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DATE: September 30, 2014

MEMORANDUM TO: Paul Piquado
Assistant Secretary
for Enforcement and Compliance

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

SUBJECT: Decision Memorandum for Partial Rescission and Preliminary
Results of Antidumping Duty Administrative Review: Certain
Lined Paper Products from India; 2012-2013

SUMMARY

In response to requests from interested parties, the Department of Commerce (the Department) is conducting an administrative review of the antidumping duty (AD) order on certain lined paper products from India. The period of review (POR) is September 1, 2012, through August 31, 2013. We initiated this review with respect to nine Indian producers/exporters of subject merchandise.¹ After initiation, seven self-requesting companies timely withdrew their review requests between November 18, 2013, and February 6, 2014.² In addition, Petitioners³ also withdrew their requests for review with respect to Navneet and Pioneer.⁴

¹ See *Initiation of Antidumping and Countervailing Duty Administrative Reviews and Request for Revocation in Part*, 78 FR 67104 (November 8, 2013) (*Initiation Notice*). The companies on which we initiated include: Ampoules & Vials Manufacturing Co. Ltd. (Ampoules & Vials); A.R. Printing & Packaging (India) Pvt. Ltd. (AR Printing); Pioneer Stationery Pvt. Ltd. (Pioneer); Premier Exports (Premier); Marisa International (Marisa); Navneet Publications (India) Ltd. (Navneet); Riddhi Enterprises (Riddhi); SGM Paper Products (SGM); and Super Impex.

² The names of companies and the date on which each individual company submitted its withdrawal request are as follows: Ampoules & Vials (February 6, 2014), Marisa (November 18, 2013), Navneet (February 5, 2014), Pioneer (February 6, 2014), Premier (February 6, 2014), Riddhi (November 18, 2013), and SGM (February 6, 2014).

³ Petitioners in this administrative review are the Association of American School Paper Suppliers (AASPS) and its individual members (hereafter Petitioners), which consist of the following companies: ACCO Brands USA LLC, Norcom Inc., and Top Flight, Inc. ACCO Brands USA LLC is a direct, wholly-owned subsidiary of ACCO Brands Corporation. See Petitioners' letter dated March 31, 2013.

⁴ Petitioners requested reviews with respect to Navneet and AR Printing, but did not withdraw their review request with respect to AR Printing. Rather, they withdrew their review request with respect to Navneet and submitted a withdrawal request for Pioneer. Because Petitioners had not submitted a review request for Pioneer, we were unable to act on Petitioners' withdrawal request. See Petitioners' letters dated January 31, and February 6, 2014, respectively. However, we are preliminarily rescinding the review with respect to Pioneer because it timely withdrew its own request for review.



Based on the timely withdrawal of review requests, we are rescinding this review with respect to the following seven companies covered in the *Initiation Notice*: Ampoules & Vials, Marisa, Navneet, Pioneer, Premier, Riddhi, and SGM. In addition, as discussed below, we preliminarily determine that AR Printing had no shipments to the United States during the POR. Therefore, Super Impex is the only remaining active respondent in this review. We preliminarily found that during the POR, Super Impex made sales of subject merchandise at less than normal value (NV).

Interested parties are invited to comment on these preliminary results. We intend to issue final results no later than 120 days from the date of publication of this notice, pursuant to section 751(a)(3)(A) of the Tariff Act of 1930, as amended (the Act). Upon issuance of the final results, we will instruct U.S. Customs and Border Protection (CBP) to assess ADs on all appropriate entries of subject merchandise during the POR.

BACKGROUND

Initiation of the Administrative Review

On September 28, 2006, the Department published in the *Federal Register* an AD order on certain lined paper products from India.⁵ On September 3, 2013, the Department published a notice of opportunity to request administrative review of AD and countervailing duty (CVD) orders with August anniversary dates.⁶ On September 27, 2013, the Department received letters requesting reviews from the following five Indian exporters/producers of subject merchandise: Ampoules & Vials, Marisa, Premier, SGM, and Super Impex. On September 30, 2013, we received three additional review requests from the following Indian companies: Navneet, Pioneer, and Riddhi. Also on September 30, 2013, we received a letter from Petitioners requesting reviews of AR Printing and Navneet. On November 8, 2013, the Department initiated this review with respect to nine firms for which timely requests for an administrative review of the *CLPP Order* were received.⁷

First Selection of Respondents for Individual Examination

In light of the large number of respondents for which an administrative review had been initiated, the Department notified interested parties of its intent to use entry data from CBP for respondent selection, in accordance with section 777A(c)(2) of the Act. On November 18, 2013, the Department placed on the record a proprietary memorandum containing CBP entry data for imports of subject merchandise from India during the POR.⁸ We subsequently released the

⁵ 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 Order*).

⁶ See *Antidumping or Countervailing Duty Order, Finding, or Suspended Investigation; Opportunity To Request Administrative Review*, 78 FR 54235 (September 3, 2013).

⁷ See *Initiation Notice*.

⁸ The request for CBP data covered the following Harmonized Tariff Schedule of the United States (HTSUS) numbers: 4810.22.5044, 4811.90.9050, 4820.10.2010, 4820.10.2020, 4820.10.2030, 4820.10.2040, 4820.10.2060, 4820.10.4000, and the companies for which a review was initiated.

memorandum to all interested parties with an administrative protective order (APO) and invited interested parties to comment on the use of the data for respondent selection.⁹

The CBP data showed that all nine companies covered in this review had entries which are subject to the *CLPP Order* during the POR. For purposes of selecting mandatory respondents, we issued a Q&V Questionnaire to these nine Indian producers/exporters on November 18, 2013.¹⁰ All nine companies submitted their quantity and value questionnaire (Q&V) responses between November 26, 2013 and December 2, 2013.

On December 11, 2013, Premier requested that it be accepted as a voluntary respondent in the event that it is not selected as a mandatory respondent. On December 13, 2013, Petitioners submitted comments requesting that the Department select as mandatory respondents Marisa and Super Impex, the two exporters or producers which account for the largest volume of the subject merchandise based on the Q&V responses.

Based on our analysis of the reported Q&V responses and our then current resource constraints, the Department issued its first respondent selection memorandum on December 30, 2013, and selected Marisa and Super Impex (AKA M/S Super Impex) as the mandatory respondents for this review.¹¹

Withdrawals of Review Requests and Further Respondent Selection

On December 30, 2013, the Department issued an AD questionnaire to Marisa and Super Impex. The due date for the questionnaire response was February 5, 2014.

On November 18, 2013, Riddhi timely withdrew its review request. On January 23, 2014, Marisa submitted a timely request to withdraw from the 2012-2013 review.¹² On January 30, 2014, following the withdrawal request by Marisa, the Department issued its second respondent selection memorandum, selecting Navneet as a mandatory respondent to replace Marisa.¹³ On the same date, the Department issued an AD questionnaire to Navneet. The due date for the questionnaire response was March 10, 2014.

On January 31, 2014, Petitioners withdrew their review request for Navneet. On February 5, 2014, Navneet also withdrew its own review request. On February 6, 2014, four additional companies, Ampoules & Vials, Pioneer, Premier, and SGM, withdrew their respective review requests. Finally, on February 6, 2014, Petitioners withdrew their review request for Pioneer.¹⁴

⁹ See Memorandum to the File, "Respondent Selection and Release of Customs and Border Protection (CBP) Data Query Results," (CBP Data), dated November 18, 2013 (Respondent Selection Memorandum).

¹⁰ See the respective letters on the record dated November 18, 2013, to the nine Indian companies.

¹¹ See Memorandum to Melissa Skinner, Director, Office III, AD/CVD Operations, Enforcement and Compliance, titled "Selection of Respondents for Individual Examination" dated December 30, 2013 (December 2013 Respondent Selection Memo).

¹² See Marisa's letter dated January 23, 2014.

¹³ See Memorandum to Melissa Skinner, Director, Office III, AD/CVD Operations, Enforcement and Compliance, titled "Revised Selection of Respondents for Individual Examination" dated January 30, 2014 (January 2014 Respondent Selection Memo).

¹⁴ See the review withdrawal request letters from Petitioners and individual respondents on record, respectively.

On February 10, 2014, following the timely withdrawal of review requests from Petitioners and Navneet, the Department issued its third respondent selection memorandum.¹⁵ The Department selected AR Printing to replace Navneet as a mandatory respondent and issued an AD questionnaire to AR Printing on the same day. The due date for the questionnaire response was March 20, 2014.

However, as discussed further below, AR Printing indicated that it made no shipments of subject merchandise to the United States during the POR. The Department preliminarily confirmed its no shipment claim. Accordingly, after Petitioners' and individual respondents' timely withdrawal requests, there are only two respondents remaining in the review: Super Impex (a mandatory respondent) and AR Printing (a no-shipment respondent).

After three granted extension requests, Super Impex submitted its original questionnaire response for section A on February 26, 2014, and submitted its sections C&D responses on March 14, 2014.

On March 12, 2014, Petitioners submitted their comments on Super Impex's section A of the questionnaire response. On March 28, 2014, Petitioners submitted their comments on Super Impex's sections C&D questionnaire responses. The Department issued its first supplemental questionnaire for sections A, C&D to Super Impex on May 22, 2014, to which Super Impex submitted its responses on June 19 and June 28, 2014, respectively.

On July 10, 2014, Petitioners submitted their comments on Super Impex's first supplemental questionnaire response. On August 29 and September 11, 2014, the Department issued its second and third supplemental questionnaires for sections A, C & D to Super Impex, and Super Impex submitted its response on September 16, 2014.

On May 6, 2014, the Department extended the time limit for the preliminary results by 120 days.¹⁶

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

¹⁵ See Memorandum to Melissa Skinner, Director, Office III, AD/CVD Operations, Enforcement and Compliance, titled "Second Revision for Selection of Respondents for Individual Examination" dated January 30, 2014 (January 2014 Respondents Selection Memo).

¹⁶ See Memorandum to Christian Marsh, Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations, through Melissa Skinner, Director, Office III, Antidumping and Countervailing Duty Operations, from Cindy Robinson, Case Analyst, Office III, titled "Certain Lined Paper Products from India: Extension of Time Limit for Preliminary Results of Antidumping Duty Administrative Review; 2012-2013," dated May 6, 2014.

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

Specifically excluded from the scope of this order are:

- unlined copy machine paper;
- writing pads with a backing (including but not limited to products commonly known as "tablets," "note pads," "legal pads," and "quadrille pads"), provided that they do not have a front cover (whether permanent or removable). This exclusion does not apply to such writing pads if they consist of hole-punched or drilled filler paper;
- three-ring or multiple-ring binders, or notebook organizers incorporating such a ring binder provided that they do not include subject paper;
- index cards;
- printed books and other books that are case bound through the inclusion of binders board, a spine strip, and cover wrap;
- newspapers;
- pictures and photographs;
- desk and wall calendars and organizers (including but not limited to such products generally known as "office planners," "time books," and "appointment books");
- telephone logs;
- address books;
- columnar pads & tablets, with or without covers, primarily suited for the recording of written numerical business data;
- lined business or office forms, including but not limited to: pre-printed business forms, lined invoice pads and paper, mailing and address labels, manifests, and shipping log books;
- lined continuous computer paper;
- boxed or packaged writing 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 HTSUS. The HTSUS headings are provided for convenience and customs purposes; however, the written description of the scope of this order is dispositive.

PARTIAL RESCISSION OF THE 2012-2013 ADMINISTRATIVE REVIEW

As noted above, between November 18, 2013 and February 6, 2014, seven individual companies and Petitioners withdrew their requests for the 2012-2013 administrative review. In accordance with 19 CFR 351.213(d)(1), the Department will rescind an administrative review “if a party that requested a review withdraws the request within 90 days of the date of publication of notice of initiation of the requested review.” The instant review was initiated on November 8, 2013.¹⁷ Therefore, the deadline to withdraw review requests was February 6, 2014. Accordingly, the withdrawals of requests for review received from the seven initiated companies and Petitioners fall within the deadline. Therefore, in accordance with 19 CFR 351.213(d)(1), and consistent with our practice,¹⁸ we are rescinding this review with respect to the following seven companies: Ampoules & Vials, Marisa, Navneet, Pioneer, Premier, Riddhi, and SGM.

NO SHIPMENT CLAIM BY AR PRINTING

At the outset of this proceeding, AR Printing stated in its Q&V questionnaire Q&V response, that it “had no shipments of Certain Lined Paper Products during the POR.”¹⁹ We find that the statement of AR Printing in its Q&V response constitutes a sufficient claim of non-shipment. On April 10, 2014, we sent a confirmation of non-shipment inquiry to CBP as a means of confirming AR Printing’s claim of non-shipment.²⁰ We did not receive any contradictory information from CBP. Based on AR Printing’s assertion of no shipments in its Q&V response and no information to the contrary from CBP, we preliminarily determine that AR Printing had no shipments to the United States during the POR.

¹⁷ See *Initiation Notice*.

¹⁸ See, e.g., *Brass Sheet and Strip from Germany: Notice of Rescission of Antidumping Duty Administrative Review*, 73 FR 49170 (August 20, 2008); see also *Certain Lined Paper Products from India: Notice of Partial Rescission of Antidumping Duty Administrative Review and Extension of Time Limit for the Preliminary Results of Antidumping Duty Administrative Review*, 74 FR 21781 (May 11, 2009).

¹⁹ See AR Printing’s December 2, 2013, Q&V response at 2.

²⁰ See Memorandum to the File from Eric B. Greynolds, Program Manager, titled “Status of AR Printing & Packaging (India) Pvt. Ltd.,” dated April 7, 2014. CBP returned message no. 4100306 dated April 10, 2014., regarding “No shipments inquiry for certain lined paper products from India exported by A.R. Printing & Packaging (India) Pvt. Ltd. (A-533-843).”

In our May 6, 2003, “automatic assessment” clarification, we explained that, where respondents in an administrative review demonstrate that they had no knowledge of sales through resellers to the United States, we would instruct CBP to liquidate such entries at the all-others rate applicable to the proceeding.²¹

See the Assessment Rates section of this notice below.

DISCUSSION OF THE METHODOLOGY

Fair Value Comparisons

Pursuant to section 773(a)(1)(B) of the Act and 19 CFR 351.414(c)(1) and (d), we compared export price (EP) to NV, as described in the “U.S. Price,” and “Normal Value” sections of this decision memorandum, to determine whether sales of subject merchandise to the United States were made at less than NV.

A. Determination of Comparison Method

Pursuant to 19 CFR 351.414(c)(1), the Department calculates dumping margins by comparing weighted-average NVs to weighted-average constructed export prices (CEPs) or EPs (the average-to-average or A-to-A method), unless the Secretary determines that another method is appropriate in a particular situation. In AD investigations, the Department examines whether to use the average-to-transaction (A-to-T) method as an alternative comparison method using an analysis consistent with section 777A(d)(1)(B) of the Act. Although section 777A(d)(1)(B) of the Act does not strictly govern the Department’s examination of this question in the context of administrative reviews, the Department nevertheless finds that the issue arising under 19 CFR 351.414(c)(1) in administrative reviews is, in fact, analogous to the issue in AD investigations.²² In recent investigations, the Department applied a “differential pricing” (DP) analysis for determining whether application of A-to-T comparisons is appropriate pursuant to 19 CFR 351.414(c)(1) and consistent with section 777A(d)(1)(B) of the Act.²³ The Department finds the DP analysis used in these preliminary results and other recent proceedings may be instructive for purposes of examining whether to apply an alternative comparison method in this administrative

²¹ See *Antidumping and Countervailing Duty Proceedings: Assessment of Antidumping Duties*, 68 FR 23954 (May 6, 2003).

²² See *Ball Bearings and Parts Thereof from France, Germany, and Italy: Final Results of Antidumping Duty Administrative Review; 2010-2011*, 77 FR 73415 (December 10, 2012), and accompanying Issues and Decision Memorandum at Comment 1.

²³ See Memoranda to Paul Piquado, Assistant Secretary for Import Administration, from Abdelali Elouaradia, Director of AD/CVD Operations Office 4, entitled “Less Than Fair Value Investigation of Xanthan Gum from Austria: Post-Preliminary Analysis and Calculation Memorandum;” “Less than Fair Value Investigation of Xanthan Gum from the People’s Republic of China: Post-Preliminary Analysis and Calculation Memorandum for Neimenggu Fufeng Biotechnologies Co., Ltd. (aka Inner Mongolia Fufeng Biotechnologies Co., Ltd.) and Shandong Fufeng Fermentation Co., Ltd.,” and “Less than Fair Value Investigation of Xanthan Gum from the People’s Republic of China: Post-Preliminary Analysis and Calculation Memorandum for Deosen Biochemical Ltd.,” all dated March 4, 2013.

review.²⁴ The Department intends to continue to develop its approach in this area based on comments received in this and other proceedings, and on the Department's additional experience with addressing the potential masking of dumping that can occur when the Department uses the A-to-A method in calculating weighted-average dumping margins.

The DP analysis used in these preliminary results requires a finding of a pattern of EPs (or CEPs) for comparable merchandise that differs significantly among purchasers, regions, or time periods.²⁵ If such a pattern is found, then the DP analysis evaluates whether such differences can be taken into account when using the A-to-A method to calculate the weighted-average dumping margin. The DP analysis used here evaluates all purchasers, regions, and time periods to determine whether a pattern of prices that differ significantly exists. The analysis incorporates default group definitions for purchasers, regions, time periods, and comparable merchandise. For Super Impex, the purchasers are based on the reported customer names and regions are defined using the reported zip codes, which are grouped into regions based upon standard definitions published by the U.S. Census Bureau. Time periods are defined by the quarter within the POR being examined based upon the reported date of sale. For purposes of analyzing sales transactions by purchaser, region, and time period, comparable merchandise is considered using the product control number and any characteristics of the sales, other than purchaser, region, and time period, that the Department uses in making comparisons between EP and NV for the individual dumping margins.

In the first stage of the DP analysis used here, the "Cohen's *d* test" is applied. The Cohen's *d* test is a generally recognized statistical measure of the extent of the difference between the mean of a test group and the mean of a comparison group. First, for comparable merchandise, the Cohen's *d* test is applied when the test and comparison groups of data each have at least two observations, and when the sales quantity for the comparison group accounts for at least five percent of the total sales quantity of the comparable merchandise. Then, the Cohen's *d* coefficient is calculated to evaluate the extent to which the net prices to a particular purchaser, region or time period differ significantly from the net prices of all other sales of comparable merchandise. The extent of these differences can be quantified by one of three fixed thresholds defined by the Cohen's *d* test: small, medium or large. Of these thresholds, the large threshold (*i.e.*, 0.8) provides the strongest indication that there is a significant difference between the means of the test and comparison groups, while the small threshold provides the weakest indication that such a difference exists. For this analysis, the difference was considered

²⁴ See, e.g., *Tapered Roller Bearings and Parts Thereof, Finished and Unfinished, From the People's Republic of China: Preliminary Results of Antidumping Duty Administrative Review and New Shipper Reviews; 2011-2012*, 78 FR 40692 (July 8, 2013); *Certain Activated Carbon From the People's Republic of China: Preliminary Results of Antidumping Duty Administrative Review; 2011-2012*, 78 FR 26748 (May 8, 2013); *Certain Steel Threaded Rod From the People's Republic of China: Preliminary Results of Antidumping Duty Administrative Review; 2011-2012*, 78 FR 21101 (April 9, 2013) (*Steel Threaded Rod*); *Polyester Staple Fiber From Taiwan: Preliminary Results of Antidumping Duty Administrative Review; 2011-2012*, 78 FR 17637 (March 22, 2013) (*Polyester Staple Fiber*).

²⁵ As noted above, the DP analysis has been utilized in recent investigations to determine the appropriate comparison methodology. It has also been used in several recent AD administrative reviews. See, e.g., *Steel Threaded Rod; Circular Welded Carbon Steel Pipes and Tubes From Thailand: Preliminary Results of Antidumping Duty Administrative Review; 2011-2012*, 78 FR 21105 (April 9, 2013); *Polyvinyl Alcohol From Taiwan: Preliminary Results of Antidumping Duty Administrative Review; 2010-2012*, 78 FR 20890 (April 8, 2013); and *Polyester Staple Fiber*.

significant if the calculated Cohen's *d* coefficient is equal to or exceeds the large (*i.e.*, 0.8) threshold.

Next, the "ratio test" assesses the extent of the significant price differences for all sales as measured by the Cohen's *d* test. If the value of sales to purchasers, regions, and time periods that pass the Cohen's *d* test accounts for 66 percent or more of the value of total sales, then the identified pattern of EPs that differ significantly supports the consideration of the application of the A-to-T method to all sales as an alternative to the A-to-A method. If the value of sales to purchasers, regions, and time periods that pass the Cohen's *d* test accounts for more than 33 percent and less than 66 percent of the value of total sales, then the results support consideration of the application of an A-to-T method to those sales identified as passing the Cohen's *d* test as an alternative to the A-to-A method, and application of the A-to-A method to those sales identified as not passing the Cohen's *d* test. If 33 percent or less of the value of total sales passes the Cohen's *d* test, then the results of the Cohen's *d* test do not support consideration of an alternative to the A-to-A method.

If both tests in the first stage (*i.e.*, the Cohen's *d* test and the ratio test) demonstrate the existence of a pattern of EPs (or CEPs) that differ significantly such that an alternative comparison method should be considered, then in the second stage of the DP analysis, we examine whether using only the A-to-A method can appropriately account for such differences. In considering this question, the Department tests whether using an alternative method, based on the results of the Cohen's *d* and ratio tests described above, yields a meaningful difference in the weighted-average dumping margin as compared to that resulting from the use of the A-to-A method only. If the difference between the two calculations is meaningful, then this demonstrates that the A-to-A method cannot account for differences such as those observed in this analysis, and, therefore, an alternative method would be appropriate. A difference in the weighted-average dumping margins is considered meaningful if: 1) there is a 25 percent relative change in the weighted-average dumping margin between the A-to-A method and the appropriate alternative method where both rates are above the *de minimis* threshold, or 2) the resulting weighted-average dumping margin moves across the *de minimis* threshold.

Interested parties may present arguments and justifications in relation to the above-described DP approach used in these preliminary results, including arguments for modifying the group definitions used in this proceeding.

B. Results of the DP Analysis

Based on the results of the DP analysis, the Department finds that 63.55 percent of the value of Super Impex's U.S. sales pass the Cohen's *d* test, which confirms the existence of a pattern of prices for comparable merchandise that differ significantly among purchasers, regions or time periods. However, the Department determines that the A-to-A method can appropriately account for such differences because there is a less than 25 percent relative change in the weighted-average dumping margins when calculated using the A-to-A method and an alternative method based on the A-to-T method applied to the U.S. sales which pass the Cohen's *d* test.

Accordingly, the Department determines to use the A-to-A method for all U.S. sales to calculate the weighted-average dumping margin for Super Impex.²⁶

Product Comparisons

Section 771(16) of the Act directs us to compare the prices of products produced by respondent(s) and sold in the U.S. market with the prices of comparison products sold in the home market. The comparison products were either identical or most similar in terms of the physical characteristics to the product sold in the United States. In the order of importance for the *CLPP Order*, these physical characteristics are: (1) form, (2) paper volume, (3) brightness, (4) binding type, (5) cover material, (6) back material, (7) number of inserts, and (8) insert material.

In this proceeding, however, Super Impex had no viable comparison market.²⁷ Therefore, we made product comparisons using constructed value (CV), as discussed in the “Calculation of Normal Value Based on Constructed Value” section of this notice, below.

Date of Sale

Super Impex reported the commercial invoice date as the date of sale in the U.S. market.²⁸ As noted above, Super Impex had no viable comparison market.

U.S. Price

Section 772(a) of the Act defines EP 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 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, as adjusted under subsection (c).” Section 772(b) of the Act defines CEP as “the price at which the subject merchandise is first sold (or agreed to be sold) in the United States to an unaffiliated purchaser in the United States before or after the date of importation by or for the account of the producer or exporter of such merchandise or by a seller affiliated with the producer or exporter, to a purchaser not affiliated with the producer or exporter, as adjusted under subsections (e) and (d).”

For all U.S. sales made by Super Impex, we used the EP methodology, in accordance with section 772(a) of the Act, because the subject merchandise was sold directly to the first unaffiliated purchaser in the United States prior to importation. We based EP on packed prices to the first unaffiliated purchaser in the United States.

²⁶ In these preliminary results, the Department applied the weighted-average dumping margin calculation method adopted in *Antidumping Proceedings: Calculation of the Weighted-Average Dumping Margin and Assessment Rate in Certain Antidumping Duty Proceedings; Final Modification*, 77 FR 8101 (February 14, 2012). In particular, the Department compared monthly weighted-average EPs with monthly weighted-average NVs and granted offsets for non-dumped comparisons in the calculation of the weighted-average dumping margin.

²⁷ Super Impex reported that it made no sales to the home market nor did it have viable sales to any third-country market during the POR. See Super Impex’s Section A Questionnaire Response at A-3, dated February 26, 2014.

²⁸ See Super Impex’s Section C Questionnaire Response, March 14, 2014, at C-19.

In accordance with section 772(c)(2)(A) of the Act, we made deductions, where appropriate, for movement expenses including foreign inland freight from plant/warehouse to the port of exportation, foreign brokerage and handling, and marine insurance. We also increased EP by an amount equal to the CVD attributed to export subsidies. Normally, we adjust EP by adding an amount equal to the CVD rate attributable to export subsidies for the mandatory respondent in question in an amount equal to the CVD rate attributed to export subsidies in the most recently completed CVD review, as it pertains to that respondent.²⁹ However, because Super Impex was not individually reviewed by the Department during the original CVD investigation or in any subsequent reviews, Super Impex does not have its own CVD rate. Therefore, in accordance with our practice, we preliminarily determine that the CVD all others rate of 9.42 percent, which is attributable to export subsidies, is applicable to Super Impex for purposes of the EP adjustment.³⁰

Normal Value

A. Home Market Viability and Comparison Market Selection

In order to determine whether there is a sufficient volume of sales in the comparison market to serve as a viable basis for calculating NV, we compared the volume of Super Impex's comparison-market sales of the foreign like product to the volume of its U.S. sales of subject merchandise, in accordance with section 773(a)(1)(C) of the Act. Pursuant to section 773(a)(1)(B) of the Act³¹ and 19 CFR 351.404(b), because Super Impex had no home-market sales and the volume of its third-country-market sales of the foreign like product was less than five percent of its aggregate volume of U.S. sales of the subject merchandise, we preliminarily determine that the home market and comparison market were not viable for Super Impex.³² As such, we preliminarily based NV for Super Impex on CV.

²⁹ See *Certain Lined Paper Products from India: Notice of Final Results of Antidumping Duty Administrative Review and Partial Rescission of Antidumping Duty Administrative Review*, 76 FR 10876 (February 28, 2011) (2008-2009 CLPP from India) and accompanying Issues and Decision Memorandum at Comment 6.

³⁰ *Id.*

³¹ Section 773(a)(1)(C)(i) of the Act applies to the Department's determination of NV if the foreign like product is not sold (or offered for sale) for consumption in the exporting country. When sales in the home market are not viable, section 773(a)(1)(B)(ii) of the Act provides that sales to a particular third country market may be utilized if: (1) the prices in such market are representative; (2) the aggregate quantity of the foreign like product sold by the producer or exporter in the third country market is five percent or more of the aggregate quantity of the subject merchandise sold in or to the United States; and (3) the Department does not determine that a particular market situation in the third country market prevents a proper comparison with the U.S. price.

³² Super Impex reported that it made no sales to the home market nor did it have viable sales to any third-country market during the POR. See Super Impex's Section A Questionnaire Response at A-3, dated February 26, 2014.

B. Level of Trade

Section 773(a)(1)(B) of the Act states that, to the extent practicable, the Department will calculate NV based on sales at the same level of trade (LOT) as the EP or CEP. Sales are made at different LOTs if they are made at different marketing stages (or their equivalent).³³ Substantial differences in selling activities are a necessary, but not sufficient, condition for determining that there is a difference in the stages of marketing.³⁴ In order to determine whether the comparison sales were at different stages in the marketing process than the U.S. sales, we reviewed the distribution system in each market (*i.e.*, the chain of distribution), including selling functions, class of customer (*i.e.*, customer category), and the level of selling expenses for each type of sale.

Pursuant to 19 CFR 351.412(c)(1), in identifying LOTs for EP and comparison market sales (*i.e.*, NV based on either home-market or third-country prices), we consider the starting prices before any adjustments. For CEP sales, we consider only the selling activities reflected in the price after the deduction of expenses and CEP profit under section 772(d) of the Act.³⁵ Where NV is based on CV, we determine the NV LOT based on the LOT of the sales from which we derive selling, general, and administrative (SG&A) expenses, and profit for CV, where possible.

When the Department is unable to match U.S. sales with sales of the foreign like product in the comparison market at the same LOT as the EP or CEP, the Department may compare the U.S. sales to sales at a different LOT in the comparison market. In comparing EP or CEP sales with sales at a different LOT in the comparison market, where available data make it practicable, we make a LOT adjustment under section 773(a)(7)(A) of the Act. Finally, for CEP sales only, if the NV LOT is at a more advanced stage of distribution than the LOT of the CEP and there is no basis for determining whether the difference in LOTs between NV and CEP affects price comparability (*i.e.*, no LOT adjustment could be calculated), then the Department shall grant a CEP offset, as provided in section 773(a)(7)(B) of the Act.³⁶

In this review because Super Impex had no viable home market or third-country market during the POR, we based NV on CV. When NV is based on CV, the NV LOT is that of the sales from which we derive SG&A and profit. In accordance with 19 CFR 351.412(d)(2), where possible the Department will make its LOT determination under paragraph (d)(1) of that section on the basis of sales of the foreign like product by the producer or exporter. Because it is not possible in this case to make an LOT determination on the basis of sales of the foreign like product in the home or third-country markets, the Department may use sales of different or broader product lines, sales by other companies, or any other reasonable basis. However, Super Impex made no sales in the home market and its sales to third country markets were insignificant. In addition, there is no information on the record pertaining to Super Impex's selling activities in the third

³³ See 19 CFR 351.412(c)(2).

³⁴ See *Notice of Final Determination of Sales at Less Than Fair Value: Certain Cut-to-Length Carbon Steel Plate From South Africa*, 62 FR 61731, 61732 (November 19, 1997) (*Plate from South Africa*).

³⁵ See *Micron Technology, Inc. v. United States*, 243 F.3d 1301, 1314-1315 (Fed. Cir. 2001).

³⁶ See *Plate from South Africa*, 62 FR at 61732-33.

country markets. Therefore, consistent with the Department's recent decision in *OCTG from Turkey*,³⁷ we did not make a LOT adjustment to CV in these preliminary results.³⁸

C Calculation of Normal Value Based on Constructed Value

In accordance with section 773(a)(4) of the Act, we based Super Impex's NV on CV because Super Impex had no viable comparison markets.

In accordance with section 773(e) of the Act, we calculated CV based on the sum of Super Impex's cost of materials and fabrication employed in producing the subject merchandise, plus amounts for G&A, profit, and U.S. packing costs. We calculated the cost of materials and fabrication, G&A and interest based on information submitted by Super Impex in its original and supplemental questionnaire responses, except in instances where we determined that the information was not valued correctly.³⁹ Our approach in this regard is consistent with our practice.⁴⁰

In situations where selling expenses and profit cannot be calculated under the preferred method, section 773(e)(2)(B) of the Act sets forth the following three alternatives:

- (i) the use of the actual amounts incurred and realized by the specific exporter or producer in connection with the production and sale in the foreign country of merchandise that is in the same general category of products as the subject merchandise;
- (ii) the use of the weighted average of the actual amounts incurred and realized by exporters or producers (other than the respondent) in connection with the production and sale of the foreign like product, in the ordinary course of trade country, for consumption in the foreign country; or
- (iii) based on any other reasonable method, except that the amount for profit may not exceed the amount realized by exporters or producers (other than the respondent) in connection with the sale, for consumption in the foreign country, of merchandise that is in the same general category of products as the subject merchandise (*i.e.*, the "profit cap").

Therefore, pursuant to sub-paragraph (iii) of section 773(e)(2)(B) of the Act, we preliminarily determine to rely on the publicly available profit and selling expenses information from Navneet,⁴¹ in the immediate prior administrative review of the *CLPP Order*. We are preliminarily relying on the profit and selling expense rates of Navneet as surrogates for Super

³⁷ See *Certain Oil Country Tubular Goods From the Republic of Turkey: Preliminary Affirmative determination of Sales at Less Than Fair Value, Negative Preliminary Determination of Critical Circumstances, and Postponement of Final Determination*, 79 FR 10484 (February 25, 2014), and the accompanying Preliminary Decision Memorandum at 24, unchanged in *Certain Oil Country Tubular Goods From the Republic of Turkey: Final Determination of Sales at Less Than Fair Value and Affirmative Final Determination of Critical Circumstances, in Part*, 79 FR 41971 (July 18, 2014).

³⁸ See Memorandum to file titled "Super Impex Preliminary Sales and Constructed Value Calculation Memorandum" dated September 30, 2014 (Super Impex Preliminary Sales and CV Memorandum).

³⁹ *Id.*

⁴⁰ See *2008-2009 CLPP from India*, and accompanying Issues and Decision Memorandum at Comment 1.

⁴¹ See Memorandum to File, titled "Placing on the Record the Public Version of Navneet's 2011-2012 Non-Consolidated Financial Statements for Constructed Value Calculation," dated September 30, 2014.

Impex's CV profit and CV selling expense rates in this review on the grounds that Navneet is a major producer of CLPP in India it had a significant amount of home market sales and its profit information is publicly available. Therefore, for these preliminary results, we calculated CV profit and CV selling expense rates for Super Impex based on the public version of Navneet's 2011-2012 audited financial statements submitted in the immediate proceeding, in accordance with section 773(e)(2)(B) (iii) of the Act.⁴² The profit cap cannot be calculated in this case because there is no record information on the profit normally realized by exporters or producers in connection with the sale, for consumption in a foreign country, of the merchandise in the same general category. Therefore, because there is no useable profit cap information available on the record, as facts available, we are applying section 773(e)(2)(B)(iii) of the Act, without quantifying a profit cap. This decision is consistent with the Department's decision in previous cases involving similar circumstances.⁴³

Currency Conversion

We made currency conversions into U.S. dollars in accordance with section 773A of the Act and 19 CFR 351.415, based on the exchange rates in effect on the dates of the U.S. sales as certified by the Federal Reserve Bank. The exchange rates are available on the Import Administration website at <http://enforcement.trade.gov/exchange>.

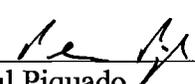
RECOMMENDATION

We recommend applying the above methodology for these preliminary results.



Agree

Disagree



Paul Piquado
Assistant Secretary
for Enforcement and Compliance

30 SEPTEMBER 2014
Date

⁴² See *Certain Steel Nails from the United Arab Emirates: Final Determination of Sales At Less Than Fair Value*, 77 FR 17029 (March 23, 2012), and accompanying Issues and Decision Memorandum at Comment 6; see also *Super Impex Preliminary Sales and CV Memorandum*.

⁴³ See *2008-2009 CLPP from India*, and accompanying Issues and Decision Memorandum at Comment 1; see also *Notice of Final Determination of Sales At Less Than Fair Value: Pure Magnesium from Israel*, 66 FR 49349 (September 27, 2001), and accompanying Issues and Decision Memorandum at Comment 8; and *Frozen Concentrated Orange Juice from Brazil: Final Results and Partial Rescission of Antidumping Duty Administrative Review*, 66 FR 51008 (October 5, 2001), and accompanying Issues and Decision Memorandum at Comment 3.