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MEMORANDUM TO: Gary Taverman
Deputy Assistant Secretary
for Antidumping and Countervailing Duty Operations
performing the non-exclusive functions and duties of the
Assistant Secretary for Enforcement and Compliance

FROM: James Maeder
Senior Director
performing the duties of Deputy Assistant Secretary
for Antidumping and Countervailing Duty Operations

SUBJECT: Issues and Decision Memorandum for the Expedited Second
Sunset Reviews of the Antidumping Duty Orders on Certain Lined
Paper Products from India and the People's Republic of China

SUMMARY

We have analyzed the substantive responses of the interested parties in the expedited second sunset reviews of the antidumping duty orders¹ covering certain lined paper products (CLPP) from India and the People's Republic of China (PRC). We recommend that you approve the positions described in the "Discussion of the Issues" section of this memorandum. The following is a complete list of issues in the sunset reviews:

1. Likelihood of a continuation or recurrence of dumping
2. Magnitude of the margin likely to prevail

BACKGROUND

On July 3, 2017, pursuant to section 751(c) of the Tariff Act of 1930 (the Act), the Department of Commerce (Department) published the notice of initiation of the sunset reviews of the antidumping duty orders on CLPP from India and the PRC, pursuant to section 751(c) of the

¹ 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, 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) (Orders).

Act.² On July 18, 2017, the Department received timely and complete notices of intent to participate in the sunset reviews from the domestic interested parties within the deadline specified in 19 CFR 351.218(d)(1)(i).³

On August 2, 2017, pursuant to 19 CFR 351.218(d)(3)(i), the Association of American School Paper Suppliers (AASPS) and its individual members⁴ (collectively, the petitioner) submitted complete substantive responses within 30 days after the date of publication of the *Sunset Initiation*.⁵ The Department did not receive any timely filed responses from the respondent interested parties with respect to the orders on CLPP from India and the PRC. The petitioner also filed Comments on the Adequacy of the Response, requesting an expedited review. Accordingly, pursuant to section 751(c)(2)(3)(B) of the Tariff Act of the 1930 (the Act) and 19 CFR 351.218(e)(1) (ii)(C)(2), the Department conducted an expedited (120-day) review for each antidumping duty order.

HISTORY OF THE ORDERS

On October 6, 2005, the Department published in the *Federal Register* the notice of initiation of the antidumping investigations of CLPP from India, Indonesia, and the PRC.⁶ On August 8, 2006 and September 8, 2006, the Department published its final affirmative determinations of sales at less than fair value with respect to imports of certain lined paper products from India and the PRC, respectively.⁷ On September 28, 2006, the Department published the amended final determination of sales at less than fair value with respect to the PRC and the antidumping duty orders on both countries.⁸ Following the issuance of the Department's final determinations, the U.S. International Trade Commission (ITC) found that the U.S. industry was materially injured by reason of the subject imports.⁹

² See *Initiation of Five-Year (Sunset) Reviews*, 82 FR 30844 (July 3, 2017) (*Sunset Initiation*).

³ See the petitioner's letter re: Certain Lined Paper Products from India: Notice of Intent to Participate in Sunset Review, dated July 18, 2017; see also the petitioners' letter re: Certain Lined Paper Products from the People's Republic of China: Notice of Intent to Participate in Sunset Review, dated July 18, 2017 (collectively Petitioner's Intent Letters).

⁴ AASPS' letter re: Certain Lined Paper Products from India: Notification of Membership Change, dated May 1, 2012, indicates that its individual members include: Mead Products LLC (which is a direct, wholly-owned subsidiary of ACCO Brands Corporation.), Norcom, Inc., and Top Flight, Inc.

⁵ See the petitioner's letter re: Certain Lined Paper Products from India: Substantive Response to Notice of Initiation of Sunset Review, dated August 2, 2017 (Petitioners' Substantive Response for India). See also the petitioner's letter re: Certain Lined Paper Products from the People's Republic of China: Substantive Response to Notice of Initiation of Sunset Review, dated August 2, 2017 (Petitioner's Substantive Response for PRC).

⁶ See *Initiation of Antidumping Duty Investigations: Certain Lined Paper Products from India, Indonesia, and the People's Republic of China*, 70 FR 58374 (October 6, 2005).

⁷ See *Notice of Final Determination of Sales at Less Than Fair Value, and Negative Determination of Critical Circumstances: Certain Lined Paper Products from India*, 71 FR 45012 (August 8, 2006) (*India Final Determination*); and *Notice of Final Determination of Sales at Less Than Fair Value, and Affirmative Critical Circumstances, In Part: Certain Lined Paper Products from the People's Republic of China*, 71 FR 53079 (September 8, 2006) (*PRC Final Determination*).

⁸ See *Orders*.

⁹ See *Certain Lined Paper School Supplies from China, India, and Indonesia*, 71 FR 55804 (September 25, 2006) (*ITC Investigation Final*). See also International Trade Commission (Investigation Nos 701-TA-442-443 and 731-TA-1095-1097 (Final).

On September 28, 2006, the Department published in the *Federal Register* the antidumping duty orders with respect to imports of CLPP from India and the PRC at the following rates:¹⁰

India

Aero Exports	23.17 percent
Navneet Publications (India) Ltd. (Navneet)	23.17 percent
Kejriwal Paper Limited (Kejriwal)	3.06 percent ¹¹
All Others	3.06 percent

PRC

Watanabe Paper Products (Watanabe)	76.70 percent
Shanghai Lian Li (Lian Li)	94.91 percent
48 Separate Rate Respondents	78.38 percent
PRC-wide entity ¹²	258.21 percent

On August 1, 2011, the Department initiated and the ITC instituted sunset reviews of the AD orders on CLPP from India, Indonesia, and the PRC pursuant to section 751(c) of the Act.¹³ As a result of these expedited sunset reviews in accordance with sections 751(c), 752(c), and 777(i)(1) of the Act, on December 6, 2011, the Department found that revocation of the AD orders on CLPP from India, Indonesia, and the PRC would likely lead to continuation or recurrence of dumping and notified the ITC of the magnitude of the margins likely to prevail if the orders were revoked.¹⁴

On August 24, 2012, pursuant to section 751(c) of the Act, the ITC determined that revocation of the antidumping duty orders on CLPP from India and PRC would likely lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.¹⁵ With regard to the AD and CVD orders on lined paper from Indonesia, the ITC determined that the revocation of those orders would not be likely to lead to the continuation or recurrence of material injury to an industry in the United States. Accordingly, the Department published a notice of continuation of the antidumping duty orders on CLPP from India and the PRC, pursuant to 19 CFR 351.218(f)(4).¹⁶

¹⁰ See *Orders*.

¹¹ The rate for Kejriwal and all others in the *Orders* was 3.91 percent. This rate has been changed to 3.06 percent in accordance with a court decision. See *Certain Lined Paper School Supplies from India: Amended Final Determination of Sales at Less Than Fair Value*, 76 FR 20954 (April 14, 2011).

¹² *Id.*

¹³ See *Initiation of Five-Year ("Sunset") Review*, 76 FR 45778 (August 1, 2011), and see *Certain Lined Paper School Supplies from China, India, and Indonesia - Institution of Five-Year Reviews Concerning the Countervailing Duty Orders on Certain Lined Paper School Supplies from India and Indonesia and the Antidumping Duty Orders on Certain Lined Paper School Supplies from China, India, and Indonesia*, 76 FR 45851 (August 1, 2011).

¹⁴ See *Final Results of Expedited Sunset Review of Antidumping Duty Orders: Lined Paper Products from India, Indonesia, and the People's Republic of China*, 76 FR 76123 (December 6, 2011) (*Sunset Review 2011 Final*), and the accompanying Issues and Decision Memorandum.

¹⁵ See *Certain Lined Paper School Supplies from China, India, and Indonesia*, 77 FR 51570 (August 24, 2012). See also *Certain Lined Paper School Supplies from China, India, and Indonesia*, Inv. Nos. 701-TA-442-443 and 731-TA-1095-1097 (Review), USITC Publication 4344 (August 2012).

¹⁶ See *Certain Lined Paper Products from India and the People's Republic of China: Continuation of Antidumping and Countervailing Duty Orders*, 77 FR 53172 (August 31, 2012).

India

On October 31, 2011, the Department published in the *Federal Register* its initiation notice for the 2010-2011 administrative review, shortly before the Department issued its *Sunset Review 2011 Final* in December 2011.¹⁷ As detailed below, since the final results of the 2011 sunset review, the Department has completed five administrative reviews (including the 2010-2011 administrative review) and is currently conducting an administrative review with respect to CLPP from India. In addition, the Department has completed two changed circumstances reviews with respect to two producers/exporters of CLPP from India.

The administrative review for the period September 1, 2010 through August 31, 2011, resulted in zero percent dumping margins for Riddhi Enterprises, Ltd. (Riddhi) and SAB International (SAB), a margin of 11.01 percent for non-selected cooperative respondents, and a 22.02 percent for the uncooperative respondents.¹⁸

The administrative review for the period September 1, 2011 through August 31, 2012, resulted in a *de minimis* dumping margin for Navneet and a margin of 11.01 percent for the non-selected respondent, A R Printing & Packaging India (A R Printing).¹⁹

The administrative review for the period September 1, 2012 through August 31, 2013 resulted in a zero percent dumping margin for Super Impex.²⁰

The administrative review for the period September 1, 2013 through August 31, 2014 resulted in a zero dumping margin for SAB International and a margin of 11.77 percent for Kokuyo Riddhi Paper Products Private Limited (formerly known as Riddhi Enterprises, *see below*), and the sole non-selected respondent, Navneet Education Limited (formerly known as Navneet Publications (India) Ltd., *see below*).²¹

The administrative review for the period September 1, 2014 through August 31, 2015 resulted in zero percent dumping margins for Kokuyo Riddhi, Navneet, and the non-selected respondents.²² In addition to the completed reviews, the Department has issued the preliminary results of the administrative review 2015-2016 finding zero dumping margins for all companies under review.²³

¹⁷ See *Initiation of Antidumping and Countervailing Duty Administrative Reviews and Requests for Revocation in part*, 76 FR 67133 (October 31, 2011) (2010-2011 Initiation Notice).

¹⁸ See *Certain Lined Paper Products from India: Notice of Final Results of Antidumping Duty Administrative Review; 2010-2011*, 78 FR 22232 (April 15, 2013).

¹⁹ See *Certain Lined Paper Products from India: Notice of Final Results of Antidumping Duty Administrative Review; 2011-2012*, 79 FR 26205 (May 7, 2014).

²⁰ See *Certain Lined Paper Products from India: Notice of Final Results of Antidumping Duty Administrative Review; 2012-2013*, 80 FR 19278 (April 10, 2015).

²¹ See *Certain Lined Paper Products from India: Notice of Final Results of Antidumping Duty Administrative Review; 2013-2014*, 81 FR 5986 (February 4, 2016).

²² See *Certain Lined Paper Products from India: Notice of Final Results of Antidumping Duty Administrative Review; 2014-2015*, 82 FR 14201 (March 17, 2017).

²³ See *Certain Lined Paper Products from India: Notice of Preliminary Results of Antidumping Duty Administrative Review*, 82 FR 46764 (October 6, 2017).

With respect to the two changed circumstances reviews, the Department determined that Navneet Education Limited (Navneet Education) is the successor-in-interest to Navneet Publications (India) Ltd.²⁴ Additionally, the Department determined that Kokuyo Riddhi Paper Products Private Limited (Kokuyo Riddhi) is the successor-in-interest to Riddhi Enterprises.²⁵

Based on the foregoing, the order remains in effect for all manufacturers, producers, and exporters of the subject merchandise from India.

PRC

Since the final results of the 2011 sunset review, the Department has completed two administrative reviews with respect to CLPP from the PRC.

In the administrative review for the period September 1, 2010 through August 31, 2011, the Department determined that the sole respondent Leo's Quality Products Co., Ltd./ Denmax Plastic Stationery Factory (Leo/Denmax) was subject to the PRC-wide rate of 258.21 percent.²⁶ In the administrative review for the period September 1, 2011 through August 31, 2012, the Department again determined that Leo/Denmax was subject to the PRC-wide rate of 258.21 percent.²⁷ In the administrative review for the period September 1, 2013 through August 31, 2014, the Department rescinded the review based on the petitioner's withdrawal of requests for review.²⁸

The Department has not conducted any subsequent administrative reviews of the order of CLPP from the PRC since December 23, 2014, nor has the Department issued any changed circumstances determinations. Additionally, there have been no duty absorption findings concerning the CLPP from the PRC antidumping duty order in this time period. As noted in the petitioner's substantive response concerning the PRC, the Department has issued a number of scope rulings before and during this segment of the proceeding.²⁹

Accordingly, the order remains in effect for all manufacturers, producers, and exporters of the subject merchandise from the PRC.

²⁴ See *Certain Lined Paper Products from India: Final Results of Changed Circumstances Review*, 79 FR 35726 (June 24, 2014).

²⁵ See *Certain Lined Paper Products from India: Notice of Final Results of Antidumping Duty Changed Circumstances Review*, 80 FR 18373 (April 6, 2015) (*Final Results of CCR – Kokuyo Riddhi*), and the accompanying Issues and Decision Memorandum. Accordingly, we refer to Kokuyo Riddhi and Riddhi Enterprises as Kokuyo Riddhi in this review.

²⁶ See *Certain Lined Paper Products from the People's Republic of China: Notice of Final Results and Partial Rescission of Antidumping Duty Administrative Review*, 77 FR 61390 (October 9, 2012).

²⁷ See *Certain Lined Paper Products from the People's Republic of China: Notice of Final Results and Partial Rescission of Antidumping Duty Administrative Review; 2011-2012*, 77 FR 65274 (October 31, 2013).

²⁸ See *Certain Lined Paper Products from the People's Republic of China: Notice of Rescission of Antidumping Duty Administrative Review*, 79 FR 76965 (December 23, 2014).

²⁹ See Petitioner's Substantive Response for PRC at 18-22.

SCOPE OF THE ORDERS

The scope of the orders 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 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 the orders 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 HTSUS. The HTSUS headings are provided for convenience and customs purposes; however, the written description of the scope of the orders is dispositive.

LEGAL FRAMEWORK

In accordance with section 751(c) of the Act, the Department is conducting these sunset reviews to determine whether revocation of the orders would be likely to lead to the continuation or recurrence of dumping. Section 752(c)(1)(A) and (B) of the Act provides that, in making these determinations, the Department shall consider the weighted-average dumping margins determined in the investigations and subsequent reviews, as well as the volume of imports of the subject merchandise for the period before and after the issuance of the orders.

In accordance with the guidance provided in the legislative history accompanying the Uruguay Round Agreements Act, specifically the Statement of Administrative Action (SAA),³⁰ the House Report,³¹ and the Senate Report,³² the Department's determinations of likelihood will be made on an order-wide, rather than a company-specific, basis.³³ In addition, the Department normally

³⁰ See HR. Doc. 103-316, vol. 1 (1994) (SAA), reprinted in 1994 U.S.C.C.A.N. 4040 (1994).

³¹ See H. Rep. No. 103-826, pt. 1 (1994) (House Report), reprinted in 1994 U.S.C.C.A.N. 3773 (1994). See also *Refined Brown Aluminum Oxide from the People's Republic of China: Final Results of Expedited Sunset Review*, 74 FR 4138 (January 23, 2009), and the accompanying Issues and Decision Memorandum at Comment 1, and *Freshwater Crawfish Tail Meat from the People's Republic of China: Final Results of the Expedited Second Sunset Review of the Antidumping Duty Order*, 73 FR 65832 (November 5, 2008), and the accompanying Issues and Decision Memorandum at Comment 1 (China Crawfish Tail Meat).

³² See S. Rep. No. 103-412 (1994) (Senate Report).

³³ See SAA at 879; see also House Report at 56.

determines that revocation of an antidumping duty order is likely to lead to continuation or recurrence of dumping when: (a) dumping continued at any level above *de minimis* after the issuance of the orders; (b) imports of the subject merchandise ceased after the issuance of the orders; (c) dumping was eliminated after the issuance of the orders and import volumes for the subject merchandise declined significantly.³⁴ Alternatively, the Department normally will determine that revocation of an antidumping duty (AD) order is not likely to lead to continuation or recurrence of dumping where dumping was eliminated after issuance of the order and import volumes remained steady or increased.³⁵

Furthermore, as a base period of import volume comparison, it is the Department's practice to use the one-year period immediately preceding the initiation of the investigation, rather than the level of pre-order import volumes, as the initiation of the investigation may dampen import volumes and, thus, skew the comparison.³⁶ When analyzing import volumes for second and subsequent sunset reviews, the Department's practice is to compare import volumes during the year preceding initiation of the underlying investigation to import volumes since the issuance of the last continuation notice.³⁷

In addition, section 752(c)(3) of the Act states that the magnitude of the dumping margin likely to prevail if the orders were revoked shall be provided by the Department to the ITC. Generally, the Department selects the dumping margins from the final determination in the original investigation, as these rates are the only calculated rates that reflect the behavior of exporters without the discipline of an order in place.³⁸ In certain circumstances, however, a more recently calculated rate may be more appropriate (*e.g.*, "if dumping margins have declined over the life of an order and imports have remained steady or increased, {the Department} may conclude that exporters are likely to continue dumping at the lower rates found in a more recent review").³⁹ Finally, pursuant to section 752(c)(4)(A) of the Act, a dumping margin of "zero or *de minimis* shall not by itself require" the Department to determine that revocation of an AD order would not be likely to lead to a continuation or recurrence of sales at LTFV.⁴⁰

On February 14, 2012, the Department announced it was modifying its practice in sunset reviews, such that it would not rely on weighted-average dumping margins calculated using the "zeroing" methodology found to be inconsistent with World Trade Organization (WTO)

³⁴ See SAA at 889-890; *see also* House Report at 63-64; Senate Report at 52; *Policies Regarding the Conduct of Five-year ("Sunset") Reviews of Antidumping and Countervailing Duty Orders*; Policy Bulletin, 63 FR 18871, 18872 (April 16, 1998) (*Sunset Policy*).

³⁵ See SAA at 889-890; *see also* House Report at 63.

³⁶ See, *e.g.*, *Stainless Steel Bar from Germany*; *Final Results of the Sunset Review of the Antidumping Duty Order*, 72 FR 56985 (October 5, 2007), and accompanying Issues and Decision Memorandum at Comment 1.

³⁷ See *Ferrovanadium from the People's Republic of China and the Republic of South Africa: Final Results of the Expedited Second Sunset Reviews of the Antidumping Duty Orders*, 79 FR 14216 (March 13, 2014), and accompanying Issues and Decision Memorandum.

³⁸ See SAA at 890; *see also* *Persulfates from the People's Republic of China: Notice of Final Results of Expedited Second Sunset Review of Antidumping Duty Order*, 73 FR 11868 (March 5, 2008), and accompanying Issues and Decision Memorandum at Comment 2.

³⁹ See SAA at 890-91.

⁴⁰ See *Folding Gift Boxes from the People's Republic of China: Final Results of the Expedited Sunset Review of the Antidumping Duty Order*, 72 FR 16765 (April 5, 2007) and accompanying Issues and Decision Memorandum at Comment 1.

obligations.⁴¹ In the *Final Modification for Reviews*, the Department stated that “only in the most extraordinary circumstances” would it rely on margins other than those calculated and published in prior determinations.⁴² The Department further stated that, apart from the “most extraordinary circumstances,” it would “limit its reliance to margins determined or applied during the five-year sunset period that were not determined in a manner found to be WTO-inconsistent” and that it “may also rely on past dumping margins recalculated pursuant to Section 129 proceedings, dumping margins determined based on the use of total adverse facts available, and dumping margins where no offsets were denied because all comparison results were positive.”⁴³

DISCUSSION OF THE ISSUES

In accordance with section 751(c)(1) of the Act, the Department is conducting sunset reviews to determine whether revocation of the antidumping duty orders would likely lead to continuation or recurrence of dumping. Sections 752(c)(1)(A) and (B) of the Act provide that, in making these determinations, the Department shall consider both the weighted-average dumping margins determined in the investigation and subsequent reviews, and the volume of imports of the subject merchandise for the periods before and after the issuance of the antidumping duty orders. In addition, section 752(c)(3) of the Act states that the Department shall provide to the ITC the magnitude of the margin of dumping likely to prevail if the orders were revoked. Below we address the comments of petitioner.

1. Likelihood of Continuation or Recurrence of Dumping

Interested Party Comments:

Petitioner contends that since the issuance of the antidumping duty orders on CLPP from India and the PRC, the respondents have continued to dump the subject merchandise, despite having reduced the overall volume of their imports to the United States.⁴⁴ According to petitioner, the historical record supports the conclusion that dumping would be likely to continue or recur upon revocation of these orders.⁴⁵ The petitioner’s comments specific to the individual countries are summarized below.

India

Petitioner argues that revocation of the antidumping duty order will likely lead to a continuation of dumping in the instant case. They indicate that after the issuance of the order, the dumping margins have actually risen for certain producers/exporters pursuant to the Department’s administrative reviews.⁴⁶ While certain producers/exporters attained *de minimis* or zero margins

⁴¹ See *Antidumping Proceedings: Calculation of the Weighted-Average Dumping Margin and Assessment Rate in Certain Antidumping Duty Proceedings; Final Modification*, 77 FR 8101, 8103 (February 14, 2012) (*Final Modification for Reviews*).

⁴² *Id.*

⁴³ *Id.*, 77 FR at 8109.

⁴⁴ See Petitioner’s Substantive Response for India at 8-14.

⁴⁵ *Id.*

⁴⁶ *Id.* at 8-9.

in the third, fifth, sixth, seventh, and ninth reviews, it remains that the rest of India's numerous producers and exporters have had and continue to have above-*de minimis* margins. The Department should therefore find that above-*de minimis* margins of dumping continue to exist on a country-wide basis. In addition, citing to section 775(c) of the Act and the *Policy Bulletin*,⁴⁷ Petitioner provides three other factors to support a finding that revocation would likely result in the continuation/recurrence of dumping.

(a) The U.S. market is highly price-sensitive

Petitioner states that the ITC found in its original injury determination that: (1) sales of CLPP in the U.S. market are largely won or lost based on a price basis, (2) subject imports and domestic CLPP are generally interchangeable, and (3) price depression from subject imports contributed to the industry's deteriorating operating performance.⁴⁸ The ITC also found that major CLPP purchasers commonly use similar bidding procedures, which encourage fierce price competition and are easy for Indian producers to access.⁴⁹ In the first sunset review, the ITC confirmed that price is an important factor for purchasing decisions in the U.S. CLPP market.⁵⁰

(b) Indian producers continue to display interest in the U.S. market

Petitioner argues Indian CLPP producers/exporters have remained active in the U.S. market since the order was put in place.⁵¹ They claim that subject imports in 2010 were at volumes roughly comparable to those seen during the original investigation.⁵² They further contend that, since the start of this review period, Indian imports have risen by more than 70 percent, from 23 million units in 2012 to 40.6 million units in 2016.⁵³

(c) Major Indian CLPP producers are export-focused

The petitioner contends that the Department has found that major Indian producers and exporters are entirely export-focused, reporting no home market sales. For example, in the original investigation, Kejriwal had no home market sales of subject merchandise.⁵⁴ Similarly, in the third and fourth administrative reviews, Super Impex and Riddhi Enterprises also reported no home market sales of subject merchandise, respectively.⁵⁵ The petitioner asserts that as some mandatory respondents in antidumping proceedings are entirely export-focused, in the event of revocation of the CLPP order, all of their capacity is available for export because they have no home-market customers. Moreover, other Indian CLPP producers may also seek to gain further sales and market share by a continuation and/or recurrence of dumped pricing.

⁴⁷ See *Policies Regarding the Conduct of Five-year ("Sunset") Reviews of Antidumping and Countervailing Duty Orders*, 63 FR 18871, 18874 (April 16, 1998) (*Policy Bulletin*) (quoting the SAA at 889).

⁴⁸ See Petitioner's Substantive Response for India at 10; see also *ITC Investigation Final* at 32 and 37.

⁴⁹ *Id.* at V-IO to V-12.

⁵⁰ See *Certain Lined Paper School Supplies from China, India, and Indonesia*, Inv. Nos. 701-TA-442-443 and 731-TA-1095-1097 (Review), USITC Pub. 4344 (Aug. 2012) (*ITC First Sunset Review*) at 26-27.

⁵¹ See Petitioner's Substantive Response at 12 and Attachment 3.

⁵² *Id.*; see also *ITC Investigation Final* at IV-3 - IV-4 (Table IV-2).

⁵³ See Petitioner's Substantive Response for India at 12 and Attachment 3.

⁵⁴ *Id.* at 12-13.

⁵⁵ *Id.* at 13.

PRC

The petitioner asserts that since the order was issued, (i) subject dumping in excess of *de minimis* levels has continued and (ii) that subject import volumes have fallen significantly. The petitioner contends that after the issuance of the order, the dumping margins have actually risen for certain producers/exporters in the Department's administrative reviews,⁵⁶ because they could not demonstrate their eligibility for separate rate treatment, or have failed to cooperate with the Department's proceedings.⁵⁷ The petitioner maintains that as margins have existed and presently exist for every producer/exporter, the Department should find that above-*de minimis* margins of dumping continue to exist on a country-wide basis and the Department should determine that revocation of the order would likely lead to the continuation or recurrence of dumping.⁵⁸

With respect to the subject import volumes, the petitioner points out that the subject import volumes have fallen significantly from nearly 36 million units in 2005 to 24 million units in 2010, and to 11 million units in 2016.⁵⁹

Pursuant to the *Policy Bulletin*, the petitioner also provides four other factors to support a finding that revocation would likely result in the continuation/recurrence of dumping: (1) producers/exporters subject to administrative reviews have either failed to provide the Department with any information, or have provided contradictory and unreliable data; (2) the U.S. market is highly price-sensitive; (3) PRC producers continue to export lined paper goods to the United States; (4) the PRC's currency is significantly undervalued, rendering PRC imports into the United States cheaper than they would be otherwise.⁶⁰

Department's Position: As explained in the Legal Framework section above, the Department's determinations of likelihood of continuation or recurrence of dumping will be made on an order-wide basis.⁶¹ In addition, the Department normally will determine that revocation of an antidumping duty order is likely to lead to continuation or recurrence of dumping where (a) dumping continued at any level above *de minimis* after the issuance of the order, (b) imports of the subject merchandise ceased after the issuance of the order, or (c) dumping was eliminated after the issuance of the order and import volumes for the subject merchandise declined significantly.⁶² In addition, pursuant to section 752(c)(1)(B) of the Act, the Department considers the volume of imports of the subject merchandise for the period before and after the issuance of the antidumping duty order.

⁵⁶ See Petitioners' Substantive Response for PRC at 6.

⁵⁷ *Id.* at 7.

⁵⁸ *Id.* at 8.

⁵⁹ *Id.* at 10 and Attachment 3.

⁶⁰ *Id.* at 11-12.

⁶¹ See SAA at 879 and House Report at 56.

⁶² See SAA at 889 and 890, House Report at 63-64, and Senate Report at 52.

India:

As noted above, since the *Sunset Review 2011 Final*, the Department has completed five administrative reviews of the order on CLPP from India and is in the process of conducting an additional review. Above *de minimis* rates were found in three of the reviews. In addition, above *de minimis* margins remain in effect for all but four Indian CLPP producers -- Super Impex, SAB International, Kokuyo Riddhi, and Navneet -- which had been selected as mandatory respondents, had been reviewed individually, and received *de minimis* or zero margins in recent administrative reviews. Thus, other than these four mandatory respondents from India, rates above *de minimis* remain in effect for U.S. imports of CLPP from India and the PRC.

Using import trade statistics from the ITC's Interactive Tariff and Trade DataWeb (DataWeb), the Department also analyzed and considered the volume of imports of the subject merchandise for the period prior to the issuance of the orders (*i.e.*, 2005), and import volumes over the past five years (*i.e.*, 2012-2017). Additionally, we reviewed imports of the full year prior to the initiation of the investigation (*i.e.*, 2004).⁶³ On average, imports of CLPP from India during the 2012-2017 period remained above pre-initiation volumes. Although imports were at or above pre-initiation volumes during the sunset review period, if companies continue to dump at above *de minimis* levels with the discipline of an order in place, it is reasonable to assume that dumping would continue if the order were revoked.⁶⁴

PRC:

With respect to the order on CLPP from the PRC, the Department has completed two administrative reviews. With the exception of the review that was rescinded, the Department has found above *de minimis* dumping margins in each review.⁶⁵

Using import trade statistics from the DataWeb, the Department also analyzed and considered the volume of imports of the subject merchandise for the period prior to the issuance of the orders (*i.e.*, 2005), and import volumes over the past five years (*i.e.*, 2012-2017). Additionally, we reviewed imports of the full year prior to the initiation of the investigation (*i.e.*, 2004).⁶⁶ On average, imports of CLPP from the PRC during the 2012-2017 period remained above pre-initiation volumes. Although imports were at or above pre-initiation volumes during the sunset review period, if companies continue to dump at above *de minimis* levels with the discipline of an order in place, it is reasonable to assume that dumping would continue if the order were revoked.⁶⁷

⁶³ See Attachment I for the "Comparison Table of U.S. Consumption Imports of Certain Lined Paper Products from India and China -- 2004 -- 2017 (2004-2017 CLPP Import Comparison Table).

⁶⁴ See, *e.g.*, *Folding Gift Boxes from the People's Republic of China: Final Results of the Expedited Sunset Review of the Antidumping Duty Order*, 72 FR 16765 (April 5, 2007).

⁶⁵ As noted above in the "History of the Orders" section, in both the 2010-2011, and the 2011-2012 administrative reviews, the Department determined that the sole mandatory respondent, Leo/Denmax, is subject to the PRC-wide rate, *i.e.*, the AFA rate of 258.21 percent, which was determined in the LTFV final determination.

⁶⁶ See 2004-2017 CLPP Import Comparison Table.

⁶⁷ See, *e.g.*, *Folding Gift Boxes from the People's Republic of China: Final Results of the Expedited Sunset Review of the Antidumping Duty Order*, 72 FR 16765 (April 5, 2007).

Section 752(c)(2) of the Act provides that the Department shall consider “other factors” than those listed in section 752(c)(1) of the Act only if “good cause is shown.” Additionally, under 19 CFR 351.218(e)(2)(iii), the Department will consider other factors under section 752(c)(2) of the Act only if it determines that good cause to consider such factors exists. We have concluded that no such “good cause” exists in this case, because the previously-calculated dumping margins and the volume of imports of subject merchandise since the imposition of the orders satisfy the statutory test for determining if the likelihood of the continuation of dumping would exist absent the existence of the orders. Therefore, we have not considered the other factors raised by the petitioner.

2. Magnitude of the Margins Likely to Prevail

The petitioner notes that section 752(c)(3) of the Act requires the Department to determine the magnitude of the margins of dumping that likely would prevail if the Department revoked the antidumping orders. They claim that the Department will normally select a margin from the investigation because it is the only calculated rate that reflects the behavior of exporters, without the discipline of an order or suspension agreement in place.⁶⁸ Citing to the SAA and the *Policy Bulletin*, the petitioner notes that where the dumping margin for a particular producer or exporter has increased since the original investigation, the Department may report the increased margin, even if it was based on adverse inferences.

Moreover, the petitioner claims that according to its *Final Modification for Reviews*, in sunset review proceedings, the Department will rely only on margins that were calculated without the use of the WTO-inconsistent methodologies (*i.e.*, zeroing).⁶⁹ The Department noted examples of the types of margins upon which it will rely in sunset reviews, including margins based on the use of adverse facts available.⁷⁰ They further point out that the Department expected to find acceptable margins on the record in the vast majority of sunset reviews, and therefore, anticipated recalculating margins “only in the most extraordinary circumstances.”⁷¹

The petitioner asserts that, in applying these principals, the Department should report to the ITC that the following margins would be likely to prevail if the Department determines to revoke these orders:

India

- 11.01 percent for Kejriwal Exports
- 11.77 percent for Kokuyo Riddhi (formerly Riddhi)
- 22.02 percent for Ampoules & Vials, AR Printing & Packaging, Chitra Exports, and Diki Continental Exports
- 23.17 percent for Navneet Publications (India) Ltd., Aero Exports, and Ria ImpEx Pvt. Ltd.
- 72.03 percent for Blue Bird

⁶⁸ See Petitioner’s Substantive Response for India at 14-15 citing the SAA and *Policy Bulletin*. See also Petitioner’s Substantive Response for PRC at 16-17.

⁶⁹ *Id.*, citing the *Final Modification for Reviews*.

⁷⁰ *Id.*

⁷¹ *Id.*

- 11.01 percent for all other producers

PRC

- 94.91 percent for Lian Li through all suppliers named in the order
- 78.38 percent for all valid separate rate companies
- 258.21 percent for the Watanabe Groups and the PRC-wide entity

Department's Position: Section 752(c)(3) of the Act provides that the Department will report to the ITC the magnitude of the margin of dumping likely to prevail if the order were revoked. Citing to the SAA and the House Report, the *Policy Bulletin* provides that normally, the Department will provide the ITC the company-specific margin from the investigation for each company.⁷² Further, for those companies not investigated specifically, or for companies that did not begin shipping until after an order was issued, the Department normally will provide a margin based on the "all-others" rate from the investigation.⁷³ The Department will normally select a margin from the final determination of the investigation because that is the only calculated rate on the record that reflects the behavior of manufacturers, producers, and exports without the discipline of an order or suspension agreement in place.⁷⁴ However, under certain circumstances, the Department may select a more recently calculated margin to report to the ITC.⁷⁵ The Department may use a rate from a more recent review where the dumping margin increased, as this rate may be more representative of a company's behavior in the absence of an order (*e.g.*, where a company increases dumping to maintain or increase market share with an order in place).⁷⁶ In determining whether a more recently calculated margin is probative of the behavior of an exporter were the order to be revoked, the Department considers company-specific exports and company-specific margins and, when available, a company's share of imports.⁷⁷

As explained above, in accordance with the *Final Modification for Reviews*, the Department will not rely on weighted-average dumping margins that were calculated using the zeroing

⁷² See *Policy Bulletin*, 63 FR at 18873.

⁷³ *Id.* and SAA at 890; *Certain Hot-Rolled Carbon Steel Flat Products from Argentina, the People's Republic of China, India, Indonesia, Kazakhstan, Romania, South Africa, Taiwan, Thailand, and Ukraine: Final Results of Expedited Sunset Reviews of the Antidumping Duty Orders*, 71 FR 70506 (December 5, 2006), and accompanying Issues and Decision Memorandum at Comment 2. See also *Eveready Battery Co., Inc. v. United States*, 77 F. Supp. 2d 1327, 1333 n.9 (CIT 1999); and *Persulfates from the People's Republic of China: Notice of Final Results of Expedited Second Sunset Review of Antidumping Duty Order*, 73 FR 11868 (March 5, 2008), and accompanying Issues and Decision Memorandum at Comment 2.

⁷⁴ *Id.*

⁷⁵ See section 752(c)(3) of the Act and *Final Results of Full Sunset Review: Aramid Fiber Formed of Poly Para-Phenylene Terephthalamide from the Netherlands*, 65 FR 65294 (November 1, 2000), and accompanying Issues and Decision Memorandum at "Magnitude of the Margin Likely to Prevail," Comment 3 (citing SAA at 890-91 and House Report at 64).

⁷⁶ See SAA at 890-91; *Policy Bulletin* at section II.B.2; see, *e.g.*, *Chloropicrin from the People's Republic of China: Final Results of the Expedited Sunset Review of the Antidumping Duty Order*, 74 FR 57450 (November 6, 2009).

⁷⁷ See *Stainless Steel Bar from Germany: Preliminary Results of the Sunset Review of Antidumping Duty Order*, 72 FR 29970 (May 30, 2007), and accompanying Issues and Decision Memorandum at Comment 2, as corrected in 72 FR 31660 (June 7, 2007) (*unchanged in Stainless Steel Bar from Germany: Final Results of the Sunset Review of the Antidumping Duty Order*, 72 FR 56985 (October 5, 2007)).

methodology found to be WTO-inconsistent.⁷⁸ Instead, we may rely on other rates that may be available, or we may recalculate weighted-average dumping margins using our current offsetting methodology in extraordinary circumstances.⁷⁹

India: After considering the dumping margins determined in the India LTFV investigation and the subsequent administrative reviews, as in the prior sunset review of CLPP from India, we find that it is appropriate to provide the ITC with the margins determined in the LTFV investigation for the magnitude of the margin likely to prevail because these margins best reflect the behavior of manufacturers, producers, and exporters without the discipline of an order in place. The highest calculated margin in the investigation for India was not affected by zeroing, because it was based on total adverse facts available and did not involve the denial of offsets.⁸⁰ Thus, the Department finds it appropriate to report to the ITC that the magnitude of the margin of dumping that is likely to prevail if the order is revoked is up to 23.17 percent.

PRC: Similarly, as in the prior sunset review, we find that the margins from the investigation of CLPP from the PRC reflect the behavior of the producers and exporters without the discipline of the order. As noted above, the highest margin assigned in the investigation for the PRC was not affected by zeroing, because it was based on total adverse facts available and did not involve the denial of offsets.⁸¹ Thus, the Department finds it appropriate to report to the ITC that the magnitude of the margin of dumping that is likely to prevail if the order is revoked is up to 258.21 percent.

FINAL RESULTS OF REVIEWS

We determine that revocation of the antidumping duty orders on CLPP from India and the PRC would be likely to lead to continuation or recurrence of dumping and that the magnitude of the dumping margins likely to prevail would be weighted-average margins up to 23.17 percent for India and 258.21 percent for the PRC.

⁷⁸ See *Final Modification for Reviews*, 77 FR at 8103.

⁷⁹ *Id.*

⁸⁰ See *India Final Determination* and the Analysis Memorandum for Adverse Facts Available, dated July 31, 2006.

⁸¹ See *PRC Final Determination*.

RECOMMENDATION

Based on our analysis of the substantive responses received, we recommend adopting all the above positions. If these recommendations are accepted, we will publish the final results of these sunset reviews in the *Federal Register*, and notify the ITC of our determinations.



Agree



Disagree

10/31/2017

X



Signed by: GARY TAVERMAN

Gary Taverman

Deputy Assistant Secretary

for Antidumping and Countervailing Duty Operations,
performing the non-exclusive functions and duties of the
Assistant Secretary for Enforcement and Compliance