

DEPARTMENT OF COMMERCE

International Trade Administration

(A-560-823, A-570-958)

Certain Coated Paper Suitable for High-Quality Print Graphics Using Sheet-Fed Presses from Indonesia and the People's Republic of China: Initiation of Antidumping Duty Investigations

AGENCY: Import Administration, International Trade Administration, Department of Commerce

EFFECTIVE DATE: (Insert date of publication in the Federal Register.)

FOR FURTHER INFORMATION CONTACT: Gemal Brangman (Indonesia) or Frances Veith (People's Republic of China), AD/CVD Operations, Office 2 and Office 8, respectively, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-3773 or (202) 482-4295, respectively.

SUPPLEMENTARY INFORMATION:

The Petitions

On September 23, 2009, the Department of Commerce ("the Department") received Petitions concerning imports of certain coated paper, suitable for high-quality print graphics using sheet fed presses ("certain coated paper") from Indonesia and the People's Republic of China ("PRC") filed in proper form by Appleton Coated LLC, NewPage Corporation, S.D. Warren Company d/b/a Sappi Fine Paper North America, and the United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union (collectively, "Petitioners"). See Petition for the Imposition of Antidumping Duties on Certain Coated Paper from Indonesia ("Indonesia petition") dated September 23, 2009; and

Petition for the Imposition of Antidumping Duties on Certain Coated Paper from the People's Republic of China dated September 23, 2009 ("PRC petition") (collectively, "the Petitions"). On September 29, and October 7, 2009, the Department issued requests for additional information and clarification of certain areas of the Petitions. Based on the Department's request, Petitioners filed supplements to the Petitions for both countries on October 2, 8, and 9, 2009.

In accordance with section 732(b) of the Tariff Act of 1930, as amended ("the Act"), Petitioners allege that imports of certain coated paper from Indonesia and the PRC are being, or are likely to be, sold in the United States at less than fair value, within the meaning of section 731 of the Act, and that such imports materially injure, or threaten material injury to, an industry in the United States.

The Department finds that Petitioners filed these Petitions on behalf of the domestic industry because Petitioners are interested parties as defined in sections 771(9)(C) and 771(9)(D) of the Act, and they have demonstrated sufficient industry support with respect to the investigations that they are requesting the Department to initiate (see "Determination of Industry Support for the Petitions" below).

#### Scope of Investigations

The products covered by these investigations are certain coated paper from Indonesia and the PRC. For a full description of the scope of the investigations, please see the "Scope of Investigations," in Appendix I of this notice.

#### Comments on Scope of Investigations

During our review of the Petitions, we discussed the scope with Petitioners to ensure that it is an accurate reflection of the products for which the domestic industry is seeking relief. Moreover, as discussed in the preamble to the regulations (Antidumping Duties; Countervailing

Duties; Final Rule, 62 FR 27296, 27323 (May 19, 1997)), we are setting aside a period for interested parties to raise issues regarding product coverage. The Department encourages all interested parties to submit such comments by November 2, 2009, the next business day after 20 calendar days from the date of signature of this notice. Comments should be addressed to Import Administration's APO/Dockets Unit, Room 1870, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230. The period of scope consultations is intended to provide the Department with ample opportunity to consider all comments and to consult with parties prior to the issuance of the preliminary determinations.

#### Comments on Product Characteristics for Antidumping Duty Questionnaires

We are requesting comments from interested parties regarding the appropriate physical characteristics of certain coated paper to be reported in response to the Department's antidumping questionnaires. This information will be used to identify the key physical characteristics of the subject merchandise in order to more accurately report the relevant factors and costs of production, as well as to develop appropriate product comparison criteria.

Interested parties may provide any information or comments that they feel are relevant to the development of an accurate listing of physical characteristics. Specifically, they may provide comments as to which characteristics are appropriate to use as 1) general product characteristics and 2) the product comparison criteria. We note that it is not always appropriate to use all product characteristics as product comparison criteria. We base product comparison criteria on meaningful commercial differences among products. In other words, while there may be some physical product characteristics utilized by manufacturers to describe certain coated paper, it may be that only a select few product characteristics take into account commercially meaningful physical characteristics. In addition, interested parties may comment on the order in which the

physical characteristics should be used in product matching. Generally, the Department attempts to list the most important physical characteristics first and the least important characteristics last.

In order to consider the suggestions of interested parties in developing and issuing the antidumping duty questionnaires, we must receive comments at the above-referenced address by November 2, 2009. Additionally, rebuttal comments must be received by November 9, 2009.

#### Determination of Industry Support for the Petitions

Section 732(b)(1) of the Act requires that a petition be filed on behalf of the domestic industry. Section 732(c)(4)(A) of the Act provides that a petition meets this requirement if the domestic producers or workers who support the petition account for: (i) at least 25 percent of the total production of the domestic like product; and (ii) more than 50 percent of the production of the domestic like product produced by that portion of the industry expressing support for, or opposition to, the petition. Moreover, section 732(c)(4)(D) of the Act provides that, if the petition does not establish support of domestic producers or workers accounting for more than 50 percent of the total production of the domestic like product, the Department shall: (i) poll the industry or rely on other information in order to determine if there is support for the petition, as required by subparagraph (A); or (ii) determine industry support using a statistically valid sampling method.

Section 771(4)(A) of the Act defines the “industry” as the producers as a whole of a domestic like product. Thus, to determine whether a petition has the requisite industry support, the statute directs the Department to look to producers and workers who produce the domestic like product. The International Trade Commission (“ITC”), which is responsible for determining whether “the domestic industry” has been injured, must also determine what constitutes a domestic like product in order to define the industry. While both the Department and the ITC

must apply the same statutory definition regarding the domestic like product (see section 771(10) of the Act), they do so for different purposes and pursuant to a separate and distinct authority. In addition, the Department's determination is subject to limitations of time and information. Although this may result in different definitions of the like product, such differences do not render the decision of either agency contrary to law. See USEC, Inc. v. United States, 132 F. Supp. 2d 1, 8 (Ct. Int'l Trade 2001), citing Algoma Steel Corp., Ltd. v. United States, 688 F. Supp. 639, 644 (Ct. Int'l Trade 1988), aff'd 865 F.2d 240 (Fed. Cir. 1989), cert. denied 492 U.S. 919 (1989).

Section 771(10) of the Act defines the domestic like product as "a product which is like, or in the absence of like, most similar in characteristics and uses with, the article subject to an investigation under this title." Thus, the reference point from which the domestic like product analysis begins is "the article subject to an investigation" (i.e., the class or kind of merchandise to be investigated, which normally will be the scope as defined in the petition).

With regard to the domestic like product, Petitioners offer a definition of domestic like product that includes sheeter rolls (rolls of certain coated paper intended to be slit and used in sheet-fed presses) and, therefore, is broader than the scope of the investigations, which does not include sheeter rolls. Based on our analysis of the information submitted on the record, we have determined that certain coated paper described in the scope of the investigations and sheeter rolls constitute a single domestic like product and we have analyzed industry support in terms of that domestic like product. For a discussion of the domestic like product analysis in this case, see Antidumping Duty Investigation Initiation Checklist: PRC Initiation Checklist at Attachment II, Analysis of Industry Support for the Petitions Covering Certain Coated Paper Suitable for High-Quality Print Graphics Using Sheet-Fed Presses from the People's Republic of China and

Indonesia, and Antidumping Duty Investigation Initiation Checklist: Indonesia Initiation Checklist at Attachment II, Analysis of Industry Support for the Petitions Covering Certain Coated Paper Suitable for High-Quality Print Graphics Using Sheet-Fed Presses from the People's Republic of China and Indonesia, dated concurrently with this notice and on file in the Central Records Unit ("CRU"), Room 1117 of the main Department of Commerce building.

In determining whether Petitioners have standing under section 732(c)(4)(A) of the Act, we considered the industry support data contained in the Petitions with reference to the domestic like product as defined in the Petitions. To establish industry support, Petitioners provided their own 2008 shipments of the domestic like product, as well as the 2008 shipments of one supporting company (SMART Papers), and compared the total to the 2008 shipments of the entire domestic industry. See Volume I of the Petitions, at 2-3, Exhibits I-3, I-4, and I-19, and Supplement to the AD/CVD Petitions, dated October 2, 2009, at 19-22 and Exhibit 4.

Petitioners estimated total 2008 shipments of the domestic like product based on the American Forest & Paper Association Annual Coated Printing Papers Survey. See Volume I of the Petitions, at 3 and Exhibits I-3 and I-4, and Supplement to the AD/CVD Petitions, dated October 2, 2009, at 22 and Exhibit 4; see also PRC Initiation Checklist at Attachment II, and Indonesia Initiation Checklist at Attachment II.

Our review of the data provided in the Petitions, supplemental submissions, and other information readily available to the Department indicates that Petitioners have established industry support. First, the Petitions established support from domestic producers (or workers) accounting for more than 50 percent of the total production of the domestic like product and, as such, the Department is not required to take further action in order to evaluate industry support (e.g., polling). See section 732(c)(4)(D) of the Act; see also PRC Initiation Checklist at

Attachment II, and Indonesia Initiation Checklist at Attachment II. Second, the domestic producers (or workers) have met the statutory criteria for industry support under section 732(c)(4)(A)(i) of the Act because the domestic producers (or workers) who support the Petitions account for at least 25 percent of the total production of the domestic like product. See PRC Initiation Checklist at Attachment II, and Indonesia Initiation Checklist at Attachment II. Finally, the domestic producers (or workers) have met the statutory criteria for industry support under section 732(c)(4)(A)(ii) of the Act because the domestic producers (or workers) who support the Petitions account for more than 50 percent of the production of the domestic like product produced by that portion of the industry expressing support for, or opposition to, the Petitions. Accordingly, the Department determines that the Petitions were filed on behalf of the domestic industry within the meaning of section 732(b)(1) of the Act. See id.

The Department finds that Petitioners filed the Petitions on behalf of the domestic industry because they are interested parties as defined in sections 771(9)(C) and 771(9)(D) of the Act and they have demonstrated sufficient industry support with respect to the antidumping duty investigations that they are requesting the Department initiate. See id.

#### Allegations and Evidence of Material Injury and Causation

Petitioners allege that the U.S. industry producing the domestic like product is being materially injured, or is threatened with material injury, by reason of the imports of the subject merchandise sold at less than normal value (“NV”). In addition, Petitioners allege that subject imports exceed the negligibility threshold provided for under section 771(24)(A) of the Act.

Petitioners contend that the industry’s injured condition is illustrated by reduced market share, underselling and price depressing and suppressing effects, increased import penetration, lost sales and revenue, reduced production, capacity, and capacity utilization, reduced shipments

and inventories, reduced employment, and reduced financial performance. We have assessed the allegations and supporting evidence regarding material injury, threat of material injury, and causation, and we have determined that these allegations are properly supported by adequate evidence and meet the statutory requirements for initiation. See PRC Initiation Checklist at Attachment III, Analysis of Allegations and Evidence of Material Injury and Causation for the Petitions Covering Certain Coated Paper Suitable for High-Quality Print Graphics Using Sheet-Fed Presses from the People’s Republic of China and Indonesia, and Indonesia Initiation Checklist at Attachment III, Analysis of Allegations and Evidence of Material Injury and Causation for the Petitions Covering Certain Coated Paper Suitable for High-Quality Print Graphics Using Sheet-Fed Presses from the People’s Republic of China and Indonesia.

#### Period of Investigations

In accordance with 19 CFR 351.204(b), because these Petitions were filed on September 23, 2009, the anticipated period of investigation (“POI”) is July 1, 2008, through June 30, 2009, for Indonesia, and January 1, 2009, through June 30, 2009, for the PRC.

#### Allegations of Sales at Less Than Fair Value

The following is a description of the allegations of sales at less than fair value upon which the Department has based its decision to initiate investigations with respect to Indonesia and the PRC. The sources of, and adjustments to, the data relating to export price (“EP”) and NV are discussed in greater detail in the Indonesia Initiation Checklist and the PRC Initiation Checklist.

#### *Indonesia*

### Export Price

Petitioners calculated EPs using two sources: 1) the average unit customs values (“AUVs”) derived from import data collected by the U.S. Census Bureau; and 2) a price quote from Indonesian producers for the sale of subject merchandise to U.S. customers. They adjusted the price quote for international freight and insurance (“CIF”) charges, U.S. inland freight charges, and brokerage and handling expenses. Petitioners used import data for the POI to calculate an average CIF cost, and relied upon a price quote obtained from a freight company to calculate U.S. freight charges. Petitioners based U.S. brokerage and handling charges on data contained in the public questionnaire response of the Indonesian respondents in the 2005-2006 Investigation of Coated Free Sheet Paper from Indonesia. See Indonesia Initiation Checklist.

### Normal Value

Petitioners claimed that Indonesia has a viable market for certain coated paper, based on information from the website of the parent company of two Indonesian producers/exporters of the subject merchandise. Petitioners obtained, through a market researcher, delivered price quotes for certain coated paper products to Indonesian customers, and adjusted these prices for VAT tax, distributor’s markup, and freight costs. Petitioners obtained information on Indonesian VAT taxes and the distributor’s markup from the market research report. They based estimated freight costs on data contained in the public questionnaire response of the Indonesian respondents in the 2005-2006 Investigation of Coated Free Sheet Paper from Indonesia. See Indonesia Initiation Checklist.

### Sales-Below-Cost Allegation

Petitioners provided information demonstrating reasonable grounds to believe or suspect that sales of certain coated paper products in the Indonesian market were made at prices below the fully-absorbed cost of production (“COP”), within the meaning of section 773(b) of the Act, and requested that the Department conduct a country-wide sales-below-cost investigation. The Statement of Administrative Action (“SAA”), submitted to the Congress in connection with the interpretation and application of the Uruguay Round Agreements Act, states that an allegation of sales below COP need not be specific to individual exporters or producers. See SAA, H.R. Doc. No. 103-316 at 833 (1994). The SAA, at 833, states that “Commerce will consider allegations of below-cost sales in the aggregate for a foreign country, just as Commerce currently considers allegations of sales at less than fair value on a country-wide basis for purposes of initiating an antidumping investigation.”

Further, the SAA provides that section 773(b)(2)(A) of the Act retains the requirement that the Department have “reasonable grounds to believe or suspect” that below-cost sales have occurred before initiating such an investigation. Reasonable grounds exist when an interested party provides specific factual information on costs and prices, observed or constructed, indicating that sales in the foreign market in question are at below-cost prices. Id.

#### Cost of Production

Pursuant to section 773(b)(3) of the Act, COP consists of the cost of manufacturing (“COM”); selling, general and administrative (“SG&A”) expenses; financial expenses; and packing expenses. Petitioners calculated the quantity of each of the inputs into COM (except factory overhead) and packing based on the production experience of a U.S. coated paper producer during the POI, multiplied by the value of inputs used to manufacture coated paper in Indonesia using publicly available data. Petitioners stated that to the best of their knowledge that

the coated paper manufacturing processes in Indonesia are very similar to their own manufacturing processes, and therefore it is reasonable to estimate the Indonesian producers' usage rates based on the usage rates experienced by a U.S. coated paper producer. To value all raw materials, packing materials, and certain energy inputs (coal and woodwaste), Petitioners used Indonesian import statistics for the most recent twelve-month period available. To value labor, Petitioners relied on a monthly wage rate for the Indonesian paper industry as reported by the International Labor Organization. To value electricity, fuel oil, and natural gas, Petitioners used prices published by the International Energy Agency and the U.S. Embassy in Jakarta, Indonesia. To calculate the average factory overhead (exclusive of labor and energy), SG&A, and financial expense rates, Petitioners relied on the fiscal year 2008 financial statements of an Indonesian producer of packaging paper, products in the same general category of merchandise as certain coated paper. See Indonesia Initiation Checklist for further discussion.

Based upon a comparison of the prices of the foreign like product in the home market to the calculated COP of the product, we find reasonable grounds to believe or suspect that sales of the foreign like product were made below the COP, within the meaning of section 773(b)(2)(A)(i) of the Act. Accordingly, the Department is initiating a country-wide cost investigation.

#### Normal Value Based on Constructed Value

Because it alleged sales below cost, pursuant to sections 773(a)(4), 773(b) and 773(e) of the Act, Petitioners calculated NV based on constructed value ("CV"). Petitioners calculated CV using the same average COM, SG&A, financial and packing figures used to compute the COP.

See Indonesian Initiation Checklist.

*PRC*

## Export Price

Petitioners calculated EPs for certain coated paper based on actual sales and sales confirmations in 2009. Petitioners made adjustments to EPs for certain movement expenses.

See PRC Initiation Checklist.

## Normal Value

Petitioners state that in every previous administrative review and less-than-fair value investigation involving merchandise from the PRC, the Department has concluded that the PRC is a non-market economy country (“NME”) and, as the Department has not revoked this determination, its NME status remains in effect today. See Id. The Department has previously examined the PRC’s market status and determined that NME status should continue for the PRC.<sup>1</sup> In addition, in recent investigations, the Department has continued to determine that the PRC is an NME country.<sup>2</sup>

In accordance with section 771(18)(C)(i) of the Act, the presumption of NME status remains in effect until revoked by the Department. The presumption of NME status for the PRC has not been revoked by the Department and, therefore, remains in effect for purposes of the initiation of this investigation. Accordingly, the NV of the product is appropriately based on factors of production valued in a surrogate market economy country, in accordance with section 773(c) of the Act. In the course of this investigation, all parties will have the opportunity to

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<sup>1</sup> See Memorandum from the Office of Policy to David M. Spooner, Assistant Secretary for Import Administration, regarding The People’s Republic of China Status as a Non-Market Economy, dated May 15, 2006. This document is available online at <http://ia.ita.doc.gov/download/prc-nme-status/prc-nme-status-memo.pdf>.

<sup>2</sup> See Certain Circular Welded Carbon Quality Steel Line Pipe from the People’s Republic of China: Final Determination of Sales at Less Than Fair Value, 74 FR 14514 (March 31, 2009); Frontseating Service Valves from the People’s Republic of China: Final Determination of Sales at Less Than Fair Value and Final Negative Determination of Critical Circumstances, 74 FR 10886 (March 13, 2009); 1-Hydroxyethylidene-1, 1-Diphosphonic Acid From the People’s Republic of China: Final Determination of Sales at Less Than Fair Value, 74 FR 10545 (March 11, 2009).

provide relevant information related to the issues of the PRC's NME status and the granting of separate rates to individual exporters.

Petitioners argue that India is the appropriate surrogate country for the PRC because it is at a comparable level of economic development and it is a significant producer of comparable merchandise. Petitioners state that the Department has determined in previous investigations and administrative reviews that India is at a level of development comparable to the PRC.

Petitioners identified three producers of comparable merchandise in India, Seshasayee Paper and Boards, Ltd. ("Seshasayee"), JK Paper, Ltd. ("JK Paper"), and Rama Newsprint and Papers Ltd., ("Rama Paper"), and assert that the Department has used Seshasayee and JK Paper as surrogate producers in the investigation of coated free sheet from the PRC. See id. and see Final Determination of Sales at Less Than Fair Value: Coated Free Sheet Paper from the People's Republic of China, 72 FR 60632 (October 25, 2007) ("CFS from the PRC").

Based on the information provided by Petitioners, the Department believes that the use of India as a surrogate country is appropriate for purposes of initiation. See PRC Initiation Checklist. However, after initiation of the investigation, interested parties will have the opportunity to submit comments regarding surrogate country selection and, pursuant to 19 C.F.R. 351.301(c)(3)(i), will be provided an opportunity to submit publicly available information to value factors of production up to 40 days after the date of publication of the preliminary determination.

Petitioners provided dumping margin calculations using the Department's NME methodology as required by 19 C.F.R. 351.202(b)(7)(i)(C) and 19 C.F.R. 351.408. Petitioners calculated NVs for several certain coated paper products based on both integrated production operations and non-integrated production operations. See id.

Petitioners valued the factors of production using reasonably available, public surrogate country data, including India import data from the Monthly Statistics of the Foreign Trade of India for the period September 2008 through February 2009. See PRC Initiation Checklist.

Petitioners stated that they valued certain chemicals using the general paper finishing agent classification because these chemicals could not be identified at a more specific level. See id. Further, Petitioners valued calcium carbonate using the HTS classification for marble based on the Department's similar determination in CFS from the PRC. See PRC Initiation Checklist.

Petitioners valued electricity based on the surrogate value used in Tapered Roller Bearings and Parts Thereof, Finished or Unfinished, from the People's Republic of China: Preliminary Results of the 2007-2008 Administrative Review of the Antidumping Duty Order, 74 FR 32539 (July 8, 2009). See PRC Initiation Checklist. For natural gas, Petitioners used Indian import statistics for liquefied natural gas and converted the value from rupees per kilogram to rupees per million British thermal units ("MMBTU"). See id. For fuel oil, Petitioners used Indian import statistics and converted the value from rupees per ton to rupees per MMBTU. See id. For coal, Petitioners used Indian import data under the HTS number for steam coal. See id.

Petitioners valued labor using the wage rate data published on the Department's website, at <http://ia.ita.doc.gov/wages/05wages/05wages-051608.html>. See id.

Where Petitioners were unable to find input prices contemporaneous with the POI, they adjusted for inflation using the wholesale price index for India, as published in International Financial Statistics by the International Monetary Fund. Further, Petitioners used exchange rates, as provided on the Department's website, to convert Indian rupees to U.S. dollars. See id.

To calculate factory overhead, selling, general and administrative expenses, and profit for integrated producers, Petitioners relied on the financial statements of Seshasayee and JK Paper, Indian producers of comparable merchandise. For non-integrated producer financial ratios, Petitioners used the financial statements of Rama Paper, a producer of comparable merchandise. See id.

#### Fair-Value Comparisons

Based on the data provided by Petitioners, there is reason to believe that imports of certain coated paper from Indonesia and the PRC are being, or are likely to be, sold in the United States at less than fair value. Based on the comparisons of EP to CV, as discussed above, the estimated dumping margins for Indonesia range from 33 percent to 41 percent. Based on the comparisons of EP to NV, as discussed above, the estimated dumping margins for the PRC range from 25.7 percent to 135.8 percent. See id.

#### Initiation of Antidumping Investigations

Based upon the examination of the Petitions on certain coated paper from Indonesia and the PRC and other information reasonably available to the Department, the Department finds that these Petitions meet the requirements of section 732 of the Act. Therefore, we are initiating antidumping duty investigations to determine whether imports of certain coated paper from Indonesia and the PRC are being, or are likely to be, sold in the United States at less than fair value. In accordance with section 733(b)(1)(A) of the Act, unless postponed, we will make our preliminary determinations no later than 140 days after the date of this initiation.

#### Targeted-Dumping Allegations

On December 10, 2008, the Department issued an interim final rule for the purpose of

withdrawing 19 CFR 351.414(f) and (g), the regulatory provisions governing the targeted-dumping analysis in antidumping duty investigations, and the corresponding regulation governing the deadline for targeted-dumping allegations, 19 CFR 351.301(d)(5). See Withdrawal of the Regulatory Provisions Governing Targeted Dumping in Antidumping Duty Investigations, 73 FR 74930 (December 10, 2008). The Department stated that “{w}ithdrawal will allow the Department to exercise the discretion intended by the statute and, thereby, develop a practice that will allow interested parties to pursue all statutory avenues of relief in this area.” See id. at 74931.

In order to accomplish this objective, if any interested party wishes to make a targeted-dumping allegation in any of these investigations pursuant to section 777A(d)(1)(B) of the Act, such allegations are due no later than 45 days before the scheduled date of the country-specific preliminary determination.

#### Respondent Selection

##### *Indonesia*

The petition identifies two subsidiaries of the Asia Pulp & Paper/Sinar Mas Group, PT. Pabrik Kertas Tjiwi Kimia Tbk. (“Tjiwi Kimia”) and PT Pindo Deli Pulp and Paper (“Pindo Deli”), as significant producers/exporters of certain coated paper in Indonesia. We have placed on the record import data from U.S. Customs and Border Protection (“CBP”), which supports Petitioners’ contention. Therefore, we are selecting Tjiwi Kimia and Pindo Deli as mandatory respondents in this investigation, pursuant to section 777A(c)(2)(B) of the Act.

We will release the CBP data under APO to the parties covered by APO on the day this initiation is announced. We will consider comments from interested parties on respondent

selection. Parties wishing to comment must do so within five days of the publication of this notice in the Federal Register.

Interested parties must submit applications for disclosure under APO in accordance with 19 CFR 351.305. Instructions for filing such applications may be found on the Department's Website at <http://ia.ita.doc.gov/apo>.

### *PRC*

For the PRC, the Department will request quantity and value information from all known exporters and producers identified, with complete contact information, in the Petition. The quantity and value data received from NME exporters/producers will be used as the basis to select the mandatory respondents.

The Department requires that the respondents submit a response to both the quantity and value questionnaire and the separate-rate application by the respective deadlines in order to receive consideration for separate-rate status.<sup>3</sup> Appendix II of this notice contains the quantity and value questionnaire that must be submitted by all NME exporters/producers no later than November 3, 2009. In addition, the Department will post the quantity and value questionnaire along with the filing instructions on the Import Administration website, at <http://ia.ita.doc.gov/ia-highlights-and-news.html>. The Department will send the quantity and value questionnaire to those PRC companies identified in the General Issues and Injury Supplement to the Petitions, dated October 2, 2009, at Exhibit 8.

### Separate Rates

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<sup>3</sup> See Circular Welded Austenitic Stainless Pressure Pipe from the People's Republic of China: Initiation of Antidumping Duty Investigation, 73 FR 10221, 10225 (February 26, 2008); and Initiation of Antidumping Duty Investigation: Certain Artist Canvas From the People's Republic of China, 70 FR 21996, 21999 (April 28, 2005).

In order to obtain separate-rate status in NME investigations, exporters and producers must submit a separate-rate status application. See [Certain Circular Welded Carbon Quality Steel Line Pipe from the Republic of Korea and the People's Republic of China: Initiation of Antidumping Duty Investigations](#), 73 FR 23188, 23193 (April 29, 2008) ([Certain Circular Welded Carbon Quality Steel Line Pipe from the PRC](#)). The specific requirements for submitting the separate-rate application in this investigation are outlined in detail in the application itself, available on the Department's website at <http://ia.ita.doc.gov/ia-highlights-and-news.html> on the date of publication of this initiation notice in the [Federal Register](#). The separate-rate application will be due sixty (60) days from the date of publication of this initiation notice in the [Federal Register](#). For exporters and producers who submit a separate-rate status application and subsequently are selected as mandatory respondents, these exporters and producers will no longer be eligible for consideration for separate rate status unless they respond to all parts of the questionnaire as mandatory respondents.

#### Use of Combination Rates in an NME Investigation

The Department will calculate combination rates for certain respondents that are eligible for a separate rate in this investigation. The Separate Rates and Combination Rates Bulletin states:

{w}hile continuing the practice of assigning separate rates only to exporters, all separate rates that the Department will now assign in its NME investigations will be specific to those producers that supplied the exporter during the period of investigation. Note, however, that one rate is calculated for the exporter and all of the producers which supplied subject merchandise to it during the period of investigation. This practice applies both to mandatory respondents receiving an

individually calculated separate rate as well as the pool of non-investigated firms receiving the weighted-average of the individually calculated rates. This practice is referred to as the application of combination rates because such rates apply to specific combinations of exporters and one or more producers. The cash-deposit rate assigned to an exporter will apply only to merchandise both exported by the firm in question and produced by a firm that supplied the exporter during the period of investigation.

See Separate Rates and Combination Rates Bulletin at 6 (emphasis added).

#### Distribution of Copies of the Petitions

In accordance with section 732(b)(3)(A) of the Act and 19 CFR 351.202(f), copies of the public version of the Petitions and amendments thereto, have been provided to the representatives of the Governments of Indonesia and the PRC. To the extent practicable, we will attempt to provide a copy of the public version of the of the Petitions to each exporter named in the petition, as provided under 19 CFR 351.203(c)(2).

#### International Trade Commission (ITC) Notification

We have notified the ITC of our initiation, as required by section 732(d) of the Act.

#### Preliminary Determination by the ITC

The ITC will preliminarily determine, no later than November 9, 2009, whether there is a reasonable indication that imports of certain coated paper from Indonesia and the PRC materially injure, or threaten material injury to, a U.S. industry. A negative ITC determination with respect

to any country would result in the termination of the investigation with respect to that country. Otherwise, these investigations will proceed according to statutory and regulatory time limits.

This notice is issued and published pursuant to section 777(i) of the Act.

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Ronald K. Lorentzen  
Acting Assistant Secretary  
for Import Administration

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Date

## Appendix I

### Scope of the Investigations

The merchandise covered by each of these investigations includes certain coated paper and paperboard<sup>4</sup> in sheets suitable for high quality print graphics using sheet-fed presses; coated on one or both sides with kaolin (China or other clay), calcium carbonate, titanium dioxide, and/or other inorganic substances; with or without a binder; having a GE brightness level of 80 or higher<sup>5</sup>; weighing not more than 340 grams per square meter; whether gloss grade, satin grade, matte grade, dull grade, or any other grade of finish; whether or not surface-colored, surface-decorated, printed (except as described below), embossed, or perforated; and irrespective of dimensions (“Certain Coated Paper”).

Certain Coated Paper includes (a) coated free sheet paper and paperboard that meets this scope definition; (b) coated groundwood paper and paperboard produced from bleached chemi-thermo-mechanical pulp (“BCTMP”) that meets this scope definition; and (c) any other coated paper that meets this scope definition.

Certain Coated Paper is typically (but not exclusively) used for printing multi-colored graphics for catalogues, books, magazines, envelopes, labels and wraps, greeting cards, and other commercial printing applications requiring high quality print graphics.

Specifically excluded from the scope are imports of paper and paperboard printed with final content printed text or graphics.

As of 2009, imports of the subject merchandise are provided for under the following categories of the Harmonized Tariff Schedule of the United States (“HTSUS”): 4810.14.11, 4810.14.1900, 4810.14.2010, 4810.14.2090, 4810.14.5000, 4810.14.6000, 4810.14.70, 4810.19.1100, 4810.19.1900, 4810.19.2010, 4810.19.2090, 4810.22.1000, 4810.22.50, 4810.22.6000, 4810.22.70, 4810.29.1000, 4810.29.5000, 4810.29.6000, 4810.29.70. While HTSUS subheadings are provided for convenience and customs purposes, the written description of the scope of the investigations is dispositive.

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4 “ ‘Paperboard’ refers to Certain Coated Paper that is heavier, thicker and more rigid than coated paper which otherwise meets the product description. In the context of Certain Coated Paper, paperboard typically is referred to as ‘cover,’ to distinguish it from ‘text.’”

5 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 of 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.

## Appendix II

Where it is not practicable to examine all known exporters/producers of subject merchandise, section 777A(c)(2) of the Tariff Act of 1930, as amended, permits us to investigate 1) a sample of exporters, producers, or types of products that is statistically valid based on the information available at the time of selection, or 2) exporters and producers accounting for the largest volume and value of the subject merchandise that can reasonably be examined.

In the chart below, please provide the total quantity and total value of all your sales of merchandise covered by the scope of this investigation (see “Scope of Investigation” section of this notice), produced in the PRC, and exported/shipped to the United States during the period January 1, 2009, through June 30, 2009.

Market	Total Quantity in Metric Tons	Terms of Sale	Total Value
United States			
1. Export Price Sales			
2. a. Exporter Name b. Address c. Contact d. Phone No. e. Fax No.			
3. Constructed Export Price Sales			
4. Further Manufactured			
<b>Total Sales</b>			

**Total Quantity:**

- Please report quantity on a metric ton basis. If any conversions were used, please provide the conversion formula and source.

**Terms of Sales:**

- Please report all sales on the same terms (e.g., free on board at port of export).

**Total Value:**

- All sales values should be reported in U.S. dollars. Please indicate any exchange rates used and their respective dates and sources.

**Export Price Sales:**

- Generally, a U.S. sale is classified as an export price sale when the first sale to an unaffiliated customer occurs before importation into the United States.
- Please include any sales exported by your company directly to the United States.

- Please include any sales exported by your company to a third-country market economy reseller where you had knowledge that the merchandise was destined to be resold to the United States.
- If you are a producer of subject merchandise, please include any sales manufactured by your company that were subsequently exported by an affiliated exporter to the United States.
- Please **do not** include any sales of subject merchandise manufactured in Hong Kong in your figures.

**Constructed Export Price Sales:**

- Generally, a U.S. sale is classified as a constructed export price sale when the first sale to an unaffiliated customer occurs after importation. However, if the first sale to the unaffiliated customer is made by a person in the United States affiliated with the foreign exporter, constructed export price applies even if the sale occurs prior to importation.
- Please include any sales exported by your company directly to the United States;
- Please include any sales exported by your company to a third-country market economy reseller where you had knowledge that the merchandise was destined to be resold to the United States.
- If you are a producer of subject merchandise, please include any sales manufactured by your company that were subsequently exported by an affiliated exporter to the United States.
- Please **do not** include any sales of subject merchandise manufactured in Hong Kong in your figures.

**Further Manufactured:**

- Sales of further manufactured or assembled (including re-packaged) merchandise is merchandise that undergoes further manufacture or assembly in the United States before being sold to the first unaffiliated customer.
- Further manufacture or assembly costs include amounts incurred for direct materials, labor and overhead, plus amounts for general and administrative expense, interest expense, and additional packing expense incurred in the country of further manufacture, as well as all costs involved in moving the product from the U.S. port of entry to the further manufacturer.