



A-570-022  
Investigation  
Public Document  
AD/CVDOps/OIII: SM/PS

DATE: August 19, 2015

MEMORANDUM TO: Paul Piquado  
Assistant Secretary  
for Enforcement and Compliance

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

SUBJECT: Decision Memorandum for Preliminary Determination in the  
Antidumping Duty Investigation of Uncoated Paper from the  
People's Republic of China

---

## **I. SUMMARY**

The Department of Commerce (the Department) preliminarily determines that certain uncoated paper (uncoated paper) from the People's Republic of China (PRC) is being, or is likely to be, sold in the United States at less-than-fair-value (LTFV), as provided in section 733 of the Tariff Act of 1930, as amended (the Act). The estimated weighted-average dumping margins are shown in the "Preliminary Determination" section of the accompanying *Federal Register* notice.

## **II. BACKGROUND**

On January 21, 2015, the Department received an antidumping duty (AD) petition covering imports of uncoated paper from the PRC,<sup>1</sup> which was filed in proper form by United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union; Domtar Corporation; Finch Paper LLC; P.H. Glatfelter Company; and Packaging Corporation of America (collectively "the petitioners"). The Department published a notice of initiation of this investigation on February 18, 2015.<sup>2</sup>

---

<sup>1</sup> See Petitions for the Imposition of Antidumping Duties on Imports of Certain Uncoated Paper from Australia, Brazil, the PRC, and Portugal; and Countervailing Duties on Imports from the People's Republic of China and the PRC, dated January 21, 2015 (the Petition).

<sup>2</sup> See *Certain Uncoated Paper From Australia, Brazil, the People's Republic of China, The PRC, and Portugal: Initiation of Less-Than-Fair-Value Investigations*, 80 FR 8608 (February 18, 2015) (*Initiation Notice*).



In the *Initiation Notice*, the Department notified parties of the application process by which exporters and producers may obtain separate rate status in non-market economy (NME) investigations.<sup>3</sup> The process requires exporters and producers to submit a separate rate application (SRA)<sup>4</sup> and to demonstrate an absence of both *de jure* and *de facto* government control over their export activities. In the *Initiation Notice*, we stated that the SRA would be due 30 days after publication of the notice, or on March 20, 2015.

Also in the *Initiation Notice*, the Department notified parties of an opportunity to comment on the scope of the investigation, as well as the appropriate physical characteristics of uncoated paper, to be reported in response to the Department's AD questionnaire.<sup>5</sup> In March 2015, the petitioners, PT Anugerah Kertas Utama (AKU)/APRIL Fine Paper Macao Commercial Offshore Limited (AFPM) (AKU/AFPM), and the following interested parties submitted comments to the Department regarding the physical characteristics of the merchandise under consideration to be used for reporting purposes: Suzano Papel e Celulose S.A./Suzano Pulp and Paper America, Inc. (Suzano) and International paper do Brasil Ltda./ International Paper Exportadora Ltda. (International Paper) (respondents in the companion AD investigation on uncoated paper from Brazil); and Portucel S.A./Portucel Soporcel N.A. (Portucel) (a respondent in the companion AD investigation on uncoated paper from Portugal).<sup>6</sup> In the same month, each of these parties, with the exception of Australian Paper, filed rebuttal comments.

On March 17, 2015, the U.S. International Trade Commission (ITC) preliminarily determined that there is a reasonable indication that an industry in the United States is materially injured by reason of imports of uncoated paper from the PRC sold in the United States at less than fair value.<sup>7</sup>

In April 2015, Gartner Studios, an importer of print and social stationery, requested that the Department clarify whether certain pre-printed forms are covered by the scope of the investigation.<sup>8</sup> During the same month, Gartner Studios supplemented this request by submitting photographs of the products at issue. In May 2015, the petitioners responded to Gartner Studios' submissions, indicating that they believe that each item in these submissions should be excluded.

Also, in April 2015, we issued the initial AD questionnaire to Asia Symbol (Guangdong) Paper Co. Ltd. (AS Guangdong) and Greenpoint Global Trading (Macao) Commercial Offshore Ltd. (Greenpoint) (collectively, Asia Symbol). On May 4, 2015, Asia Symbol submitted a timely filed response to Section A of the Department's AD questionnaire (*i.e.*, the section relating to

---

<sup>3</sup> See *Initiation Notice*, 80 FR at 8614.

<sup>4</sup> See Policy Bulletin 05.1: Separate Rates Practice and Application of Combination Rates in Antidumping Investigations Involving Non-Market Economy Countries (April 5, 2005) (Policy Bulletin 05.1), available at <http://enforcement.trade.gov/policy/bull05-1.pdf>.

<sup>5</sup> See *Initiation Notice*, 80 FR at 8609.

<sup>6</sup> In July 2015, Australian Paper placed on the administrative record of the companion investigations certain comments related to product characteristics that it filed in March 2015 in the instant Australia investigation.

<sup>7</sup> See *Certain Uncoated Paper from Australia, Brazil, China, Indonesia, and Portugal*, 80 FR 13890 (March 17, 2015) (*ITC Preliminary Determination*).

<sup>8</sup> Gartner Studios initially made this submission in March 2015; however, the submission failed to meet the filing requirements set forth in 19 CFR 351.102(b)(21). The Department permitted Gartner Studios to remedy its filing deficiencies and accepted Gartner's refiled submission in April 2015.

general information). On May 27, 2015, Greenpoint submitted a response to Section C and AS Guangdong submitted a response to Section D. On May 19, 2015 and July 1, 2015, we issued supplemental questionnaires to Asia Symbol, and received timely filed responses between June 2 and July 24, 2015.

In May 2015, the petitioners requested that the date for the issuance of the preliminary determination in this investigation be extended until 190 days after the date of initiation. Based on the request, the Department published a postponement of the preliminary determination until no later than August 19, 2015.<sup>9</sup>

On June 2, 2015, we issued the double remedy questionnaire to Asia Symbol, and the response was submitted on June 22, 2015. On June 29, 2015, the Department published the preliminary countervailing duty determination in the companion uncoated paper investigation.<sup>10</sup>

We are conducting this investigation in accordance with section 733(b) of the Act.

### III. SELECTION OF RESPONDENTS

Section 777A(c)(1) of the Act directs the Department to calculate an individual weighted-average dumping margin for each known exporter and producer of the subject merchandise. However, section 777A(c)(2) of the Act gives the Department discretion to limit its examination to a reasonable number of exporters and producers if it is not practicable to make individual weighted-average dumping margin determinations because of the large number of exporters and producers involved in the investigation. When the Department limits the number of exporters examined in an investigation pursuant to section 777A(c)(2) of the Act, section 782(a) of the Act directs the Department to calculate individual weighted-average dumping margins for companies not initially selected for individual examination who voluntarily provide the information requested of the mandatory respondents if (1) the information is submitted by the due date specified for the mandatory respondents and (2) the number of such companies that have voluntarily provided such information is not so large that individual examination would be unduly burdensome and inhibit the timely completion of the investigation.

In the *Initiation Notice*, we stated we would issue a quantity and value (Q&V) questionnaire to each potential respondent and post the Q&V questionnaire along with filing instructions on our website.<sup>11</sup> We further stated that respondent selection in this investigation will be based on responses to the Q&V questionnaire and that all responses must be submitted by all PRC exporters/producers no later than February 24, 2015.<sup>12</sup> On February 18, 2015, the Department requested Q&V information from the eight companies that Petitioners identified in the Petition. On February 20, 2015, the Department extended the deadline for submission of responses to the Q&V questionnaire until March 2, 2015. On March 2, 2015, the Department received timely

---

<sup>9</sup> See *Certain Uncoated Paper from Australia, Brazil, the People's Republic of China, The PRC, and Portugal: Postponement of Preliminary Determinations of Antidumping Duty Investigations*, 80 FR 31017 (June 1, 2015).

<sup>10</sup> See *Certain Uncoated Paper from the People's Republic of China: Preliminary Affirmative Countervailing Duty Determination and Alignment of Final Determination With Final Antidumping Duty Determination*, 80 FR 36968, June 29, 2015.

<sup>11</sup> See *Initiation Notice*, 80 FR at 8614.

<sup>12</sup> *Id.*

filed Q&V questionnaire responses from Asia Symbol and Sun Paper, and from UPM (China) Co., Ltd. (UPM), who obtained the Q&V questionnaire from the Department's website. We confirmed that two additional companies received the Q&V questionnaire by the March 2, 2015 deadline, and two companies received the Q&V questionnaire by March 6, 2015, after the deadline to file the Q&V response; one company refused delivery of the Q&V questionnaire, and one Q&V was undeliverable.<sup>13</sup> The companies that received the Q&V questionnaire after the March 2, 2015 deadline did not contact the Department for an extension to the deadline to respond.<sup>14</sup>

On April 6, 2015, the Department selected AS Guangdong and Shandong Sun Paper Industry Joint Stock Co., Inc. (Sun Paper), as mandatory respondents for this investigation because, based on their Q&V questionnaire responses, they constituted the PRC exporters/producers accounting for the largest volume of exports of the merchandise under consideration to the United States during the period of investigation (POI).<sup>15</sup>

On April 6, 2015, the Department issued its standard AD NME country questionnaires to the two mandatory respondents.<sup>16</sup> On April 8, 2015, Sun Paper withdrew from participation in the investigation and indicated that it will not respond to the questionnaire.<sup>17</sup> On April 14, 2015, we selected UPM, for individual examination as a mandatory respondent in this investigation,<sup>18</sup> in place of Sun Paper, and sent the company a questionnaire. On May 6, 2015, UPM notified the Department that it will not respond to the Department's questionnaire.<sup>19</sup>

Asia Symbol, Sun Paper, and UPM timely submitted separate rate applications (SRAs).

#### **IV. PERIOD OF INVESTIGATION**

The period of investigation (POI) is July 1, 2014, through December 31, 2014. This period corresponds to the two most recent fiscal quarters prior to the month of the filing of the Petition, which was January 2015.<sup>20</sup>

---

<sup>13</sup> See Memorandum to the File from Christopher Hargett, Senior International Trade Compliance Analyst, Antidumping and Countervailing Duty Operations titled "FedEx – UPS Delivery Confirmations (Updated)," dated March 25, 2015.

<sup>14</sup> See the Application of Facts Available and Adverse Inferences section *infra* for more details.

<sup>15</sup> See Memorandum to Christian Marsh, Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations from Melissa G. Skinner, Director, Office III Antidumping and Countervailing Duty Operations, titled "Antidumping Duty Investigation of Uncoated Paper from the People's Republic of China: Respondent Selection," dated April 6, 2015.

<sup>16</sup> See the Department's antidumping duty questionnaire addressed to Asia Symbol and the antidumping duty questionnaire addressed to Sun Paper, both dated April 6, 2015.

<sup>17</sup> See Letter from Sun Paper titled "Uncoated Paper from the People's Republic of China," dated April 8, 2015.

<sup>18</sup> See Memorandum to Christian Marsh, Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations through Melissa G. Skinner, Director, Office III, Antidumping and Countervailing Duty Operations from Erin Begnal, Program Manager, Office III, Antidumping and Countervailing Duty Operations and Stephanie Moore, Case Analyst, Office III, Antidumping and Countervailing Duty Operations, titled "Selection of Respondent for the Antidumping Duty Investigation on Uncoated Paper from the People's Republic of China, dated April 14, 2015.

<sup>19</sup> See Letter from UPM regarding Questionnaire Responses, dated May 6, 2015.

<sup>20</sup> See 19 CFR 351.204(b)(1).

## V. POSTPONEMENT OF FINAL DETERMINATION AND EXTENSION OF PROVISIONAL MEASURES

Pursuant to section 735(a)(2) of the Act, on July 31, 2015, Asia Symbol requested that the Department postpone the final determination, and that provisional measures be extended.<sup>21</sup> In addition, the petitioners also requested that, in the event of a negative preliminary determination, the Department postpone its final determination to 135 days after the date of publication of the preliminary determination in accordance with 19 CFR 351.210(b)(c)(i).<sup>22</sup>

In accordance with section 735(a)(2)(A) of the Act and 19 CFR 351.210(b)(2)(ii) and (e)(2), because 1) our preliminary determination is affirmative, 2) the requesting exporter accounts for a significant proportion of exports of the subject merchandise,<sup>23</sup> and 3) no compelling reasons for denial exist, we are granting the respondent's request and are postponing the final determination until no later than 135 days after the publication of the preliminary determination notice in the *Federal Register*. In this regard, Asia Symbol submitted a request to extend the provisional measures,<sup>24</sup> and we are extending provisional measures from four months to a period not to exceed six months. Suspension of liquidation will be extended accordingly.

## VI. SCOPE COMMENTS

As noted in the *Initiation Notice*, we set aside a period of time for parties to raise issues regarding product coverage, and we stated that all such comments must be filed within 20 calendar days of publication of the *Initiation Notice*.<sup>25</sup>

As referenced above, Gartner Studios submitted letters, including nine product samples, requesting that the Department clarify whether the scope of the instant investigations includes certain printed uncoated paper, including printed forms and paper with printed designs.<sup>26</sup>

The petitioners submitted comments in response to Gartner Studios' request, indicating that each of the nine samples Gartner Studios provided appears to be "printed with final content of printed text or graphics" within the intended meaning of the scope exclusion language.<sup>27</sup>

---

<sup>21</sup> See letter from Asia Symbol, "Certain Uncoated Paper from the People's Republic of China: Request to Postpone Final Determination," dated July 31, 2015 (Final Postponement Request).

<sup>22</sup> See letter from the petitioners, entitled, "Request For Postponement Of The Final Determination," dated July 31, 2015.

<sup>23</sup> See Memorandum to Christian Marsh, Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations from Melissa G. Skinner, Director, Office III Antidumping and Countervailing Duty Operations entitled, "Antidumping Duty Investigation of Uncoated Paper from the People's Republic of China: Respondent Selection," dated April 6, 2015.

<sup>24</sup> See 19 CFR 351.210(e)(2); see also Asia Symbol's Final Postponement Request, dated July 31, 2015.

<sup>25</sup> See *Initiation Notice*; see also *Antidumping Duties; Countervailing Duties; Final rule*, 62 FR 27296, 27323 (May 19, 1997) (*Preamble*).

<sup>26</sup> See Letter from Gartner Studios, entitled "Antidumping Duty Investigations on Certain Uncoated Paper from Australia, Brazil, the People's Republic of China (PRC), Indonesia, and Portugal, and Countervailing Duty Investigations on Certain Uncoated Paper from Indonesia and the PRC," dated April 14, 2015 and April 28, 2015.

<sup>27</sup> See Letter from Petitioners, entitled "Certain Uncoated Paper From Australia, Brazil, The People's Republic Of China, Indonesia, and Portugal: Response To Gartner Studios," dated May 8, 2015, at 2.

Based on the information on the record, we agree with Gartner Studios and the petitioners that each sample Gartner Studios provided is considered “paper printed with final content of printed text or graphics” and, thus, is excluded from the scope of these investigations.<sup>28</sup>

As stated in the Preliminary Scope Comments Decision memorandum, we invite parties to comment on this finding in their case briefs so that the issue can be addressed in the final determinations of these investigations. Further, we note that with the exception of HTS categories 4911.99.6000 and 4911.99.8000, Gartner Studios’ samples of printed uncoated paper fall under HTS categories that are included in the scope. Therefore, we invite parties to comment on whether and how the language of the scope can be revised to exclude the printed uncoated paper at issue in a manner that will facilitate the enforcement and administration of the scope by U.S. Customs and Border Protection.<sup>29</sup>

## VII. SCOPE OF THE INVESTIGATION

The merchandise covered by this investigation 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 level<sup>30</sup> 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 ground wood paper produced from bleached chemi-thermo-mechanical pulp (BCTMP) 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.

Imports of the subject merchandise are provided for under Harmonized Tariff Schedule of the United States (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,

<sup>28</sup> See Memorandum from Erin Begnal, Director, Office III, to Ronald K. Lorentzen, Acting Assistant Secretary for Enforcement and Compliance, entitled “Scope Comments Decision Memorandum for the Preliminary Determinations,” dated August 3, 2015.

<sup>29</sup> *Id.*, at 5.

<sup>30</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.

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 investigation is dispositive.

### VIII. AFFILIATION DETERMINATION

Section 771(33) of the Act, provides that:

The following persons shall be considered to be ‘affiliated’ or ‘affiliated persons’:

- (A) Members of a family, including brothers and sisters (whether by the whole or half-blood), spouse, ancestors, and lineal descendants.
- (B) Any officer or director of an organization and such organization.
- (C) Partners.
- (D) Employer and employee.
- (E) Any person directly or indirectly owning, controlling, or holding with power to vote, 5 percent or more of the outstanding voting stock or shares of any organization and such organization.
- (F) Two or more persons directly or indirectly controlling, controlled by, or under common control with, any person.
- (G) Any person who controls any other person and such other person.

The Statement of Administrative Action (SAA) accompanying the Uruguay Round Agreement Act states the following:

The traditional focus on control through stock ownership fails to address adequately modern business arrangements, which often find one firm “operationally in a position to exercise restraint or direction” over another in the absence of an equity relationship. A company may be in a position to exercise restraint or direction, for example, through corporate or family groupings, franchise or joint venture agreements, debt financing, or close supplier relationships in which the supplier or buyer becomes reliant upon the other.<sup>31</sup>

19 CFR 351.102(b)(3) defines affiliated persons and affiliated parties as having the same meaning as in section 771(33) of the Act. In determining whether control over another person exists, within the meaning of section 771(33) of the Act, the Department considers the following factors, among others: corporate or family groupings; franchise or joint venture agreements; debt financing; and close supplier relationships. The regulation directs the Department not to find that control exists on the basis of these factors unless the relationship has “the potential to impact decisions concerning the production, pricing, or cost of the subject merchandise or foreign like product.” The regulation also directs the Department to consider the temporal aspect of a relationship in determining whether control exists; normally, temporary circumstances will not suffice as evidence of control.

19 CFR 351.401(f), which outlines the criteria for treating affiliated producers as a single entity for purposes of AD proceedings, states the following:

---

<sup>31</sup> See SAA, H.R. Doc. No. 316, Vol. I, 103d Cong., 2d Sess. (1994), at 838.

- (1) In general. In an antidumping proceeding under this part, the Secretary will treat two or more affiliated producers as a single entity where those producers have production facilities for similar or identical products that would not require substantial retooling of either facility in order to restructure manufacturing priorities and the Secretary concludes that there is a significant potential for the manipulation of price or production.
- (2) Significant potential for manipulation. In identifying a significant potential for the manipulation of price or production, the factors the Secretary may consider include:
  - (i) The level of common ownership;
  - (ii) The extent to which managerial employees or board members of one firm sit on the board of directors of an affiliated firm; and
  - (iii) Whether operations are intertwined, such as through the sharing of sales information, involvement in production and pricing decisions, the sharing of facilities or employees, or significant transactions between the affiliated producers.<sup>32</sup>

Based on the information presented in the questionnaire responses, we preliminarily find that AS Guangdong and AS Shandong are affiliated within the meaning of 771(33)(E) of the Act, and AS Guangdong, AS Shandong, and Greenpoint are affiliated within the meaning of section 771(33)(F) of the Act.<sup>33</sup> In addition, we preliminarily find that AS Guangdong, AS Shandong and Greenpoint meet all the criteria for treatment as a single entity in accordance with 19 CFR 351.401(f)(1).<sup>34</sup> AS Guangdong designated the facts underlying this conclusion as business-proprietary information. Therefore, the Department issued a separate business-proprietary memorandum that contains a full discussion of our affiliation and single-entity determinations.<sup>35</sup>

## IX. DISCUSSION OF THE METHODOLOGY

### Non-Market Economy (NME) Country

The Department considers the PRC to be an NME country.<sup>36</sup> In accordance with section 771(18)(C)(i) of the Act, any determination that a foreign country is an NME country shall

---

<sup>32</sup> See 19 CFR 351.401(f).

<sup>33</sup> See Memorandum to Erin Begnal, "Investigation of Uncoated Paper from the People's Republic of China: Preliminary Determination Regarding Affiliation and Collapsing of Asia Symbol (Guangdong) Paper Co., Ltd., Asia Symbol (Shandong) Pulp and Paper Co., Ltd., and Greenpoint Global Trading (Macao Commercial Offshore) Ltd.," dated August 19, 2015.

<sup>34</sup> *Id.*

<sup>35</sup> *Id.*

<sup>36</sup> See, e.g., *Certain Kitchen Appliance Shelving and Racks From the People's Republic of China: Preliminary Results of the First Administrative Review, Preliminary Rescission, in Part, and Extension of Time Limits for the Final Results*, 76 FR 62765, 62767-68 (October 11, 2011), unchanged in *Certain Kitchen Appliance Shelving and Racks From the People's Republic of China: Final Results and Partial Rescission of First Antidumping Duty Administrative Review*, 77 FR 21734 (April 11, 2012).

remain in effect until revoked by the administering authority. Therefore, we continue to treat the PRC as an NME country for purposes of this preliminary determination.

### Separate Rates

Pursuant to section 771(18)(C)(i) of the Act, a designation of a country as an NME remains in effect until it is revoked by the Department. Accordingly, there is a rebuttable presumption that all companies within the PRC are subject to government control and, thus, should be assessed a single antidumping duty rate.<sup>37</sup>

In the *Initiation Notice*, the Department notified parties of the application process by which exporters and producers may obtain separate rate status in NME proceedings.<sup>38</sup> It is the Department's policy to assign all exporters of the merchandise subject to review in NME countries a single rate unless an exporter can affirmatively demonstrate an absence of government control, both in law (*de jure*) and in fact (*de facto*), with respect to exports. To establish whether a company is sufficiently independent to be entitled to a separate, company-specific rate, the Department analyzes each exporting entity in an NME country under the test established in *Sparklers*,<sup>39</sup> as further developed by *Silicon Carbide*.<sup>40</sup> However, if the Department determines that a company is wholly foreign-owned, then a separate-rate analysis is not necessary to determine whether it is independent from government control, and thus eligible for a separate rate.<sup>41</sup> Greenpoint, which is the exporter of the covered merchandise, reported that it is a wholly-foreign-owned company located in a market-economy country.<sup>42</sup> Accordingly, we have preliminarily granted a separate rate to Greenpoint.

### Surrogate Country and Surrogate Value Data

As a general rule, the Department selects a surrogate country that is at the same level of economic development as the NME unless it is determined that none of the countries are viable options because (a) they either are not significant producers of comparable merchandise, (b) do not provide sufficient reliable sources of publicly available surrogate value (SV) data, or (c) are not suitable for use based on other reasons. Surrogate countries that are not at the same level of economic development as the NME country, but still at a level of economic development

---

<sup>37</sup> See, e.g., *Notice of Final Determination of Sales at Less Than Fair Value, and Affirmative Critical Circumstances, In Part: Certain Lined Paper Products From the People's Republic of China*, 71 FR 53079, 53082 (September 8, 2006).

<sup>38</sup> See *Initiation Notice*, 80 FR 8612.

<sup>39</sup> See *Final Determination of Sales at Less Than Fair Value: Sparklers from the People's Republic of China*, 56 FR 20588 (May 6, 1991) (*Sparklers*).

<sup>40</sup> See *Notice of Final Determination of Sales at Less Than Fair Value: Silicon Carbide From the People's Republic of China*, 59 FR 22585 (May 2, 1994) (*Silicon Carbide*).

<sup>41</sup> See, e.g., *Carbon and Certain Alloy Steel Wire Rod From the People's Republic of China: Preliminary Determination of Sales at Less Than Fair Value and Preliminary Affirmative Determination of Critical Circumstances, in Part*, 79 FR 53169, September 8, 2014, and unchanged in the final determination, *Carbon and Certain Alloy Steel Wire Rod From the People's Republic of China: Final Determination of Sales at Less Than Fair Value and Final Affirmative Determination of Critical Circumstances, in Part*, 79 FR 68860 (November 19, 2014).

<sup>42</sup> See letter from Greenpoint, "Uncoated Paper from the People's Republic of China: Separate Rate Application Of: Greenpoint Global Trading (Macao Commercial Offshore) Limited," dated March 27, 2015, at 2.

comparable to the NME country, are selected only to the extent that data considerations outweigh the difference in levels of economic development.<sup>43</sup>

The Department issued its list of surrogate countries on May 11, 2015.<sup>44</sup> On July 1, 2015, Asia Symbol and the petitioners submitted comments with respect to surrogate country selection.<sup>45</sup> On July 13, 2015, the petitioners submitted rebuttal comments regarding surrogate country selection.<sup>46</sup> On July 20, 2015, Asia Symbol and the petitioners submitted comments on the selection of SVs.<sup>47</sup> On July 30, 2015 Asia Symbol and the petitioners submitted rebuttal comments with respect to SVs.<sup>48</sup> Our analysis of these comments and the relevant record evidence follow.

### Surrogate Country

When the Department is investigating imports from an NME country, section 773(c)(1) of the Act directs it to base normal value (NV), in most circumstances, on the NME producer's factors of production (FOP), valued in a surrogate market economy (ME) country or countries considered to be appropriate by the Department. In accordance with section 773(c)(4) of the Act, in valuing the FOPs, the Department shall utilize, to the extent possible, the prices or costs of FOPs in one or more ME countries that are: (1) at a level of economic development comparable to that of the NME country; and (2) significant producers of comparable merchandise.<sup>49</sup> The Department determined that Romania, Bulgaria, South Africa, Ecuador, Thailand, and Ukraine are countries at the same level of economic development as the PRC based on per capita gross national income (GNI).<sup>50</sup> The sources of the SVs we used in this investigation are discussed in the "Normal Value" section below.

Asia Symbol argues in its surrogate country selection comments that Thailand should be selected as the surrogate country in this investigation because Thailand's GNI is comparable to that of the PRC, Thailand is a significant producer of comparable merchandise, the Department has

---

<sup>43</sup> See Surrogate Country Memo.

<sup>44</sup> See Memorandum from Carole Showers, Director, Office of Policy, Enforcement and Compliance, "Request for a List of Surrogate Countries for a Less-Than-Fair Value: Investigation of Certain Uncoated Paper (Uncoated Paper) from the People's Republic of China (China)," dated May 11, 2105 (Surrogate-Country Memorandum).

<sup>45</sup> See Asia Symbol's letter, "Certain Uncoated Paper from the People's Republic of China: Surrogate Country Comments," dated July 1, 2015 (Asia Symbol Surrogate Country Comments). See also, the petitioners' letter "Certain Uncoated Paper from the People's Republic," dated July 1, 2015.

<sup>46</sup> See the petitioners' letter, "Certain Uncoated Paper from the People's Republic Of China: Rebuttal Comments Regarding Surrogate Country Selection," dated July 13, 2015 (Petitioners' Surrogate Country Rebuttal Comments).

<sup>47</sup> See Asia Symbol's letter, "Certain Uncoated Paper from the People's Republic of China: Direct Surrogate Values," dated July 20, 2015 (Asia Symbol SV Comments). See also the petitioners' letter, "Certain Uncoated Paper From The People's Republic Of China: Surrogate Values Submission," dated July 20, 2015 (Petitioners' SV Comments).

<sup>48</sup> See Asia Symbol's letter, "Certain Uncoated Paper from the People's Republic of China: Rebuttal Surrogate Values," dated July 30, 2015 (Asia Symbol SV Rebuttal Comments). See also the petitioners' letter, "Certain Uncoated Paper from the People's Republic Of China: Surrogate Values Rebuttal Submission," dated July 30, 2015 (Petitioners' SV Rebuttal Comments).

<sup>49</sup> See Policy Bulletin 04.1: Non-Market Economy Surrogate Country Selection Process (March 1, 2004) (*Policy Bulletin*).

<sup>50</sup> See Surrogate-Country Memorandum at 2.

previously used Thailand as a surrogate country for the PRC, and both are Asian countries. In its July 20, 2015 Asia Symbol SV Comments, Asia Symbol states that South Africa is a net importer of “subject merchandise, Thai surrogate value data available are “robust,” and useable Thai financial statements are available.”<sup>51</sup> Asia Symbol also argues that India is a viable surrogate country.<sup>52</sup> In the petitioners’ Surrogate Country Comments, the petitioners note that the Department relied on South African data for purposes of initiation of this investigation and argue that the Department should continue to use South Africa as the surrogate country for the preliminary determination. The petitioners argue that the Department’s Office of Policy has determined that South Africa is economically comparable to the PRC for purposes of this investigation. Furthermore, the petitioners argue that South Africa is a significant producer of identical merchandise, and that “as demonstrated in the petition,” there are reliable, publicly available South African data sources with which all factors of production can be valued.<sup>53</sup> Furthermore, the petitioners argue in their surrogate value rebuttal comments that India is not an appropriate surrogate country because it is no longer economically comparable to the PRC and it does not appear on the Office of Policy list of potential surrogate countries.<sup>54</sup>

In its SV rebuttal comments, Asia Symbol argues that South Africa is not a significant producer of uncoated paper and that the Thai surrogate data on the record are superior to South African data on the record in terms of quality and availability.<sup>55</sup>

### Economic Comparability

As explained in our Surrogate-Country Memorandum, the Department considers Bulgaria, Ecuador, Romania, South Africa, Thailand and Ukraine all to be at the same level of economic development as the PRC.<sup>56</sup> Section 773(c)(4) of the Act is silent with respect to how the Department may determine that a country is at the same level of economic development as the NME country. As explained in the Department’s *Policy Bulletin*, “{t}he surrogate countries on the list are not ranked.”<sup>57</sup> This lack of ranking reflects the Department’s long-standing practice that, for the purpose of surrogate country selection, the countries on the list “should be considered equivalent” from the standpoint of their level of economic development, based on per capita GNI as compared to the PRC’s level of economic development.<sup>58</sup> This also recognizes that the “level” in an economic development context necessarily implies a range of per capita GNI, not a specific per capita GNI.<sup>59</sup> The Department’s long-standing practice of selecting, if possible, a surrogate country from a non-exhaustive list of countries at the same level of economic development as the NME country, or another country at the same level of economic development, fulfills the statutory requirement to value factors of production, to the extent possible, using data from “one or more market economy countries that are at a level of economic

---

<sup>51</sup> See Asia Symbol Guangdong SV Comments at 1.

<sup>52</sup> See Asia Symbol Surrogate Country Comments at 2 – 3.

<sup>53</sup> See the petitioners’ Surrogate Country Comments at 2.

<sup>54</sup> See the petitioners’ Surrogate Country Rebuttal Comments at 1 – 2.

<sup>55</sup> See Asia Symbol SV Rebuttal Comments at 2.

<sup>56</sup> See Surrogate-Country Memorandum at 2.

<sup>57</sup> See *Policy Bulletin*.

<sup>58</sup> *Id.*

<sup>59</sup> *Id.*

development comparable to that of the nonmarket economy country . . . .”<sup>60</sup> In this regard, “countries that are at a level of economic development comparable to that of the NME country” necessarily includes countries that are at the same level of economic development as the NME country.

Accordingly and as stated above, we will rely on data from one of these countries unless it is determined that none of the countries are viable options because (a) they either are not significant producers of comparable merchandise, (b) do not provide sufficient reliable sources of publicly available SV data, or (c) are not suitable for use based on other reasons. Surrogate countries that are not at the same level of economic development as the NME country, but still at a level of economic development comparable to the NME country, are selected only to the extent that data considerations outweigh the difference in levels of economic development.<sup>61</sup> Therefore, we consider all six countries identified in the Surrogate-Country Memorandum as having met this prong of the surrogate country selection criteria.

### Significant Producers of Identical or Comparable Merchandise

Section 773(c)(4)(B) of the Act requires the Department to value FOPs in a surrogate country that is a significant producer of comparable merchandise. Neither the statute nor the Department’s regulations provide further guidance on what may be considered comparable merchandise. Given the absence of any definition in the statute or regulations, the Department looks to other sources such as the *Policy Bulletin* for guidance on defining comparable merchandise. The *Policy Bulletin* states that “in all cases, if identical merchandise is produced, the country qualifies as a producer of comparable merchandise. In cases where the identical merchandise is not produced, the team must determine if other merchandise that is comparable is produced.”<sup>62</sup> Further, the statute grants the Department discretion to examine various data sources for determining the best available information.<sup>63</sup>

In this case, the record shows that both Thailand and South Africa have significant exports of comparable merchandise.<sup>64</sup> Thus, because neither Thailand nor South Africa has been definitively disqualified through the above analysis, the Department looks to the availability of SV data to determine the most appropriate surrogate country.

---

<sup>60</sup> See section 773(c)(4) of the Act.

<sup>61</sup> See Surrogate Country Memo.

<sup>62</sup> See *Policy Bulletin* at 2.

<sup>63</sup> See section 773(c) of the Act; see also *Nation Ford Chem. Co. v. United States*, 166 F.3d 1373, 1377 (Fed. Cir. 1999).

<sup>64</sup> See Memorandum to the File, “Antidumping Duty Investigation on Uncoated Paper from the People’s Republic of China: Factor Valuation Memorandum for the Preliminary Determination,” dated concurrently with this memorandum (Preliminary Factor Valuation Memorandum). See also letter from Asia Symbol, “Certain Uncoated Paper from the People’s Republic of China: Surrogate Country Comments,” dated July 1, 2015, at Exhibit 2; and letter from the petitioners, “Certain Uncoated Paper From The People’s Republic Of China: Comments Regarding Surrogate Country Selection,” dated July 1, 2015, at Attachment 1.

### Data Availability

When evaluating SV data, the Department considers several factors including whether the SV data is publicly available, contemporaneous with the POR, representative of broad-market averages, from an approved surrogate country, tax and duty-exclusive, and specific to the input.<sup>65</sup> There is no hierarchy among these criteria. It is the Department's practice to carefully consider the available evidence in light of the particular facts of each industry when undertaking its analysis.<sup>66</sup> Asia Symbol placed complete SV information on the record for all material inputs from Thailand covering the POI.<sup>67</sup> In addition, Asia Symbol placed the financial statement of a Thai Company on the record of this investigation to be used to calculate surrogate financial ratios.<sup>68</sup>

The petitioners placed surrogate data on the record for South Africa.<sup>69</sup> In addition, the petitioners placed the financial statements of two South African producers of identical merchandise on the record of this investigation to be used to calculate surrogate financial ratios.<sup>70</sup>

The data from the South African companies show that both companies produce only paper; whereas the data on the Thai company show that it is primarily a cement company, and paper production is a small part of its business.<sup>71</sup> We were also unable to separate the selling, general and administrative expenses relevant to the production and sales of identical or comparable merchandise in the Thai company's operating results. Hence, we were unable to calculate financial ratios based on the Thai data. Accordingly, the Department preliminarily finds that data from South Africa is the best available information, because South Africa: (1) is at the same level of economic development as the PRC; (2) is a significant producer of comparable merchandise; and (3) provides the best opportunity to use publicly available data that are representative of a broad market average, tax and duty-exclusive, specific to the inputs being valued, and contemporaneous with or closest in time to the POI. As such, the Department preliminarily selects South Africa as the primary surrogate country. A detailed explanation of the SVs is in the "Normal Value" section of this notice.

### Date of Sale

Asia Symbol reported the date of invoice to the first unaffiliated customer as the date of sale for all U.S. sales.<sup>72</sup> Section 351.401(i) of the Department's regulations states that, in identifying the date of sale of the merchandise under consideration or foreign like product, the Secretary

---

<sup>65</sup> See, e.g., *Certain Activated Carbon from the People's Republic of China; 2010-2011; Final Results of Antidumping Duty Administrative Review*, 77 FR 67337 (November 9, 2012), and accompanying Issues and Decision Memorandum at 8.

<sup>66</sup> See *Policy Bulletin*.

<sup>67</sup> See Asia Symbol SV Comments.

<sup>68</sup> *Id.*

<sup>69</sup> See the petitioners' SV Comments.

<sup>70</sup> *Id.*, at Attachments 15 – 21.

<sup>71</sup> See Asia Symbol SV Comments at Exhibit C-2, esp. page 4.

<sup>72</sup> See AQR at 9, and Greenpoint Global Trading (Macao) (Greenpoint) section C questionnaire response (CDQNR), dated May 27, 2015 at pages 13 – 14.

normally will use the date of invoice, as recorded in the exporter or producer's records kept in the ordinary course of business. Additionally, the Secretary may use a date other than the date of invoice if the Secretary is satisfied that a different date better reflects the date on which the exporter or producer establishes the material terms of sale.<sup>73</sup> Asia Symbol has not argued that a date other than invoice date would be appropriate. Therefore, we have used the invoice date as the date of sale, in accordance with our regulation.<sup>74</sup>

### Fair Value Comparisons

To determine whether sales of uncoated paper from the PRC to the United States were made at LTFV, we compared the export price (EP) to the normal value (NV), as described in the "Export Price," and "Normal Value" sections of this memorandum below. In accordance with section 777A(d)(1)(A) of the Act, we compared POI weighted-average EPs to POI weighted-average NVs.

#### *a. Determination of the Comparison Method*

Pursuant to 19 CFR 351.414(c)(1), the Department calculates individual dumping margins by comparing weighted-average NVs to weighted-average EPs or constructed export prices (CEPs) (the average-to-average method) unless the Secretary determines that another method is appropriate in a particular situation. The Department's regulations also provide that dumping margins may be calculated by comparing NVs, based on individual transactions, to the EPs (or CEPs) of individual transactions (transaction-to-transaction method) or, when certain conditions are satisfied, by comparing weighted-average NVs to the EPs (or CEPs) of individual transactions (average-to-transaction method).<sup>75</sup>

In order to determine which comparison method to apply, in recent proceedings, the Department applied a "differential pricing" analysis for determining whether application of the average-to-average method is appropriate in a particular situation pursuant to 19 CFR 351.414(c)(1).<sup>76</sup> The Department may determine that in particular circumstances, consistent with section 777A(d)(1)(B) of the Act, it is appropriate to use the average-to-transaction method. The Department finds that the differential pricing analysis used in those recent proceedings may be instructive for purposes of examining whether to apply an alternative comparison method in this investigation. The Department will continue to develop its approach in this area based on comments received in this investigation and on the Department's additional experience with addressing the potential masking of dumping that can occur when the Department uses the average-to-average method in calculating estimated weighted-average dumping margins.

The differential pricing analysis used in this preliminary determination requires a finding of a pattern of EPs (or CEPs) for comparable merchandise that differ significantly among purchasers,

<sup>73</sup> See 19 CFR 351.401(i); see also *Allied Tube & Conduit Corp. v. United States*, 132 F. Supp. 2d 1087, 1090 (CIT 2001) (quoting 19 CFR 351.401(i)).

<sup>74</sup> *Id.*

<sup>75</sup> See 19 CFR 351.414(b)(1) and (2).

<sup>76</sup> See, e.g., *Xanthan Gum From the People's Republic of China: Final Determination of Sales at Less Than Fair Value*, 78 FR 33350 (June 4, 2013), and accompanying Issues and Decision Memorandum at Comment 3.

regions, or time periods. If such a pattern is found, then the differential pricing analysis evaluates whether such differences can be taken into account when using the average-to-average method to calculate the estimated weighted-average dumping margin. The differential pricing analysis used in this preliminary determination evaluates all purchasers, regions, and time periods to determine whether a pattern of significant price differences exists. The analysis incorporates default group definitions for purchasers, regions, time periods, and comparable merchandise. Purchasers are based on the customer codes reported by Asia Symbol. Regions are defined using the reported destination code (*i.e.*, zip code) and are grouped into regions based upon standard definitions published by the U.S. Census Bureau. Time periods are defined by the quarter within the POI 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 (or CEP) and NV for the individual dumping margins.

In the first stage of the differential pricing analysis used here, the “Cohen’s *d* test” is applied. The Cohen’s *d* coefficient 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* coefficient is calculated 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 used 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 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 significant, and the sales in the test group will have been found to pass the Cohen’s *d* test 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 account for 66 percent or more of the value of total sales, then the identified pattern of prices that differ significantly supports the consideration of the application of the average-to-transaction method to all sales as an alternative to the average-to-average 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 average-to-transaction method to those sales identified as passing the Cohen’s *d* test as an alternative to the average-to-average method and application of the average-to-average method to those sales identified as not passing the Cohen’s *d* test (*i.e.*, the “mixed alternative” method). 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 average-to-average 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 prices that differ significantly such that an alternative comparison method should be considered, then in the second stage of the differential pricing analysis, we examine whether using only the average-to-average 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 estimated weighted-average dumping margin as compared to that resulting from the use of the average-to-average method only. If the difference between the two calculations is meaningful, then this demonstrates that the average-to-average method cannot account for differences such as those observed in this analysis and, therefore, an alternative method would be appropriate. A difference in the estimated weighted-average dumping margins is considered meaningful if 1) there is a 25 percent relative change in the estimated weighted-average dumping margin between the average-to-average method and the appropriate alternative method where both rates are above the *de minimis* threshold, or 2) the resulting estimated weighted-average dumping margin moves across the *de minimis* threshold.

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

*b. Results of the Differential Pricing Analysis*

For Asia Symbol, based on the results of the differential pricing analysis, the Department finds that more than 66 percent of Asia Symbol’s U.S. sales pass the Cohen’s *d* test, which confirms the existence of a pattern of EPs for comparable merchandise that differ significantly among purchasers, regions, or time periods. Further, the Department determines that the average to average method can appropriately account for such differences because there is not a meaningful difference in the weighted-average dumping margins when calculated using the average to average method and the average-to-transaction method. Accordingly, the Department preliminarily determines that it is appropriate to use the average to average method for all U.S. sales to calculate the estimated weighted-average dumping margin for Asia Symbol.<sup>77</sup>

Export Price

In accordance with section 772(a) of the Act, we used EP for Asia Symbol because the merchandise under consideration was first sold by the producer/exporter outside of the United States directly to the first unaffiliated purchaser in the United States prior to importation and CEP methodology was not otherwise warranted.

The Department made deductions, as appropriate, from the reported U.S. price for billing adjustments, movement expenses (*i.e.*, domestic and foreign inland freight, domestic inland

---

<sup>77</sup> See the Memorandum to the File, “Investigation of Certain Uncoated Paper from the People’s Republic of China: Preliminary Analysis Memorandum for Asia Symbol (Guangdong) Paper Co., Ltd. and Greenpoint Global Trading (Macao Commercial Offshore) Ltd” dated concurrently with this notice (Asia Symbol’s Preliminary Analysis Memorandum).

insurance, domestic brokerage and handling, and international movement expenses).<sup>78</sup> The Department based movement expenses on surrogate values where the service was purchased from a PRC company.<sup>79</sup>

### Value-Added Tax

The Department's recent practice in NME cases is to adjust EP or CEP for the amount of any unrefunded value-added tax (VAT), in accordance with section 772(c)(2)(B) of the Act.<sup>80</sup> The Department explained that when an NME government imposes an export tax, duty, or other charge on subject merchandise, or on inputs used to produce subject merchandise, from which the respondent was not exempted, the Department will reduce respondent's EP and CEP prices accordingly by the amount of the tax, duty or charge paid, but not rebated.<sup>81</sup> Where the irrecoverable VAT is a fixed percentage of CEP or EP, the Department explained that the final step in arriving at a tax neutral dumping comparison is to reduce the U.S. CEP or EP downward by this same percentage.<sup>82</sup> The Department's methodology, as explained above and applied in this investigation, essentially amounts to performing two basic steps: (1) determining the irrecoverable VAT on subject merchandise, and (2) reducing U.S. price by the amount (or rate) determined in step one.

Asia Symbol reported that the official VAT rate for exports of subject merchandise is 17 percent and the refund rate is zero percent, under the applicable PRC regulations.<sup>83</sup> However, the record also indicates that the irrecoverable VAT rate should not be applied to the full FOB export price of the subject merchandise because the primary inputs for producing the covered merchandise were imported into China VAT free as a result of Greenpoint's tolling arrangement with AS Guangdong.<sup>84</sup> Therefore, for this preliminary determination, we have limited the adjustment for unrecoverable VAT to the amount of the tax that was applied to the production of covered merchandise by virtue of the domestically-sourced inputs in the PRC.<sup>85</sup>

### Normal Value

Section 773(c)(1) of the Act provides that the Department shall determine NV using an FOP methodology if: (1) the merchandise is exported from an NME country; and (2) the information does not permit the calculation of NV using home-market prices, third-country prices, or constructed value under section 773(e) of the Act. When determining NV in an NME context the Department will base NV on FOPs because the presence of government controls on various aspects of these economies renders price comparisons and the calculation of production costs

---

<sup>78</sup> See section 772(c)(2)(A) of the Act.

<sup>79</sup> See "Factor Valuation Methodology" section below.

<sup>80</sup> See *Methodological Change for Implementation of section 772(c)(2)(B) of the Tariff Act of 1930, as Amended, In Certain Non-Market Economy Antidumping Proceedings*, 77 FR 36481, 36483-84 (June 19, 2012) (*Methodological Change*).

<sup>81</sup> *Id.*; see also *Chlorinated Isocyanurates from the People's Republic of China: Final Results of Antidumping Duty Administrative Review; 2011-2012*, 79 FR 4875 (January 30, 2014), and accompanying IDM at Comment 5.A.

<sup>82</sup> *Id.*

<sup>83</sup> See CQR at 38 – 39, and Exhibit C-5.

<sup>84</sup> *Id.*, at 38 - 39.

<sup>85</sup> See Asia Symbol's Preliminary Analysis Memorandum.

invalid under our normal methodologies. The Department's questionnaire requires that a respondent provide information regarding the weighted-average FOPs across all of the company's plants and/or suppliers that produce the merchandise under consideration, not just the FOPs from a single plant or supplier. This methodology ensures that the Department's calculations are as accurate as possible.

The Department calculated NV based on FOPs in accordance with Sections 773(c)(3) and (4) of the Act and 19 CFR 351.408(c). Under section 773(c)(3) of the Act, FOPs used by respondents in the production include, but are not limited to, (1) hours of labor required; (2) quantities of raw materials employed; (3) amounts of energy and other utilities consumed; and (4) representative capital costs. The Department based NV on Asia Symbol's reported FOPs for materials, energy, and labor.

#### Factor Valuation Methodology

In accordance with section 773(c) of the Act, for subject merchandise produced by AS Guangdong, the Department calculated NV based on the FOPs reported by the respondent for the POI. The Department used South Africa import data and other publicly available sources in order to calculate SVs for the respondent's FOPs. To calculate NV, the Department multiplied the reported per-unit FOP quantities by publicly available SVs. The Department's practice when selecting the best available information for valuing FOPs is to select, to the extent practicable, SVs which are product specific, representative of a broad market average, publicly available, contemporaneous with the POI, and exclusive of taxes and duties.<sup>86</sup>

The Department adjusted input prices by including freight costs, as appropriate, to render them delivered prices. Specifically, the Department added to South African import SVs a surrogate freight cost using the shorter of the reported distance from the domestic supplier to the factory or the distance from the nearest seaport to the factory where it relied on an import value. This adjustment is in accordance with the decision of the Federal Circuit in *Sigma Corp. v. United States*, 117 F.3d 1401, 1408 (Fed. Cir. 1997). Additionally, where necessary, the Department adjusted SVs for inflation and exchange rates, and the Department converted all applicable FOPs to a per-kilogram basis.

Furthermore, with regard to the South African import-based SVs, we disregarded import prices that we have reason to believe or suspect may be subsidized.<sup>87</sup> We have reason to believe or suspect that prices of inputs from Indonesia, India, South Korea, and Thailand may have been subsidized because we found in other proceedings that these countries maintain broadly

---

<sup>86</sup> See, e.g., *Electrolytic Manganese Dioxide from the People's Republic of China: Final Determination of Sales at Less Than Fair Value*, 73 FR 48195 (August 18, 2008) and accompanying IDM at Comment 2.

<sup>87</sup> See Section 505 of the Trade Preferences Extension Act of 2015, Pub. Law 114-27 (June 29, 2015); see also, *Dates of Application of Amendments to the Antidumping and Countervailing Duty Laws Made by the Trade Preferences Extension Act of 2015*, 80 FR 46793, 46795 (August 6, 2015).

available, non-industry-specific export subsidies.<sup>88</sup> Additionally, consistent with our practice, we disregarded prices from NME countries and excluded imports labeled as originating from an “unspecified” country from the average value, because the Department could not be certain that they were not from either an NME country or a country with general export subsidies.<sup>89</sup> Therefore, we did not use prices from these countries in calculating the South African import-based SVs.

Pursuant to 19 CFR 351.408(c)(1), where a factor is produced in one or more ME countries, purchased from one or more ME suppliers and paid for in an ME currency, the Department normally will use the prices paid to the ME suppliers if substantially all (*i.e.*, 85 percent or more) of the total volume of the factor is purchased from the ME suppliers. In those instances where less than substantially all of the total volume of the factor is produced in one or more ME countries and purchased from one or more ME suppliers, the Department will weight-average the actual prices paid for the ME portion and the surrogate value for the NME portion by their respective quantities.

Asia Symbol purchased inputs that are produced in ME countries, from ME suppliers, and paid for in an ME currency. The Department valued those inputs in accordance with 19 CFR 351.408(c).<sup>90</sup>

The record shows that data in the South African import statistics, as well as those from the other sources, are generally contemporaneous with the POR, product-specific, and tax-exclusive.<sup>91</sup> In those instances where we could not obtain publicly available South African data contemporaneous to the POI with which to value factors, we adjusted the SVs using, where appropriate, inflation factors derived from the South African Producer Price Index (PPI), as published in the International Monetary Fund’s *International Financial Statistics*.<sup>92</sup> The

---

<sup>88</sup> See, e.g., *Steel Threaded Rod From India: Final Affirmative Countervailing Duty Determination and Partial Final Affirmative Determination of Critical Circumstances*, 79 FR 40712 (July 14, 2014); *Certain Frozen Warmwater Shrimp From the Republic of Indonesia: Final Negative Countervailing Duty Determination*, 78 FR 50383 (August 19, 2013) (although our overall determination was negative, the Department found broadly available export subsidies existed in Indonesia); *Corrosion-Resistant Carbon Steel Flat Products From the Republic of Korea: Preliminary Results of Countervailing Duty Administrative Review; 2011*, 78 FR 55241 (September 10, 2013), unchanged in final *Corrosion-Resistant Carbon Steel Flat Products from the Republic of Korea: Final Results of Countervailing Duty Administrative Review; 2011*, 79 FR 5378 (January 31, 2014); *Large Residential Washers From the Republic of Korea: Final Affirmative Countervailing Duty Determination*, 77 FR 75975 (December 26, 2012); *Bottom Mount Combination Refrigerator-Freezers From the Republic of Korea: Final Affirmative Countervailing Duty Determination*, 77 FR 17410 (March 26, 2012); *Certain Frozen Warmwater Shrimp From Thailand: Final Negative Countervailing Duty Determination*, 78 FR 50379 (August 19, 2013) (although our overall determination was negative, the Department found broadly available export subsidies existed in Thailand).

<sup>89</sup> See *Notice of Preliminary Determination of Sales at Less Than Fair Value and Postponement of Final Determination: Chlorinated Isocyanurates From the People’s Republic of China*, 69 FR 75294, 75300 (December 16, 2004), unchanged in *Notice of Final Determination of Sales at Less Than Fair Value: Chlorinated Isocyanurates From the People’s Republic of China*, 70 FR 24502 (May 10, 2005).

<sup>90</sup> See Preliminary Surrogate Value Memorandum; Asia Symbol Preliminary Analysis Memorandum. See also, AS Guangdong’s Section C-D questionnaire response (CDQNR) at Exhibit D-5, and AS Guangdong’s SCDQR - Part II, dated July 24, 2015, at Exhibit SD-6.

<sup>91</sup> See Preliminary Surrogate Value Memorandum.

<sup>92</sup> *Id.*

Department used South African Import Statistics from the Global Trade Atlas (GTA) and other publicly available sources to value most raw materials, energy, and packing inputs that AS Guangdong used to produce subject merchandise during the POI.

For this preliminary determination, the Department calculated the labor input using data on industry-specific labor cost from the primary surrogate country, South Africa. On June 21, 2011, the Department announced its new methodology to value the cost of labor in NME countries.<sup>93</sup> In *Labor Methodologies*, the Department determined that the best methodology to value the labor input is to use industry-specific labor rates from the primary surrogate country.<sup>94</sup> Additionally, the Department determined that the best data source for industry-specific labor rates is Chapter 6A: Labor Cost in Manufacturing, from the International Labor Organization (ILO) Yearbook of Labor Statistics (Yearbook).<sup>95</sup> Thus, for this preliminary determination, we relied on the Chapter 6A, industry-specific ILO data for South Africa from 2013, for Economic Activity C, which is described as “Manufacturing (ISIC-Rev.4).”<sup>96</sup> The Department further determined that the Economic Activity description “C. Manufacturing (ISIC-Rev.4) is the best available information because it is specific to the industry being examined and, therefore, is derived from industries that produce comparable merchandise. Additionally, we inflated the 2013 labor data to the POI using the South Africa Consumer Price Index (CPI).<sup>97</sup>

Pursuant to *Labor Methodologies*, the Department’s practice is to consider whether financial ratios reflect labor expenses that are included in other elements of the respondent’s factors of production (e.g., general and administrative expenses).<sup>98</sup> The financial statements used to calculate financial ratios for this preliminary determination were sufficiently detailed to allow the Department to isolate labor expenses from other expenses such as selling, general, and administrative expenses. Therefore, the Department made no revisions to its calculation of surrogate financial ratios pursuant to *Labor Methodologies*.<sup>99</sup>

We valued electricity using contemporaneous South African data from the South African electricity provider Eskom’s publication Tariffs and Charges Booklet, available at Eskom’s website <http://www.eskom.co.za>.<sup>100</sup>

We valued water using the RandWater 2010/11 Tariff Schedule, Source: <http://www.randwater.co.za/SalesAndCustomerServices/Tariffs/Rand%20Water%20Tariff%202010-11.pdf>.<sup>101</sup>

We valued international freight using Maersk prices obtained at <https://my.maerskline.com>.<sup>102</sup>

---

<sup>93</sup> See *Antidumping Methodologies in Proceedings Involving Non-Market Economies: Valuing the Factor of Production: Labor*, 76 FR 36092 (June 21, 2011) (*Labor Methodologies*).

<sup>94</sup> *Id.*

<sup>95</sup> *Id.*

<sup>96</sup> See Preliminary Surrogate Value Memorandum.

<sup>97</sup> *Id.*

<sup>98</sup> See *Labor Methodologies*, 76 FR at 36094.

<sup>99</sup> See Preliminary Surrogate Value Memorandum.

<sup>100</sup> *Id.*

<sup>101</sup> *Id.*

<sup>102</sup> *Id.*

The Department valued truck freight using data taken from the World Bank's *Doing Business 2015, Economy Profile: South Africa* publication.<sup>103</sup>

We valued brokerage and handling expenses using a price list of export procedures necessary to export a standardized cargo of goods in South Africa, as published in the World Bank's *Doing Business 2015, Economy Profile: South Africa* publication.<sup>104</sup>

19 CFR 351.408(c)(4) directs the Department to value overhead, general and administrative expenses (SG&A), and profit using non-proprietary information gathered from producers of identical or comparable merchandise in the surrogate country. Asia Symbol placed the financial statement for a Thai company, Siam Cement Group, on the record of this investigation. The petitioners placed the financial statements of two South African companies, Mondi Limited (Mondi), and Sappi Southern Africa Limited (Sappi). For the preliminary determination, we are calculating the financial ratios to be used in the NV calculation using the Mondi and Sappi financial statements. Both Mondi and Sappi are producers of identical merchandise and earned a profit during the 2014 fiscal reporting period.<sup>105</sup> There is no record evidence to indicate that they received benefits that the Department previously determined to be countervailable. Further, their audited financial statements are complete and sufficiently detailed to disaggregate materials, labor, overhead, and SG&A expenses.<sup>106</sup> We are not able to disaggregate materials, labor, overhead, and SG&A expenses in the Siam Cement Group financial statements. Because we have selected South Africa as the surrogate country in this investigation, we are calculating financial ratios using Mondi's and Sappi's financial statements.<sup>107</sup>

For a complete listing of all the inputs and a detailed discussion about our SV selections, *see* the Preliminary Surrogate Value Memorandum.

## **X. CURRENCY CONVERSION**

Where necessary, 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.

## **XI. APPLICATION OF FACTS AVAILABLE AND ADVERSE INFERENCES**

Section 776(a)(1) and (2) of the Act provides that, if necessary information is missing from the record, or if an interested party (A) withholds information that has been requested by the Department, (B) fails to provide such information in a timely manner or in the form or manner requested, subject to subsections 782(c)(1) and (e) of the Act, (C) significantly impedes a

<sup>103</sup> See Preliminary Surrogate Value Memorandum.

<sup>104</sup> See *Doing Business 2015, Economy Profile: South Africa*, at 70, and "Trading Across Borders Methodology," contained in the Preliminary Surrogate Value Memorandum and available at <http://www.doingbusiness.org>.

<sup>105</sup> See Preliminary Surrogate Value Memorandum.

<sup>106</sup> *Id.*

<sup>107</sup> See 19 CFR 351.408(c)(2) (the Department normally will value factors in a single surrogate country); 19 CFR 351.408(c)(4) (the Department will normally use information from the surrogate country to value manufacturing, overhead, general expenses, and profit).

proceeding under the AD statute, or (D) provides such information but the information cannot be verified, the Department shall, subject to subsection 782(d) of the Act, use facts otherwise available in reaching the applicable determination.

Where the Department determines that a response to a request for information does not comply with the request, section 782(d) of the Act provides that the Department will so inform the party submitting the response and will, to the extent practicable, provide that party an opportunity to remedy or explain the deficiency. If the party fails to remedy or satisfactorily explain the deficiency within the applicable time limits, subject to section 782(e) of the Act, the Department may disregard all or part of the original and subsequent responses, as appropriate.

On June 29, 2015, the President of the United States signed into law the Trade Preferences Extension Act of 2015 (TPEA), which made numerous amendments to the AD and CVD law, including amendments to section 776(b) and 776(c) of the Act and the addition of section 776(d) of the Act.<sup>108</sup> The amendments to the Act are applicable to all determinations made on or after August 6, 2015, and, therefore, apply to this investigation.<sup>109</sup>

Section 776(b) of the Act provides that the Department may use an adverse inference in applying the facts otherwise available when a party fails to cooperate by not acting to the best of its ability to comply with a request for information. In doing so, and under the TPEA, the Department is not required to determine, or make any adjustments to, a weighted average dumping margin based on any assumptions about information an interested party would have provided if the interested party had complied with the request for information. Further, section 776(b)(2) states that an adverse inference may include reliance on information derived from the petition, the final determination from the LTFV investigation, a previous administrative review, or other information placed on the record.

Section 776(c) of the Act provides that, when the Department relies on secondary information rather than on information obtained in the course of an investigation, it shall, to the extent practicable, corroborate that information from independent sources that are reasonably at its disposal. Secondary information is defined as information derived from the petition that gave rise to the investigation or review, the final determination concerning the subject merchandise, or any previous review under section 751 of the Act concerning the subject merchandise. Further, and under the TPEA, the Department is not required to corroborate any dumping margin applied in a separate segment of the same proceeding.

Finally, under the new section 776(d) of the Act, the Department may use any dumping margin from any segment of a proceeding under an antidumping order when applying an adverse inference, including the highest of such margins. The TPEA also makes clear that when

---

<sup>108</sup> See Trade Preferences Extension Act of 2015, Pub. L. No. 114-27, 129 Stat. 362 (June 29, 2015) (TPEA). The 2015 law does not specify dates of application for those amendments. On August 6, 2015, the Department published an interpretative rule, in which it announced the applicability dates for each amendment to the Act, except for amendments contained to section 771(7) of the Act, which relate to determinations of material injury by the ITC. See *Dates of Application of Amendments to the Antidumping and Countervailing Duty Laws Made by the Trade Preferences Extension Act of 2015*, 80 FR 46793 (August 6, 2015) (*Applicability Notice*).

<sup>109</sup> *Id.*, 80 FR at 46794-95. The 2015 amendments may be found at <https://www.congress.gov/bill/114th-congress/house-bill/1295/text/pl>.

selecting an AFA margin, the Department is not required to estimate what the dumping margin would have been if the interested party failing to cooperate had cooperated or to demonstrate that the dumping margin reflects an “alleged commercial reality” of the interested party.

*A. Use of Facts Available*

As noted above, Sun Paper and UPM withdrew from participating in the investigation. Although UPM submitted a SRA which included information pertaining to separate rates, because it withdrew from the investigation, we lack sufficient information to evaluate whether it demonstrated that it qualifies for a separate rate. Therefore, the Department preliminarily determines that there were exports of merchandise under consideration from PRC exporters (Sun Paper and UPM) that did not demonstrate eligibility for separate rate status. As a result, the Department is treating Sun Paper and UPM as part of the PRC-wide entity. Additionally, four of the other recipients of the Q&V questionnaires did not reply, and of the remaining two, one refused delivery, and one was undeliverable.<sup>110</sup> Accordingly, the Department preliminarily determines that a total of seven exporters of merchandise under consideration, including Sun Paper and UPM, did not demonstrate their eligibility for separate-rate status in this investigation. As a result, the Department is preliminarily treating these seven exporters as part of the PRC-wide entity, subject to the PRC-wide rate.<sup>111</sup>

The Department preliminarily finds that the PRC-wide entity, which includes these seven exporters, failed to provide necessary information, withheld information requested by the Department, failed to provide information in a timely manner, and significantly impeded this proceeding by not submitting the requested information. Moreover, because the PRC-wide entity failed to provide any information, section 783(e) of the Act is inapplicable. Accordingly, the Department preliminarily determines that use of facts available is warranted in determining the rate of the PRC-wide entity, pursuant to Sections 776(a)(1) and (a)(2)(A)-(C) of the Act.<sup>112</sup>

*B. Application of Facts Available with an Adverse Inference*

Section 776(b) of the Act provides that the Department, in selecting from among the facts otherwise available, may use an inference that is adverse to the interests of a party if that party has failed to cooperate by not acting to the best of its ability to comply with a request for information. The Department finds that the PRC-wide entity’s failure to provide the requested information constitutes circumstances under which it is reasonable to conclude that the PRC-

---

<sup>110</sup> See Memorandum to the File, “Antidumping Duty Investigation of Uncoated Paper from the People’s Republic of China: FedEx - UPS Delivery Confirmations (Updated),” dated March 25, 2015.

<sup>111</sup> The names of these exporters are: Shandong Tralin Paper Group; MCC Paper Group; Sun Paper; Shandong Chenming Paper Holdings; Shandong Huatai Paper Industry Shareholding Co., Ltd.; Shandong Taishan Paper Group; and UPM.

<sup>112</sup> See, e.g., *Notice of Preliminary Determination of Sales at Less Than Fair Value, Affirmative Preliminary Determination of Critical Circumstances and Postponement of Final Determination: Certain Frozen Fish Fillets From the Socialist Republic of Vietnam*, 68 FR 4986, 4991 (January 31, 2003), unchanged in *Notice of Final Determination of Sales at Less Than Fair Value and Affirmative Critical Circumstances: Certain Frozen Fish Fillets from the Socialist Republic of Vietnam*, 68 FR 37116 (June 23, 2003).

wide entity was not fully cooperative.<sup>113</sup> The PRC-wide entity neither filed documents indicating that it was having difficulty providing the information, nor did it request to submit the information in an alternate form. Therefore, we preliminarily find that an adverse inference is warranted in selecting from the facts otherwise available with respect to the PRC-wide entity in accordance with section 776(b) of the Act and 19 CFR 351.308(a).<sup>114</sup>

### C. Corroboration of the AFA Rate

When using facts otherwise available, section 776(c) of the Act provides that, where the Department relies on secondary information (such as the Petition) rather than information obtained in the course of an investigation, it must corroborate, to the extent practicable, information from independent sources that are reasonably at its disposal. Secondary information is defined as information derived from the petition that gave rise to the investigation or review, the final determination concerning the subject merchandise, or any previous review under section 751 of the Act concerning the subject merchandise.<sup>115</sup> The SAA clarifies that “corroborate” means that the Department will satisfy itself that the secondary information to be used has probative value,<sup>116</sup> although under the TPEA, the Department is not required to corroborate any dumping margin applied in a separate segment of the same proceeding.<sup>117</sup> To corroborate secondary information, the Department will, to the extent practicable, examine the reliability and relevance of the information to be used, although under the TPEA, the Department is not required to estimate what the dumping margin would have been if the interested party failing to cooperate had cooperated or to demonstrate that the dumping margin reflects an “alleged commercial reality” of the interested party.<sup>118</sup> Finally, under the new section 776(d) of the Act, the Department may use any dumping margin from any segment of a proceeding under an antidumping order when applying an adverse inference, including the highest of such margins.<sup>119</sup>

In order to determine the probative value of the dumping margin alleged in the petition for assigning an AFA rate, we examined the information on the record. When we compared the petition dumping margins of 243.65 percent to 271.87 percent, to the model-specific dumping margins for the mandatory respondent (*i.e.*, Asia Symbol), we found that the petition dumping margins are significantly higher than each of the model-specific dumping margins calculated for

---

<sup>113</sup> See *Nippon Steel Corporation v. United States*, 337 F.3d 1373, 1383 (Fed. Cir. 2003) (noting that the Department need not show intentional conduct existed on the part of the respondent, but merely that a “failure to cooperate to the best of a respondent’s ability” existed (*i.e.*, information was not provided “under circumstances in which it is reasonable to conclude that less than full cooperation has been shown.”)).

<sup>114</sup> See *Nippon Steel Corp. v. United States*, 337 F.3d 1373, 1382-83 (Fed. Cir. 2003).

<sup>115</sup> See SAA at 870.

<sup>116</sup> See SAA at 870; see also 19 CFR 351.308(d).

<sup>117</sup> See section 776(c)(2) of the Act; TPEA, section 502(2).

<sup>118</sup> See, *e.g.*, *Tapered Roller Bearings and Parts Thereof, Finished and Unfinished, From Japan, and Tapered Roller Bearings, Four Inches or Less in Outside Diameter, and Components Thereof, From Japan; Preliminary Results of Antidumping Duty Administrative Reviews and Partial Termination of Administrative Reviews*, 61 FR 57391, 57392 (November 6, 1996), unchanged in *Tapered Roller Bearings and Parts Thereof, Finished and Unfinished, From Japan, and Tapered Roller Bearings, Four Inches or Less in Outside Diameter, and Components Thereof, From Japan; Final Results of Antidumping Duty Administrative Reviews and Termination in Part*, 62 FR 11825 (March 13, 1997).

<sup>119</sup> See section 776(d)(1)-(2) of the Act; TPEA, section 502(3).

Asia Symbol. Therefore, we were unable to corroborate the dumping margin contained in the petition.<sup>120</sup>

Therefore, for the preliminary determination, we assigned to the PRC-wide entity a dumping margin of 193.30 percent, which is the highest model-specific dumping margin for Asia Symbol.<sup>121</sup> It is unnecessary to corroborate this rate because it was obtained in the course of this investigation and, therefore, is not secondary information.<sup>122</sup> The transactions underlying this dumping margin are neither unusual in terms of transaction quantities nor otherwise atypical. For further information, see the Corroboration Memorandum.

## **XII. ADJUSTMENT UNDER SECTION 777A(f) OF THE ACT**

In applying section 777A(f) of the Act in this investigation, the Department examined (1) whether a countervailable subsidy (other than an export subsidy) has been provided with respect to a class or kind of merchandise, (2) whether such countervailable subsidy has been demonstrated to have reduced the average price of imports of the class or kind of merchandise during the relevant period, and (3) whether the Department can reasonably estimate the extent to which that countervailable subsidy, in combination with the use of NV determined pursuant to section 773(c) of the Act, has increased the weighted average dumping margin for the class or kind of merchandise.<sup>123</sup> For a subsidy meeting these criteria, the statute requires the Department to reduce the AD by the estimated amount of the increase in the weighted average dumping margin subject to a specified cap.<sup>124</sup>

Since the Department has relatively recently started conducting analyses under section 777A(f) of the Act, the Department is continuing to refine its practice in applying this section of the law. The Department examined whether the respondents demonstrated: (1) a subsidies-to-cost link, *e.g.*, subsidy impact on cost of manufacture (COM); and (2) a cost-to-price link, *e.g.*, respondent's prices changed as a result of changes in the COM.

On June 2, 2015, the Department issued a double remedy questionnaire to mandatory respondent, Asia Symbol. Asia Symbol submitted its questionnaire response on June 22, 2015.<sup>125</sup> Asia Symbol reported in its Double Remedy Response that it has weekly or bi-weekly pricing committee meetings (PCM) to discuss sale prices. During the PCM: 1) the marketing team reports market supply and demand situations, foreign exchange rate movements and other macroeconomic factors which may affect price; 2) the financial controller reports on key material cost changes and trends; and 3) the sales team reports updated order situations. Based on all these various data, the PCM will decide on the ideal/minimum price for the next period

---

<sup>120</sup> For details regarding this finding, *see* Memorandum to the File, "Antidumping Duty Investigation of Uncoated Paper from the People's Republic of China: Corroboration of Margin Based on Adverse Facts Available," dated concurrently with this memorandum (Corroboration Memorandum).

<sup>121</sup> *See, e.g., Silica Bricks and Shapes From the People's Republic of China: Preliminary Determination of Antidumping Duty Investigation and Postponement of Final Determination*, 78 FR 37203 (June 20, 2013), and accompanying Preliminary Decision Memorandum at Comment 3.

<sup>122</sup> *See* Section 776(c) of the Act; *see also* SAA at 870 (providing examples of secondary information).

<sup>123</sup> *See* sections 777A(f)(1)(A)-(C) of the Act.

<sup>124</sup> *See* sections 777A(f)(1)-(2) of the Act.

<sup>125</sup> *See* Asia Symbol's Double Remedy Questionnaire Response (Double Remedy Response), dated June 22, 2015.

(usually next month).<sup>126</sup> Asia Symbol also states that the PCM generally does not adjust or reduce sale prices just because there is a cost change. Further, Asia Symbol states that a fluctuation in raw materials cost is not the only factor considered for determining its sales price. Therefore, there are changes in sale prices that have no fixed correlation to cost changes.<sup>127</sup> Thus, based on Asia Symbol's response, we preliminarily determine that there is no cost-to-price linkage to a subsidized program and are not making an adjustment for Asia Symbol for domestic subsidies.

### **XIII. VERIFICATION**

As provided in section 782(i) of the Act, we intend to verify information relied upon in making our final determination.

### **XIV. U.S. INTERNATIONAL TRADE COMMISSION (ITC) NOTIFICATION**

In accordance with section 733(f) of the Act, we will notify the ITC of our determination. In addition, we are making all non-privileged and non-proprietary information relating to this investigation available to the ITC. We will allow the ITC access to all privileged and business proprietary information in our files, provided that the ITC confirms that it will not disclose such information, either publicly or under an administrative protective order, without the written consent of the Assistant Secretary for Enforcement and Compliance. In accordance with section 735(b)(2) of the Act, if our final determination is affirmative, the ITC will make its final determination as to whether the domestic industry in the United States is materially injured, or threatened with material injury, by reason of imports of uncoated paper from the PRC before the later of 120 days after the date of this preliminary determination or 45 days after our final determination.

---

<sup>126</sup> *Id.*, at 5 – 6.

<sup>127</sup> *Id.*

**XVI. CONCLUSION**

We recommend applying the above methodology for this preliminary determination.

\_\_\_\_\_  
Agree

\_\_\_\_\_  
Disagree

  
\_\_\_\_\_  
Paul Piquado  
Assistant Secretary  
for Enforcement and Compliance

19 August 2015  
Date