



UNITED STATES DEPARTMENT OF COMMERCE
International Trade Administration
Washington, D.C. 20230

A-533-843
Changed Circumstances Review
Public Document
AD/CVD III: CR

DATE: April 11, 2014

MEMORANDUM TO: Paul Piquado
Assistant Secretary
for Enforcement and Compliance

FROM: Christian Marsh *CM*
Deputy Assistant Secretary
for Antidumping and Countervailing Duty Operations

SUBJECT: Decision Memorandum for Preliminary Results of Changed
Circumstances Review: Certain Lined Paper Products from India

I. Summary

In response to a request from Navneet Education Limited (Navneet Education), a producer/exporter of certain lined paper products (CLPP) from India, we initiated a changed circumstance review on January 22, 2014.¹ Pursuant to section 751(b) of the Tariff Act of 1930, as amended (the Act), and 19 CFR 351.216 and 351.221(c)(3)(ii), the Department is issuing this notice of preliminary results. We preliminarily determine that Navneet Education is the successor-in-interest to Navneet Publications (India) Ltd. (Navneet Publications).

If these preliminary results are adopted in our final results of review, we will instruct Customs and Border Protection (CBP) to suspend liquidation of entries of CLPP made by Navneet Education, effective on the publication date of the final results, at the cash deposit rate assigned to Navneet Publications.

Interested parties are invited to comment on these preliminary results. Consistent with 19 CFR 351.216(e), we will issue the final results of this changed circumstances review no later than 270 days after the date on which this review was initiated, or within 45 days if all parties agree to our preliminary finding.

II. Background

On September 28, 2006, the Department published the antidumping duty (AD) and countervailing duty (CVD) orders on CLPP from India.² On October 17, 2013, Navneet

¹ See *Certain Lined Paper Products From India: Initiation of Changed Circumstances Review*, 79 FR 3567 (January 22, 2014) (Initiation Notice).

² See *Notice of Amended Final Determination of Sales at Less Than Fair Value: Certain Lined Paper Products from the People's Republic of China; Notice of Antidumping Duty Orders: Certain Lined Paper Products from India*,



Education informed the Department that effective September 30, 2013, the former company, Navneet Publications, changed its name to Navneet Education in accordance with company's existing board of directors' resolution and Indian law.³ Navneet Education stated that the name change process began in August 2013 and was finalized by the end of September 2013.⁴ Navneet Education submitted a copy of "Fresh Certificate of Incorporation Consequent upon Change of Name" approved by "Government of India – Ministry of Corporate Affairs, Registrar of Companies, Maharashtra, Mumbai," dated October 17, 2013.⁵

As the company is now known as Navneet Education, it requests that: 1) the Department conduct a changed circumstances review under section 751(b)(1) of the Act and 19 CFR 351.216 to determine that it is the successor-in-interest to Navneet Publications for purposes of the antidumping order; and 2) that the Department issue instructions to Customs and Border Protection (CBP) that reflect this conclusion.⁶

On January 14, 2014, the Department initiated a changed circumstances review explaining that while there was sufficient evidence to initiate a successor-in-interest review, it was necessary for the Department to issue a questionnaire requesting additional information for review as provided by 19 CFR 351.221(b)(2).⁷ On January 15, 2014, the Department issued a supplemental questionnaire to Navneet Education, to which Navneet responded on January 29, 2014.⁸

We received no comments from any other interested party concerning the changed circumstances review request filed by Navneet Education.

III. Scope of the Order

The scope of this order includes certain lined paper products, typically school supplies (for purposes of this scope definition, the actual use of or labeling these products as school supplies or non-school supplies is not a defining characteristic) composed of or including paper that incorporates straight horizontal and/or vertical lines on ten or more paper sheets (there shall be no minimum page requirement for looseleaf filler paper) including but not limited to such products as single- and multi-subject notebooks, composition books, wireless notebooks, looseleaf or glued filler paper, graph paper, and laboratory notebooks, and with the smaller dimension of the paper measuring 6 inches to 15 inches (inclusive) and the larger dimension of

Indonesia and the People's Republic of China; and Notice of Countervailing Duty Orders: Certain Lined Paper Products from India and Indonesia, 71 FR 56949 (September 28, 2006) (CLPP Order).

³ See *Certain Lined Paper Products from India: Request for Changed Circumstances Reviews of Navneet Publications (India) Ltd.* (October 17, 2013) (CCR Request) at 2, 8 (indicating that Navneet Publications participated as a respondent in the original AD investigation, and it has been a respondent in several AD administrative reviews, most often as a named mandatory respondent (e.g., in the second through fourth reviews it received the following company-specific margins of 1.34 percent, 0.43 percent, and 2.7 percent, respectively. In the fifth review, Navneet Publications received a non-selected rate of 11.01 percent. In the on-going sixth review, it is again selected as a mandatory respondent).

⁴ *Id.*, at Attachment 1.

⁵ *Id.*

⁶ *Id.*, at 1-2.

⁷ See *Certain Lined Paper Products from India: Initiation of Changed Circumstances Review*, 79 FR 3567, 3568 (January 22, 2014).

⁸ See Navneet Education's January 29, 2014, Supplemental Questionnaire Response.

the paper measuring 8-3/4 inches to 15 inches (inclusive). Page dimensions are measured size (not advertised, stated, or "tear-out" size), and are measured as they appear in the product (i.e., stitched and folded pages in a notebook are measured by the size of the page as it appears in the notebook page, not the size of the unfolded paper). However, for measurement purposes, pages with tapered or rounded edges shall be measured at their longest and widest points. Subject lined paper products may be loose, packaged or bound using any binding method (other than case bound through the inclusion of binders board, a spine strip, and cover wrap). Subject merchandise may or may not contain any combination of a front cover, a rear cover, and/or backing of any composition, regardless of the inclusion of images or graphics on the cover, backing, or paper. Subject merchandise is within the scope of this order whether or not the lined paper and/or cover are hole punched, drilled, perforated, and/or reinforced. Subject merchandise may contain accessory or informational items including but not limited to pockets, tabs, dividers, closure devices, index cards, stencils, protractors, writing implements, reference materials such as mathematical tables, or printed items such as sticker sheets or miniature calendars, if such items are physically incorporated, included with, or attached to the product, cover and/or backing thereto.

Specifically excluded from the scope of this order are:

- unlined copy machine paper;
- writing pads with a backing (including but not limited to products commonly known as "tablets," "note pads," "legal pads," and "quadrille pads"), provided that they do not have a front cover (whether permanent or removable). This exclusion does not apply to such writing pads if they consist of hole-punched or drilled filler paper;
- three-ring or multiple-ring binders, or notebook organizers incorporating such a ring binder provided that they do not include subject paper;
- index cards;
- printed books and other books that are case bound through the inclusion of binders board, a spine strip, and cover wrap;
- newspapers;
- pictures and photographs;
- desk and wall calendars and organizers (including but not limited to such products generally known as "office planners," "time books," and "appointment books");
- telephone logs;
- address books;
- columnar pads & tablets, with or without covers, primarily suited for the recording of written numerical business data;
- lined business or office forms, including but not limited to: pre-printed business forms, lined invoice pads and paper, mailing and address labels, manifests, and shipping log books;
- lined continuous computer paper;
- boxed or packaged writing stationery (including but not limited to products commonly known as "fine business paper," "parchment paper", and "letterhead"), whether or not containing a lined header or decorative lines;
- Stenographic pads ("steno pads"), Gregg ruled ("Gregg ruling" consists of a single- or double-margin vertical ruling line down the center of the page. For a six-inch by nine-

inch stenographic pad, the ruling would be located approximately three inches from the left of the book.), measuring 6 inches by 9 inches.

Also excluded from the scope of this order are the following trademarked products:

- Fly™ lined paper products: A notebook, notebook organizer, loose or glued note paper, with papers that are printed with infrared reflective inks and readable only by a Fly™ pen-top computer. The product must bear the valid trademark Fly™ (products found to be bearing an invalidly licensed or used trademark are not excluded from the scope).
- Zwipes™: A notebook or notebook organizer made with a blended polyolefin writing surface as the cover and pocket surfaces of the notebook, suitable for writing using a specially-developed permanent marker and erase system (known as a Zwipes™ pen). This system allows the marker portion to mark the writing surface with a permanent ink. The eraser portion of the marker dispenses a solvent capable of solubilizing the permanent ink allowing the ink to be removed. The product must bear the valid trademark Zwipes™ (products found to be bearing an invalidly licensed or used trademark are not excluded from the scope).
- FiveStar®Advance™: A notebook or notebook organizer bound by a continuous spiral, or helical, wire and with plastic front and rear covers made of a blended polyolefin plastic material joined by 300 denier polyester, coated on the backside with PVC (poly vinyl chloride) coating, and extending the entire length of the spiral or helical wire. The polyolefin plastic covers are of specific thickness; front cover is 0.019 inches (within normal manufacturing tolerances) and rear cover is 0.028 inches (within normal manufacturing tolerances). Integral with the stitching that attaches the polyester spine covering, is captured both ends of a 1" wide elastic fabric band. This band is located 2-3/8" from the top of the front plastic cover and provides pen or pencil storage. Both ends of the spiral wire are cut and then bent backwards to overlap with the previous coil but specifically outside the coil diameter but inside the polyester covering. During construction, the polyester covering is sewn to the front and rear covers face to face (outside to outside) so that when the book is closed, the stitching is concealed from the outside. Both free ends (the ends not sewn to the cover and back) are stitched with a turned edge construction. The flexible polyester material forms a covering over the spiral wire to protect it and provide a comfortable grip on the product. The product must bear the valid trademarks FiveStar®Advance™ (products found to be bearing an invalidly licensed or used trademark are not excluded from the scope).
- FiveStar Flex™: A notebook, a notebook organizer, or binder with plastic polyolefin front and rear covers joined by 300 denier polyester spine cover extending the entire length of the spine and bound by a 3-ring plastic fixture. The polyolefin plastic covers are of a specific thickness; front cover is 0.019 inches (within normal manufacturing tolerances) and rear cover is 0.028 inches (within normal manufacturing tolerances). During construction, the polyester covering is sewn to the front cover face to face (outside to outside) so that when the book is closed, the stitching is concealed from the outside. During construction, the polyester cover is sewn to the back cover with the

outside of the polyester spine cover to the inside back cover. Both free ends (the ends not sewn to the cover and back) are stitched with a turned edge construction. Each ring within the fixture is comprised of a flexible strap portion that snaps into a stationary post which forms a closed binding ring. The ring fixture is riveted with six metal rivets and sewn to the back plastic cover and is specifically positioned on the outside back cover. The product must bear the valid trademark FiveStar Flex™ (products found to be bearing an invalidly licensed or used trademark are not excluded from the scope).

Merchandise subject to this order is typically imported under headings 4811.90.9035, 4811.90.9080, 4820.30.0040, 4810.22.5044, 4811.90.9050, 4811.90.9090, 4820.10.2010, 4820.10.2020, 4820.10.2030, 4820.10.2040, 4820.10.2050, 4820.10.2060, and 4820.10.4000 of the Harmonized Tariff Schedule of the United States (HTSUS). The HTSUS headings are provided for convenience and customs purposes; however, the written description of the scope of this order is dispositive.

IV. Preliminary Results

Pursuant to section 751(b)(1) of the Act, the Department will conduct a changed circumstance review upon receipt of a request from an interested party or receipt of information concerning an AD order which shows changed circumstances sufficient to warrant a review of the order.

As noted above in the “Background” section, we received information indicating that on September 30, 2013, Navneet Education finalized the name change process, and assumed all operations for the production and sale of the subject merchandise. This constitutes changed circumstances warranting a review of this order.⁹ Therefore, in accordance with section 751(b)(1) of the Act, we are conducting a changed circumstances review based upon the information contained in Navneet Education’s submissions.¹⁰

V. Discussion of Methodology

In making a successor-in-interest determination, the Department examines several factors, including but not limited to, changes in: (1) management; (2) production facilities; (3) supplier relationships; and (4) customer base.¹¹ While no single factor or combination of these factors will necessarily provide a dispositive indication of a successor-in-interest relationship, the Department will generally consider the new company to be the successor to the previous company if the new company’s resulting operation is not materially dissimilar to that of its predecessor.¹² Thus, if the evidence demonstrates that, with respect to the production and sale of the subject merchandise, the new company operates as the same business entity as the former

⁹ See 19 CFR 351.216(d).

¹⁰ See CCR Request and Navneet Education Supp QNR Response.

¹¹ See, e.g., *Pressure Sensitive Plastic Tape from Italy: Preliminary Results of Antidumping Duty Changed Circumstances Review*, 75 FR 8925 (February 26, 2010), unchanged in *Pressure Sensitive Plastic Tape From Italy: Final Results of Antidumping Duty Changed Circumstances Review*, 75 FR 27706 (May 18, 2010).

¹² See e.g., *Brake Rotors From the People's Republic of China: Final Results of Changed Circumstances Antidumping Duty Administrative Review*, 70 FR 69941 (November 18, 2005), citing *Brass Sheet and Strip from Canada: Final Results of Antidumping Duty Administrative Review*, 57 FR 20460 (May 13, 1992).

company, the Department will accord the new company the same antidumping treatment as its predecessor.

In its submission, Navneet Education explains that its request for a changed circumstances review was based solely on a name change. Navneet Education explains that there was no change to the company itself, to its corporate form, to its management or ownership, or to any other aspect of the company's business. Accordingly, Navneet Education states that under Indian procedure for this type of corporate name change, the existing corporate entity remains in existence throughout the process, and the name change is cosmetic; a mere formality.¹³

With respect to management, Navneet Education explains that the change in name was conceived and carried out by the company's existing board of directors and company officers. It contends that there was no change in the company's management as a result of the name change. In its CCR Request, Navneet Education provides a list of the company's board of directors prior to the name change (as of June 1, 2013) and after the name change (as of October 15, 2013).¹⁴ The documentation submitted in the CCR Request indicates that the board of directors remained the same after the name change. Additionally, in its supplemental questionnaire response, Navneet Education provides a list of the firm's management before and after the name change. This list includes not only the board of directors, but also the officers of the company and the directors of the larger Navneet Group of companies.¹⁵ The list indicates that the management structure of Navneet Education was virtually the same before and after the name change.¹⁶

Based on this information, we preliminarily determine that the change of company name did not result in management that was materially dissimilar to that of its predecessor with respect to the production or sale of subject merchandise.

With respect to production facilities, Navneet Education states that it underwent no changes in product line, labor force, or production facilities associated with the name change. Navneet Education maintains that the change in the company's name was a natural evolution of the company's business over the past several years with an intention to reflect Navneet Education's increasing concentration and brand awareness in the education sector.¹⁷ Further, in its supplemental questionnaire response, Navneet Education provides a list of its facilities, including production facilities, its offices, and distribution structure before and after the name change.¹⁸ The information in the supplemental questionnaire response indicates that the company's facilities were the same before and after the name change.

Based on this information, we preliminarily determine that the change in name did not result in material changes to the production of the subject merchandise.

¹³ See CCR Request, at 4.

¹⁴ See CCR Request, at 6 and Attachment 2.

¹⁵ See Navneet Education Supp QNR Response, at 1 and Attachment 3.

¹⁶ *Id.*, at Attachment 3.

¹⁷ See CCR Request, at 6.

¹⁸ See Navneet Education Supp QNR Response, at 1 and Attachment 4.

With respect to suppliers and customers, Navneet Education asserts that its supplier relationships and customer base were not changed at all by the change to the company name. Navneet Education states that its supplier base and domestic and export customers prior to the name change continued to be exactly the same after the name change.¹⁹ In its supplemental questionnaire response, Navneet Education provides a list of its suppliers before and after the name change.²⁰ This information indicates that Navneet Education experienced minimal changes to its supplier base after the name change.²¹ Further, in its supplemental questionnaire response, Navneet Education provides a list of its U.S. customers, other foreign customers, and domestic customers.²² The information from Navneet Education indicates that there were no changes in its U.S. customer base after the name change.²³ Further, we find that Navneet Education's domestic customer base as well as the customer base of its other foreign customers did not undergo any significant changes after the name change.²⁴

Based on this information, we preliminarily determine that the change in name did not result in material changes to the supplier or customer base of Navneet Education.

In addition, Navneet Education states that its ownership, corporate and legal structure remained exactly the same after the name change.²⁵ Additionally, in its supplemental questionnaire response, Navneet Education provides its ownership list.²⁶ The shares of Navneet Education are publicly traded, thus, explains Navneet Education, there is normal turnover of the publicly traded shares. However, Navneet Education points out in its supplemental questionnaire response that 50 percent of its shares are held by 10 individuals and that these individuals' share holdings remained the same before and after the name change.²⁷ Further, in its supplemental questionnaire response, Navneet Education provides a letter from the firm's managing director to its suppliers and customers in which he explains the reason for the name change (Navneet Education's "long legacy of providing quality educational products") and states that the "name change does not alter the legal status or constitution of the Company nor does it affect the rights and obligations of the Company."²⁸

Based on this information, we preliminarily determine that the change in name did not result in material changes to the ownership or corporate/legal structure of Navneet Education.

Therefore, based on the evidence reviewed, we preliminarily determine that Navneet Education is the successor-in-interest to Navneet Publications. Specifically, we find that the change of the company name from Navneet Publications to Navneet Education resulted in no significant changes to management, production facilities, supplier relationships, customer relationships, or ownership/legal structure with respect to the production and sale of the subject merchandise.

¹⁹ See CCR Request, at 6-7.

²⁰ See Navneet Education Supp QNR Response, at 1 and Attachment 5.

²¹ *Id.*

²² *Id.*, at 1 and Attachment 6.

²³ *Id.*

²⁴ *Id.*

²⁵ See CCR Request, at 7.

²⁶ See Navneet Education Supp QNR Response, at 2 and Attachment 7.

²⁷ *Id.*

²⁸ *Id.*, at 2 and Attachment 8.

Thus, we preliminarily determine that Navneet Education operates as the same business entity as Navneet Publications with respect to the subject merchandise.

VI. Recommendation

We recommend applying the above methodology for these preliminary results.

✓
Agree

Disagree

Paul Piquado
Paul Piquado
Assistant Secretary
for Enforcement and Compliance

11 APRIL 2014
Date