

March 23, 2010

TO: Ronald K. Lorentzen
Deputy Assistant Secretary
for Import Administration

FROM: John M. Andersen
Acting Deputy Assistant Secretary
for Antidumping and Countervailing Duty Operations

RE: Issues and Decision Memorandum for the Final Results of the Expedited Sunset Review of the Antidumping Duty Order on Certain Crepe Paper Products from the People's Republic of China

SUMMARY

We have analyzed the substantive response of the domestic interested parties in the sunset review of the antidumping duty order on certain crepe paper products from the People's Republic of China ("PRC"). We recommend that you approve the positions we describe in this memorandum. Below is a complete list of issues in this sunset review for which we received a substantive response:

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

History of the Order

On March 15, 2004, the Department of Commerce ("Department") initiated an antidumping duty investigation on crepe paper products from the PRC.¹ On September 21, 2004, the Department preliminarily determined that crepe paper products were being sold in the United States at less than fair value ("LTFV").² The Department completed the investigation and published its final determination of sales at LTFV in the Federal Register on December 3, 2004.³ In the final

¹ See Notice of Initiation of Antidumping Duty Investigations: Certain Tissue Paper Products and Certain Crepe Paper Products from the People's Republic of China, 69 FR 12128 (March 15, 2004).

² See Certain Tissue Paper Products and Certain Crepe Paper Products From the People's Republic of China: Notice of Preliminary Determinations of Sales at Less Than Fair Value, Affirmative Preliminary Determination of Critical Circumstances and Postponement of Final Determination for Certain Tissue Paper Products, 69 FR 56407 (September 21, 2004).

³ See Notice of Final Determination of Sales at Less Than Fair Value and Affirmative Final Determination of Critical Circumstances: Certain Crepe Paper Products From the People's Republic of China, 69 FR 70233 (December 3, 2004) ("Final Determination").

determination, the Department calculated company-specific dumping margins of 266.83 percent for the mandatory respondents and section A respondents, and a PRC-wide rate of 266.83 percent. See Final Determination at 70234. On January 25, 2005, the Department published the antidumping duty order on certain crepe paper products from the PRC.⁴

Since the issuance of the antidumping duty order, the Department has not conducted any administrative or new shipper reviews.

Background

On December 1, 2009, the Department published the notice of initiation of the sunset review of the antidumping duty order on crepe paper products from the PRC pursuant to section 751(c) of the Tariff Act of 1930, as amended (“the Act”). See Initiation of Five-Year (“Sunset”) Review, 74 FR 62748 (December 1, 2009). On December 3, 2009, the Department received a notice of intent to participate from a domestic producer, Seaman Paper Company of Massachusetts (“Seaman Paper,” “domestic interested party,” or “Petitioner”). Submission of the notice of intent to participate filed by Petitioner was within the deadline specified in section 351.218(d)(1)(i) of the Department’s regulations. The domestic interested party claimed interested party status under section 771(9)(C) of the Act as Seaman Paper is a domestic manufacturer of crepe paper products in the United States. On December 31, 2009, the Department received an adequate substantive response from the domestic interested party within the deadline specified in section 351.218(d)(3)(i) of the Department’s regulations. We did not receive responses from any respondent interested parties to this proceeding. As a result, pursuant to section 751(c)(3)(B) of the Act and section 351.218(e)(1)(ii)(C)(2) of the Department’s regulations, the Department determined to conduct an expedited review of the order.

Discussion of the Issues

In accordance with section 751(c)(1) of the Act, the Department is conducting a sunset review to determine whether revocation of the antidumping duty order would be likely to lead to continuation or recurrence of dumping. Sections 752(c)(1)(A) and (B) of the Act provide that, in making these determinations, the Department shall consider both the weighted-average dumping margins determined in the investigation and subsequent reviews and the volume of imports of the subject merchandise for the period before, and the period after, the issuance of the antidumping duty order. In addition, section 752(c)(3) of the Act states that the Department shall provide to the International Trade Commission (“ITC”) the magnitude of the margin of dumping likely to prevail if the order were revoked. Below we address the comments made by the domestic interested party in this proceeding.

⁴ See Antidumping Duty Order: Certain Crepe Paper From the People’s Republic of China, 70 FR 3509 (January 25, 2005).

1. Likelihood of continuation or recurrence of dumping

Interested Party Comments

Petitioner argues that revocation of the antidumping duty order is likely to lead to continued or recurring dumping, as there was a significant decrease in Chinese imports of subject merchandise after the issuance of the antidumping order. Additionally, Petitioner states that Chinese producers have increased production capacity since the antidumping order. See Petitioner's December 31, 2009, substantive response at 3-10 and Exhibit 1. Petitioner argues that both the decrease in Chinese imports of subject merchandise and the increased production capacity of Chinese producers indicate that dumping will continue or recur if the Department revokes the order.

Department Position

Drawing on the guidance provided in the legislative history accompanying the Uruguay Round Agreements Act ("URAA"),⁵ the Department normally determines that revocation of an antidumping duty order is likely to lead to continuation or recurrence of dumping where: (a) dumping continued at any level above de minimis after the issuance of the order; (b) imports of the subject merchandise ceased after the issuance of the order; or (c) dumping was eliminated after the issuance of the order and import volumes for the subject merchandise declined significantly.⁶ In this case, the Department found after the issuance of the order, import volumes for subject merchandise declined significantly. See Petitioner's December 31, 2009, substantive response at 3-10 and Exhibit 1.

The Department finds that the decrease of imports of subject merchandise from the PRC with an order in place is highly probative of the likelihood of continuation or recurrence of dumping, if the order were to be revoked. Therefore, the Department determines that dumping would likely continue or recur if the order were revoked.

2. Magnitude of the Margins Likely to Prevail

Interested Party Comments

Petitioner argues that, consistent with the Department's normal practice, the Department should find that the magnitude of the margin of dumping that is likely to prevail is identical to the margins determined to exist in the original investigation.

⁵ See, e.g., SAA accompanying the URAA, H.R. Doc. No. 103-316, vol. 1, 889 (1994); House Report, H. Rep. No. 103-826, pt. 1 (1994); and Senate Report, S. Rep. No. 103-412 (1994).

⁶ See, e.g., Folding Gift Boxes from the People's Republic of China: Final Results of the Expedited Sunset Review of the Antidumping Duty Order, 72 FR 16765 (April 5, 2007), and accompanying Issues and Decision Memorandum at Comment 1; see also, Pure Magnesium in Granular Form from the People's Republic of China: Final Results of the Expedited Sunset Review of the Antidumping Duty Order, 72 FR 5417 (February 6, 2007), and accompanying Issues and Decision Memorandum ("Granular Magnesium") at Comment 1.

Department Position

Section 752(c)(3) of the Act provides that the administering authority shall provide to the ITC the magnitude of the margin of dumping likely to prevail if the order were revoked. Normally, the Department will select a margin from the final determination in the investigation because that is the only calculated rate that reflects the behavior of exporters without the discipline of an order or suspension agreement in place.⁷ The Department continues to find that the margins calculated in the original investigation are the only indication of the margins likely to prevail if the order were revoked, because these are the only rates the Department has calculated in this case as no administrative reviews have been conducted. This is consistent with the Department’s recent findings in similar cases. See, e.g., Granular Magnesium⁸ and Tetrahydrofurfuryl Alcohol.⁹

Therefore, consistent with section 752(c)(3) of the Act, the Department will report to the ITC the corresponding individual company rates and the PRC-wide rate from the original investigation as noted in the “Final Results of Review” section, below.

Final Results of Review

We determine that revocation of the antidumping duty order on certain crepe paper products from the PRC would be likely to lead to continuation or recurrence of dumping at the following percentage margins:

Manufacturers/Exporters/Producers	Margin (percent)
Fuzhou Light Industry Import and Export Co., Ltd.	266.83
Fuzhou Magicpro Gifts Co., Ltd.	266.83
Everlasting Business and Industry Co. Ltd.	266.83
Fujian Nanping Investment and Enterprise Co., Ltd.	266.83
Ningbo Spring Stationary Co., Ltd.	266.83
PRC-Wide	266.83

⁷ See Persulfates From the People’s Republic of China: Notice of Final Results of Expedited Second Sunset Review of Antidumping Duty Order, 73 FR 11868 (March 5, 2008), and accompanying Issues and Decision Memorandum at Comment 2.

⁸ See Granular Magnesium, and accompanying Issues and Decision Memorandum at Comment 2.

⁹ See Tetrahydrofurfuryl Alcohol From the People’s Republic of China: Final Results of the Expedited Sunset Review of the Antidumping Duty Order, 74 FR 57290 (November 5, 2009), and accompanying Issues and Decision Memorandum (“Tetrahydrofurfuryl Alcohol”) at Comment 2.

Recommendation

Based on our analysis of the substantive response received, we recommend adopting the above positions. If this recommendation is accepted, we will publish the final results of this sunset review in the Federal Register.

Ronald K. Lorentzen
Deputy Assistant Secretary
for Import Administration

Date