



C-533-844
Changed Circumstances Review
Public Document
AD/CVD III: JSC

DATE: July 1, 2014

MEMORANDUM TO: Paul Piquado
Assistant Secretary
for Enforcement and Compliance

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

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

I. Summary

In response to a changed circumstances review (CCR) request from Navneet Education Limited (Navneet Education), a producer/exporter of certain lined paper products (CLPP) from India, the Department of Commerce (the Department) is initiating a CCR pursuant to section 751(b) of the Tariff Act of 1930, as amended (the Act), and 19 CFR 351.216, and pursuant to 19 CFR 351.221(c)(3)(ii) is combining the initiation with the preliminary results of review. We preliminarily determine that Navneet Education is the successor-in-interest to Navneet Publications (India) Ltd. (Navneet).

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

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

II. Background

On September 28, 2006, the Department published the countervailing duty (CVD) order on CLPP from India.¹ In its October 17, 2013, CCR Request, Navneet Education requests that: 1)

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) (CLPP CVD Order).

the Department conduct a CCR under section 751(b)(1) of the Act and 19 CFR 351.216 to determine that it is the successor-in-interest to Navneet for purposes of the *CLPP CVD order*; and 2) that the Department issue instructions to CBP that reflect this conclusion.² Navneet Education argues that the change necessitating the CCR stems solely from a name change.

On December 23, 2013, we issued a deficiency letter³ to Navneet Education to which it responded on March 18, 2014.⁴ On May 6, 2014, we issued a deficiency letter in which we explained to Navneet Education that because it took nearly three months to respond to our initial deficiency letter, the time span covered by its initial CCR request was no longer timely.⁵ Therefore, we instructed Navneet Education to provide information starting from December 31, 2012, through the date that it files its revised CCR request. On May 16, 2014, Navneet Education submitted a revised CCR request spanning the time period specified by the Department.⁶

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

III. Scope of the Order

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

² See Navneet Education’s March 17, 2014, letter to the Department, Request for Changed Circumstances Review Navneet Publications (India) Ltd. (CCR Request) at 2.

³ See the Department’s December 23, 2013, deficiency letter (Initial Deficiency Letter).

⁴ See Navneet Education’s March 18, 2014, submission (Supplemental Filing).

⁵ See the Department’s May 6, 2014, deficiency letter (Second Deficiency Letter).

⁶ See Navneet Education’s May 16, 2014, submission (Second Supplemental Filing).

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 stationary (including but not limited to products commonly known as “fine business paper,” “parchment paper”, and “letterhead”), whether or not containing a lined header or decorative lines;
- Stenographic pads (steno pads), Gregg ruled (“Gregg ruling” consists of a single- or double-margin vertical ruling line down the center of the page. For a six-inch by nine-inch stenographic pad, the ruling would be located approximately three inches from the left of the book.), measuring 6 inches by 9 inches.

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

- Fly™ lined paper products: A notebook, notebook organizer, loose or glued note paper, with papers that are printed with infrared reflective inks and readable only by a Fly™ pen-top computer. The product must bear the valid trademark Fly™ (products found to be bearing an invalidly licensed or used trademark are not excluded from the scope).
- Zwipes™: A notebook or notebook organizer made with a blended polyolefin writing surface as the cover and pocket surfaces of the notebook, suitable for writing using a

specially-developed permanent marker and erase system (known as a Zwipes™ pen). This system allows the marker portion to mark the writing surface with a permanent ink. The eraser portion of the marker dispenses a solvent capable of solubilizing the permanent ink allowing the ink to be removed. The product must bear the valid trademark Zwipes™ (products found to be bearing an invalidly licensed or used trademark are not excluded from the scope).

- **FiveStar®Advance™:** A notebook or notebook organizer bound by a continuous spiral, or helical, wire and with plastic front and rear covers made of a blended polyolefin plastic material joined by 300 denier polyester, coated on the backside with PVC (poly vinyl chloride) coating, and extending the entire length of the spiral or helical wire. The polyolefin plastic covers are of specific thickness; front cover is 0.019 inches (within normal manufacturing tolerances) and rear cover is 0.028 inches (within normal manufacturing tolerances). Integral with the stitching that attaches the polyester spine covering, is captured both ends of a 1" wide elastic fabric band. This band is located 2-3/8" from the top of the front plastic cover and provides pen or pencil storage. Both ends of the spiral wire are cut and then bent backwards to overlap with the previous coil but specifically outside the coil diameter but inside the polyester covering. During construction, the polyester covering is sewn to the front and rear covers face to face (outside to outside) so that when the book is closed, the stitching is concealed from the outside. Both free ends (the ends not sewn to the cover and back) are stitched with a turned edge construction. The flexible polyester material forms a covering over the spiral wire to protect it and provide a comfortable grip on the product. The product must bear the valid trademarks FiveStar®Advance™ (products found to be bearing an invalidly licensed or used trademark are not excluded from the scope).
- **FiveStar Flex™:** A notebook, a notebook organizer, or binder with plastic polyolefin front and rear covers joined by 300 denier polyester spine cover extending the entire length of the spine and bound by a 3-ring plastic fixture. The polyolefin plastic covers are of a specific thickness; front cover is 0.019 inches (within normal manufacturing tolerances) and rear cover is 0.028 inches (within normal manufacturing tolerances). During construction, the polyester covering is sewn to the front cover face to face (outside to outside) so that when the book is closed, the stitching is concealed from the outside. During construction, the polyester cover is sewn to the back cover with the outside of the polyester spine cover to the inside back cover. Both free ends (the ends not sewn to the cover and back) are stitched with a turned edge construction. Each ring within the fixture is comprised of a flexible strap portion that snaps into a stationary post which forms a closed binding ring. The ring fixture is riveted with six metal rivets and sewn to the back plastic cover and is specifically positioned on the outside back cover. The product must bear the valid trademark FiveStar Flex™ (products found to be bearing an invalidly licensed or used trademark are not excluded from the scope).

Merchandise subject to this order is typically imported under headings 4811.90.9035, 4811.90.9080, 4820.30.0040, 4810.22.5044, 4811.90.9050, 4811.90.9090, 4820.10.2010, 4820.10.2020, 4820.10.2030, 4820.10.2040, 4820.10.2050, 4820.10.2060, and 4820.10.4000 of the Harmonized Tariff Schedule of the United States (HTSUS). The HTSUS headings are

provided for convenience and customs purposes; however, the written description of the scope of this order is dispositive.

IV. Initiation and Preliminary Results of Changed Circumstances Review

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

Based on the information provided in its submission, the Department determines that Navneet Education provided sufficient evidence to warrant a review to determine if it is the successor-in-interest to Nayneet, in accordance with 19 CFR 351.216(d). Therefore, pursuant to section 751(b)(1) of the Act, we are initiating a CCR based upon the information contained in the submissions of Navneet Education.

19 CFR 351.221(c)(3)(ii) permits the Department to combine the notice of initiation of a CCR and the notice of preliminary results if the Department concludes that expedited action is warranted. In this instance, because we have on the record the information necessary to make a preliminary finding, we find that expedited action is warranted, and have combined the notice of initiation and the notice of preliminary results. In accordance with section 751(b)(1) of the Act, we are conducting a CCR based upon the information contained in the submissions of Navneet Education.

V. Discussion of Methodology

As a general rule, in a CVD CCR, the Department will make an affirmative CVD successorship finding (*i.e.*, that the respondent company is the same subsidized entity for CVD cash deposit purposes as the predecessor company) where there is no evidence of significant changes in (1) the respondent's operations, (2) ownership and (3) corporate or legal structure during the relevant period (*i.e.*, the "look-back window") that could have affected the nature and extent of the respondent's subsidy levels.⁷ For purposes of CVD CCRs, the "look-back window" is defined as the period spanning from the present (*i.e.*, the time the CCR request was submitted to the Department), back to the end of the period of investigation or, if there have been intervening opportunities to request an administrative review, the end of the period of review associated with the most recent opportunity to request an administrative review. The look-back window has been circumscribed in this manner based, in part, on the principle that if changed circumstances occurred prior to this period that were of concern to any party in the proceeding, that party could have requested an administrative review to consider those changes. Where the Department makes an affirmative CVD successorship finding, the successor's merchandise will be entitled to enter under the predecessor's cash deposit rate.⁸

⁷ See *Certain Pasta From Turkey: Preliminary Results of Countervailing Duty Changed Circumstances Review*, 74 FR 47225, 47227 (September 15, 2009) (*Turkish Pasta*) (listing the criteria reviews to make an affirmative CVD successorship finding).

⁸ *Id.*

VI. Analysis

A. Navneet's Name Change

In its submissions, Navneet Education explains that its request for a CCR was based solely on a name change. Navneet Education explains that there was no change to the company itself, to its corporate form, to its management or ownership, or to any other aspect of the company's business. Accordingly, Navneet Education states that under Indian procedure for this type of corporate name change, the existing corporate entity remains in existence throughout the process, and the name change is cosmetic; a mere formality.⁹

With respect to its operations or production facilities, Navneet Education states that it underwent no changes in product line, labor force, or production facilities associated with the name change. Navneet Education maintains that the change in the company's name was a natural evolution of the company's business over the past several years with an intention to reflect Navneet Education's increasing concentration and brand awareness in the education sector.¹⁰ Further Navneet Education provides a list of its facilities, including production facilities, its offices, and distribution structure before and after the name change. The information in its supplemental filing indicates that the company's facilities were the same before and after the name change.¹¹

Based on this information, we preliminarily determine that there is no evidence of significant changes between Navneet and Navneet Education's the operations or production such that it could have had an impact on the company's subsidies levels.

With respect to its ownership, Navneet Education is a publically traded company listed on the Bombay Stock Exchange and National Stock Exchange of India. The majority of its shares are held by three families and by holding companies and funds controlled by the same families. Because their stock is publically traded there was some turnover in investor-held shares.¹² However, over 60 percent of the shares are held by the same ownership groups during the "look back window."¹³

Based on this information, we preliminarily determine that there is no evidence of significant changes between Navneet and Navneet Education's ownership such that it could have had an impact on the company's subsidies levels.

With respect to its corporate and legal structure, Navneet Education explains that the change in name was conceived and carried out by the company's existing board of directors and company officers. It contends that there was no change in the company's management as a result of the name change.¹⁴ Navneet Education provides a list of the company's board of directors prior to

⁹ See CCR Request at Attachment 1; see also Second Supplemental Filing, at 3.

¹⁰ See CCR Request at 6; see also Supplemental Filing at 9-10 and Attachment 6 and Second Supplemental Filing at 10-11.

¹¹ See Supplemental Filing at 9-10 and Attachment 6; see also Second Supplemental Filing at 10-11 and Attachment 13.

¹² See Supplemental Filing at 10 and Attachment 7; see also Second Supplemental Filing at 11 and Attachment 14.

¹³ *Id.*

¹⁴ See CCR Request at 7.

the name change (as of June 1, 2013) and after the name change (as of October 15, 2013).¹⁵ In supplemental filings, Navneet Education provided corporate structure information covering the remainder of the “look back window” period.¹⁶ The documentation submitted by Navneet Education indicates that the board of directors remained the same after the name change. Further, we note that in a letter sent to Navneet Education’s suppliers and customers the company states that “the name change does not alter the legal status or constitution of the company nor does it affect the rights and obligations of the company.”¹⁷

Additionally Navneet Education provided a list of the firm’s management before and after the name change. This list includes not only the board of directors, but also the officers of the company and the directors of the larger Navneet Group of companies. The list indicates that the management structure of Navneet Education was virtually the same before and after the name change through the “look back” window period to the most current quarter before the CCR submission.¹⁸ Finally, Navneet Education states that its corporate structure and the way in which its financial statements were prepared were not altered by the name change.¹⁹

Based on this information, we preliminarily determine that there is no evidence of significant changes between Navneet and Navneet Education’s corporate and legal structure such that it could have had an impact on the company’s subsidiaries levels.

Thus, we preliminarily determine that Navneet Education did not experience significant changes in operations, ownership and corporate or legal structure, as discussed in *Turkish Pasta* that could have had an impact on its subsidiaries levels during the relevant legal period, referred to above as the “look back” window. Therefore, based on the evidence reviewed, we preliminarily determine that Navneet Education is the successor-in-interest to Navneet

B. Effective Date of Cash Deposits

In the CCR Request, Navneet Education argues that the Department should make its successor-in-interest determination effective as of the date of the name change, *i.e.*, September 30, 2013.²⁰ As explained in prior proceedings, because cash deposits are only estimates of the amount of CVDs to be assessed, changes in cash deposit rates as a result of a successor-in-interest CCR are not made retroactively.²¹ Therefore, no retroactive change will be made to Navneet Education’s cash deposit rate, as Navneet Education requested. If these preliminary results are adopted in the final results of this CCR, we will instruct CBP to suspend liquidation of entries of CLPP made

¹⁵ See CCR Request at Attachment 2.

¹⁶ See Supplemental Filing at 11 and Attachment 8; see also Second Supplemental Filing at 12 and Attachment 15.

¹⁷ See Supplemental Filing at Attachment 4; see also Second Supplemental Filing at Attachment 11.

¹⁸ See CCR Request at 6 and Attachment 2; see also Supplemental Filing at 6-9 and Attachment 5 and Second Supplemental Filing at 7-10 and Attachment 12.

¹⁹ See Supplemental Filing at 11 and Attachment 8 for the Corporate Structure and at Attachment 9 for its 2013 Annual Report and Quarterly Financial Statements.

²⁰ See CCR Request at 8.

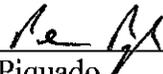
²¹ See *Notice of Initiation and Preliminary Results of Antidumping Duty Changed Circumstances Review: Certain Frozen Warmwater Shrimp from India*, 77 FR 64953, 64955 (October 24, 2012); see also *Certain Hot-Rolled Lead and Bismuth Carbon Steel Products From the United Kingdom: Final Results of Changed-Circumstances Antidumping and Countervailing Duty Administrative Reviews*, 64 FR 66880, 66881 (November 30, 1999).

by Navneet Education, effective on the publication date of the final results, at the cash deposit rate assigned to Navneet (*i.e.*, the 8.76 percent cash deposit rate currently assigned to Navneet).²²

VII. Recommendation

We recommend applying the above methodology for these preliminary results.

Agree Disagree



Paul Piquado
Assistant Secretary
for Enforcement and Compliance

27 June 2014

Date

²² See *Certain Lined Paper Products From India: Final Results of Countervailing Duty Administrative Review*, 74 FR 6573, 6574 (February 10, 2009).