



## FACT SHEET

### **Commerce Finds Dumping of Imports of Certain Uncoated Paper from Australia, Brazil, China, Indonesia, and Portugal and Countervailable Subsidization of Imports of Certain Uncoated Paper from China and Indonesia**

- On January 11, 2016, the Department of Commerce (Commerce) announced its affirmative final determinations in the antidumping duty (AD) investigations of imports of certain uncoated paper from Australia, Brazil, China, Indonesia, and Portugal, and the countervailing duty (CVD) investigations of imports of certain uncoated paper from China and Indonesia.
- The AD and CVD laws provides U.S. businesses and workers with a transparent 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, countervailable subsidies are financial assistance from foreign governments that benefit the production of goods from foreign companies and are limited to specific enterprises or industries, or are contingent either upon export performance or upon the use of domestic goods over imported goods.
- In the Australia AD investigation, mandatory respondent Paper Australia Pty. Ltd. notified Commerce that it would not participate in this investigation. As a result, Commerce assigned Paper Australia Pty. Ltd. a final dumping margin of 222.46 percent, based on adverse facts available. All other producers/exporters in Australia received a final dumping margin of 138.87 percent.
- In the Brazil AD investigation, mandatory respondent International Paper do Brasil Ltda. and International Paper Exportadora Ltda. (collectively “International Paper”)<sup>1</sup> received a final dumping margin of 41.39 percent and mandatory respondent Suzano Papel e Celulose S.A. received a final dumping margin of 22.16 percent. All other producers/exporters in Brazil received a final dumping margin of 26.95 percent.
- In the China AD investigation, mandatory respondent Asia Symbol (Guangdong) Paper Co., Ltd. (AS Guangdong), Asia Symbol (Shandong) Pulp and Paper Co., Ltd., (AS Shandong), and Greenpoint Global Trading (Macao Commercial Offshore) Ltd. (Greenpoint), (collectively, Asia Symbol)<sup>2</sup> received a final dumping margin of 84.05 percent. Mandatory respondents Shandong Sun Paper Industry Joint Stock Co., Inc. and UPM (China) Co. Ltd., each notified Commerce that they would not participate in this investigation. As a result, they failed to demonstrate eligibility for a separate rate and are considered to be part of the China-wide entity. The final rate for the China-wide entity is 149.00 percent.

<sup>1</sup> In the Brazil investigation, Commerce collapsed several companies with International Paper.

<sup>2</sup> In the China investigation, Commerce collapsed AS Guangdong, AS Shandong, and Greenpoint.

- In the Indonesia AD investigation, mandatory respondent April Fine Paper Macao Commercial Offshore Limited (APRIL Fine Paper) and its affiliates PT Anugerah Kertas Utama (AKU) and PT Riau Andalan Kertas (RAK)<sup>3</sup> received a final dumping margin of 2.05 percent. Mandatory respondents Great Champ Trading Limited (Great Champ) and Indah Kiat Pulp & Paper TBK (IK) and its affiliates Pabrik Kertas Tjiwi Kimia (TK), and PT. Pindo Deli Pulp and Paper Mills (PD)<sup>4</sup> notified Commerce that they would not participate in this investigation. As a result, Commerce assigned these companies a final dumping margin of 17.39 percent, based on adverse facts available. All other producers/exporters in Indonesia received a final dumping margin of 2.05 percent.
- In the Portugal AD investigation, mandatory respondent Portucel S.A. received a final dumping margin of 7.80 percent. All other producers/exporters in Portugal received a final dumping margin of 7.80 percent.<sup>5</sup>
- In the China CVD investigation, Commerce determined that mandatory respondent Asia Symbol (Guangdong) Paper Co., Ltd., and its cross-owned affiliates Asia Symbol (Shandong) Pulp & Paper Co., Ltd. (AS Shandong), Asia Symbol (Guangdong) Omya Minerals Co., Ltd. (AS Omya), and Greenpoint Global Trading (Macao Commercial Offshore) Limited (Greenpoint) (collectively, Asia Symbol Companies) received a final subsidy rate of 7.23 percent. The other mandatory respondents, Shandong Sun Paper Industry Joint Stock Co., Ltd., and Sun Paper (Hong Kong) Co., Ltd. (collectively, Sun Paper Companies), and UPM (China) Co., Ltd. (UPM) withdrew from the investigation. As a result, Sun Paper and UPM received subsidy rates of 176.75 percent based on facts available and adverse inferences following Commerce's final determination that the companies had not fully cooperated in the investigation. All other producers/exporters in China have been assigned a final China-wide subsidy rate of 7.23 percent.
- In the Indonesia CVD investigation, Commerce determined that mandatory respondent APRIL Fine Paper and its cross-owned affiliates (AKU, RAK, PT Intiguna Primatama, PT Riau Andalan Pulp & Paper, and Esensindo Cipta Cemerlang) received a final subsidy rate of 21.22 percent. The other mandatory respondents, Great Champ, IK, and TK failed to respond to Commerce's questionnaire. As a result, Great Champ received a final subsidy rate of 104.00 percent, and IK, TK, and their cross-owned affiliate PD received a final subsidy rate of 109.15 percent, based on facts available and adverse inferences following Commerce's final determination that the companies had not cooperated in the investigation. All other producers/exporters in Indonesia have been assigned a final subsidy rate of 21.22 percent.
- As a result of the affirmative final AD determinations, Commerce will instruct U.S. Customs and Border Protection (CBP) to collect cash deposits equal to the applicable weighted-average dumping margins. Further, as a result of the affirmative final CVD determinations, if the U.S. International Trade Commission (ITC) issues affirmative injury determinations, Commerce will order the resumption of the suspension of liquidation and require a cash deposit for CVD duties equal to the final subsidy rates for the mandatory respondents and all other producers and exporters not selected for investigation; we will also adjust the China and Indonesia AD cash deposit rates by the amount of the CVD export subsidies, where appropriate. If the ITC issues negative injury determinations, the

<sup>3</sup> In the Indonesia AD investigation, Commerce collapsed April Fine Paper, AKU, and RAK.

<sup>4</sup> In the Indonesia AD investigation, Commerce also collapsed IK, TK, and PD.

<sup>5</sup> In the Portugal investigation, Commerce collapsed several companies with Portucel S.A.

investigations will be terminated and no producers or exporters will be subject to future cash deposits for either AD or CVD duties. In such an event, all cash deposits already collected will be refunded.

- Based on an allegation filed in the Australia case, Commerce found that critical circumstances exist for Australia Pty. Ltd. but do not exist for all other producers/exporters. Where critical circumstances are found, CBP will be instructed to impose provisional measures retroactively on entries of certain uncoated paper up to 90 days prior to publication of the preliminary determination Federal Register notice.
- The petitioners for these investigations are the United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union (USW) (PA); Domtar Corporation (SC); Finch Paper LLC (NY); Packaging Corporation of America (IL); and P.H. Glatfelter Company (PA).
- The merchandise covered by these investigations includes uncoated paper in sheet form; weighing at least 40 grams per square meter but not more than 150 grams per square meter; that either is a white paper with a GE brightness<sup>6</sup> level of 85 or higher or is a colored paper; whether or not surface-decorated, printed (except as described below), embossed, perforated, or punched; irrespective of the smoothness of the surface; and irrespective of dimensions (Certain Uncoated Paper).

Certain Uncoated Paper includes (a) uncoated free sheet paper that meets this scope definition; (b) uncoated groundwood paper produced from bleached chemi-thermo-mechanical pulp that meets this scope definition; and (c) any other uncoated paper that meets this scope definition regardless of the type of pulp used to produce the paper.

Specifically excluded from the scope are (1) paper printed with final content of printed text or graphics and (2) lined paper products, typically school supplies, composed of paper that incorporates straight horizontal and/or vertical lines that would make the paper unsuitable for copying or printing purposes. For purposes of this scope definition, paper shall be considered “printed with final content” where at least one side of the sheet has printed text and/or graphics that cover at least five percent of the surface area of the entire sheet.

Imports of the subject merchandise are provided for under HTSUS categories 4802.56.1000, 4802.56.2000, 4802.56.3000, 4802.56.4000, 4802.56.6000, 4802.56.7020, 4802.56.7040, 4802.57.1000, 4802.57.2000, 4802.57.3000, and 4802.57.4000. Some imports of subject merchandise may also be classified under 4802.62.1000, 4802.62.2000, 4802.62.3000, 4802.62.5000, 4802.62.6020, 4802.62.6040, 4802.69.1000, 4802.69.2000, 4802.69.3000, 4811.90.8050 and 4811.90.9080. While HTSUS subheadings are provided for convenience and customs purposes, the written description of the scope of the investigations is dispositive.

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<sup>6</sup> One of the key measurements of any grade of paper is brightness. Generally speaking, the brighter the paper the better the contrast between the paper and the ink. Brightness is measured using a GE Reflectance Scale, which measures the reflection of light off a grade of paper. One is the lowest reflection, or what would be given to a totally black grade, and 100 is the brightest measured grade. “Colored paper” as used in this scope definition means a paper with a hue other than white that reflects one of the primary colors of magenta, yellow, and cyan (red, yellow, and blue) or a combination of such primary colors.

- In 2014, U.S. imports of uncoated paper from Australia, Brazil, China, Indonesia, and Portugal were valued at an estimated \$61 million, \$211 million, \$54 million, \$200 million, and \$164 million, respectively.

#### NEXT STEPS

- The ITC is scheduled to make its final injury determination on or about February 22, 2016.
- If the ITC makes affirmative final determinations that imports of uncoated paper from Australia, Brazil, China, Indonesia, and/or Portugal materially injure, or threaten material injury to, the domestic industry, Commerce will issue AD and CVD orders. If the ITC makes negative determinations of injury, the investigations will be terminated.

#### FINAL DUMPING MARGINS:

COUNTRY	EXPORTER/PRODUCER	DUMPING MARGINS
Australia	Paper Australia Pty. Ltd.**	222.46%
	All Others	138.87%

\*\* Based on adverse facts available due to the company's failure to participate in the investigation.

COUNTRY	EXPORTER/PRODUCER	DUMPING MARGINS
Brazil	Suzano Papel e Celulose S.A.	22.16%
	International Paper do Brasil Ltda.	41.39%
	All Others	26.95%

COUNTRY	EXPORTER	PRODUCER	DUMPING MARGINS	CASH DEPOSITS
China	Greenpoint Global Trading (Macao Commercial Offshore) Ltd.	Asia Symbol (Guangdong) Paper Co., Ltd., Asia Symbol (Shandong) Pulp and Paper Co., Ltd.	84.05%	83.92%
	China-Wide Rate		149.00%	148.87%

**NOTE:** The cash deposit rates are adjusted to account for the applicable export subsidy rate of 0.13 percent for Asia Symbol and for the China-Wide rate.

COUNTRY	EXPORTER/PRODUCER	DUMPING MARGINS	CASH DEPOSITS
Indonesia	April Fine Paper Macao Commercial Offshore Limited/PT Anugerah Kertas Utama/PT Riau Andalan Kertas	2.05%	2.05%
	Great Champ Trading Limited**	17.39%	0.00%
	Indah Kiat Pulp & Paper TBK/Pabrik Kertas Tjiwi Kimia/PT. Pindo Deli Pulp and Paper Mills**	17.39%	0.00%
	All Others	2.05%	2.05%

\*\* Based on adverse facts available due to the company's failure to participate in the investigation.

**NOTE:** The cash deposit rates are adjusted to account for the applicable export subsidy rate of 57.78 percent for Great Champ and APP/SMG. There were no export subsidies found for APRIL and companies covered by the All Others Rate.

COUNTRY	EXPORTER/PRODUCER	DUMPING MARGINS
Portugal	Portucel S.A.	7.80%
	All Others	7.80%

**FINAL SUBSIDY RATES:**

<b>COUNTRY</b>	<b>EXPORTER/PRODUCER</b>	<b>SUBSIDY RATES</b>
<b>China</b>	<b>Asia Symbol Companies</b>	<b>7.23%</b>
	<b>Sun Paper Companies</b>	<b>176.75%**</b>
	<b>UPM</b>	<b>176.75%**</b>
	<b>All Others</b>	<b>7.23%</b>

\*\* Based on adverse facts available due to the company's failure to participate in the investigation.

<b>COUNTRY</b>	<b>EXPORTER/PRODUCER</b>	<b>SUBSIDY RATES</b>
<b>Indonesia</b>	<b>APRIL Fine Paper Macao Commercial Offshore Limited, PT Anugrah Kertas Utama, PT Riau Andalan Kertas, PT Intiguna Primatama, PT Riau Andalan Pulp &amp; Paper, Esensindo Cipta Cemerlang</b>	<b>21.22%</b>
	<b>Great Champ Trading Limited**</b>	<b>104.00%**</b>
	<b>Indah Kiat Pulp &amp; Paper Tbk, Pabrik Kertas Tjiwi Kimia, PT Pindo Deli Pulp and Paper Mills**</b>	<b>109.15%**</b>
	<b>All Others</b>	<b>21.22%</b>

\*\* Based on adverse facts available due to the company's failure to participate in the investigation.

## CASE CALENDAR:

EVENT	CVD INVESTIGATION	AD INVESTIGATIONS
Petitions Filed	January 21, 2015	January 21, 2015
DOC Initiation Date	February 10, 2015	February 10, 2015
ITC Preliminary Determinations	March 9, 2015	March 9, 2015
DOC Preliminary Determinations <sup>^</sup>	June 22, 2015	August 19, 2015
DOC Final Determinations*	January 8, 2016	January 8, 2016
ITC Final Determinations	February 22, 2016	February 22, 2016
Issuance of Orders**	February 29, 2016	February 29, 2016

NOTE: Commerce 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.

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

\*The final determinations in the CVD investigations were aligned with the final determinations in the concurrent antidumping duty investigations.

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

## IMPORT STATISTICS:

AUSTRALIA	2012	2013	2014
Volume (metric tons)	46,300	48,700	75,800
Value (USD)	37,164,000	38,994,000	61,359,000
BRAZIL	2012	2013	2014
Volume (metric tons)	139,000	197,600	218,500
Value (USD)	139,215,000	189,328,000	210,472,000
CHINA	2012	2013	2014
Volume (metric tons)	23,600	37,000	62,400
Value (USD)	22,140,000	32,035,000	54,081,000
INDONESIA	2012	2013	2014
Volume (metric tons)	105,600	116,200	230,600
Value (USD)	99,457,000	104,103,000	200,321,000
PORTUGAL	2012	2013	2014
Volume (metric tons)	141,600	160,200	157,300
Value (USD)	146,180,000	164,297,000	163,593,000

Source: U.S. Census Bureau, accessed through Global Trade Atlas. (HTSUS 4802.56.1000, 4802.56.2000, 4802.56.3000, 4802.56.4000, 4802.56.6000, 4802.56.7020, 4802.56.7040, 4802.57.1000, 4802.57.2000, 4802.57.3000, and 4802.57.4000.)

Imports of certain uncoated paper may also enter under HTSUS subheadings 4802.62.1000, 4802.62.2000, 4802.62.3000, 4802.62.5000, 4802.62.6020, 4802.62.6040, 4802.69.1000, 4802.69.2000, 4802.69.3000, 4811.90.8050 and 4811.90.9080. However, these HTSUS subheadings may cover significant amounts of non-subject merchandise. Therefore, these HTSUS subheadings have not been used for purposes of reporting import statistics.