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DEPARTMENT OF COMMERCE

International Trade Administration

[A-351-842]

Certain Uncoated Paper from Brazil: Final Determination of Sales at Less Than Fair Value

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

SUMMARY: The Department of Commerce (“the Department”) determines that certain uncoated paper (“uncoated paper”) from Brazil is being, or is likely to be, sold in the United States at less than fair value (“LTFV”), as provided in section 735(a) of the Tariff Act of 1930, as amended (“the Act”). The period of investigation (“POI”) is January 1, 2014, through December 31, 2014. The final dumping margins of sales at LTFV are listed below in the “Final Determination” section of this notice.

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

FOR FURTHER INFORMATION CONTACT: Julia Hancock or Paul Walker, AD/CVD Operations, Office V, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230; telephone: 202.482.1394 or 202.482.0413, respectively.

SUPPLEMENTARY INFORMATION:

Background

On August 26, 2015, the Department published the *Preliminary Determination* of this antidumping duty (“AD”) investigation.¹ The events occurring since the *Preliminary Determination* was issued are detailed in the Issues and Decision Memorandum.²

Scope of the Investigation and Scope Comments

The product covered by this investigation is uncoated paper from Brazil. For a complete description of the scope of the investigation, *see* the “Scope of the Investigation,” in Appendix I of this notice, which incorporates changes made subsequent to the *Preliminary Determination*.

On October 2, 2015, Gartner Studios, Inc. submitted its case brief on the scope of the investigations.³ On October 19, 2015, American Greetings Corporation (“American Greetings”) submitted its case brief regarding the scope of the investigations.⁴ On October 29, 2015, Petitioners submitted their rebuttal brief regarding the scope of the investigations.⁵ The Department is issuing a scope comments decision memorandum for the final determinations of the AD and countervailing duty investigations of uncoated paper, which is incorporated by reference in, and hereby adopted by, this final determination.⁶ As explained in the Final Scope

¹ *See Certain Uncoated Paper from Brazil: Preliminary Determination of Sales at Less Than Fair Value and Postponement of Final Determination*, 80 FR 52029 (August 27, 2015) (“*Preliminary Determination*”).

² *See* Memorandum from Christian Marsh, Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations, to Paul Piquado, Assistant Secretary for Enforcement and Compliance, “Issues and Decision Memorandum for the Final Determination in the Antidumping Duty Investigation of Certain Uncoated Paper from Brazil” (“Issues and Decision Memorandum”), dated concurrently with this notice.

³ *See* Letter to Secretary Pritzker, from Gartner Studios, Inc., “Certain Uncoated Paper from Australia, Brazil, the People’s Republic of China, Indonesia, and Portugal: Case Brief” (October 2, 2015).

⁴ *See* Letter to Secretary Pritzker, from American Greetings, “Certain Uncoated Paper from Australia, Brazil, the People’s Republic of China, Indonesia, and Portugal: Case Brief of American Greetings Corporation” (October 19, 2015).

⁵ *See* Letter to Secretary Pritzker, from Petitioners, “Certain Uncoated Paper from Australia, Brazil, the People’s Republic of China, Indonesia, and Portugal: Scope Rebuttal Brief” (October 29, 2015).

⁶ *See* the Department’s Memorandum to the File, “Less Than Fair Value Investigations of Certain Uncoated Paper from Australia, Brazil, the People’s Republic of China, Indonesia, and Portugal; and Countervailing Duty

Decision Memorandum, to facilitate the scope's administrability and enforcement, we have clarified the scope language such that certain uncoated paper with "final printed content" is excluded from the scope of the investigations.

Analysis of Comments Received

All issues raised in the case and rebuttal briefs by interested parties in this investigation that are not related to the scope of this investigation are addressed in the Issues and Decision Memorandum, which is incorporated by reference by, and hereby adopted by, this notice.⁷

A list of the issues raised is attached to this notice as Appendix II. 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 <https://access.trade.gov> and it is available to all parties in the Central Records Unit, room B-8024 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 and electronic versions of the Issues and Decision Memorandum are identical in content.

Verification

As provided in section 782(i) of the Act, in September and October 2015, the Department verified the sales and cost data reported by International Paper⁸ and Suzano,⁹ respectively,

Investigations of Certain Uncoated Paper from the People's Republic of China and Indonesia: Scope Comments Decision Memorandum for the Final Determinations," dated January 8, 2016 ("Final Scope Decision Memorandum").

⁷ See Memorandum from Christian Marsh, Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations, to Paul Piquado, Assistant Secretary for Enforcement and Compliance, "Issues and Decision Memorandum for the Final Determination in the Antidumping Duty Investigation of Certain Uncoated Paper from Brazil" ("Issues and Decision Memorandum"), dated concurrently with this notice.

⁸ International Paper do Brasil Ltda. ("IP Brasil"), and International Paper Exportadora Ltda. ("IPEX") (collectively "International Paper").

⁹ Suzano Papel e Celulose S.A./Suzano Pulp and Paper America, Inc. (collectively "Suzano").

pursuant to section 782(i) of the Act. We used standard verification procedures, including an examination of relevant accounting and production records, and original source documents provided by International Paper and Suzano.¹⁰

Changes Since the *Preliminary Determination*

Based on our analysis of the comments received and findings at verification, we made certain changes to the margin calculations for International Paper and Suzano. For a discussion of these changes, *see* the “Margin Calculations” section of the Issues and Decision Memorandum.¹¹ We have also revised the all-others rate.¹²

All-Others Rate

Section 735(c)(5)(A) of the Act provides that the estimated all-others rate shall be an amount equal to the weighted-average of the estimated weighted-average dumping margins established for exporters and producers individually investigated excluding any zero or *de minimis* margins, and margins determined entirely under section 776 of the Act. For the *Final Determination*, the Department calculated the “all-others” rate based on a weighted-average of International Paper’s and Suzano’s margins using publicly-ranged quantities for their sales of subject merchandise.¹³

¹⁰ *See* IP Brasil Cost Verification Report at 1-2; Suzano Cost Verification Report at 1-2; International Paper Home Market Verification Report at 1-2; Suzano Home Market Verification Report at 1-2; Suzano U.S. Sales Verification Report at 1-2.

¹¹ *See* Issues and Decision Memorandum.

¹² *See* Memorandum to the File from Julia Hancock, Senior International Trade Compliance Analyst, “Certain Uncoated Paper from Brazil: Calculation of the Final Margin for All Other Companies,” dated concurrently with this memorandum (“All Others Calculation Memorandum”).

¹³ *Id.* at 1-2. With two respondents, we normally calculate: (A) a weighted-average of the dumping margins calculated for the mandatory respondents; (B) a simple average of the dumping margins calculated for the mandatory respondents; and (C) a weighted-average of the dumping margins calculated for the mandatory respondents using each company’s publicly-ranged values for the merchandise under consideration. We compare (B) and (C) to (A) and select the rate closest to (A) as the most appropriate rate for all other companies. *See Ball Bearings and Parts Thereof from France, Germany, Italy, Japan, and the United Kingdom: Final Results of Antidumping Duty Administrative Reviews, Final Results of Changed-Circumstances Review, and Revocation of an Order in Part*, 75 FR 53661, 53663 (September 1, 2010).

Final Determination

The Department determines that the final weighted-average dumping margins are as follows:

Exporter/Manufacturer	Weighted-Average Dumping Margin (percent)
International Paper do Brasil Ltda. and International Paper Exportadora Ltda. ¹⁴	41.39
Suzano Papel e Celulose S.A.	22.16
All-Others	26.95

Disclosure

We will disclose the calculations performed to interested parties within five days of the public announcement of this final determination in accordance with 19 CFR 351.224(b).

Continuation of Suspension of Liquidation

In accordance with section 735(c)(1)(B) of the Act, the Department will instruct U.S. Customs and Border Protection (“CBP”) to continue to suspend liquidation of all appropriate entries of uncoated paper from Brazil, as described in Appendix I of this notice, which were entered, or withdrawn from warehouse, for consumption on or after August 27, 2015, the date of publication of the preliminary determination of this investigation in the *Federal Register*.

Further, CBP shall require a cash deposit equal to the estimated amount by which the normal value exceeds the U.S. price, as follows: (1) The rate for International Paper and Suzano

¹⁴ In the *Preliminary Determination*, we determined that International Paper do Brasil Ltda. and International Paper Exportadora Ltda. constituted a single entity. See Memorandum to James C. Doyle, Director, Office V, through Paul Walker, Acting Program Manager, from Julia Hancock, Senior International Trade Compliance Analyst, Office V, “Antidumping Duty Investigation of Certain Uncoated Paper from Brazil: Preliminary Determination of Affiliation/Single Entity Treatment of International Paper do Brasil Ltda, International Paper Exportadora Ltda, *et al.*” (August 19, 2015). Because no interested parties submitted comments on this issue, the Department’s determination that IP Brasil and IPEX are affiliated, pursuant to sections 771(33)(E) and (F) of the Act, and is considered a single entity, pursuant to 19 CFR 351.401(f), remains unchanged for this final determination.

will be the rate we determined in this final determination; (2) if the exporter is not a firm identified in this investigation but the producer is, the rate will be the rate established for the producer of the subject merchandise; (3) the rate for all other producers or exporters will be 26.95 percent. The instructions suspending liquidation will remain in effect until further notice.

ITC Notification

In accordance with section 735(d) of the Act, we will notify the ITC of our final affirmative determination of sales at LTFV. Because the final determination in this proceeding is affirmative, in accordance with section 735(b)(2) of the Act, 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 Brazil no later than 45 days after our final determination. If the ITC determines that material injury or threat of material injury does not exist, the proceeding will be terminated and all cash deposits will be refunded. If the ITC determines that such injury does exist, the Department will issue an antidumping duty order directing CBP to assess, upon further instruction by the Department, antidumping duties on all imports of the subject merchandise entered, or withdrawn from warehouse, for consumption on or after the effective date of the suspension of liquidation.

Notification Regarding Administrative Protective Orders (“APO”)

This notice also serves as a reminder to parties subject to an APO of their responsibility concerning the disposition of proprietary information disclosed under APO in accordance with 19 CFR 351.305(a)(3). Timely written notification of the return or 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 subject to sanction.

This determination and this notice are issued and published pursuant to sections 735(d) and 777(i)(1) 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 level¹ 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.

¹ 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. Period of Investigation
- IV. List of Comments
- V. Discussion of Comments

Comment 1: Treatment of Re-Exported Sales to Company X¹⁵

Comment 2: Biological Asset Fair Value Adjustment (“BAFVA”) and Cost of Production

Comment 3: International Paper’s Level of Trade (“LOT”)

Comment 4: Suzano’s LOT

Comment 5: Treatment of IPI and ICMS ST Taxes

Comment 6: Treatment of INSS Taxes

Comment 7: Inland Insurance

Comment 8: Bank Charges

Comment 9: Late Payment Fees, Rebate Expenses, and Other Expenses for Home Market Sales

Comment 10: Interest Income and Calculation of Financial Expense Rate

Comment 11: Corrections to U.S. Selling Expenses and Movement Expenses

Comment 12: U.S. Indirect Selling Expenses

- VI. Conclusion

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¹⁵ Because the identity of Company X is business proprietary information, for further discussion, please *see* International Paper’s Case Brief at 2-8, and Suzano’s Case Brief at 24-5.

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