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DEPARTMENT OF COMMERCE

International Trade Administration

[A-570-899]

Artist Canvas from the People's Republic of China: Continuation of the Antidumping Duty Order

AGENCY: Import Administration, International Trade Administration, Department of Commerce

SUMMARY: As a result of the determinations by the Department of Commerce ("Department") and the International Trade Commission ("ITC") that revocation of the antidumping duty order on artist canvas from the People's Republic of China ("PRC") would likely lead to a continuation or recurrence of dumping and material injury to an industry in the United States, the Department is publishing a notice of continuation of the antidumping duty order.

EFFECTIVE DATE: [Insert date of publication in the *Federal Register*.]

FOR FURTHER INFORMATION CONTACT: Brooke Kennedy or Eugene Degnan, AD/CVD Operations, Office 8, Import Administration, International Trade Administration, U.S.

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SUPPLEMENTARY INFORMATION: On May 2, 2011, the Department initiated the first sunset review of the antidumping duty order on artist canvas from the PRC pursuant to section 751(c) of the Tariff Act of 1930, as amended ("Act"). See *Initiation of Five-Year ("Sunset") Review*, 76 FR 24459 (May 2, 2011) ("*Sunset Initiation*").

As a result of its review, the Department determined that revocation of the antidumping duty order on artist canvas from the PRC would likely lead to a continuation or recurrence of dumping and, therefore, notified the ITC of the magnitude of the margins likely to prevail should

the order be revoked. *See Artist Canvas from the People's Republic of China: Final Results of the Expedited First Sunset Review of the Antidumping Duty Order*, 76 FR 55351 (September 7, 2011).

On October 12, 2011, the ITC determined, pursuant to section 751(c) of the Act, that revocation of the antidumping duty order on artist canvas from the PRC would likely lead to a continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time. *See* USITC Publication 4273 (October 2011), *Artist Canvas from China: Investigation No. 731-TA-1091 (First Review)*, and *Artist Canvas from China*, 76 FR 67208 (October 31, 2011).

Scope of the Order

The products covered by this order are artist canvases regardless of dimension and/or size, whether assembled or unassembled, that have been primed/coated, whether or not made from cotton, whether or not archival, whether bleached or unbleached, and whether or not containing an ink receptive top coat. Priming/coating includes the application of a solution, designed to promote the adherence of artist materials, such as paint or ink, to the fabric. Artist canvases (*i.e.*, pre-stretched canvases, canvas panels, canvas pads, canvas rolls (including bulk rolls that have been primed), printable canvases, floor cloths, and placemats) are tightly woven prepared painting and/or printing surfaces. Artist canvas and stretcher strips (whether or not made of wood and whether or not assembled) included within a kit or set are covered by this proceeding.

Artist canvases subject to this order are currently classifiable under subheadings 5901.90.20.00 and 5901.90.40.00 of the Harmonized Tariff Schedule of the United States (“HTSUS”). Specifically excluded from the scope of this order are tracing cloths, “paint by

number” or “or “paint-it-yourself” artist canvases with a copyrighted preprinted outline, pattern, or design, whether or not included in a painting set or kit.¹ Also excluded are stretcher strips, whether or not made from wood, so long as they are not incorporated into artist canvases or sold as part of an artist canvas kit or set. While the HTSUS subheadings are provided for convenience and customs purposes, our written description of the scope of this proceeding is dispositive.

Additionally, we have determined that canvas woven and primed in the India, but cut, stretched and framed in the PRC and exported from the PRC, are not subject to the order covering artist canvas from the PRC.

Subsequent to the issuance of the Order, we issued the following scope rulings:

On April 10, 2008, in response to an inquiry from Tara Materials, Inc., the Department ruled that artist canvas that has been woven, primed with gesso, and cut to size in the United States and shipped to the PRC, is excluded from the scope . *See Notice of Scope Rulings*, 73 FR 49418 (August 21, 2008).

On May 25, 2009, in response to an inquiry from C2F, Inc., the Department ruled that artist canvas that has been woven and primed in South Korea, then cut to size and framed in the PRC, and thereafter imported into the United States, is excluded from the scope. *See Notice of Scope Rulings*, 74 FR 49859 (September 29, 2009).

On July 9, 2009, in response to an inquiry from Art Supplies Enterprises, Inc., the Department ruled that artist canvas that has been woven and primed in Vietnam, then cut to size and framed in the PRC, is excluded from the scope. *See Notice of Scope Rulings*, 75 FR 14138 (March 24, 2010).

¹ Artist canvases with a non-copyrighted preprinted outline, pattern, or design are included in the scope, whether or not included in a painting set or kit.

On August 8, 2009, in response to an inquiry from Art Supplies Enterprises, Inc., the Department ruled that artist canvas that has been woven and primed in India, then cut and framed in the PRC, is excluded from the scope. *See Notice of Scope Rulings*, 75 FR 14138 (March 24, 2010).

On May 13, 2010, in response to an inquiry from Wuxi Phoenix Artist Materials Co, Inc., the Department ruled that artist canvas that is coated and primed in Vietnam, then cut and framed in the PRC, is excluded from the scope. *See Notice of Scope Rulings*, 75 FR 79339 (December 20, 2010).

On July 19, 2010, in response to an inquiry from Masterpiece Artist, the Department ruled that scrapbooking canvas, which is artist canvas used for scrapbooking purposes, is included in the scope.²

Continuation of the Order

As a result of these determinations by the Department and the ITC that revocation of the antidumping duty order on artist canvas would likely lead to a continuation or recurrence of dumping and material injury to an industry in the United States, pursuant to section 751(d)(2) of the Act, the Department hereby orders the continuation of the antidumping order on artist canvas from the PRC. U.S. Customs and Border Protection will continue to collect antidumping duty cash deposits at the rates in effect at the time of entry for all imports of subject merchandise. The effective date of the continuation of the order will be the date of publication in the *Federal Register* of this notice of continuation. Pursuant to section 751(c)(2) of the Act, the Department intends to initiate the next five-year review of the order not later than 30 days prior to the fifth anniversary of the effective date of continuation.

² *See Notice of Scope Rulings*, 76 FR 10558 (February 25, 2011).

This five-year (sunset) review and this notice are in accordance with section 751(c) of the Act and published pursuant to section 777(i)(1) of the Act.

Paul Piquado
Assistant Secretary
for Import Administration

____October 31, 2011_____
(Date)

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