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From Pages 1, 2, And 4 And Exhibits II-6, II-7,
And II-8 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)	
)	<u>VOLUME II: GERMANY</u>
)	<u>ANTIDUMPING</u>
)	

**Petitioner:
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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 Germany. As discussed below, melamine from Germany 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 German 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. GERMAN PRODUCERS AND EXPORTERS OF MELAMINE

A. Description Of The German Industry

Melamine is manufactured in Germany by LAT Nitrogen Piesteritz GMBH (“LAT”) at its production facility in Lutherstadt Wittenberg.¹ Relevant contact information is provided in Volume I to this petition at **Exhibit I-18**. According to information reasonably available to Petitioner, LAT is the only current producer of melamine in Germany, and the only German melamine producer that supplied third parties in 2023.² It is therefore reasonable to infer that

¹ See LAT’s financial statements at page 1, **Exhibit II-1**. 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**.

² See [], provided as **Exhibit I-8**. As noted in Volume I, 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**.

LAT accounted for all U.S. imports of German melamine during the presumptive period of investigation (“POI”) of January 1, 2023, through December 31, 2023.

B. Production Processes Of LAT

LAT manufactures melamine from []³
[] are obtained as by-product off-gases and can be routed to
[] production.⁴

C. Known Importers Of German Melamine

A complete list of known U.S. importers of melamine, including from Germany, 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 Germany enters under a single HTS code, *i.e.*, 2933.61.00.00, which reflects “Melamine (Cyanurtriamide; 2,4,6-triamino symtriazine).”⁵ This product is representative of the melamine entering the United States from Germany, 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 Germany under HTS subheading 2933.61.00.00.⁶ From the average unit customs value, Petitioner deducted foreign brokerage and handling and inland freight from LAT’s facility in Wittenberg to the port of entry at Hamburg to arrive at an average ex-factory price in Germany.⁷ The net export price thus calculated appears at **Exhibit II-4**.

³ See [], provided as Exhibit I-8.

⁴ See [], provided as Exhibit I-8.

⁵ See **Exhibit II-2**.

⁶ See Exhibit II-2.

⁷ See **Exhibit II-3**.

In the most recent antidumping investigation involving melamine, *i.e.*, *Melamine from China and Trinidad and Tobago*, Commerce accepted the use of average unit customs value as the basis for export price.⁸ The use of average unit import values for melamine is therefore consistent with Commerce's practice.

Petitioner also obtained a transaction-specific price for LAT.⁹ 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 LAT reflected in the ship manifest data during the same month during the POI.¹⁰ From this price, and consistent with the method described above, Petitioner deducted foreign brokerage and handling and inland freight from LAT's facility in Wittenberg to the port of entry at Hamburg to arrive at an average ex-factory price.¹¹ The net export price thus calculated appears at Exhibit II-4.

B. Normal Value

1. Home market price

Petitioner retained the services of a market researcher who obtained pricing information for melamine in Germany. **Exhibit II-6** contains a declaration regarding the price quote.¹² **Exhibit II-7** illustrates this price is above cost. Accordingly, Petitioner was able to base normal value on a home market price. As noted below, Petitioner also based normal value on constructed value ("CV").

⁸ See *Initiation of Antidumping Duty Investigation: Melamine From the People's Republic of China and Trinidad and Tobago*, 79 Fed. Reg. 73,037 (Dep't Commerce Dec. 9, 2014).

⁹ See **Exhibit II-5**.

¹⁰ See Exhibit II-5.

¹¹ See Exhibit II-3.

¹² Exhibit II-6 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.

2. Constructed value

Normal value is based upon an estimate of the COP and profit in the home market for melamine. Petitioner does not have access to LAT's factors of production ("FOPs") or its consumption rates for those FOPs. Accordingly, to estimate LAT'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 LAT. [redacted].¹³ Petitioner provides a cost model at **Exhibit II-8**. 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 Germany. Factory overhead, SG&A, interest, and profit are based on data from the sources as described below.

a) Direct materials

Petitioner calculated LAT's cost of direct materials by using the average CIF import value of these materials at the German port using the data available for the period January 2023 through December 2023. **Exhibit II-9** contains the German 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 II-9 contains Petitioner's calculations as well as the actual German

¹³ See [redacted], provided as Exhibit I-8.

import data, a pivot table used to populate the summary page, and a list of countries excluded from the data. **Exhibit II-10** 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 Germany for the most recent available period, specific to manufacturing workers.¹⁴

c) Energy and utilities

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

- water – IBNet Tariffs database;¹⁵
- natural gas – Eurostat;¹⁶ and
- electricity – Eurostat.¹⁷

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

Factory overhead, SG&A, and profit rates were based upon LAT's audited financial statements for year ending December 31, 2022.¹⁸ Interest expense was based upon LAT's consolidated parent company.¹⁹ 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

¹⁴ See **Exhibit II-11**.

¹⁵ See **Exhibit II-12**.

¹⁶ See **Exhibit II-13**.

¹⁷ See **Exhibit II-14**.

¹⁸ See **Exhibit II-1** and **Exhibit II-15**.

¹⁹ See **Exhibit II-15**.

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.

C. Dumping Margin

Exhibit II-4 provides the dumping margins Petitioner calculated based on comparisons of export price (using the weighted-average customs value or a transaction-specific price) to home price or CV for the same products. As shown in that exhibit, the alleged dumping margin ranges from 5 to 140 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 Germany 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 German 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 melamine from Germany.

Respectfully submitted,

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