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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
Associate Deputy Assistant Secretary
for Antidumping and Countervailing Duty Operations
performing the duties of Deputy Assistant Secretary
for Antidumping and Countervailing Duty Operations

SUBJECT: Certain Uncoated Paper from Brazil: Issues and Decision
Memorandum for the Final Results of the Antidumping Duty
Administrative Review; 2015-2017

I. SUMMARY

The Department of Commerce (Commerce) determines that certain uncoated paper (uncoated paper) from Brazil is being sold at less than normal value during the period of review (POR), August 27, 2015, through February 28, 2017. We analyzed the comments of the interested parties. As a result of this analysis and based on our findings at verification,¹ we made certain changes to the margin calculations for the respondent, Suzano Papel e Celulose S.A./Suzano Pulp and Paper America, Inc. (collectively, Suzano). The estimated weighted-average dumping margins are shown in the “Final Determination” section of the accompanying *Federal Register* notice.

II. BACKGROUND

On April 10, 2018, Commerce published in the *Federal Register* the *Preliminary Results* of this antidumping duty (AD) administrative review.² Between April 2018 and May 2018, Commerce

¹ See Memorandum to the File, from Jerry Huang, International Trade Compliance Analyst, “Verification of Sales Response of Suzano Papel e Celulose S.A. (Suzano Brazil) in the Antidumping Duty Administrative Review on Certain Uncoated Paper from Brazil” (August 9, 2018) (Suzano’s Home Market Verification Report); and Memorandum to the File, from Benito Ballesteros, International Trade Compliance Analyst, “Antidumping Duty Administrative Review on Certain Uncoated Paper from Brazil: Verification of Suzano Pulp and Paper America, Inc.” (August 9, 2018) (Suzano’s CEP Verification Report).

² See *Certain Uncoated Paper from Brazil: Preliminary Results of Antidumping Duty Administrative Review; 2015-*

verified the sales data reported by Suzano, pursuant to section 782(i) of the Tariff Act of 1930, as amended (the Act).³

Additionally, the petitioners and Suzano submitted properly filed case briefs⁴, pursuant to Commerce's regulations.⁵ Subsequently, the petitioners and Suzano submitted properly filed rebuttal briefs.⁶

III. SCOPE OF THE ORDER

The merchandise covered by this order includes uncoated paper in sheet form; weighing at least 40 grams per square meter but not more than 150 grams per square meter; that either is a white paper with a GE brightness level⁷ of 85 or higher or is a colored paper; whether or not surface-decorated, printed (except as described below), embossed, perforated, or punched; irrespective of the smoothness of the surface; and irrespective of dimensions (Certain Uncoated Paper).

Certain Uncoated Paper includes (a) uncoated free sheet paper that meets this scope definition; (b) uncoated ground wood paper produced from bleached chemi-thermo-mechanical pulp (BCTMP) that meets this scope definition; and (c) any other uncoated paper that meets this scope definition regardless of the type of pulp used to produce the paper.

Specifically excluded from the scope are (1) paper printed with final content of printed text or graphics and (2) lined paper products, typically school supplies, composed of paper that incorporates straight horizontal and/or vertical lines that would make the paper unsuitable for copying or printing purposes. For purposes of this scope definition, paper shall be considered "printed with final content" where at least one side of the sheet has printed text and/or graphics that cover at least five percent of the surface area of the entire sheet.

Imports of the subject merchandise are provided for under Harmonized Tariff Schedule of the United States (HTSUS) categories 4802.56.1000, 4802.56.2000, 4802.56.3000, 4802.56.4000, 4802.56.6000, 4802.56.7020, 4802.56.7040, 4802.57.1000, 4802.57.2000, 4802.57.3000, and 4802.57.4000. Some imports of subject merchandise may also be classified under 4802.62.1000,

2017, 83 FR 15368 (April 10, 2018) (*Preliminary Results*).

³ See Suzano's Home Market Verification Report and Suzano's CEP Verification Report.

⁴ See Letter from the petitioners, "Certain Uncoated Paper from Brazil: Petitioners' Case Brief" (August 16, 2018) (the petitioners' Case Brief); and Letter from Suzano, "Uncoated Paper from Brazil: Resubmitted Case Brief and Rebuttal Brief" (September 7, 2018) (Suzano's Case Brief).

⁵ See Letter to Suzano, from Paul Walker, Program Manager, Office V, "Antidumping Duty Administrative Review of Certain Uncoated Paper from Brazil: Rejection of New Factual Information" (September 5, 2018).

⁶ See Letter from the petitioners, "Certain Uncoated Paper from Brazil: Petitioners' Rebuttal Brief" (August 21, 2018) (the petitioners' Rebuttal Brief); and Letter from Suzano, "Uncoated Paper from Brazil: Resubmitted Case Brief and Rebuttal Brief" (September 7, 2018) (Suzano's Rebuttal Brief).

⁷ One of the key measurements of any grade of paper is brightness. Generally speaking, the brighter the paper the better the contrast between the paper and the ink. Brightness is measured using a GE Reflectance Scale, which measures the reflection of light off a grade of paper. One is the lowest reflection, or what would be given to a totally black grade, and 100 is the brightest measured grade. "Colored paper" as used in this scope definition means a paper with a hue other than white that reflects one of the primary colors of magenta, yellow, and cyan (red, yellow, and blue) or a combination of such primary colors.

4802.62.2000, 4802.62.3000, 4802.62.5000, 4802.62.6020, 4802.62.6040, 4802.69.1000, 4802.69.2000, 4802.69.3000, 4811.90.8050 and 4811.90.9080. While HTSUS subheadings are provided for convenience and customs purposes, the written description of the scope of the order is dispositive.

IV. LIST OF COMMENTS

Comment 1: Treatment of Suzano's Sales to an U.S. Foreign Trade Zone (FTZ)

Comment 2: Treatment of Suzano's Credit Expenses

Comment 3: Treatment of INSS Taxes

Comment 4: Suzano's Liquidation Instructions

Comment 5: Programming Issue in Suzano's Margin Calculation

V. DISCUSSION OF COMMENTS

Comment 1: Treatment of Suzano's Sales to a U.S. Foreign Trade Zone (FTZ)

Suzano's Comments:

- In the *Preliminary Results*, Commerce inappropriately included Suzano's FTZ sales in the margin calculations.
- Suzano had an agreement with the FTZ customer that the FTZ sales were to be resold to Latin America and the Caribbean, and not to U.S. customs territory.
- The FTZ customer also provided proof that none of the FTZ entries were subsequently shipped to customers in the customs territory of the United States.
- Foreign merchandise admitted into an FTZ under privileged foreign status will require an Entry for Consumption if transferred from the zone into the United States for domestic use or resale. The FTZ owner is not configured with Customs and Border Protection to create consumption entries nor pay duties on consumed merchandise.

The Petitioners' Comments:

- There is no record evidence contradicting Commerce's preliminary finding, therefore Commerce should not reverse that determination.

Commerce's Position: Commerce disagrees with Suzano that the sales in question should be excluded in the margin calculations for the final results. In its questionnaire responses, Suzano reported that it exported subject merchandise to an unaffiliated customer located in the United States.⁸ Suzano claimed the customer stored this merchandise in its FTZ warehouse and then re-exported the goods to Latin American markets.⁹ In the *Preliminary Results*, Commerce included all of the sales Suzano reported as FTZ sales in the margin calculation where available information indicated that these sales entered U.S. customs territory.¹⁰

⁸ Because the identity of this customer is BPI, for further information, please *see* Suzano's Section A Questionnaire Response (June 7, 2017) (SAQR) at 3-5 and Exhibit A-2.

⁹ *Id.*

¹⁰ *See* Memorandum to the File, "Antidumping Duty Administrative Review of Certain Uncoated Paper from Brazil: Preliminary Results Analysis Memorandum for Suzano Papel e Celulose S.A." (April 3, 2018).

In this administrative review, the issue is whether the purported FTZ sales should be considered as U.S. sales that entered for consumption and should be included in calculating the U.S. price in Suzano's margin calculation. Section 772(a) of the Act, specifies that "export price" is defined as the "price at which the subject merchandise is first sold (or agreed to be sold) before the date of importation by the producer, or exporter, of the subject merchandise outside of the United States to an unaffiliated purchaser in the United States, or to an unaffiliated purchaser for exportation to the United States."¹¹ In order to determine whether a U.S. sale should be included in the margin calculation, Commerce considers whether the unaffiliated customer is located in the United States,¹² whether the merchandise was delivered in the United States, and finally, whether the goods entered for consumption.¹³

Suzano stated, and the record evidence shows, that the unaffiliated purchaser that owns the FTZ is located in the United States and that the merchandise was delivered to the United States.¹⁴ Once the merchandise is delivered by Suzano, the title transferred and the unaffiliated customer is responsible for entering the uncoated paper into its FTZ and for all subsequent resales.¹⁵ The issue in this administrative review thus becomes whether the record indicates that the merchandise sold by Suzano to the unaffiliated customer that owns the FTZ in fact all entered into the FTZ and was then subsequently re-exported to other destinations outside U.S. customs territory as claimed. For the reasons set forth below, we continue to treat Suzano's sales of subject merchandise to the FTZ owner in the United States as U.S. sales for purposes of Suzano's margin calculation, because we find that Suzano failed to adequately demonstrate that the products sold to its customer were admitted to the U.S. FTZ only in transit to Latin American markets.

Generally, merchandise that is shipped to U.S. FTZs is not subject to antidumping duties until it enters the U.S. customs territory.¹⁶ This is because FTZs are considered to be outside the customs territory of the United States for duty purposes. If merchandise admitted to a U.S. FTZ does not enter the U.S. customs territory, but rather is re-exported to a third country, then (absent instruction otherwise from the FTZ Board) that merchandise is not subject to the U.S. dumping laws.¹⁷ At the same time, FTZ "procedures shall not be used to circumvent" antidumping and countervailing duty laws.¹⁸ For this reason, items subject to antidumping or countervailing duty orders must be placed in privileged foreign status upon admission to a zone.¹⁹ This "locks in"

¹¹ See section 772(a) of the Act.

¹² *Id.*

¹³ See, e.g., *Certain Oil Country Tubular Goods from Ukraine: Final Determination of Sales at Less Than Fair Value and Final Negative Determination of Critical Circumstances*, 79 FR 41969 (July 18, 2014) and accompanying Issues and Decision Memorandum (IDM) at Comment 1.

¹⁴ See SAQR at 3-5 and Exhibits A-2 and A-13.

¹⁵ See Suzano's Supplemental Section A Questionnaire Response (August 23, 2017) (SSAQR) at 1-3.

¹⁶ See, e.g., *Helmerich & Payne v. United States*, 24 F. Supp. 2d 304, 314 (CIT 1998) (explaining that "merchandise admitted into a foreign trade zone is exempt from an antidumping order or administrative review while it is in the zone; however, the exemption expires upon entry into the U.S. customs territory").

¹⁷ See *Torrington Co. v. United States*, 826 F. Supp. 492, 494 (CIT 1993) (finding that products "imported into FTZs and re-exported without entering the U.S. customs territory are not subject to cash deposits and assessment of antidumping duties").

¹⁸ See 15 CFR 400.14(c)(1).

the merchandise as it was admitted to the FTZ, and, upon entry for consumption, antidumping duties and/or suspension is required.²⁰

In this review, and as described below, Suzano has not established that its products sold to its customer were ultimately only in transit to Latin American markets, and not U.S. customs territory. Accordingly, we included the sales of these products in the U.S. sales database and used them in the calculation of Suzano's dumping margin.²¹

As an initial matter, Suzano argues that Commerce should accept that Suzano had an oral agreement with the unaffiliated customer to only re-export merchandise to third-country markets and the unaffiliated customer's affidavit that the agreement was held as facts.²² We find these statements inadequate in light of the record evidence. After the *Preliminary Results*, Commerce conducted a verification of Suzano's sales responses.²³ Commerce notes that Suzano provided no evidence other than the otherwise unsupported affidavit, *i.e.*, a written agreement, meeting notes, email, or record of phone calls, that indicates such an agreement existed.²⁴ Moreover, Suzano could not provide any details of the agreement such that Commerce can analyze its content. Such evidence is important here to clarify the exact geographic limits of the agreement. Thus, Suzano's claim that the agreement allows for the merchandise to be resold only to Latin American markets is not supported by record evidence. Further, and as discussed in further detail below, information provided by the FTZ owner indicates that merchandise sold by Suzano to the FTZ were ultimately shipped to Puerto Rico, and it is unclear whether U.S. territories such as Puerto Rico, which is a part of the U.S. customs territory, are included in the agreement.

Suzano argues that the unaffiliated customer that owns the FTZ provided clear and unambiguous proof that none of the merchandise in question subsequently entered into the U.S. customs territory. However, the available evidence on the record indicates that some of the merchandise in question was later re-exported to Puerto Rico, which is part of the U.S. customs territory. Specifically, the information that Suzano relies on to establish that no merchandise in question entered U.S. customs territory is a spreadsheet provided by the FTZ owner that purported to be a shipping summary that shows that all merchandise that entered the FTZ were re-exported to third-country markets.²⁵ However, the spreadsheet does not support Suzano's argument that no merchandise sold to the customer in question entered U.S. customs territory because the spreadsheet shows that there were shipments to Puerto Rico, which is a part of U.S. customs territory.²⁶ Further, contrary to Suzano's claim that the FTZ owner is not configured to enter FTZ merchandise into the customs territory of the United States, again, the spreadsheet provided by the FTZ owner lists merchandise in question as entering the customs territory of the United

¹⁹ See 15 CFR 400.14(e)(2).

²⁰ *Id.*

²¹ Of course, if these products never entered the U.S. customs territory for consumption, then there are no entries for CBP to liquidate. But that is not the question before us. The question is whether the evidence on the record indicates that these are U.S. sales to include in the dumping margin calculation.

²² See Suzano's Case Brief at 5.

²³ See Suzano's Home Market Verification Report.

²⁴ *Id.* at 4-5 and Exhibit-VE4.

²⁵ See SAQR at Exhibit-A2.

²⁶ *Id.*

States.²⁷ Suzano contends that although the FTZ owner acknowledged that it had shipped to Puerto Rico some volume of merchandise, such merchandise was from inventory previous to the formation of the FTZ.²⁸ Nevertheless, while Suzano claims that the shipping summary shows everything that was entered into the FTZ exited to other markets outside the U.S. customs territory, the shipping summary itself shows the opposite, and Suzano acknowledges that the shipping summary is not entirely tied to the merchandise that were sold into the FTZ but rather were comingled with other inventory that did not enter the FTZ.²⁹

Equally problematic is Suzano's assertion that the shipping summary spreadsheet shows all shipments provided by Suzano have been resold to markets outside the U.S. customs territory. However, Commerce finds that Suzano and the FTZ owner could not account for and reconcile the quantity of merchandise that was sold by Suzano during the POR with the quantity that entered and exited the FTZ. To clarify this issue, Commerce issued a Section A supplemental questionnaire requesting a reconciliation of the merchandise Suzano reported as sold and the merchandise that the FTZ owner reported as shipped.³⁰ Suzano then stated that the quantities could not be matched, for two reasons: 1) the quantities constitute sales in two different periods, and 2) the FTZ owner added an amount of inventory that it purportedly had on hand at the beginning of the period.³¹ Regarding the first rationale provided by Suzano, the statements and information provided by the FTZ owner indicates that although strict inventory control is required to operate a FTZ and allow entries under privileged status, the FTZ owner here actually is not able to trace its inventory from reception as purchased, to movement into the FTZ, and shipment out of the FTZ.³² Thus, Commerce cannot conclude based on the administrative record that all of the merchandise Suzano sold to the FTZ owner during the POR was later sold to destinations outside U.S. customs territory. Regarding the second rationale, the FTZ owner provided another table purporting to show its inventory on hand.³³ However, neither Suzano nor the FTZ owner provided any explanation or supporting documentation as to the sources, entry dates, entry status or any identifying information that supported its claim that merchandise listed in the spreadsheet was in fact the inventory on hand prior to the establishment of the FTZ. Regardless, the quantities of merchandise that Suzano reported as sold still cannot be reconciled with the quantities that the FTZ owner reported as shipped. Thus, a significant discrepancy remains.³⁴ The only explanation Suzano can provide for this discrepancy is more speculation and not an explanation supported by documents and record evidence.³⁵

In this review, and as described above, Suzano failed to establish where the ultimate destinations of its products that were sold to the unaffiliated customer which owns the FTZ were. Similarly, Suzano failed to show that all such merchandise was in fact admitted to the FTZ and

²⁷ *Id.*

²⁸ *Id.* at 4.

²⁹ See SSAQR at 1-9.

³⁰ See Commerce's Letter to Suzano, "Administrative Review of Certain Uncoated Paper from Brazil: Supplemental Questionnaire for Section A" (August 1, 2017).

³¹ See SSAQR at 8-9.

³² *Id.*

³³ *Id.* at Exhibit SA-1.

³⁴ *Id.* at 9.

³⁵ *Id.*

subsequently resold to third-country markets outside the U.S. customs territory. Commerce finds that the facts of the instant administrative review are similar to *Solar Products from Taiwan*. There, the respondent in question claimed that certain products that were shipped to the United States were entered into FTZs and should be excluded from the dumping analysis; however, the respondent could not demonstrate the shipments' final destination.³⁶ Commerce found it appropriate in those circumstances to include those sales in its dumping margin calculation. After considering all factual information on the record of this review, Commerce finds that Suzano and the FTZ owner have failed to demonstrate that the merchandise sold to the United States were in fact all entered into the FTZ and then subsequently re-exported outside the U.S. customs territory. Accordingly, we continue to treat all such merchandise that were shipped to the United States during the POR as U.S. sales for purposes of calculating Suzano's dumping margin.

Comment 2: Treatment of Suzano's Credit Expenses

Suzano's Comments:

- Commerce should calculate Suzano's credit expenses based on the average credit expense reported by Suzano.
- Commerce verified the payment dates reported by Suzano during the individual sales traces, and despite any errors that may be in the reported credit expenses calculations, Commerce has information to calculate the credit expenses.
- Problems with credit expense calculations are limited to the sales with multiple installment payments and Commerce should not disallow credit expenses in general.

The Petitioners' Comments:

- As explained at length in the petitioners' pre-preliminary comments, Suzano's reported values for credit expense are erroneous, despite the fact that Commerce afforded Suzano opportunities to correct the data.
- Suzano was unable to support its reported information at verification, for the final results, Commerce should disallow any adjustment to normal value for home market credit expenses.

Commerce's Position: Commerce disagrees with Suzano that its reported average credit expenses should be used for these final results or that there is reliable information available to calculate Suzano's credit expenses. As an initial matter, pursuant to 19 CFR 351.401(b), in making adjustments to export price, constructed export price, or normal value, the Secretary will adhere to the following principle: 1) the interested party that is in possession of the relevant information has the burden of establishing to the satisfaction of the Secretary the amount and nature of a particular adjustment. The petitioners commented on data issues in Suzano's credit expense calculations extensively³⁷ and Commerce provided Suzano multiple opportunities in supplemental questionnaires and preparation for the verification to resolve the issue. However,

³⁶ See *Certain Crystalline Silicon Photovoltaic Products from Taiwan: Final Results of Antidumping Duty Administrative Review; 2014-2016*, 82 FR 31555 (July 7, 2017) and accompanying IDM at Comment 1.

³⁷ See Letter from the petitioners, "Certain Uncoated Paper from Brazil: Petitioners' Comments on Suzano's Supplemental Questionnaire Responses" (December 22, 2017).

despite these opportunities, Suzano never resolved these issues. At verification, Commerce requested that company officials explain their methodology and demonstrate how they performed the credit expense calculations, but company officials failed to do so.³⁸ While Commerce was able to examine certain payment dates reported by Suzano during the sales traces of a selected group of sales, company officials could not explain the system it used to extract data nor demonstrate the manner the reported credit expense was calculated in general when requested as a part of the verification of credit expense calculation.³⁹ Therefore, we find that Suzano's reported credit expense could not be verified and should be treated as unreliable as a whole. Accordingly, Commerce finds that there is no credible basis to adjust Suzano's home market credit expenses for these final results.

Comment 3: Treatment of INSS Taxes

Suzano's Comments:

- Commerce should deduct the INSS tax from Suzano's home market gross unit price, pursuant to section 773(a)(6)(B)(iii) of the Act, as a direct or indirect selling expense.
- Suzano pays the INSS tax on the revenue derived from home market sales of uncoated paper in the home market and the amount of the INSS tax is included in the price charged to the home market customer.

The Petitioners' Comments:

- The INSS taxes is a "direct tax" leveled on gross sales revenue; it is not charged to Suzano's customers and is not included in the home market gross unit price. Thus, the INSS taxes should not be deducted as an "indirect tax" because it is paid by Suzano to the government and is not included in the gross unit price.

Commerce's Position: Pursuant to section 773(a)(6)(B)(iii) of the Act, Commerce adjusts for the amount of any taxes imposed directly upon the foreign like product, which have been rebated or not collected on subject merchandise, to the extent that such taxes are added to or included in the price of the foreign like product.⁴⁰ Additionally, 19 CFR 351.102(b)(28) defines an "indirect tax" as a tax on "sales, excise, turnover, value added, franchise, stamp, transfer, inventory, or equipment tax, a border tax, or any other tax other than a direct tax or an import charge." Commerce notes that it has previously regarded other taxes included in Suzano's invoice to the home market customer, such as PIS and COFINS, by considering them as "indirect taxes" that should be deducted from the home market price charged to the customer because they are paid directly by the buyer as part of the sales price.⁴¹ In *Cold-Rolled Carbon Steel Flat Products from Brazil*, Commerce clarified that "indirect taxes" are similar to sales taxes or value-added taxes because "indirect taxes" are paid directly by the buyer as part of the sales price.⁴² Commerce

³⁸ See Suzano's Home Market Verification Report at 11.

³⁹ *Id.*

⁴⁰ See *Certain Lined Paper Products from India: Notice of Final Results of Antidumping Duty Administrative Review*, 77 FR 14729 (March 13, 2012) and accompanying IDM at Comment 6.

⁴¹ See *Notice of Final Determination of Sales at Less Than Fair Value: Certain Cold-Rolled Carbon Steel Flat Products from Brazil*, 67 FR 62134 (October 3, 2002) and accompanying IDM at Comment 2 (*Cold-Rolled Carbon Steel Flat Products from Brazil*).

⁴² See *Cold-Rolled Carbon Steel Flat Products from Brazil* at Comment 2.

disagrees with Suzano that the INSS taxes are imposed directly upon the foreign like product and included in the reported gross unit price in its home market sales and should, therefore, be deducted as an “indirect tax,” pursuant to section 773(a)(6)(B)(iii) of the Act, for the final results.

As Commerce found during the investigation and confirmed again at verification during this administrative review, the Brazilian tax authority assesses INSS taxes on a gross revenue basis.⁴³ Commerce notes that Suzano paid the INSS taxes on its gross revenue of domestic sales to the Brazilian government and that this tax was not directly paid by the buyer as part of the sales price.⁴⁴ Suzano concedes that the INSS taxes were not included in the commercial invoice paid by the home market customer, where the commercial invoice included the other taxes and Commerce made adjustments for these other taxes.⁴⁵ Suzano’s arguments only confirm that the INSS tax is a “direct tax” on Suzano’s gross revenue of domestic sales.⁴⁶ Specifically, Suzano indicates that the INSS taxes are accrued internally in Suzano’s accounting system and are reconciled internally in its book keeping, rather than directly collected from sales of foreign like product and passed onto the government.⁴⁷ Pursuant to 19 CFR 351.102(b)(16), “direct taxes” are taxes on “wages, profits, interests, rents, royalties, and other forms of income.” In *Cut-to-Length Carbon Steel Plate From Brazil*, Commerce explained that taxes on total gross monthly revenue, which is similar to profit and wages listed in examples of 19 CFR 351.102(b)(16), constituted a direct tax and not an indirect tax imposed directly on the sale of the foreign like product.⁴⁸ Similarly, in this case, it is Suzano that pays the INSS taxes on its gross revenue. Suzano has not imposed the INSS taxes directly upon the foreign like product, such that INSS taxes are added to or included in the price of the foreign like product and then collected from the domestic buyers. Therefore, we have not deducted INSS taxes from Suzano’s gross unit price of home market sales for the final results.

Commerce also disagrees with Suzano that the INSS taxes should be deducted as an indirect selling expense for its reported home market sales in the final results. Commerce notes that the INSS taxes that Suzano reported for its home market sales are a tax on gross sales revenue paid by Suzano directly to the Brazilian government and not a selling expense. Suzano provided no explanation or record evidence as to how the INSS taxes meet Commerce’s statutory or regulatory requirements to qualify as an appropriate adjustment as an indirect selling expense. Accordingly, Commerce will not treat Suzano’s INSS taxes as an indirect selling expense adjustment for the final results.

⁴³ See *Certain Uncoated Paper from Brazil: Final Determination of Sales at Less Than Fair Value*, 81 FR 3115 (January 20, 2016) (*Investigation Final*) and accompanying IDM at Comment 6; Suzano’s Home Market Verification Report at 8.

⁴⁴ *Id.*

⁴⁵ See Suzano’s Case Brief at 13.

⁴⁶ *Id.*

⁴⁷ *Id.*

⁴⁸ See *Certain Cut-To-Length Carbon Steel Plate from Brazil: Final Results of Antidumping Duty Administrative Review*, 63 FR 12744 (March 16, 1998) and accompanying IDM at Comment 1 (*Cut-to-Length Carbon Steel Plate from Brazil*).

Comment 4: Suzano's Liquidation Instructions

Suzano's Comments:

- Commerce should ensure correct importer or customer information as verified by Commerce are used for the liquidation instructions.
- The liquidation instructions for Suzano, including the future deposit rate, should not include any of the margins calculated on the EP and FTZ sales, as there was no importation of the FTZ paper into the customs territory of the United States.

The petitioners did not comment on this issue.

Commerce's Position: Commerce agrees with Suzano, in part, and has relied on the verified importer or customer information provided by Suzano during verification for the final results.⁴⁹ Regarding the FTZ sales, we disagree with Suzano. Consistent with Comment 1 of this IDM, for these final results, we have included all sales that Suzano exported to the United States based on the available information on the record. Accordingly, we will issue final cash deposit instructions and liquidation instructions consistent with the findings of these final results.⁵⁰

Comment 5: Programming Issue in Suzano's Margin Calculation

The Petitioners' Comments:

- In the *Preliminary Results*, Commerce incorrectly set February 28, 2017, as the first day of the window period in the margin calculation, causing margins to erroneously set to constructed values. This error should be corrected for the final results so that May 1, 2015, should be used for the first day of the window period.

Suzano did not comment on this issue.

Commerce's Position: Commerce agrees with the petitioners that the first day of the window period was inadvertently set to the wrong date. For the final results, Commerce corrected this error in Suzano's margin calculation.⁵¹

⁴⁹ See Suzano's Final Analysis Memo at attachment 2.

⁵⁰ As noted above in Comment 1, if these products never entered the U.S. customs territory for consumption, then there are no entries for CBP to liquidate.

⁵¹ See Suzano's Final Analysis Memo.

VI. 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 this review and the final weighted-average dumping margin in the *Federal Register*.

☒

Agree

☐

Disagree

10/9/2018

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