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DEPARTMENT OF COMMERCE

International Trade Administration

[C-570-023]

Certain Uncoated Paper from the People's Republic of China: Final Affirmative Countervailing Duty Determination

AGENCY: Enforcement and Compliance, International Trade Administration, Commerce.

SUMMARY: The Department of Commerce (the Department) determines that countervailable subsidies are being provided to producers and exporters of certain uncoated paper (uncoated paper) from the People's Republic of China (PRC). For more information on the estimated subsidy rate, see the "Final Determination and Suspension of Liquidation" section of this notice. The period of investigation is January 1, 2014, through December 31, 2014.

DATES: *Effective:* [INSERT DATE OF PUBLICATION IN THE FEDERAL REGISTER].

FOR FURTHER INFORMATION CONTACT: Patricia Tran or Joy Zhang, Office III, AD/CVD Operations, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-1503 or (202) 482-1168, respectively.

SUPPLEMENTARY INFORMATION:

Background

The events that have occurred since the Department published the Preliminary Determination on June 29, 2015 and Notice of Correction on July 9, 2015,¹ are discussed in the

¹ 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) (Preliminary Determination), and Certain Uncoated Paper From the People's Republic of China: Notice of Correction to Preliminary Affirmative Countervailing Duty Determination, 80 FR 39409 (July 9, 2015) (Notice of Correction).

Issues and Decision Memorandum, which is hereby incorporated in this notice.² This memorandum also details the changes we made since the Preliminary Determination to the subsidy rates calculated for the mandatory respondents and all other producers/exporters. The Issues and Decision Memorandum is a public document and is on file electronically via Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS). ACCESS is available to registered users at <http://access.trade.gov>, and is available to all parties in the Central Records Unit, room B8024 of the main Department of Commerce building. In addition, a complete version of the Issues and Decision Memorandum can be accessed directly at <http://enforcement.trade.gov/frn/index.html>. The signed Issues and Decision Memorandum and the electronic version of the Issues and Decision Memorandum are identical in content.

Scope of the Investigation

The scope of the investigation covers uncoated paper. For a complete description of the scope of the investigation, see Appendix I.

Analysis of Subsidy Programs and Comments Received

The subsidy programs under investigation and the issues raised in the case and rebuttal briefs by parties in this investigation are discussed in the Issues and Decision Memorandum, dated concurrently with this notice. A list of the issues that parties raised, and to which we responded in the Issues and Decision Memorandum, is attached to this notice as Appendix II.

² See Memorandum to Paul Piquado, "Issues and Decision Memorandum for the Final Affirmative Countervailing Duty Determination in the Countervailing Duty Investigation of Certain Uncoated Paper from the People's Republic of China" (January 8, 2016) (Issues and Decision Memorandum).

Use of Facts Otherwise Available, Including Adverse Inferences

As described in the Preliminary Determination, Shandong Sun Paper Industry Joint Stock Co., Ltd., and Sun Paper (Hong Kong) Co., Ltd. (collectively, Sun Paper Companies) and UPM (China) Co., Ltd. (UPM) each notified the Department that it would not participate in this investigation.³ Thus, for the final determination, we are basing the countervailing duty (CVD) rate for Sun Paper Companies and UPM on facts otherwise available, pursuant to sections 776(a)(2)(C) and (D) of the Tariff Act of 1930, as amended (the Act). Further, because Sun Paper Companies and UPM did not cooperate to the best of their ability in this investigation, we also determine that an adverse inference is warranted, pursuant to section 776(b) of the Act. As adverse facts available (AFA), we have assigned Sun Paper Companies and UPM, each a rate of 185.25 percent. For a full discussion of this issue, see the Issues and Decision Memorandum.

Final Determination and Suspension of Liquidation

In accordance with section 705(c)(1)(B)(i) of the Act, we calculated a rate for Asia Symbol (Guangdong) Paper Co., Ltd. (AS Guangdong), Asia Symbol (Shandong) Pulp & Paper Co., Ltd. (AS Shandong), Asia Symbol (Guangdong) Omya Minerals Co., Ltd. (AS Omya), and Greenpoint Global Trading (Macao Commercial Offshore) Limited (Greenpoint) (collectively, Asia Symbol Companies). Section 705(c)(5)(A)(i) of the Act states that, for companies not individually investigated, we will determine an “all-others” rate equal to the weighted-average countervailable subsidy rates established for exporters and producers individually investigated, excluding any zero and de minimis countervailable subsidy rates, and any rates determined entirely under section 776 of the Act. Where the rates for investigated companies are zero or de

³ See Letter from Sun Paper Companies, “Certain Uncoated Paper from the People's Republic of China - Withdrawal of Participation in Investigation,” (April 8, 2015) (Sun Paper Companies Withdrawal Letter) and UPM’s submission, “Uncoated Paper From the People’s Republic of China (C-570-023) Investigation; UPM (China) Co. Ltd.’s Letter Regarding Questionnaire Responses,” (May 6, 2015) (UPM Withdrawal Letter).

minimis, or based entirely on facts otherwise available, section 705(c)(5)(A)(ii) of the Act instructs the Department to establish an “all-others” rate using “any reasonable method.” As discussed above, we determined Sun Paper Companies and UPM rates based entirely on AFA in accordance with sections 776(a) and (b) of the Act. Therefore, we used the rate calculated for Asia Symbol Companies as the “all-others” rate. We intend to disclose to parties the calculations performed in this proceeding within five days of the public announcement of this final determination in accordance with 19 CFR 351.224(b).

We determine the total estimated net countervailable subsidy rates to be:

Company	Subsidy Rate
Asia Symbol (Guangdong) Paper Co., Ltd. (AS Guangdong), Asia Symbol (Shandong) Pulp & Paper Co., Ltd. (AS Shandong), Asia Symbol (Guangdong) Omya Minerals Co., Ltd. (AS Omya), and Greenpoint Global Trading (Macao Commercial Offshore) Limited (Greenpoint) (collectively, Asia Symbol Companies)	7.23 percent
Shandong Sun Paper Industry Joint Stock Co., Ltd. (Shandong Sun Paper), and Sun Paper (Hong Kong) Co., Ltd. (Sun Paper HK) (collectively, Sun Paper Companies)	176.75 percent
UPM (China) Co. Ltd. (UPM)	176.75 percent
All-Others	7.23 percent

As a result of our affirmative Preliminary Determination, pursuant to sections 703(d)(1)(B) and (2) of the Act, we instructed U.S. Customs and Border Protection (CBP) to suspend liquidation of entries of subject merchandise from the PRC which were entered or withdrawn from warehouse, for consumption on or after June 29, 2015, the date of the publication of the Preliminary Determination in the Federal Register.

In accordance with section 703(d) of the Act, we later issued instructions to CBP to discontinue the suspension of liquidation for CVD purposes for subject merchandise entered, or withdrawn from warehouse, on or after October 27, 2015, but to continue the suspension of liquidation of all entries from June 29, 2015, through October 26, 2015, as appropriate.

We will issue a CVD order and reinstate the suspension of liquidation in accordance with our final determination and under section 706(a) of the Act if the United States International Trade Commission (ITC) issues a final affirmative injury determination, and we will instruct CBP to require a cash deposit of estimated countervailing duties for such entries of merchandise in the amounts indicated above. If the ITC determines that material injury, or threat of material injury, does not exist, this proceeding will be terminated and all estimated duties deposited as a result of the suspension of liquidation will be refunded.

International Trade Commission Notification

In accordance with section 705(d) of the Act, we will notify the ITC of our final determination. In addition, we are making available to the ITC all non-privileged and non-proprietary information related to this investigation. We will allow the ITC access to all privileged and business proprietary information in our files, provided the ITC confirms that it will not disclose such information, either publicly or under an administrative protective order (APO), without the written consent of the Assistant Secretary for Enforcement and Compliance.

Return or Destruction of Proprietary Information

In the event that the ITC issues a final negative injury determination, this notice will serve as the only reminder to parties subject to an APO of their responsibility concerning the destruction of proprietary information disclosed under APO in accordance with 19 CFR 351.305(a)(3). Timely written notification of the return/destruction of APO materials or

conversion to judicial protective order is hereby requested. Failure to comply with the regulations and terms of an APO is a violation that is subject to sanction.

This determination is issued and published pursuant to sections 705(d) and 777(i) of the Act.

Dated: January 8, 2016.

Paul Piquado,

Assistant Secretary

for Enforcement and Compliance.

Appendix I

Scope of the Investigation

The merchandise covered by the 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 level⁴ 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. For purposes of this scope definition, paper shall be considered “printed with final content” where at least one side of the sheet has printed text and/or graphics that cover at least five percent of the surface area of the entire sheet.

Imports of the subject merchandise are provided for under 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, 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.

⁴ 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.

Appendix II
List of Topics Discussed in the Issues and Decision Memorandum

- I. Summary
- II. Background
- III. Scope of the Investigation
- IV. Application of the Countervailing Duty Law to Imports from the PRC
- V. Subsidies Valuation
- VI. Benchmarks and Discount Rates
- VII. Use of Facts Otherwise Available and Adverse Inferences
- VIII. Analysis of Programs
- IX. Analysis of Comments
 - Comment 1: Whether to Reverse the Department’s Government “Authorities” Determination
 - Comment 2: Whether to Reverse the Department’s Specificity Determination for the Provision of Calcium Carbonate and Caustic Soda for Less Than Adequate Remuneration (LTAR)
 - Comment 3: Whether to Reverse the Department’s Market Distortion Determination
 - Comment 4: Whether to Exclude Policy Loan Observation 95 from the Final Determination Calculations
 - Comment 5: Whether to Include Surcharges in International Freight Calculations for Calcium Carbonate and Caustic Soda Benchmarks
 - Comment 6: Whether to Incorporate the Minor Corrections into the Final Calculations
 - Comment 7: Whether to Revise the Provision of Coal for Less Than Adequate Remuneration Benchmark
 - Comment 8: Whether the Provision of Water for LTAR Confers a Benefit
 - Comment 9: Whether the Provision of Land to State-owned Enterprises (SOEs) for LTAR is Countervailable
- X. Recommendation

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