual information in these investigations.

#### Certification Requirements

Any party submitting factual information in an AD or CVD proceeding must certify to the accuracy and completeness of that information.<sup>66</sup> Parties must use the certification formats provided in 19 CFR 351.303(g).<sup>67</sup> Commerce intends to reject factual submissions if the submitting party does not comply with the applicable revised certification requirements.

#### Notification to Interested Parties

Interested parties must submit applications for disclosure under APO in accordance with 19 CFR 351.305. On January 22, 2008, Commerce published *Antidumping and Countervailing Duty Proceedings: Documents Submission Procedures; APO Procedures*, 73 FR 3634 (January 22, 2008). Parties wishing to participate in these investigations should ensure that they meet the requirements of these procedures (e.g., the filing of letters of appearance as discussed at 19 CFR 351.103(d)).

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<sup>66</sup> See section 782(b) of the Act.

<sup>67</sup> See also *Certification of Factual Information to Import Administration During Antidumping and Countervailing Duty Proceedings*, 78 FR 42678 (July 17, 2013) (*Final Rule*). Answers to frequently asked questions regarding the *Final Rule* are available at [http://enforcement.trade.gov/tlei/notices/factual\\_info\\_final\\_rule\\_FAQ\\_07172013.pdf](http://enforcement.trade.gov/tlei/notices/factual_info_final_rule_FAQ_07172013.pdf).

This notice is issued and published pursuant to sections 732(c)(2) and 777(i) of the Act,  
and 19 CFR 351.203(c).

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Christian Marsh  
Deputy Assistant Secretary  
for Enforcement and Compliance

March 11, 2019

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Date

## Appendix

### Scope of the Investigations

The merchandise covered by these investigations is all grades of liquid or aqueous acetone. Acetone is also known under the International Union of Pure and Applied Chemistry (IUPAC) name propan-2-one. In addition to the IUPAC name, acetone is also referred to as  $\beta$ -ketopropane (or beta-ketopropane), ketone propane, methyl ketone, dimethyl ketone, DMK, dimethyl carbonyl, propanone, 2-propanone, dimethyl formaldehyde, pyroacetic acid, pyroacetic ether, and pyroacetic spirit. Acetone is an isomer of the chemical formula  $C_3H_6O$ , with a specific molecular formula of  $CH_3COCH_3$  or  $(CH_3)_2CO$ .

The scope includes acetone that is combined or mixed with other products, including, but not limited to, isopropyl alcohol, benzene, diethyl ether, methanol, chloroform, and ethanol, regardless of the quantity or value of the acetone component. For such combined products, only the acetone component is covered by the scope of these investigations. Acetone that has been combined with other products is included within the scope, regardless of whether the combining occurs in third countries. Notwithstanding the foregoing language, an acetone combination or mixture that is transformed through a chemical reaction into another product, such that, for example, the acetone can no longer be separated from the other products through a distillation process (*e.g.*, methyl methacrylate (MMA) or Bisphenol A (BPA)) is excluded from these investigations.

The scope also includes acetone that is commingled with acetone from sources not subject to these investigations, regardless of the quantity or value of the subject acetone component. Only the subject merchandise component of such commingled products is covered by the scope of these investigations. Acetone that has been commingled with acetone from sources not subject to these investigations is included within the scope, regardless of whether the combining occurs in third countries. The acetone component from sources not subject to these investigations may still be subject to other acetone investigations.

The Chemical Abstracts Service (CAS) registry number for acetone is 67-64-1.

The merchandise covered by these investigations is currently classifiable under Harmonized Tariff Schedule of the United States (HTSUS) subheadings 2914.11.1000 and 2914.11.5000. Acetone and acetone combinations and mixtures covered by these investigations may also enter under different HTSUS subheadings, such as 2902.20.0000, 2902.70.0000, 2905.12.0050, or 2914.12.0000, however, this list of HTSUS subheadings is non-exhaustive. Although these HTSUS subheadings and CAS registry number are provided for convenience and customs purposes, the written description of the scope of these investigations is dispositive.

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