



## FACT SHEET

### **Commerce Initiates Antidumping Duty and Countervailing Duty Investigations of Imports of Uncoated Groundwood Paper from Canada**

- On August 30, 2017, the Department of Commerce (Commerce) announced the initiation of antidumping duty (AD) and countervailing duty (CVD) investigations of imports of uncoated groundwood paper from Canada.
- The AD and CVD laws provide U.S. businesses and workers with a transparent, quasi-judicial, and internationally accepted mechanism to seek relief from the market-distorting effects caused by injurious dumping and unfair subsidization of imports into the United States, establishing an opportunity to compete on a level playing field.
- For the purpose of AD investigations, dumping occurs when a foreign company sells a product in the United States at less than its fair value. For the purpose of CVD investigations, a countervailable subsidy is financial assistance from a foreign government that benefits the production of goods from foreign companies and is limited to specific enterprises or industries, or is contingent either upon export performance or upon the use of domestic goods over imported goods.
- The petitioner is North Pacific Paper Company (WA).
- The merchandise covered by these investigations is certain paper that has not been coated on either side and with 50 percent or more of the cellulose fiber content consisting of groundwood pulp, including groundwood pulp made from recycled paper, weighing not more than 90 grams per square meter. Groundwood pulp includes all forms of pulp produced from a mechanical pulping process, such as thermo-mechanical process (TMP), chemi-thermo mechanical process (CTMP), bleached chemi-thermo mechanical process (BCTMP) or any other mechanical pulping process. The scope includes paper shipped in any form, including but not limited to both rolls and sheets.

Certain uncoated groundwood paper includes but is not limited to standard newsprint, high bright newsprint, book publishing, directory, and printing and writing papers. The scope includes paper that is white, off-white, cream, or colored.

Specifically excluded from the scope are imports of certain uncoated groundwood paper printed with final content of printed text or graphic. Also excluded are papers that otherwise meet this definition, but which have undergone a supercalendering process.<sup>1</sup>

- Certain uncoated groundwood paper is classifiable in the Harmonized Tariff Schedule of the United States (HTSUS) in several subheadings, including 4801.00.0120, 4801.00.0140, 4802.61.1000, 4802.61.2000, 4802.61.3110, 4802.61.3191, 4802.61.6040, 4802.62.1000, 4802.62.2000, 4802.62.3000, 4802.62.6140, 4802.69.1000, 4802.69.2000, and 4802.69.3000. Subject merchandise

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<sup>1</sup> Supercalendering imparts a glossy finish produced by the movement of the paper web through a supercalender which is a stack of alternating rollers of metal and cotton (or other softer material). The supercalender runs at high speed and applies pressure, heat, and friction which glazes the surface of the paper, imparting gloss to the surface and increasing the paper's smoothness and density.

may also be imported under several additional subheadings including 4805.91.5000, 4805.91.7000, and 4805.91.9000. Although the HTSUS subheadings are provided for convenience and customs purposes, the written description of the merchandise is dispositive.

- In 2016, imports of uncoated groundwood paper from Canada were valued at an estimated \$1.27 billion.

**NEXT STEPS**

- The U.S. International Trade Commission (ITC) is scheduled to make its preliminary injury determinations on or before September 25, 2017.
- If the ITC determines that there is a reasonable indication that imports of uncoated groundwood paper from Canada materially injure, or threaten material injury to, the domestic industry in the United States, the investigations will continue, and the Department will be scheduled to announce its preliminary CVD determination in November 2017 and its preliminary AD determination in January 2018, though these dates may be extended. If the ITC’s determinations are negative, the investigations will be terminated.

**ALLEGED DUMPING MARGINS:**

COUNTRY	DUMPING MARGINS
Canada	23.45 - 54.97 percent

**ESTIMATED SUBSIDY RATE:**

COUNTRY	SUBSIDY RATE
Canada	Above <i>de minimis</i> *

\* *de minimis* = less than 1% for developed countries, less than 2% for developing countries.

## CASE CALENDAR:

EVENT	AD INVESTIGATION	CVD INVESTIGATION
Petitions Filed	August 9, 2017	August 9, 2017
DOC Initiation Date	August 29, 2017	August 29, 2017
ITC Preliminary Determinations*	September 25, 2017	September 25, 2017
DOC Preliminary Determinations	January 16, 2018	November 2, 2017
DOC Final Determinations	April 2, 2018	January 16, 2018
ITC Final Determinations**	May 17, 2018	March 2, 2018†
Issuance of Orders***	May 24, 2018	March 9, 2018

NOTE: Commerce's preliminary and final determination deadlines are governed by statute. For CVD investigations, the deadlines are set forth in sections 703(b) and 705(a)(1) of the Tariff Act of 1930, as amended (the Act). For AD investigations, the deadlines are set forth in sections 733(b) and 735(a) of the Act. These deadlines may be extended under certain circumstances.

\* If the ITC makes a negative preliminary determination of injury, the investigations are terminated.

\*\*This will take place only in the event of final affirmative determinations from Commerce.

\*\*\*This will take place only in the event of final affirmative determinations from Commerce and the ITC.

†Where the deadline falls on a weekend/holiday, the appropriate date is the next business day.

## IMPORT STATISTICS:

CANADA	2014	2015	2016
Volume (metric tons)	2,760,523	2,518,015	2,312,891
Value (USD)	1,726,936,757	1,464,570,945	1,274,153,613

Source: U.S. Census Bureau, accessed through Global Trade Atlas. (HTSUS 4801.00.0020, 4801.00.0040, 4801.00.0120, 4801.00.0140, 4802.61.1000, 4802.61.2000, 4802.61.3010, 4802.61.3091, 4802.61.3110, 4802.61.3191, 4802.61.6040, 4802.62.1000, 4802.62.2000, 4802.62.3000, 4802.62.6140, 4802.69.1000, 4802.69.2000, and 4802.69.3000). Imports of uncoated groundwood paper may also enter under HTSUS subheadings 4805.91.5000, 4805.91.7000, and 4805.91.9000. These HTSUS subheadings are basket categories and cover a significant amount of non-subject merchandise; therefore these HTSUS subheadings have been excluded for purposes of reporting the above import statistics.