



FACT SHEET

Commerce Preliminarily Finds Dumping of Imports of Uncoated Groundwood Paper from Canada

- On March 13, 2018, the Department of Commerce (Commerce) announced its affirmative preliminary determination in the antidumping duty (AD) investigation of imports of uncoated groundwood paper from Canada.
- The AD law provides 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 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.
- Commerce calculated a preliminary dumping rate of 22.16 percent for Catalyst Pulp and Paper Sales, Inc./Catalyst Paper General Partnership (collectively, Catalyst). Commerce calculated preliminary dumping rates of 0.00 percent for Resolute FP Canada Inc./Donohue Malbaie Inc. (collectively, Resolute) and White Birch Paper Canada Company/Papier Masson WB LP/FF Soucy WB LP/Stadacona WB LP (collectively, White Birch Paper). Commerce determined a preliminary dumping rate of 22.16 percent for all other producers and exporters of uncoated groundwood paper from Canada.
- As a result of the preliminary affirmative determination, Commerce will instruct U.S. Customs and Border Protection (CBP) to require cash deposits based on these preliminary rates.
- The petitioner is North Pacific Paper Company (WA).
- The merchandise covered by this investigation 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, 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: 1) a supercalendering process;¹ or 2) a creping process over the entire surface

¹ 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

area of the paper. Also excluded are: 1) uncoated groundwood construction paper and uncoated groundwood manila drawing paper in sheet or roll format; and 2) uncoated groundwood directory paper.

- 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 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.
- The Preliminary Decision Memorandum is on file electronically via Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS). ACCESS is available to registered users at <https://access.trade.gov>, and to all parties in the Central Records Unit, Room B8024 of the main Department of Commerce building. Please refer to case number A-122-861.

NEXT STEPS

- Commerce is scheduled to announce its final determination on or about August 2, 2018.
- If Commerce makes an affirmative final determination, and the U.S. International Trade Commission (ITC) makes an affirmative final determination that imports of uncoated groundwood paper from Canada materially injure, or threaten material injury to, the domestic industry, Commerce will issue an AD order. If either Commerce's or the ITC's final determination is negative, no AD order will be issued. The ITC is scheduled to make its final injury determination approximately 45 days after Commerce issues its final determination, if affirmative.

PRELIMINARY DUMPING MARGINS:

COUNTRY	EXPORTER/PRODUCER	DUMPING RATE
Canada	Catalyst Pulp and Paper Sales, Inc./Catalyst Paper General Partnership	22.16%
	Resolute FP Canada Inc/Donohue Malbaie Inc.	0.00%
	White Birch Paper Canada Company/Papier Masson WB LP/FF Soucy WB LP/Stadacona WB LP	0.00%
	All Others	22.16%

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.

CASE CALENDAR:

EVENT	AD INVESTIGATION
Petition Filed	August 9, 2017
DOC Initiation Date	August 29, 2017
ITC Preliminary Determination	September 23, 2017
DOC Preliminary Determination	March 12, 2018 ^{^†}
DOC Final Determination	August 1, 2018
ITC Final Determination*	September 17, 2018 [†]
Issuance of Order**	September 24, 2018

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

*This will take place only in the event of an affirmative final determination from Commerce.

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

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

[^] As explained in the Memorandum for the Record from Christian Marsh, Deputy Assistant Secretary for Enforcement and Compliance, "Deadlines Affected by the Shutdown of the Federal Government" (January 23, 2018), Commerce has exercised its discretion to toll deadlines for the duration of the closure of the Federal Government from January 20, through January 22, 2018. Therefore, the preliminary date for this investigation has been tolled by 3 days and all other deadlines have been adjusted accordingly.

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.