Summary

We have analyzed the comments of the interested parties in the full sunset review of the suspended antidumping duty investigation on ammonium nitrate from the Russian Federation (“Russia”). We recommend that you approve the positions we have developed in the Discussion of the Issues section of this memorandum for these final results of review. Below is the complete list of the issues in this full sunset review for which we received comments from interested parties:

1. Likelihood of continuation or recurrence of dumping

2. Magnitude of the margin likely to prevail

History of the Finding

On October 24, 2005, the Department of Commerce (“the Department”) published a notice of preliminary results of full sunset review pursuant to section 751(c) of the Tariff Act of 1930, as amended (the “Act”) on ammonium nitrate from Russia. See Preliminary Results of Five-Year Sunset Review of Suspended Antidumping Duty Investigation on Ammonium Nitrate from the Russian Federation, 70 FR 61431 (October 24, 2005) (“Preliminary Results”) and accompanying Issues and Decision Memorandum. The Department preliminarily determined
that termination of the suspended antidumping duty investigation on ammonium nitrate from Russia would be likely to lead to the continuation or recurrence of dumping. Additionally, the Department preliminarily found that the rate from the original investigation of 253.98 percent is the only calculated rate that reflects the behavior of producers or exporters of ammonium nitrate from Russia without the discipline of the Agreement Suspending the Antidumping Investigation On Solid Fertilizer Grade Ammonium Nitrate From the Russian Federation in place, and that this rate is likely to prevail if this Agreement is terminated. See Suspension of Antidumping Duty Investigation: Solid Fertilizer Grade Ammonium Nitrate From the Russian Federation, 65 FR 37759 (June 16, 2000) ("Suspension Agreement").

On December 7, 2005, the Department received a case brief from the petitioner in this proceeding, the Committee for Fair Ammonium Nitrate Trade ("COFANT"). No other case briefs or rebuttal briefs were received.

Discussion of the Issues

In accordance with section 751(c)(1) of the Act, the Department is conducting a full sunset review to determine whether revocation of the suspended antidumping duty investigation would likely lead to a continuation or recurrence of dumping. Section 752(c) of the Act provides that, in making this determination, the Department shall consider (1) the weighted-average dumping margins determined in the investigation and subsequent reviews and (2) the volume of imports of the subject merchandise for the period before and the period after the suspension of the antidumping duty investigation. In addition, section 752(c)(3) of the Act provides that the Department shall provide to the ITC the magnitude of the margin of dumping likely to prevail if the suspension agreement were terminated. Below we address the issues and comments in this review.

1. **Likelihood of continuation or recurrence of dumping**

   COFANT asserts that the Department was correct in its preliminary results finding that termination of the Suspension Agreement would likely lead to the continuation or recurrence of dumping. COFANT states that in the Preliminary Results, the Department correctly concluded that significant dumping existed during the investigation, and that the Suspension Agreement has restrained ammonium nitrate imports and the pricing behavior of the Russian respondents. Therefore, COFANT urges the Department to uphold its decision that, absent the discipline of the Suspension Agreement, dumping would be likely to continue or recur.

Department’s Position:

For the reasons stated in the Preliminary Results, we continue to find that, absent the Suspension Agreement, dumping would be likely to continue or recur if the Suspension Agreement were terminated.
2. **Magnitude of the margin likely to prevail**

   COFANT asserts that the Department was correct in its preliminary results finding that termination of the Suspension Agreement would be likely to lead to continuation or recurrence of dumping at the weighted-average margin of 253.98 percent. COFANT argues that, because this rate was the dumping rate calculated during the investigation, and because no other dumping margins have been calculated since the imposition of the Suspension Agreement, the investigation rate is the most probative margin likely to prevail should the Suspension Agreement be terminated. Additionally, COFANT agrees with the Department’s decision in the Preliminary Results, that Russia’s graduation to market economy status, after the imposition of the Suspension Agreement, did not affect the validity of the margin calculated in the investigation.

**Department’s Position:**

For the reasons stated in the Preliminary Results, we continue to find that the rates from the original investigation are the only calculated rates that reflect the behavior of producers or exporters of ammonium nitrate from Russia without the discipline of the Suspension Agreement in place and, as such, they are the most appropriate rates to report to the ITC. Therefore, pursuant to section 752(c) of the Act, the Department will report to the ITC the company-specific and Russia-wide rates indicated below.

**Final Results of Review**

We determine that termination of the suspended antidumping duty investigation on ammonium nitrate from Russia would be likely to lead to continuation or recurrence of dumping at the following percentage weighted-average margins:

<table>
<thead>
<tr>
<th>Exporter/manufacturer</th>
<th>Weighted-average margin (percent)</th>
</tr>
</thead>
<tbody>
<tr>
<td>JSC Azot Nevinnomyssky</td>
<td>253.98</td>
</tr>
<tr>
<td>Russia-Wide</td>
<td>253.98</td>
</tr>
</tbody>
</table>
Recommendation:

Based on our analysis of the comments received, we recommend adopting the above positions. If these recommendations are accepted, we will publish the final results of review in the Federal Register.

Agree ________  Disagree ________

________________________
David M. Spooner
Assistant Secretary
for Import Administration

________________________
(Date)