



A-570-920  
Sunset Review 2019  
**Public Document**  
E&C/OIII: KAC

March 16, 2020

**MEMORANDUM TO:** Jeffrey I. Kessler  
Assistant Secretary  
for Enforcement and Compliance

**FROM:** James Maeder  
Deputy Assistant Secretary  
for Antidumping and Countervailing Duty Operations

**SUBJECT:** Issues and Decision Memorandum for the Final Results of the Expedited Second Sunset Review of the Antidumping Duty Order on Lightweight Thermal Paper from the People's Republic of China

---

## I. SUMMARY

We analyzed the substantive response submitted jointly by two domestic interested parties, Appvion Operations, Inc. (Appvion)<sup>1</sup> and Kanzaki Specialty Papers Inc. (Kanzaki), (collectively, domestic interested parties) in this second sunset review of the antidumping duty (AD) order<sup>2</sup> covering certain lightweight thermal paper (LWTP) from the People's Republic of China (China). No respondent interested party submitted a substantive response. Accordingly, we conducted an expedited (120-day) sunset review pursuant to section 751(c)(3)(B) of the Tariff Act of 1930, as amended (the Act) and 19 CFR 351.218(e)(1)(ii)(C)(2). The following is a complete list of the issues in this sunset review for which we received a substantive response:

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

In accordance with our analysis of the domestic interested parties' substantive response, we recommend that you approve the positions described in the instant memorandum.

## II. BACKGROUND

On December 2, 2019, the Department of Commerce (Commerce) published the notice of initiation of the second sunset review of the *Order* on lightweight thermal paper from China, pursuant to section 751(c)(2) of the Act.<sup>3</sup> On December 13, 2019, Commerce received a notice of intent to participate from the domestic interested parties within the deadline specified in 19 CFR 351.218(d)(1)(i).<sup>4</sup> On December 23, 2019, Commerce received a complete substantive response from the domestic interested parties within the 30-day deadline specified in 19 CFR 351.218(d)(3)(i).<sup>5</sup> We received no substantive response from respondent interested parties. As a result, pursuant to 19 CFR 351.218(e)(1)(ii)(C)(2), Commerce conducted an expedited (120-day) sunset review of the *Order*.

---

<sup>1</sup> On May 13, 2013, Appleton Papers Inc. changed its name to Appvion, Inc., and on June 13, 2018, Appvion Inc., changed its name to Appvion Operations Inc. Appvion, Inc and Appleton Papers Inc., the predecessors to Appvion Operations, Inc., were the petitioners in the initial less-than-fair-value investigation of this proceeding. See Domestic Interested Parties' Letter, "Five-Year (Sunset) Review of Antidumping Order on Lightweight Thermal Paper from the People's Republic of China: Domestic Industry's Notice of Intent to Participate," dated December 13, 2019 (Intent to Participate).

<sup>2</sup> See *Antidumping Duty Orders: Lightweight Thermal Paper From Germany and the People's Republic of China*, 73 FR 70959 (November 24, 2008) (*Order*).

<sup>3</sup> See *Initiation of Five-Year (Sunset) Reviews*, 84 FR 65968 (December 2, 2019).

<sup>4</sup> See Intent to Participate.

<sup>5</sup> See Domestic Interested Parties' Letter, "Five-Year (Sunset) Review of Antidumping Order on Lightweight Thermal Paper from the People's Republic of China: Domestic Industry Substantive Response," dated December 23, 2019 (Substantive Response).

### III. SCOPE OF THE ORDER

The products covered by this *Order* include certain lightweight thermal paper, which is thermal paper with a basis weight of 70 grams per square meter (g/m<sup>2</sup>) (with a tolerance of  $\pm 4.0$  g/m<sup>2</sup>) or less; irrespective of dimensions;<sup>6</sup> with or without a base coat<sup>7</sup> on one or both sides; with thermal active coating(s)<sup>8</sup> on one or both sides that is a mixture of the dye and the developer that react and form an image when heat is applied; with or without a top coat;<sup>9</sup> and without an adhesive backing. Certain lightweight thermal paper is typically (but not exclusively) used in point-of-sale applications such as ATM receipts, credit card receipts, gas pump receipts, and retail store receipts. The merchandise subject to this *Order* may be classified in the Harmonized Tariff Schedule of the United States (HTSUS) under subheadings 33703.10.60, 4811.59.20, 4811.90.8040, 4811.90.9090, 4820.10.20, 4823.40.00, 4811.90.8030, 4811.90.8050, 4811.90.9030, and 4811.90.9050.<sup>10, 11</sup> Although HTSUS subheadings are provided for convenience and customs purposes, the written description of the scope of this *Order* is dispositive.

### IV. HISTORY OF THE ORDER

#### Final Determination of Sales at Less-than-Fair Value and Order

On October 2, 2008, Commerce published its final determination of sales at less than fair value (LFTV) pertaining to lightweight thermal paper from China.<sup>12</sup> On November 24, 2008, Commerce published the *Order* with respect to imports of lightweight thermal paper from China. In the initial *Order*, we established the following weighted-average dumping margins:<sup>13</sup>

Exporter/producer combination	Weighted-average margin (percent)
Exporter: Shanghai Hanhong Paper Co., Ltd, also known as Hanhong International Limited Producer: Shanghai Hanhong Paper Co., Ltd	115.29
Exporter: Guangdong Guan hao High-Tech Co., Ltd Producer: Guangdong Guan hao High-Tech Co., Ltd	19.77
China-Wide Entity <sup>14</sup>	115.29

<sup>6</sup> LWTP is typically produced in jumbo rolls that are slit to the specifications of the converting equipment and then converted into finished slit rolls. Both jumbo and converted rolls (as well as LWTP in any other form, presentation, or dimension) are covered by the scope of these orders.

<sup>7</sup> A base coat, when applied, is typically made of clay and/or latex and like materials and is intended to cover the rough surface of the paper substrate and to provide insulating value.

<sup>8</sup> A thermal active coating is typically made of sensitizer, dye, and co-reactant

<sup>9</sup> A top coat, when applied, is typically made of polyvinyl acetone, polyvinyl alcohol, and/or like materials and is intended to provide environmental protection, an improved surface for press printing, and/or wear protection for the thermal print head.

<sup>10</sup> HTSUS subheading 4811.90.8000 was a classification used for LWTP until January 1, 2007. Effective that date, subheading 4811.90.8000 was replaced with 4811.90.8020 (for gift wrap, a non-subject product) and 4811.90.8040 (for "other" including LWTP). HTSUS subheading 4811.90.9000 was a classification for LWTP until July 1, 2005. Effective that date, subheading 4811.90.9000 was replaced with 4811.90.9010 (for tissue paper, a non-subject product) and 4811.90.9090 (for "other," including LWTP).

<sup>11</sup> As of January 1, 2009, the International Trade Commission deleted HTSUS subheadings 4811.90.8040 and 4811.90.9090 and added HTSUS subheadings 4811.90.8030, 4811.90.8050, 4811.90.9030, and 4811.90.9050 to the Harmonized Tariff Schedule of the United States (2009). See Harmonized Tariff Schedule of the United States (2009), available at [www.usitc.gov](http://www.usitc.gov). These HTSUS subheadings were added to the scope of the order in lightweight thermal paper's LTFV investigation.

<sup>12</sup> See *Lightweight Thermal Paper from the People's Republic of China: Final Determination of Sales at Less Than Fair Value*, 73 FR 57329 (October 2, 2008) (*LTFV Final*).

<sup>13</sup> See *Order*, 73 FR at 70960.

<sup>14</sup> Includes Anne Paper Co., Ltd. and Yalong Paper Product (Kunshan) Co., Ltd.

Commerce did not conduct an administrative review prior to the *First Sunset*.<sup>15</sup>

In the *First Sunset*, we found that revocation of the *Order* would be likely to lead to continuation or recurrence of dumping.<sup>16</sup> In addition, the U.S. International Trade Commission (ITC) determined, pursuant to section 751(c) of the Act, that revocation of the *Order* would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.<sup>17</sup> Thus, Commerce published the notice of continuation of the *Order*.<sup>18</sup> Moreover, after the *First Sunset*, Commerce implemented its final determination in a proceeding conducted pursuant to section 129 of the Uruguay Round Agreements Act, in connection with the LTFV determination. In the section 129 determination, Commerce maintained the same weighted-average dumping margins for the companies listed above.<sup>19</sup>

After the *First Sunset*, Commerce initiated two administrative reviews, finding that none of the respondents reviewed in each respective review demonstrated eligibility for a separate rate, and, thus, were part of the China-wide entity.<sup>20</sup>

Commerce has not conducted any new shipper reviews, changed circumstance proceedings, or found duty absorption over the history of the *Order*. Commerce issued one scope ruling over the history of the the *Order*.<sup>21</sup> The *Order* remains in effect for all Chinese producers and exporters of lightweight thermal paper.

## V. LEGAL FRAMEWORK

In accordance with section 751(c)(1) of the Act, Commerce is conducting this sunset review to determine whether revocation of the *Order* would be likely to lead to continuation or recurrence of dumping. Sections 752(c)(1)(A) and (B) of the Act provide that, in making this determination, Commerce shall consider both the weighted-average dumping margins determined in the investigation and subsequent reviews, and the volume of imports of the subject merchandise for the periods before, and the periods after, the issuance of the *Order*.

In accordance with the guidance provided in the legislative history accompanying the Uruguay Round Agreements Act, specifically the Statement of Administrative Action (SAA), the House Report, and the Senate Report, Commerce's determinations of likelihood will be made on an order-wide, rather than company-specific, basis.<sup>22</sup> In addition, Commerce normally determines

---

<sup>15</sup> See *Lightweight Thermal Paper From the People's Republic of China: Final Results of Expedited First Sunset Review of the Antidumping Duty Order*, 79 FR 9879 (February 21, 2014) (*First Sunset*), and accompanying Issues and Decision Memorandum (IDM) at 2.

<sup>16</sup> See *First Sunset*, 79 FR at 9879, and accompanying IDM at 6.

<sup>17</sup> See *Lightweight Thermal Paper from China and Germany*, 80 FR 3252 (January 22, 2015).

<sup>18</sup> See *Lightweight Thermal Paper From the People's Republic of China and Germany: Continuation of the Antidumping and Countervailing Duty Orders on the People's Republic of China, Revocation of the Antidumping Duty Order on Germany*, 80 FR 5083 (January 30, 2015) (*First Sunset Continuation Notice*).

<sup>19</sup> See *Implementation of Determinations Under Section 129 of the Uruguay Round Agreements Act: Aluminum Extrusions From the People's Republic of China; Certain Circular Welded Carbon Quality Steel Line Pipe From the People's Republic of China; Certain Kitchen Appliance Shelving and Racks From the People's Republic of China; Certain Magnesite Carbon Bricks From the People's Republic of China; Certain New Pneumatic Off-the-Road Tires From the People's Republic of China; Certain Oil Country Tubular Goods From the People's Republic of China; Certain Potassium Phosphate Salts from the People's Republic of China; Certain Steel Grating From the People's Republic of China; Certain Tow Behind Lawn Groomers and Certain Parts Thereof From the People's Republic of China; Circular Welded Austenitic Stainless Pressure Pipe From the People's Republic of China; Citric Acid and Certain Citrate Salts From the People's Republic of China; Lightweight Thermal Paper From the People's Republic of China; Narrow Woven Ribbons With Woven Selvage From the People's Republic of China; Prestressed Concrete Steel Wire Strand From the People's Republic of China; Raw Flexible Magnets From the People's Republic of China; Sodium Nitrite From the People's Republic of China*, 80 FR 45184 (July 29, 2015) (*Section 129 Determination*).

<sup>20</sup> See *Lightweight Thermal Paper From the People's Republic of China: Final Results of Antidumping Duty Administrative Review; 2014-2015*, 81 FR 91115 (December 16, 2016) (*2014-2015 Administrative Review*); see also *Lightweight Thermal Paper From the People's Republic of China: Final Results of Antidumping Duty Administrative Review; 2015-2016*, 83 FR 7013 (February 16, 2018) (*2015-2016 Administrative Review*).

<sup>21</sup> See *Notice of Scope Rulings*, 77 FR 50084 (August 20, 2012).

<sup>22</sup> See Statement of Administrative Action Accompanying the Uruguay Round Agreements Act, H.R. Doc. 103-316, vol. 1 (1994) (SAA), the House Report, H. Rep. No. 103-826, pt. 1 (1994) (House Report), and the Senate Report, S. Rep. No. 103-412 (1994) (Senate Report).

that revocation of an antidumping duty order is likely to lead to continuation or recurrence of dumping when, among other scenarios: (a) dumping continued at any level above *de minimis* after the issuance of the order; (b) imports of the subject merchandise ceased after issuance of the order; or (c) dumping was eliminated after the issuance of the order and import volumes for the subject merchandise declined significantly.<sup>23</sup>

Alternatively, Commerce normally will determine that revocation of an antidumping duty order is not likely to lead to continuation or recurrence of dumping where dumping margins declined or were eliminated after issuance of the order and import volumes remained steady or increased.<sup>24</sup> Pursuant to section 752(c)(4)(A) of the Act, a dumping margin of zero or *de minimis* shall not by itself require Commerce to determine that revocation of an AD order would not be likely to lead to a continuation or recurrence of sales at LTFV.<sup>25</sup>

In addition, as a base period of import volume comparison, it is Commerce's practice to use the one-year period immediately preceding the initiation of the investigation, rather than the level of pre-order import volumes, as the initiation of an investigation may dampen import volumes and, thus, skew the comparison.<sup>26</sup> Also, when analyzing import volumes for second and subsequent sunset reviews, Commerce's practice is to compare import volumes during the year preceding initiation of the underlying investigation to import volumes since the issuance of the last continuation notice.<sup>27</sup>

Further, section 752(c)(3) of the Act states that Commerce shall provide to the International Trade Commission (ITC) the magnitude of the margin of dumping likely to prevail if the order were revoked. Generally, Commerce selects the antidumping duty margins from the final determination in the original investigation, as these rates are the only calculated rates that reflect the behavior of exporters without the discipline of an order in place.<sup>28</sup> However, in certain circumstances, a more recently calculated rate may be more appropriate (*e.g.*, "if dumping margins have declined over the life of an order and imports have remained steady or increased, Commerce may conclude that exporters are likely to continue dumping at the lower rates found in a more recent review").<sup>29</sup>

In February 2012, in the *Final Modification for Reviews*, Commerce announced that in five-year (*i.e.*, sunset) reviews, it will not rely on weighted-average dumping margins that were calculated using the zeroing methodology that was found to be World Trade Organization (WTO)-inconsistent and was the subject of that *Final Modification for Reviews*.<sup>30</sup> However, Commerce explained in the *Final Modification for Reviews* that it "retain{s} the discretion, on a case-by-case basis, to apply an alternative methodology, when appropriate" in both investigations and administrative reviews pursuant to section 777A(d)(1)(B) of the Act.<sup>31</sup> In the *Final Modification for Reviews*, Commerce stated that "only in the most extraordinary circumstances" would it rely on margins other than those calculated and published in prior determinations.<sup>32</sup> Commerce further stated that, apart from the "most extraordinary circumstances," it would "limit its reliance to margins determined or applied during the five-year sunset period that were not determined in a

---

<sup>23</sup> See SAA at 889-90; see also House Report at 63-64; Senate Report at 52; and *Policies Regarding the Conduct of Five-year ("Sunset") Reviews of Antidumping and Countervailing Duty Orders; Policy Bulletin*, 63 FR 18871, 18872 (April 16, 1998) (*Sunset Policy Bulletin*).

<sup>24</sup> See SAA at 889-90; see also House Report at 63; and Senate Report at 52.

<sup>25</sup> See *Folding Gift Boxes from the People's Republic of China: Final Results of the Expedited Sunset Review of the Antidumping Duty Order*, 72 FR 16765 (April 5, 2007), and accompanying IDM at Comment 1.

<sup>26</sup> See, *e.g.*, *Stainless Steel Bar from Germany; Final Results of the Sunset Review of the Antidumping Duty Order*, 72 FR 56985 (October 5, 2007), and accompanying IDM at Comment 1.

<sup>27</sup> See *Ferrovandium from the People's Republic of China and the Republic of South Africa: Final Results of the Expedited Second Sunset Reviews of the Antidumping Duty Orders*, 79 FR 14216 (March 13, 2014) (*Ferrovandium*), and accompanying IDM at 3.

<sup>28</sup> See SAA at 890; see also *Persulfates from the People's Republic of China: Notice of Final Results of Expedited Second Sunset Review of Antidumping Duty Order*, 73 FR 11868 (March 5, 2008) (*Persulfates*), and accompanying IDM at Comment 2.

<sup>29</sup> See SAA at 890-91; see also *Sunset Policy Bulletin* at section II.B.2.

<sup>30</sup> See *Antidumping Proceedings: Calculation of the Weighted-Average Dumping Margin and Assessment Rate in Certain Antidumping Duty Proceedings; Final Modification*, 77 FR 8101, 8103 (February 14, 2012) (*Final Modification for Reviews*).

<sup>31</sup> *Id.*, 77 FR at 8105-6.

<sup>32</sup> *Id.*, 77 FR at 8103.

manner found to be WTO-inconsistent” and that it “may also rely on past dumping margins recalculated pursuant to Section 129 proceedings, dumping margins determined based on the use of total adverse facts available (AFA), and dumping margins where no offsets were denied because all comparison results were positive.”<sup>33</sup>

Our analysis of the comments submitted by the domestic interested parties follows.

## **VI. DISCUSSION OF THE ISSUES**

### **1. Likelihood of Continuation or Recurrence of Dumping**

#### Domestic Interested Parties’ Comments

Commerce will normally determine that revocation of an *Order* or termination of a suspended dumping investigation is likely to lead to continuation or recurrence of dumping where: (a) dumping continued at any level above *de minimis* after the issuance of the order or the suspension agreement, as applicable; (b) imports of the subject merchandise ceased after issuance of the order or the suspension agreement, as applicable; or (c) dumping was eliminated after the issuance of the order or the suspension agreement, as applicable, and import volumes for the subject merchandise declined significantly.<sup>34</sup>

In the *First Sunset* review, Commerce found that the “significant decrease in import volumes of subject merchandise, along with the continued existence of dumping margins, supports the finding of likelihood of continuation or recurrence of dumping absent the AD Order.”<sup>35</sup>

The fact that import quantities declined following the imposition of the *Order* supports a finding that the revocation of the *Order* would likely lead to a continuation or recurrence of dumping by the manufacturers, producers, and exporters of the subject merchandise by margins equivalent to or greater than those found in the original investigation.<sup>36</sup> Specifically, at the time of the *First Sunset*, pre-*Order* imports from China totaled an estimated 9,500 metric tons, and from 2013-2018 in the instant sunset period, imports averaged 2,448 metric tons and never exceeded 4,142 metric tons in any given year.<sup>37</sup> Domestic interested parties assert that it is reasonable to conclude that most of the imports from China during 2013-2018 (under subheading 4811.90.8030) are jumbo rolls outside the scope of the *Order*. Regardless, even if all of the imports under the subheadings 4811.90.8030 (for jumbo rolls) and 4811.90.9030 (for converted rolls) were subject merchandise, the average of 2,448 metric tons during 2013-2018 (never exceeding 4,142 metric tons in any given year) is lower than the volume of pre-*Order* imports (at least 9,500 metric tons).<sup>38</sup>

#### **Commerce’s Position:**

As explained in the Legal Framework section above, Commerce’s determinations of likelihood of continuation or recurrence of dumping will be made on an order-wide basis.<sup>39</sup> When determining whether revocation of the *Order* would be likely to lead to continuation of dumping, sections 752(c)(1)(A) and (B) of the Act instruct Commerce to consider: (1) the weighted-average dumping margins determined in the investigation and subsequent reviews; and (2) the volume of imports of the subject merchandise for the period before and after the issuance of the *Order*.

Pursuant to section 752(c)(1)(A) of the Act, Commerce first considered the weighted-average dumping margins determined in the investigation and any subsequent reviews. In the *LTFV Final*, we determined rates above *de minimis* for all Chinese producers and exporters.<sup>40</sup> During

---

<sup>33</sup> *Id.*, 77 FR at 8109.

<sup>34</sup> See Substantive Response at 4; see also *Sunset Policy Bulletin*.

<sup>35</sup> See Substantive Response at 4; see also *First Sunset* at 6.

<sup>36</sup> See Substantive Response at 4-5.

<sup>37</sup> *Id.* at 5-6.

<sup>38</sup> See Substantive Response at 6.

<sup>39</sup> See SAA at 879; see also House Report at 56.

<sup>40</sup> See *Section 129 Determination*, 80 FR at 45190; see also *LTFV Final*, 73 FR at 57332.

this sunset review period, we conducted two administrative reviews of the *Order*. In both of those reviews, we found that none of the respondents reviewed in each respective review demonstrated eligibility for a separate rate, and, thus, were part of the China-wide entity.<sup>41</sup> Accordingly, based on the dumping margins in the investigations, and the final results of these administrative reviews, any entries of subject merchandise after issuance of the *Order* were assessed at above *de minimis* rates.

Pursuant to section 752(c)(1)(B) of the Act, we also considered the volume of imports of subject merchandise in determining whether revocation of the *Order* is likely to lead to continuation or recurrence of dumping. As noted above, when analyzing import volumes for second and subsequent sunset reviews, Commerce's practice is to compare import volumes during the year preceding initiation of the underlying investigation to import volumes since the issuance of the last continuation notice.<sup>42</sup> In analyzing import volumes for the period of this *Second Sunset* review, based on USITC Dataweb import statistics provided by domestic interested parties, we determine record evidence shows that the imports are lower in the last five years when compared to pre-investigation import volumes.<sup>43</sup> Pre-2009, annual imports of LWTP were at or exceeded 9,500 metric tons. As noted by domestic interested parties, pre-*Order* volumes were difficult to estimate because imports of LWTP prior to 2009 entered under large basket tariff categories; however, Commerce relied on the domestic interested parties' estimates in the prior sunset review that imports from China totaled at least 9,500 metric tons in the pre-*Order* period.<sup>44</sup> In the instant sunset period from 2015 to 2019, combined annual imports of LWTP under the subheadings for "jumbo rolls" and "converted rolls" averaged 2,769 metric tons and did not exceed 4,142 metric tons.<sup>45</sup> Imports of jumbo rolls under the HTS number 4811.90.8030 did not exceed 3,992 metric tons, and declined 99.0% from 3,035 to 29 metric tons over the 2018-2019 period. Imports of converted LWTP rolls under the HTS number 4811.90.9030 did not exceed 336 metric tons, and increased from 332 to 336 metric tons over the 2018-2019 period. Thus, import volumes substantially continue to be lower than they were pre-*Order*.

We find that this decrease in import volumes of subject merchandise, along with the continued existence of dumping margins during this sunset review period, supports the finding of likelihood of continuation or recurrence of dumping absent the *Order*.<sup>46</sup>

## 2. Magnitude of the Margin Likely to Prevail

### Domestic Interested Parties' Comments

Commerce is required to determine the magnitude of the margin that is likely to prevail if the order is revoked and to provide this information to the ITC.<sup>47</sup> The SAA provides that Commerce will normally select the margin determined in the original investigation, "because that is the only calculated rate that reflects the behavior of exporters...without the discipline of an order or suspension agreement in place."<sup>48</sup> Accordingly, Commerce has stated that its policy normally is to provide to the ITC the margin that was determined in the original investigation "regardless of whether the margin was calculated using a company's own information or based on best information available or the facts available."<sup>49</sup>

In the *First Sunset*, Commerce found it "appropriate to provide the ITC with the final determination rates from the *LTFV Final* because these rates best reflect the behavior of exporters without the discipline of an order in place."<sup>50</sup>

---

<sup>41</sup> See *2014-2015 Administrative Review*, 81 FR at 91116; see also *2015-2016 Administrative Review*, 83 FR at 7013.

<sup>42</sup> See *Ferrovandium*, 79 FR at 14216, and accompanying IDM at 3.

<sup>43</sup> See Substantive Response at 6.

<sup>44</sup> See Substantive Response at 5, citing *First Sunset* IDM at 5.

<sup>45</sup> *Id.*

<sup>46</sup> *Id.*

<sup>47</sup> See section 752(c)(3) of the Act.

<sup>48</sup> See SAA at 890.

<sup>49</sup> See *Sunset Policy Bulletin*, 63 FR at 18873.

<sup>50</sup> See *First Sunset* IDM at 6.

Similarly, in this case, no Chinese producer or exporter has requested an administrative review, and Commerce's only reviews resulted in treating exporters as part of the China-wide entity.<sup>51</sup> The original dumping margins represent the best evidence of Chinese exporters' behavior in the absence of an order. Although Commerce has stated that it will not rely on dumping margins calculated using the "zeroing" methodology found to be WTO-inconsistent,<sup>52</sup> "zeroing" was not employed in the original investigation.<sup>53</sup> Accordingly, Commerce should find that the likely dumping margins in the event of revocation of the *Order* are 19.77 percent for Guangdong Guanhao High-Tech Co., Ltd. and 115.29 percent for Shanghai Hanhong Paper Co., Ltd. and the China-wide entity.<sup>54</sup>

### Commerce's Position:

Pursuant to section 752(c)(3) of the Act, Commerce shall provide to the ITC the magnitude of the margin of dumping that is likely to prevail if the *Order* were revoked. Normally, Commerce will select a weighted-average dumping margin from the investigation to report to the ITC.<sup>55</sup> Commerce's preference is to select a weighted-average dumping margin from the LTFV investigation because it is the only calculated rate that reflects the behavior of the producers and exporters without the discipline of an order or suspension agreement in place.<sup>56</sup> Under certain circumstances, however, we may select a more recent rate to report to the ITC.<sup>57</sup> Additionally, as explained above, in accordance with the *Final Modification for Reviews*, Commerce will not rely on weighted-average dumping margins that it calculated using the methodology found to be WTO-inconsistent.<sup>58</sup>

For companies not investigated individually, or for companies that did not begin shipping until after the order was issued, Commerce will normally provide a rate based on the all-others rate from the investigation. However, Commerce considers China to be a nonmarket economy under section 771(18) of the Act, and, thus, instead of an all-others rate, Commerce uses a rate established for the China-wide entity, which it applies to all imports from an exporter that has not established its eligibility for a separate rate.<sup>59</sup>

Consistent with our practice, Commerce has determined that the weighted-average antidumping duty margins established in the *LTFV Final* are the best evidence of the exporters' behavior in the absence of the *Order*.<sup>60</sup> We further determine that these margins were not affected by the zeroing methodology that was subject to the *Final Modification for Reviews*.<sup>61</sup> Specifically, the rates for the respondents were calculated without zeroing because the *LTFV Final* occurred after we ceased zeroing in investigations.<sup>62</sup> Furthermore, the final antidumping duty margin for the China-wide entity was based on total adverse facts available, and was based on the calculated margin for one of the mandatory respondents, which did not involve the denial of offsets.<sup>63</sup> Therefore, consistent with our finding in the *First Sunset*, we determine that the margin for the China-wide entity originally calculated in the *LTFV Final* does not need to be recalculated and will be reported to the ITC without modification.<sup>64</sup>

---

<sup>51</sup> See *2014-2015 Administrative Review*, 81 FR 91115; see also *2015-2016 Administrative Review*, 83 FR 7013.

<sup>52</sup> See *Final Modification for Reviews*, 77 FR at 8103.

<sup>53</sup> See *LTFV Final IDM* at Comment 5.

<sup>54</sup> See *Order*.

<sup>55</sup> See SAA at 890; see also *Persulfates*, 73 FR at 11868, and accompanying IDM at Comment 2.

<sup>56</sup> See SAA at 890.

<sup>57</sup> *Id.* at 890-891.

<sup>58</sup> See *Final Modification for Reviews*, 77 FR at 8109.

<sup>59</sup> See *Paper Clips from the People's Republic of China: Final Results of Expedited Sunset Review of Antidumping Duty Order*, 76 FR 26242 (May 6, 2011), and accompanying IDM at Comment 2; see also 19 CFR 351.107(d).

<sup>60</sup> See *Section 129 Determination*, 80 FR at 45190; see also *LTFV Final*, 73 FR at 57332.

<sup>61</sup> See *Final Modification for Reviews*, 77 FR at 8109.

<sup>62</sup> The underlying LTFV investigation was initiated in October 2007. See *Notice of Initiation of Antidumping Duty Investigations: Lightweight Thermal Paper from Germany, the Republic of Korea, and the People's Republic of China*, 72 FR 62430 (November 5, 2007). Commerce announced that it would cease zeroing under the average-to-average comparison methodology in investigations initiated on or after January 16, 2007. See *Antidumping Proceedings: Calculation of the Weighted-Average Dumping Margin During an Antidumping Investigation; Final Modification*, 71 FR 77722, 77725 (December 27, 2006).

<sup>63</sup> See *LTFV Final*, 73 FR 57330-32.

<sup>64</sup> See *First Sunset*, 79 FR at 9880, and accompanying IDM at 7.

**VII. FINAL RESULTS OF SECOND EXPEDITED SUNSET REVIEW**

We determine that revocation of the AD duty order on lightweight thermal paper from China would likely to lead to continuation or recurrence of dumping, and that the magnitude of the margin likely to prevail would be weighted-average margins of up to 115.29 percent.<sup>65</sup>

**VIII. RECOMMENDATION**

Based on our analysis of the substantive response received, we recommend adopting all of the above positions. If these recommendations are accepted, we will publish the final results of this sunset review in the *Federal Register* and notify the ITC of our determination.

\_\_\_\_\_  
Agree

\_\_\_\_\_  
Disagree

3/16/2020

X 

\_\_\_\_\_  
Signed by: JEFFREY KESSLER