### **PUBLIC VERSION**

Business Proprietary Information for Which Proprietary Treatment is Requested Removed at Pages IV-1 – IV-3, and Exhibits IV-1A – IV-1B, IV-3, IV-6A-6B, and IV-8.

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# BEFORE THE INTERNATIONAL TRADE ADMINISTRATION OF THE U.S. DEPARTMENT OF COMMERCE AND THE U.S. INTERNATIONAL TRADE COMMISSION

# ANTIDUMPING AND COUNTERVAILING DUTY PETITIONS ON BEHALF OF WEBB WHEEL PRODUCTS, INC.

# CERTAIN BRAKE DRUMS FROM THE PEOPLE'S REPUBLIC OF CHINA AND TÜRKIYE

# **VOLUME IV: INFORMATION RELATING TO TÜRKIYE – ANTIDUMPING DUTIES**

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I.	ALLEGATION OF SALES AT LESS THAN FAIR VALUE		
	A.	Introduction	1
	B.	Turkish Producers	2
	C.	U.S. Price	2
		1) Starting Price	. 2
		2) Movement and Other Expenses	. 2
		3) Foreign Inland Freight	. 3
		4) Foreign Brokerage and Handling	. 3
		5) Ocean Freight	. 3
		6) U.S. Duties	. 3
		7) Conclusion	. 3
	D.	Calculation of Normal Value Using Home Market Prices	4
		1) Distributor Mark-up	. 5
		2) Exchange Rate Information	. 5
		3) Normal Value	. 5
	Е.	Antidumping Duty Margin Calculation	6
II.	CONC	LUSION	6

**Public Version** 

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

### A. Introduction

This volume of the petition contains allegations regarding sales at less than fair value in the United States of certain brake drums imported from Türkiye ("Turkey"). This volume presents information reasonably available to Webb Wheel Products, Inc. ("Webb" or "Petitioner") demonstrating that certain brake drums from Turkey are being sold at less than fair value within the meaning of 19 U.S.C. § 1673 during the proposed period of investigation ("POI") of April 2023 through March 2024. As discussed below, evidence that is reasonably available to the Petitioner demonstrates that producers and/or exporters in Turkey have sold, or offered for sale, certain brake drums in the United States at less than fair value.

For the purposes of this petition, Petitioner has relied upon [

This delivered price was adjusted to reflect the domestic inland freight, domestic brokerage and handling charges, ocean freight, and removal of the 2.5% duty that is applicable to brake drums entering the U.S. These deductions were made to put the U.S. net price on an ex-factory basis.

], as its starting point for the U.S. net price calculation.

Petitioner obtained prices charged by a downstream distributor in the Turkish market, which Petitioner relied upon as the starting point for normal value. Since these prices are charged by the downstream distributor and are not prices that are charged by the manufacturer, Petitioner adjusted the downstream distributor price by backing out a Turkish distributor profit margin (i.e. distributor's mark-up) for the relevant period to arrive at normal value.

The general and injury information required by 19 C.F.R. § 351.202 of the U.S. Department of Commerce's (the "Department") regulations and 19 C.F.R. § 207.11 of the U.S. International Trade Commission's regulations are set forth in Volume I of this Petition. Based on information reasonably available to Petitioner and contained in this volume, the Department

IV-1

should initiate an investigation into sales at less than fair value of certain brake drums from Turkey and should impose antidumping duties in an amount that is equal to the amount by which normal value exceeds the export price.

### **B.** Turkish Producers

To the best of Petitioner's knowledge, brake drums from Turkey are manufactured and exported to the United States by a limited number of companies. In accordance with 19 C.F.R. § 351.202(b)(7)(i)(A), Petitioner has set forth the addresses of these companies in Volume I. *See* Petition Volume I, **Exhibit I-5**.

## C. U.S. Price

The application of the Department's standard dumping methodology demonstrates that producers and/or exporters in Turkey sold, or offered for sale, brake drums in the United States at less than fair value.

## 1) Starting Price

Petitioner has used as the starting place for U.S. price a [

]. Supporting information for the price is attached at ExhibitIV-1. Information about [] is provided in Exhibit IV-2A. The following sections describe

Petitioner's deductions to arrive at the ex-factory export price ("EP").

### 2) Movement and Other Expenses

In order to calculate the ex-factory EP for sales to the United States, Petitioner deducted from the referenced price the expenses associated with delivering the product to the U.S. port and clearing the domestic port. These deductions include foreign inland freight from the Turkish producers' facilities to the port of export, Turkish brokerage and handling expenses, and ocean freight expenses. In order to determine a distance between the Turkish producers' facilities and

IV-2

the port, Petitioner used data relating to [

]. *See* final page of [ ] contained in **Exhibit IV-2A**.

### **3)** Foreign Inland Freight

Petitioner calculated the distance between [

]. See Exhibit IV-2B. Petitioner then applied a

USD/Km/Kg surrogate value for truck freight that was derived from the World Bank's "*Doing Business 2020: Turkey*" report. *See* Exhibit IV-3. A copy of this report is included at Exhibit IV-5.

### 4) Foreign Brokerage and Handling

Petitioner calculated the per-unit expense for brokerage and handling based on the World Bank's "*Doing Business 2020: Turkey*" report. *See* Exhibits IV-4 and IV-5.

# 5) Ocean Freight

Petitioner calculated an expense for ocean freight based on a [

#### ]. Petitioner

typically ships [ ] brake drums in a container and used this as the assumption for the total units shipped. The weight of [ ] pounds per drum was used to calculate the freight on a USD per Kg basis. *See* Exhibit IV-6.

### 6) U.S. Duties

After backing out expenses for ocean freight, domestic inland freight, and domestic brokerage and handling, Petitioner removed the 2.5% duty that is applicable to brake drums entering the U.S. *See* **Exhibit IV-7** for support for this duty rate.

### 7) Conclusion

The calculated export price for certain brake drums imported from Turkey is [ ] per unit. *See* Exhibit IV-8.

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### D. Calculation of Normal Value Using Home Market Prices

Petitioner was able to obtain pricing information for Turkish brake drums being offered for sale for consumption in Turkey from a Turkish distributor website called "ORIONPART." Petitioner was able to find pricing from ORIONPART for a brake drum model that is comparable with the product sold in the U.S. market that forms the basis of the export price stated above. See Exhibit IV-9 for the price summary information. Exhibit IV-10A is a printout from the ORIONPART website noting that it is located in "Konya – the capital for Turkish heavy duty commercial part production." Exhibit IV-10B is a printout from the ORIONPART website offering an MAN 26281 brake drum with OEM numbers 81501100134, 81501109101 and 81501100101 for €152.35. OEM part numbers are used to identify the vehicles manufactured by an OEM that can utilize the drum.<sup>1</sup> Exhibit IV-10C is an actual order for the MAN 26281 brake drum that demonstrates that the starting price of €152.35 is net of freight. Exhibit IV-10D contains information about Eker Bijon Sanayi ve Ticaret A.S., a Turkish producer of brake drums, which states that it is also located in Konya. Exhibit IV-10E is a specification sheet for the Eker brake drum that corresponds to OEM numbers 81501100134, 81501109101 and 81501100101. Thus, information reasonably available to Petitioner indicates that the ORIONPART price used for normal value is a price in Turkey of a Turkish-produced brake drum. Moreover, the ORIONPART brake drum is comparable to the brake drum relied on to calculate the export price. See Exhibit IV-IB.

<sup>&</sup>lt;sup>1</sup> <u>https://www.greatap.com.tw/en/faq/GAP-faq-05</u> (reviewed June 13, 2024) ("The exclusive coding of automotive parts is called an OEM number, which is a unique identification number assigned by the original equipment manufacturer to its products. This number is used to accurately identify and differentiate specific parts or products. In the automotive industry, OEM numbers are typically used to identify original equipment parts and help determine their compatibility with specific vehicle models or production years.")

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### 1) Distributor Mark-up

Petitioner notes the prices described above are not the prices that are charged by the manufacturer – they are prices charged by a downstream distributor. To calculate the normal value for a Turkish manufacturer, Petitioner has backed out a distributor profit margin. Petitioner was not able to find publicly available information for ORIONPART, but it was able to identify a Turkish distributor that had publicly available information - Dogus Otomotiv Servis ve Ticaret AS ("Dogus Otomotiv"), which is a large distributor of automobiles and automotive parts in Turkey. *See* Exhibit IV-11 for supporting information about the company along with the financial report for 2023.

Petitioner provides at **Exhibit IV-12** the distributor mark-up calculations for Dogus Otomotiv for the full-year 2023 period. The basic premise is that the Cost of Goods Sold for a distributor is the sum of the purchase prices of its inventory. This would be the price that the company pays to the manufacturers of the products it sells. Petitioner has compared the Cost of Goods Sold to the total revenue earned by the distributor to derive the average mark-up that it applies to its purchase prices while settings its sales prices. The average mark-up for Dogus Otomotiv for full-year 2023 was 27.4 percent. *See* **Exhibit IV-11**.

## 2) Exchange Rate Information

Petitioner provides at Exhibit IV-13 the relevant exchange rate information.

### 3) Normal Value

Using the information described above, Petitioner calculated the Normal Value of brake drums in Turkey. The calculated NV is \$130.04 per unit. *See* Exhibit IV-14.

## E. Antidumping Duty Margin Calculation

In order to calculate a dumping margin, Petitioner compared the U.S. net price to the normal values on a per-unit basis. The calculated dumping margin for certain brake drums imported from Turkey is **168.34** percent. *See* **Exhibit IV-15**.

# II. CONCLUSION

Based on the information presented in this petition, Petitioner alleges that imports of brake drums from Turkey are being sold, and are likely to be sold, at less-than-fair-value in the United States. As such, the Department should initiate an antidumping duty investigation and make an affirmative determination of dumping.

Respectfully Submitted,

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# Exhibit List

Ex. No.	Description	<b>BPI/Public</b>
IV-1A	Starting U.S. Price Summary & Source Quote	BPI
IV-1B	Price Quote Affidavit	BPI
IV-2A	Turkish Exporter Company Information	BPI
IV-2B	Distance from Turkey Factory to the Port	BPI
IV-3	Turkish Domestic Inland Freight Cost Calculation	BPI
IV-4	Turkish Domestic Brokerage & Handling Cost Calculation	Public
IV-5	The World Bank, Doing Business 2020 (Turkey)	Public
IV-6A	Ocean Freight Expense & Supporting Documentation	BPI
IV-6B	Ocean Freight Quote Affidavit	BPI
IV-7	U.S. Customs Duty 2.5% Supporting Documentation	Public
IV-8	U.S. Net Price Calculation	BPI
IV-9	Starting Turkish Market Price Summary	Public
IV-10A	Turkish Distributor Information - ORIONPART	Public
IV-10B	Turkish Distributor Information – ORIONPART Brake Drum	Public
	Offerings	
IV-10C	Turkish Distributor Price Quote Supporting Documentation -	Public
	ORIONPART	
IV-10D	Turkish Producer Information – Eker Bjorn	Public
IV-10E	Turkish Producer Information – Eker Bjorn Brake Drum Offerings	Public
IV-11	Turkish Distributor Mark-Up Calculation – Dogus Otomotiv	Public
IV-12A	Turkish Distributor Information – Dogus Otomotiv	Public
IV-12B	Turkish Distributor Financials – Dogus Otomotiv Annual Report FY	Public
	2023	
IV-13	Exchange Rates Calculation & Source	Public
IV-14	Normal Value Calculation	Public
IV-15	Margin Calculation	Public