

DEPARTMENT OF COMMERCE

International Trade Administration

[A-570-827]

Certain Cased Pencils from the People's Republic of China: Notice of Initiation and Preliminary Results of Antidumping Duty Changed Circumstances Review

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce

SUMMARY: The Department of Commerce (the Department) has received information sufficient to warrant initiation of a changed circumstances review of the antidumping duty order on certain cased pencils (pencils) from the People's Republic of China (PRC).¹ Based upon the request, the Department is initiating a changed circumstances review (CCR) to determine whether pencils exported by Beijing FILA Dixon Stationery Co., Ltd.² (Beijing Dixon) continue not to be subject to the *Order*. In response to the request, and pursuant to section 751(b) of the Tariff Act of 1930, as amended (the Act), 19 CFR 351.216, and 19 CFR 351.221(c)(3), the Department preliminarily determines that Beijing Dixon, after the changed circumstances, is the successor-in-interest to Beijing Dixon at the time of the *Revocation*, such that the revocation of the antidumping duty order with respect to Beijing Dixon³ continues to apply to Beijing Dixon as currently structured. We invite interested parties to comment on these preliminary results.

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

FOR FURTHER INFORMATION CONTACT: Sergio Balbontin, AD/CVD Operations, Office I, Enforcement and Compliance, International Trade Administration, Department of Commerce,

¹ See *Antidumping Duty Order: Certain Cased Pencils from the People's Republic of China*, 59 FR 66909 (December 28, 1994) (*Order*).

² A/k/a Beijing Dixon Ticonderoga Stationery Company, Ltd., and Beijing Dixon Stationery Company.

³ See *Certain Cased Pencils From the People's Republic of China: Final Results of Antidumping Duty Administrative Review and Determination To Revoke Order In Part; 2010–2011*, 78 FR 42932 (July 18, 2013) (*Revocation*) and accompanying Issues and Decision Memorandum (IDM).

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SUPPLEMENTARY INFORMATION: On December 28, 1994, the Department published the *Order* on pencils from the PRC.⁴ On July 18, 2013, the Department revoked the *Order* on pencils from the PRC with respect to pencils exported by Beijing Dixon.⁵

Background

On November 27, 2014, pursuant to 19 CFR 351.216 and 19 CFR 351.221, Beijing Dixon, and the Dixon Ticonderoga Company (Ticonderoga), Beijing Dixon's U.S. parent company, requested a CCR because Beijing Dixon's production of pencils is now performed by Fila Dixon Stationery (Kunshan) Co., Ltd. (Kunshan Dixon), a wholly-owned subsidiary of Beijing Dixon formed after the *Revocation*.⁶ Beijing Dixon and Dixon Ticonderoga requested that the Department "confirm that {Kunshan Dixon} is the same entity as (or successor-in-interest to) Beijing Dixon."⁷ Beijing Dixon produced and exported pencils at the time of the *Revocation*. Beijing Dixon has since amended its business license and continues to function as the exporter of pencils, now produced by its subsidiary Kunshan Dixon.⁸ Based on these events since the *Revocation*, Ticonderoga and Beijing Dixon contend that Kunshan Dixon is the successor-in-interest to Beijing Dixon; as such, they request that the Department apply its determination to revoke the *Order* with respect to Beijing Dixon to pencils produced by Kunshan Dixon and exported by Beijing Dixon.

⁴ See *Order*.

⁵ See *Revocation* and accompanying IDM.

⁶ See letter from Dixon, "Request for Changed Circumstances Review pursuant to 19 CFR 351.216 on behalf of Dixon Ticonderoga Company" dated November 27, 2014 at 4 (CCR Request) and refiled on December 10, 2014.

⁷ *Id.* at 2.

⁸ *Id.* at 5.

Scope of the Order

The merchandise subject to the order includes pencils from the PRC. Pencils are currently classifiable under Harmonized Tariff Schedule of the United States (HTSUS) subheading 9609.1010. Although the HTSUS subheadings are provided for convenience and customs purposes, the written product description is dispositive.⁹

Methodology

In making a successor-in-interest determination, the Department typically examines several factors including, but not limited to, changes in: (1) management; (2) production facilities; (3) supplier relationships; and (4) customer base.¹⁰ While no single factor or combination of factors will necessarily be dispositive, the Department generally will consider the new company to be the successor to the predecessor if the resulting operations of the successor are not materially dissimilar to that of its predecessor.¹¹ Thus, if the record demonstrates that, with respect to the production and sale of the subject merchandise, the new company operates as the same business entity as the predecessor company, the Department may assign the new company the cash deposit rate of its predecessor.¹² For a full description of the methodology underlying our conclusions, *see* the Preliminary Decision Memorandum. A list of topics discussed in the Preliminary Decision Memorandum is included as Appendix I of this notice.

⁹ For a complete description of the Scope of the Order, please *see* Memorandum to Paul Piquado, Assistant Secretary for Enforcement and Compliance, from Christian Marsh, Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations, “Antidumping Duty Order on Certain Cased Pencils from the People’s Republic of China: Decision Memorandum for Preliminary Results of Antidumping Duty Changed Circumstances Review Requested by the Dixon Ticonderoga Companies,” dated concurrently with this notice (Preliminary Decision Memorandum).

¹⁰ *See, e.g., Certain Activated Carbon From the People’s Republic of China: Notice of Initiation of Changed Circumstances Review*, 74 FR 19934, 19935 (April 30, 2009).

¹¹ *See, e.g., Notice of Initiation of Antidumping Duty Changed Circumstances Review: Certain Forged Stainless Steel Flanges from India*, 71 FR 327, 327 (January 4, 2006).

¹² *See, e.g., Fresh and Chilled Atlantic Salmon From Norway; Final Results of Changed Circumstances Antidumping Duty Administrative Review*, 64 FR 9979, 9980 (March 1, 1999).

Initiation and Preliminary Results of the Changed Circumstances Review

Pursuant to section 751(b)(1) of the Act and 19 CFR 351.216(d), the Department will conduct a CCR upon receipt of a request from an interested party or receipt of information concerning an antidumping duty order which shows changed circumstances sufficient to warrant a review of the order. Section 351.221(c)(3)(ii) of the Department's regulations permits the Department to combine the initiation and preliminary results of a CCR if the Department concludes that expedited action is warranted. In this instance, we have information on the record necessary to reach the preliminary results of CCR. As such, we find that expedited action is warranted. Accordingly, we have combined the preliminary results with the initiation.

We preliminarily determine that Beijing Dixon, under its new business license, (*i.e.*, Beijing Dixon is now registered as an exporter, and it exports pencils produced by Kunshan Dixon), is the successor-in-interest to Beijing Dixon for the purposes of administering the *Order* and its revocation with respect to Beijing Dixon. The Preliminary Decision Memorandum provides a full description of the analysis underlying our conclusions.

Public Comment

Interested parties are invited to comment on these preliminary results in accordance with 19 CFR 351.309(c)(1)(ii). Pursuant to 19 CFR 351.310(c), any interested party may request a hearing within 30 days of publication of this notice. Parties will be notified of the time and date of any hearing, if requested. Pursuant to 19 CFR 351.309(c)(1)(ii), interested parties may submit case briefs and/or written comments not later than 30 days after the publication of this notice. Rebuttal briefs, and rebuttals to written comments, which must be limited to issues raised in such briefs or comments, may be filed not later than 5 days after the date of publication of this notice. Parties who submit case briefs or rebuttal briefs in this CCR are requested to submit with each

argument: 1) a statement of the issue; and 2) a brief summary of the argument; and 3) a table of authorities. Interested parties who wish to comment on the preliminary results must file briefs electronically using ACCESS. An electronically-filed document must be received successfully in its entirety by the Department's electronic records system, ACCESS, by 5 p.m. Eastern Time on the date the document is due.

In accordance with 19 CFR 351.216(e), the Department intends to issue the final results of this changed circumstance review not later than 270 days after the date on which the review is initiated, or within 45 days if all parties agree to our preliminary finding.

Notification to Interested Parties

This notice is issued and published in accordance with sections 751(b) and 777(i)(1) of the Act, and 19 CFR 351.216 and 351.221(c)(3)(ii).

Dated: February 18, 2015.

Paul Piquado
Assistant Secretary
for Enforcement and Compliance

Appendix I

List of Topics Discussed in the Preliminary Decision Memorandum

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 1. Management
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