

DEPARTMENT OF COMMERCE

International Trade Administration

(A-602-807, A-351-842, A-570-022, A-560-828, A-471-807)

Certain Uncoated Paper from Australia, Brazil, the People's Republic of China, Indonesia, and Portugal: Initiation of Less-Than-Fair-Value Investigations

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

DATED: EFFECTIVE DATE: (Insert date of publication in the *Federal Register*).

FOR FURTHER INFORMATION CONTACT: George McMahon or Eve Wang at (202) 482-1167 or (202) 482-6231 (Australia); Julia Hancock or Paul Walker at (202) 482-1394 or (202) 482-0413 (Brazil); Christopher Hargett or Stephanie Moore at (202) 482-4161 or (202) 482-3692 (the People's Republic of China (PRC)); Stephen Bailey or Blaine Wiltse at (202) 482-0193 or (202) 482-6345 (Indonesia); and Kabir Archuletta at (202) 482-2593 (Portugal), AD/CVD Operations, Enforcement and Compliance, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230.

SUPPLEMENTARY INFORMATION:

The Petitions

On January 21, 2015, the Department of Commerce (the Department) received the antidumping duty (AD) petitions concerning imports of certain uncoated paper (uncoated paper) from Australia, Brazil, the PRC, Indonesia, and Portugal, filed in proper form on behalf of the petitioners.<sup>1,2</sup> The Petitions were accompanied by two countervailing duty (CVD) petitions on

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<sup>1</sup> United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union; Domtar Corporation; Finch Paper LLC; P.H. Glatfelter Company; and Packaging Corporation of America (collectively known as (the petitioners)).

imports of uncoated paper from the PRC and Indonesia.<sup>3</sup> The petitioners are domestic producers of uncoated paper,<sup>4</sup> and a certified union with workers engaged in the manufacture and production of the domestic like product in the United States.<sup>5</sup>

On January 26, 2015, the Department requested additional information and clarification of certain areas of the Petitions.<sup>6</sup> Additionally, on January 27, 2015, the Department held a teleconference call with the petitioners regarding issues in the Petition on the PRC and the scope of the Petitions.<sup>7</sup> The petitioners filed responses to these requests on January 29, 2015, and January 30, 2015.<sup>8,9</sup> On February 2 and 3, 2015, the Department requested additional information and clarification of certain areas of the Petitions on Australia, Brazil, Indonesia, and

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<sup>2</sup> See Petitions for the Imposition of Antidumping Duties on Imports of Certain Uncoated Paper from Australia, Brazil, the People’s Republic of China (PRC), Indonesia, and Portugal; and Countervailing Duties on Imports from the People’s Republic of China and Indonesia, dated January 21, 2015 (Petitions).

<sup>3</sup> See Petitions.

<sup>4</sup> See Volume I of the Petitions, at I-2 and Exhibit I-2.

<sup>5</sup> *Id.*, at I-1-I-2 and Exhibit I-2.

<sup>6</sup> See Letter from the Department to the petitioners entitled “Re: Petitions for the Imposition of Antidumping Duties on Imports of Certain Uncoated Paper from Australia, Brazil, Indonesia, the People’s Republic of China, and Portugal, and Countervailing Duties on Imports of Certain Uncoated Paper from Indonesia and the People’s Republic of China: Supplemental Questions” dated January 26, 2015 (General Issues Supplemental Questionnaire), and country-specific letters from the Department to the petitioners concerning supplemental questions on each of the country-specific records, dated January 26, 2015.

<sup>7</sup> See Memorandum to the File from Whitney Schalbik, Import Policy Analyst, entitled “Re: Petitions for the Imposition of Antidumping Duties on Imports of Uncoated Paper from Australia, Brazil, the People’s Republic of China, Indonesia, and Portugal and Countervailing Duties on Imports of Uncoated Paper from the People’s Republic of China and Indonesia; Subject: Phone Call with Counsel to the Petitioners” dated January 27, 2015.

<sup>8</sup> See Letter from the petitioners to the Department entitled “Re: Certain Uncoated Paper from Australia, Brazil, Indonesia, the People’s Republic of China, and Portugal—Petitioners’ Response to the Department’s January 26, 2015 Supplemental Questions - Portugal Dumping Allegation” dated January 29, 2015 (Portugal Supplement).

<sup>9</sup> See Letter from the petitioners to the Department entitled “Re: Certain Uncoated Paper from Australia, Brazil, Indonesia, the People’s Republic of China, and Portugal—Petitioners’ Response to the Department’s General Questions Regarding the Petition” dated January 30, 2015 (General Issues Supplement); Letter from the petitioners to the Department entitled “Re: Certain Uncoated Paper from Australia, Brazil, Indonesia, the People’s Republic of China, and Portugal—Petitioners’ Response to the Department’s January 26, 2015, Supplemental Questionnaire: Australia Dumping Allegation” dated January 30, 2015 (Australia Supplement); Letter from the petitioners to the Department entitled “Re: Certain Uncoated Paper from Brazil—Petitioners’ Response to the Department’s Questions Regarding the Petition” dated January 30, 2015 (Brazil Supplement); Letter from the petitioners to the Department entitled “Re: Certain Uncoated Paper from Australia, Brazil, Indonesia, the People’s Republic of China, and Portugal—Petitioners’ Response to the Department’s January 26, 2015, Supplemental Questionnaire: Indonesia Dumping Allegation” dated January 30, 2015 (Indonesia AD Supplement); and Letter from the petitioners to the Department entitled “Re: Certain Uncoated Paper from the PRC—Petitioners’ Response to the Department’s Questions Regarding the Petition” dated January 30, 2015 (PRC AD Supplement).

the PRC.<sup>10</sup> The petitioners filed responses to these requests on February 3, 2015.<sup>11</sup> Additionally, on February 3, 2015, the Department issued a third request for additional information and clarification of certain areas of the Petition on Australia.<sup>12</sup> The petitioners filed their response to the Department's third request on the Petition on Australia on February 4, 2015.<sup>13</sup>

In accordance with section 732(b) of the Tariff Act of 1930, as amended (the Act), the petitioners allege that imports of uncoated paper from Australia, Brazil, Indonesia, the PRC, and Portugal are being, or are likely to be, sold in the United States at less than fair value (LTFV) within the meaning of section 731 of the Act, and that such imports are materially injuring, or threatening material injury to, an industry in the United States. Also, consistent with section

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<sup>10</sup> See Memorandum to the File from Michael Martin, Lead Accountant, Office of Accounting, from Angie Sepulveda, Senior Accountant, entitled "Petition for the Imposition of Antidumping Duties on Imports of Certain Uncoated Paper from Australia: Financial Expense," dated February 2, 2015; Letter from the Department to the petitioners entitled "Petition for the Imposition of Antidumping Duties on Imports of Certain Uncoated Paper from Brazil: Second Supplemental Questions", dated February 2, 2015; Letter from the Department to the petitioners entitled "Petition for the Imposition of Antidumping Duties on Imports of Certain Uncoated Paper from Indonesia: Second Supplemental Questions", dated February 2, 2015; and Letter from the Department to the petitioners entitled "Petition for the Imposition of Antidumping Duties on Imports of Certain Uncoated Paper from the People's Republic of China: PRC: Second Supplemental Questions," dated February 2, 2015.

<sup>11</sup> See Letter from the petitioners to the Department entitled "Re: Certain Uncoated Paper from Australia, Brazil, Indonesia, the People's Republic of China, and Portugal—Petitioners' Response to the Department's February 2, 2015, Supplemental Questions – Australia Dumping Allegation" dated February 3, 2015 (Australia Second Supplement); Letter from the petitioners to the Department entitled "Re: Certain Uncoated Paper from Australia, Brazil, Indonesia, the People's Republic of China, and Portugal--Petitioners' Response to the Department's February 2, 2015, Supplemental Questions - Brazil Dumping Allegation" dated February 3, 2015 (Brazil Second Supplement); Letter from the petitioners to the Department entitled "Re: Certain Uncoated Paper from Australia, Brazil, Indonesia, the People's Republic of China, and Portugal—Petitioners' Response to the Department's February 2, 2015, Supplemental Questions – Indonesia Dumping Allegation" dated February 3, 2015 (Second Indonesia AD Supplement); and Letter from the petitioners to the Department entitled "Re: Certain Uncoated Paper from Australia, Brazil, Indonesia, the People's Republic of China, and Portugal—Petitioners'/Petitioners' Response to the Department's February 2, 2015, Supplemental Department's Additional Questions – China Dumping Allegation" Regarding the Petition," dated February 3, 2015 (the PRC Second PRC AD Supplement).

<sup>12</sup> See Memorandum to the File from George McMahon, Case Analyst, Office III, entitled "Petition for the Imposition of Antidumping Duties on Imports of Certain Uncoated Paper from Australia: Phone Call with Counsel for Petitioners," dated February 3, 2015.

<sup>13</sup> See Letter from the petitioners to the Department entitled "Re: Certain Uncoated Paper from Australia, Brazil, Indonesia, the People's Republic of China, and Portugal—Petitioners' Submission of Revised Information Per the Department of Commerce's Request – Australia Dumping Allegation" dated February 4, 2015 (Australia Third Supplement).

732(b)(1) of the Act, the Petitions are accompanied by information reasonably available to the petitioners supporting their allegations.

The Department finds that the petitioners filed these Petitions on behalf of the domestic industry because the petitioners are interested parties as defined in sections 771(9)(C) and (D) of the Act. The Department also finds that the petitioners demonstrated sufficient industry support with respect to the initiation of the AD investigations that the petitioners are requesting.<sup>14</sup>

#### Periods of Investigation

Because the Petitions were filed on January 21, 2015, the periods of investigation (POI) are, pursuant to 19 CFR 351.204(b)(1), as follows: January 1, 2014, through December 31, 2014, for Australia, Brazil, Indonesia, and Portugal; and July 1, 2014, through December 31, 2014, for the PRC.

#### Scope of the Investigations

The product covered by these investigations is uncoated paper from Australia, Brazil, Indonesia, the PRC, and Portugal. For a full description of the scope of these investigations, *see* the “Scope of the Investigations,” in Appendix I of this notice.

#### Comments on the Scope of the Investigations

During our review of the Petitions, the Department issued questions to, and received responses from, the petitioners pertaining to the proposed scope to ensure that the scope language in the Petitions would be an accurate reflection of the products for which the domestic industry is seeking relief.<sup>15</sup>

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<sup>14</sup> *See* the “Determination of Industry Support for the Petitions” section below.

<sup>15</sup> *See* General Issues Supplemental Questionnaire; *see also* General Issues Supplement.

As discussed in the preamble to the Department's regulations, we are setting aside a period for interested parties to raise issues regarding product coverage (scope).<sup>16</sup> The period for scope comments is intended to provide the Department with ample opportunity to consider all comments and to consult with parties prior to the issuance of the preliminary determination. If scope comments include factual information (*see* 19 CFR 351.102(b)(21)), all such factual information should be limited to public information. All such comments must be filed by 5:00 p.m. Eastern Daylight Time (EDT) on March 2, 2015, which is 20 calendar days from the signature date of this notice. Any rebuttal comments, which may include factual information, must be filed by 5:00 p.m. EDT on March 12, 2015, which is 10 calendar days after the initial comments.

The Department requests that any factual information the parties consider relevant to the scope of the investigations be submitted during this time period. However, if a party subsequently finds that additional factual information pertaining to the scope of the investigations may be relevant, the party may contact the Department and request permission to submit the additional information. All such comments must be filed on the records of each of the concurrent AD and CVD investigations.

#### Filing Requirements

All submissions to the Department must be filed electronically using Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System

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<sup>16</sup> *See Antidumping Duties; Countervailing Duties*, 62 FR 27296, 27323 (May 19, 1997).

(ACCESS).<sup>17, 18</sup> An electronically-filed document must be received successfully in its entirety by the time and date when it is due. Documents excepted from the electronic submission requirements must be filed manually (*i.e.*, in paper form) with Enforcement and Compliance's APO/Dockets Unit, Room 1870, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230, and stamped with the date and time of receipt by the applicable deadlines.

#### Comments on Product Characteristics for AD Questionnaires

The Department requests comments from interested parties regarding the appropriate physical characteristics of uncoated paper to be reported in response to the Department's AD questionnaires. This information will be used to identify the key physical characteristics of the subject merchandise in order to report the relevant factors and costs of production accurately as well as to develop appropriate product-comparison criteria.

Interested parties may provide any information or comments that they feel are relevant to the development of an accurate list of physical characteristics. Specifically, they may provide comments as to which characteristics are appropriate to use as: 1) general product characteristics and 2) product-comparison criteria. We note that it is not always appropriate to use all product characteristics as product-comparison criteria. We base product-comparison criteria on meaningful commercial differences among products. In other words, although there may be

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<sup>17</sup> See *Antidumping and Countervailing Duty Proceedings: Electronic Filing Procedures; Administrative Protective Order Procedures*, 76 FR 39263 (July 6, 2011) for details of the Department's electronic filing requirements, which went into effect on August 5, 2011. Information on help using ACCESS can be found at <https://access.trade.gov/help.aspx> and the handbook can be found at <https://access.trade.gov/help/Handbook%20on%20Electronic%20Filing%20Procedures.pdf>.

<sup>18</sup> On November 24, 2014, Enforcement and Compliance changed the name of Enforcement and Compliance's AD and CVD Centralized Electronic Service System ("IA ACCESS") to AD and CVD Centralized Electronic Service System ("ACCESS"). The website location was changed from <http://iaaccess.trade.gov> to <http://access.trade.gov>. The Final Rule changing the references to the Regulations can be found at 79 FR 69046 (November 20, 2014).

some physical product characteristics utilized by manufacturers to describe uncoated paper, it may be that only a select few product characteristics take into account commercially meaningful physical characteristics. In addition, interested parties may comment on the order in which the physical characteristics should be used in matching products. Generally, the Department attempts to list the most important physical characteristics first and the least important characteristics last.

In order to consider the suggestions of interested parties in developing and issuing the AD questionnaires, all comments must be filed by 5:00 P.M. EDT on March 2, 2015, which is 20 calendar days from the signature date of this notice. Any rebuttal comments must be filed by 5:00 P.M. EDT on March 12, 2015. All comments and submissions to the Department must be filed electronically using ACCESS, as explained above, on the records of the Australia, Brazil, Indonesia, PRC, and Portugal LTFV investigations.

#### Determination of Industry Support for the Petitions

Section 732(b)(1) of the Act requires that a petition be filed on behalf of the domestic industry. Section 732(c)(4)(A) of the Act provides that a petition meets this requirement if the domestic producers or workers who support the petition account for: (i) at least 25 percent of the total production of the domestic like product; and (ii) more than 50 percent of the production of the domestic like product produced by that portion of the industry expressing support for, or opposition to, the petition. Moreover, section 732(c)(4)(D) of the Act provides that, if the petition does not establish support of domestic producers or workers accounting for more than 50 percent of the total production of the domestic like product, the Department shall: (i) poll the industry or rely on other information in order to determine if there is support for the petition, as

required by subparagraph (A); or (ii) determine industry support using a statistically valid sampling method to poll the “industry.”

Section 771(4)(A) of the Act defines the “industry” as the producers as a whole of a domestic like product, or those producers whose collective output of a domestic like product constitutes a major proportion of the total domestic production of the product. Thus, to determine whether a petition has the requisite industry support, the statute directs the Department to look to producers and workers who produce the domestic like product. The International Trade Commission (ITC), which is responsible for determining whether “the domestic industry” has been injured, must also determine what constitutes a domestic like product in order to define the industry. While both the Department and the ITC must apply the same statutory definition regarding the domestic like product,<sup>19</sup> they do so for different purposes and pursuant to a separate and distinct authority. In addition, the Department’s determination is subject to limitations of time and information. Although this may result in different definitions of the like product, such differences do not render the decision of either agency contrary to law.<sup>20</sup>

Section 771(10) of the Act defines the domestic like product as “a product which is like, or in the absence of like, most similar in characteristics and uses with, the article subject to an investigation under this title.” Thus, the reference point from which the domestic like product analysis begins is “the article subject to an investigation” (*i.e.*, the class or kind of merchandise to be investigated, which normally will be the scope as defined in the Petitions).

With regard to the domestic like product, the petitioners do not offer a definition of the domestic like product distinct from the scope of the investigations. Based on our analysis of the

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<sup>19</sup> See section 771(10) of the Act.

<sup>20</sup> See *USEC, Inc. v. United States*, 132 F. Supp. 2d 1, 8 (CIT 2001) (citing *Algoma Steel Corp., Ltd. v. United States*, 688 F. Supp. 639, 644 (CIT 1988), *aff’d* 865 F.2d 240 (Fed. Cir. 1989)).

information submitted on the record, we determined that uncoated paper constitutes a single domestic like product and we analyzed industry support in terms of that domestic like product.<sup>21</sup>

In determining whether the petitioners have standing under section 732(c)(4)(A) of the Act, we considered the industry support data contained in the Petitions with reference to the domestic like product as defined in the “Scope of the Investigations,” in Appendix I of this notice. To establish industry support, the petitioners provided their shipments of the domestic like product in 2014, and compared their shipments to the estimated total shipments of the domestic like product for the entire domestic industry.<sup>22</sup> Because total industry production data for the domestic like product for 2014 are not reasonably available and the petitioners have established that shipments are a reasonable proxy for production data,<sup>23</sup> we relied upon the shipment data provided by the petitioners for purposes of measuring industry support.<sup>24</sup>

Based on the data provided in the Petitions, supplemental submissions, and other information readily available to the Department, we determine that the petitioners have established industry support.<sup>25</sup> First, the Petitions established support from domestic producers

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<sup>21</sup> For a discussion of the domestic like product analysis in this case, *see* Antidumping Duty Investigation Initiation Checklist: Uncoated Paper from Australia (Australia AD Initiation Checklist), at Attachment II, Analysis of Industry Support for the Petitions Covering Uncoated Paper from Australia, Brazil, the People’s Republic of China, Indonesia, and Portugal (Attachment II); Antidumping Duty Investigation Initiation Checklist: Uncoated Paper from Brazil (Brazil AD Initiation Checklist), at Attachment II; Antidumping Duty Investigation Initiation Checklist: Uncoated Paper from the People’s Republic of China (PRC AD Initiation Checklist), at Attachment II; Antidumping Duty Investigation Initiation Checklist: Uncoated Paper from Indonesia (Indonesia AD Initiation Checklist), at Attachment II; and Antidumping Duty Investigation Initiation Checklist: Uncoated Paper from Portugal (Portugal AD Initiation Checklist), at Attachment II. These checklists are dated concurrently with this notice and on file electronically *via* ACCESS. Access to documents filed *via* ACCESS is also available in the Central Records Unit, Room 7046 of the main Department of Commerce building.

<sup>22</sup> *See* Volume I of the Petitions, at I-2 through I-4 and Exhibit I-3; *see also* General Issues Supplement, at 5-8 and Exhibits I-S4 through I-S7.

<sup>23</sup> *See* Volume I of the Petitions, at I-3 and Exhibit I-4.

<sup>24</sup> For further discussion, *see* Australia AD Initiation Checklist, Brazil AD Initiation Checklist, PRC AD Initiation Checklist, Indonesia AD Initiation Checklist, and Portugal AD Initiation Checklist, at Attachment II.

<sup>25</sup> *Id.*

(or workers) accounting for more than 50 percent of the total shipments<sup>26</sup> of the domestic like product and, as such, the Department is not required to take further action in order to evaluate industry support (e.g., polling).<sup>27</sup> Second, the domestic producers (or workers) met the statutory criteria for industry support under section 732(c)(4)(A)(i) of the Act because the domestic producers (or workers) who support the Petitions account for at least 25 percent of the total shipments of the domestic like product.<sup>28</sup> Finally, the domestic producers (or workers) met the statutory criteria for industry support under section 732(c)(4)(A)(ii) of the Act because the domestic producers (or workers) who support the Petitions account for more than 50 percent of the shipments of the domestic like product produced by that portion of the industry expressing support for, or opposition to, the Petitions.<sup>29</sup> Accordingly, the Department determines that the Petitions were filed on behalf of the domestic industry within the meaning of section 732(b)(1) of the Act.

The Department finds that the petitioners filed the Petitions on behalf of the domestic industry because they are interested parties as defined in sections 771(9)(C) and (D) of the Act and they have demonstrated sufficient industry support with respect to the AD investigations that they are requesting the Department initiate.<sup>30</sup>

#### Allegations and Evidence of Material Injury and Causation

The petitioners allege that the U.S. industry producing the domestic like product is being materially injured, or is threatened with material injury, by reason of the imports of the subject

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<sup>26</sup> As mentioned above, the petitioners have established that shipments are a reasonable proxy for production data. Section 351.203(e)(1) of the Department's regulations states "production levels may be established by reference to alternative data that the Secretary determines to be indicative of production levels."

<sup>27</sup> See section 732(c)(4)(D) of the Act; see also Australia AD Initiation Checklist, Brazil AD Initiation Checklist, PRC AD Initiation Checklist, Indonesia AD Initiation Checklist, and Portugal AD Initiation Checklist, at Attachment II.

<sup>28</sup> *Id.*

<sup>29</sup> *Id.*

<sup>30</sup> *Id.*

merchandise sold at less than normal value (NV). In addition, the petitioners allege that subject imports exceed the negligibility threshold provided for under section 771(24)(A) of the Act.<sup>31</sup> The petitioners contend that the industry's injured condition is illustrated by reduced market share; underselling and price suppression or depression; lost sales and revenues; adverse impact on the domestic industry, including mill closures, decline in production, and decline in shipments; reduced employment variables; and adverse impact on financial performance.<sup>32</sup> We have assessed the allegations and supporting evidence regarding material injury, threat of material injury, and causation, and we have determined that these allegations are properly supported by adequate evidence and meet the statutory requirements for initiation.<sup>33</sup>

#### Allegations of Sales at LTFV

The following is a description of the allegations of sales at LTFV upon which the Department based its decision to initiate investigations of imports of uncoated paper from Australia, Brazil, Indonesia, the PRC, and Portugal. The sources of data for the deductions and adjustments relating to U.S. price and NV are discussed in greater detail in the country-specific initiation checklists.

#### Export Price

For Australia, the petitioners based U.S. export price (EP) on the average unit value (AUV) of imports from Australia obtained from ITC Dataweb under Harmonized Tariff Schedule of the United States (HTSUS) subheading, 4802.56.1000, for the period of January

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<sup>31</sup> See Volume I of the Petitions, at I-23, I-24 and Exhibit I-12; see also General Issues Supplement, at 11 and Exhibit I-S11.

<sup>32</sup> See Volume I of the Petitions, at I-22 through I-43 and Exhibits I-3 and I-10 through I-26; see also General Issues Supplement, at 1, 8-11 and Exhibits I-S1 and I-S8 through I-S13.

<sup>33</sup> See Australia AD Initiation Checklist, Brazil AD Initiation Checklist, PRC AD Initiation Checklist, Indonesia AD Initiation Checklist, and Portugal AD Initiation Checklist, at Attachment III, Analysis of Allegations and Evidence of Material Injury and Causation for the Antidumping and Countervailing Duty Petitions Covering Certain Uncoated Paper from Australia, Brazil, the People's Republic of China, Indonesia, and Portugal.

through November 2014 (the most recent data available for the POI). The petitioners state that all imports of uncoated paper from Australia entered under this HTSUS subheading during the POI,<sup>34</sup> and that this HTSUS subheading appears to include data for imports of uncoated paper most comparable to the products used to calculate NV.<sup>35</sup>

For Brazil, the petitioners based EP on a price quote for subject merchandise produced in Brazil by a producer of uncoated paper and AUVs of U.S. imports from Brazil obtained from ITC Dataweb under HTSUS subheadings 4802.56.1000 and 4802.56.7040<sup>36</sup> for the period of January through November 2014 (the most recent data available for the POI). The petitioners state that these HTSUS subheadings most closely correspond to the specific product that is the basis for NV.<sup>37</sup> The price quote is supported by an affidavit from a person that directly received this information.<sup>38</sup>

For Indonesia, the petitioners based EP on the AUVs of U.S. imports from Indonesia obtained from ITC Dataweb under HTSUS subheadings 4802.56.1000 and 4802.56.7040 for the period of January through November 2014 (the most recent data available for the POI). The petitioners state that these HTSUS subheadings cover uncoated paper most comparable to the products used to calculate NV. The petitioners also based EP on transaction-specific prices. To do so, the petitioners obtained ship manifest data from the U.S. Customs and Border Protection's (CBP) Automated Manifest System (AMS), compiled by Stewart Trade Data Services, Inc., and directly linked monthly U.S. port-specific import statistics by HTSUS subheading (obtained *via*

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<sup>34</sup> The petitioners stated and the Department confirmed that U.S. import data from were available through November 2014 at the time of the petition filing. Accordingly, the U.S. import data covers the period January 2014 – November 2014. *See* Volume II of the Petition at II-19 and Exhibit II-42; *see also* Australia AD Supplement, at II-SQ-7.

<sup>35</sup> *See* Australia AD Initiation Checklist for further information on this U.S. price calculation.

<sup>36</sup> *See* Brazil AD Initiation Checklist.

<sup>37</sup> *See id.*

<sup>38</sup> *See id.*

Department of Commerce, Foreign Trade Division Merchandise Imports and Stewart Trade Data Services, Inc.) for imports of uncoated paper to shipments by the Indonesian producer(s) identified in the ship manifest data.<sup>39</sup>

For the PRC, the petitioners based EP on the AUV of U.S. imports from the PRC obtained from ITC Dataweb under HTSUS subheading 4802.56.7040 for the period of July through November 2014 (the most recently available data for the POI). The petitioners assert that this HTSUS subheading most closely corresponds to the product used to calculate NV. The petitioners also based EP on producer-specific prices for a PRC producer of uncoated paper for shipments from the PRC under HTSUS subheading 4802.56.7040 during the period of July through November 2014. The petitioners obtained ship manifest data from CBP's AMS, *via* Datamyne, and linked monthly U.S. port-specific import statistics (obtained from the U.S. Census Bureau *via* Datamyne), for imports of uncoated paper entered under HTSUS subheading 4802.56.7040 to shipments by the PRC producer identified in the ship manifest data.<sup>40</sup>

With respect to the PRC, the petitioners originally provided import statistics and ship manifest data for imports of uncoated paper from the PRC and Hong Kong to use as the basis for calculating EP, alleging that imports from the PRC are being transshipped through Hong Kong and that imports from Hong Kong are actually imports from the PRC. Because the allegation of transshipment is more appropriately dealt with in the course of the investigation, we have relied on the AUV of imports of uncoated paper from the PRC and the producer-specific prices for the PRC producer's shipments that are clearly designated as originating from the PRC in both the official import statistics and the ship manifest data for purposes of the initiation.<sup>41</sup>

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<sup>39</sup> See Indonesia AD Initiation Checklist.

<sup>40</sup> See PRC AD Initiation Checklist.

<sup>41</sup> See *id.*

For Portugal, the petitioners based EP on the AUVs of U.S. imports from Portugal obtained from ITC Dataweb under HTSUS subheadings 4802.56.4000 and 4802.56.7040<sup>42</sup> for the period January through November 2014 (the most recent data available for the POI). The petitioners state that these HTSUS subheadings cover uncoated paper most comparable to the products used to calculate NV.<sup>43</sup>

For each country's respective AUV, price quote, and/or transaction-specific price, that forms the basis of EP, the petitioners, based on the stated terms of delivery, deducted from these prices the adjustments, charges, and expenses associated with exporting and delivering the product to the U.S. customer, where appropriate.<sup>44</sup>

#### Normal Value

For Australia, Brazil, Indonesia, and Portugal, the petitioners based NV on price quotes or price information from producer(s) and/or distributors/resellers of uncoated paper.<sup>45, 46</sup> For each country, the petitioners provided an affidavit or declaration from a market researcher for the price quotes or price information that specified the price and quantity, terms of delivery, and

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<sup>42</sup> The petitioners also calculated an AUV using export data from Portugal. Because the AUVs calculated from U.S. import data are available and the petitioners did not claim the U.S. import data are unreliable, we have relied on the AUVs the petitioners calculated using U.S. import data, in accordance with our normal practice with respect to calculating AUVs. *See* Portugal AD Initiation Checklist. *See* Portugal AD Initiation Checklist.

<sup>43</sup> *See* Portugal AD Initiation Checklist.

<sup>44</sup> For further information on the U.S. price calculation, *see* Australia AD Initiation Checklist, Brazil AD Initiation Checklist, Indonesia AD Initiation Checklist, PRC AD Initiation Checklist, and Portugal AD Initiation Checklist.

<sup>45</sup> *See* Australia AD Initiation Checklist; Brazil AD Initiation Checklist; Indonesia AD Initiation Checklist; and Portugal AD Initiation Checklist.

<sup>46</sup> The petitioners submitted several other methods as potential options to calculate NV but because we are using the aforementioned prices as the basis for NV, in accordance with our standard methodology, the Department is not using the other NV calculation methods provided by the petitioners for purposes of determining antidumping duty margins for purposes of initiation. *See* Australia AD Initiation Checklist; Brazil AD Initiation Checklist; Indonesia AD Initiation Checklist; and Portugal AD Initiation Checklist.

terms of payment.<sup>47</sup> Additionally, the petitioners made deductions for adjustments, charges, and movement expenses consistent with the terms of delivery, where applicable.<sup>48</sup>

With respect to the PRC, the petitioners state that the Department has a long-standing policy of treating the PRC as a non-market economy (NME) country for antidumping purposes.<sup>49</sup> In accordance with section 771(18)(C)(i) of the Act, the presumption of NME status remains in effect until revoked by the Department. The Department has not revoked the PRC's NME status as of the date of these Petitions. Moreover, no recent changes to the PRC's economy require reconsideration of its NME status. Accordingly, the NV of the product is appropriately based on factors of production (FOPs), valued in a surrogate market-economy country in accordance with section 773(c) of the Act. In the course of the investigation covering merchandise from the PRC, all parties, including the public, will have the opportunity to provide relevant information related to the issues of the PRC's NME status and the granting of separate rates to individual exporters.

For the PRC, the petitioners calculated NV using the NME methodology prescribed by the applicable statute and regulations. The petitioners provided the FOPs used in the manufacture of uncoated paper and valued FOPs based on a market economy country selected as a surrogate.<sup>50</sup>

The petitioners identified South Africa as a country that is economically comparable to the PRC, based on per-capita GNI data.<sup>51</sup> The petitioners contend that South Africa is the appropriate surrogate country for the PRC because it is at a level of economic development comparable to that of the NME country, and is a significant producer of comparable

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<sup>47</sup> *Id.*

<sup>48</sup> *Id.*

<sup>49</sup> *See* Volume VII of the Petitions, at VII-6, VII-7.

<sup>50</sup> *See* Volume VII of the Petition, at Exhibits 18-20, and 22 - 23.

<sup>51</sup> *See* Volume VII of the Petition, at 7, citing Memorandum to Minoo Hatton, "Request for a list of Surrogate Countries for a New Shipper Review of the Antidumping Duty Order on Small Diameter Graphite Electrodes from the People's Republic of China" (September 30, 2014).

merchandise, *i.e.*, uncoated paper. The petitioners further state that the South African data for valuing the FOPs for uncoated paper are available and reliable.<sup>52</sup> Based on the information provided by the petitioners, we believe it is appropriate to use South Africa as a surrogate country for initiation purposes. Interested parties will have the opportunity to submit comments regarding surrogate-country selection and will be provided an opportunity to submit publicly available information to value FOPs no later than 30 days before the scheduled date of the preliminary determination.<sup>53</sup>

#### *Factors of Production*

Because the petitioners do not have access to actual FOPs for any PRC manufacturers, the petitioners based consumption rates, including direct materials, labor, energy, and packing, for the production of merchandise under consideration on the experience of a U.S. producer.<sup>54</sup> The petitioners valued the FOPs using surrogate value information from South Africa.<sup>55</sup>

#### *Valuation of Raw Materials*

The petitioners valued the direct material FOPs using publicly available South African import data obtained from Global Trade Atlas (GTA) in U.S. dollars for the period May 2014 through October 2014.<sup>56</sup> The petitioners excluded all import values from all countries previously determined by the Department to maintain broadly available, non-industry-specific export subsidies, from countries previously determined by the Department to be NME countries, and from unspecified partner countries.<sup>57</sup>

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<sup>52</sup> See Volume VII of the Petition, at VII-7 through VII-9.

<sup>53</sup> See 19 CFR 351.301(c)(3)(i).

<sup>54</sup> See Volume VII of the Petition, at 13 and Exhibit VII-18; PRC AD Supplement, at Exhibit VII-S5.

<sup>55</sup> See Volume VII of the Petition, at 14 - 16.

<sup>56</sup> See Volume VII of the Petition, at 14 and Exhibit VII-20.

<sup>57</sup> *Id.*

### *Valuation of Labor*

The petitioners calculated the labor expense rate using 2012 data for South Africa from the International Labor Organization (ILO).<sup>58</sup> The petitioners adjusted this rate for inflation using the consumer price index for South Africa published by the International Monetary Fund and converted the rate to U.S. dollars using the POI average exchange rate.<sup>59</sup>

### *Valuation of Energy and Water*

The petitioners valued electricity using rates published by Eskom, a South African electricity generator, effective April 2014 to March 2015.<sup>60</sup> The petitioners valued natural gas using the prices charged for piped natural gas by Sasol Gas Limited, reported by the Energy Regulator of South Africa, for the period April 2012 through March 2013.<sup>61</sup> The petitioners converted natural gas values from cost per kiloJoule to cost per million British thermal units, adjusted for inflation using the South African producer price index, and converted to U.S. dollars using POI average exchange rates.<sup>62</sup> The petitioners valued hog fuel and fuel oil #2 from South African import statistics.<sup>63</sup> The petitioners valued water using water rates reported by Rand Water, a water service provider in South Africa, for the period July 2010 through June 2011, adjusted for inflation and converted to U.S. dollars.<sup>64</sup>

### *Valuation of Factory Overhead, Selling, General and Administrative Expenses, and Profit*

The petitioners calculated surrogate financial ratios (*i.e.*, factory overhead expenses, selling, general, and administrative expenses (SG&A), and profit) based on the 2013 financial statements of Mondi Ltd (Mondi), a South African producer of identical merchandise.

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<sup>58</sup> See PRC Supplement, at 2 and Exhibit VII-S4.

<sup>59</sup> *Id.*, at 7 and Exhibit II-11; see also PRC AD Supplement, at 5, item 9, and Exhibits II-S7 and II-S8.

<sup>60</sup> See Volume VII of the Petitions, at 15 and Exhibit VII-23.

<sup>61</sup> *Id.*

<sup>62</sup> *Id.*

<sup>63</sup> *Id.*

<sup>64</sup> *Id.*

### *Valuation of Packing Inputs*

The petitioners valued packing materials using publicly available South African import data obtained from GTA. The petitioners valued labor associated with packing using information published by the ILO.<sup>65</sup>

### Sales-Below-Cost Allegation

The petitioners also provided information demonstrating reasonable grounds to believe or suspect that sales of uncoated paper in the Australian, Brazilian, and Indonesian markets were made at prices below the cost of production (COP) within the meaning of section 773(b) of the Act and requested that the Department conduct a country-wide sales-below-cost investigation of uncoated paper imports from Australia, Brazil, and Indonesia.<sup>66</sup>

With respect to sales-below-cost allegations in the context of investigations, the Statement of Administrative Action (SAA) accompanying the Uruguay Round Agreements Act states that an allegation of sales below COP need not be specific to individual exporters or producers.<sup>67</sup> The SAA states further that “Commerce will consider allegations of below-cost sales in the aggregate for a foreign country . . . on a country-wide basis for purposes of initiating an antidumping investigation.”<sup>68</sup> Consequently, the Department intends to consider the petitioners’ allegations on a country-wide basis for each respective country for purposes of this initiation.

Finally, the SAA provides that section 773(b)(2)(A) of the Act retains the requirement that the Department have “reasonable grounds to believe or suspect that below-cost sales have

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<sup>65</sup> See Volume VII at of the Petitions, at 14 and Exhibits VII-19, VII-20 and VII-22.

<sup>66</sup> See Australia AD Initiation Checklist; Brazil AD Initiation Checklist; and Indonesia AD Initiation Checklist.

<sup>67</sup> See SAA, H.R. Doc. No. 103-316, at 833 (1994).

<sup>68</sup> *Id.*

occurred before initiating such an investigation.”<sup>69</sup> “‘Reasonable grounds’ will exist when an interested party provides specific factual information on costs and prices, observed or constructed, indicating that sales in the foreign market in question are at below-cost prices.”<sup>70</sup> As explained in the “Cost of Production” section below, we find reasonable grounds exist that indicate sales in Australia, Brazil, and Indonesia were made at below-cost prices.

#### *Cost of Production*

Pursuant to section 773(b)(3) of the Act, COP consists of the cost of manufacturing (COM); selling, general, and administrative (SG&A) expenses; financial expenses; and packing expenses.

For Australia, the petitioners calculated COM (except for depreciation) based on the experience of a U.S. producer adjusted for known differences between the United States and Australia, during the proposed POI. The petitioners multiplied the U.S. producer’s usage quantities by publicly-available data to value the inputs used to manufacture uncoated paper in Australia. To determine the depreciation, SG&A, and financial expense rates, the petitioners relied on financial statements of a producer of uncoated paper in Australia.<sup>71</sup>

For Brazil, the petitioners calculated COM (except for depreciation) based on the experience of a U.S. producer adjusted for known differences between the United States and Brazil, during the proposed POI. The petitioners multiplied the U.S. producer’s usage quantities by publicly-available data to value the inputs used to manufacture uncoated paper in Brazil. To

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<sup>69</sup> *Id.*

<sup>70</sup> *Id.*

<sup>71</sup> *See* Australia AD Initiation Checklist.

determine the depreciation, SG&A, and financial expense rates, the petitioners relied on financial statements of a producer of uncoated paper in Brazil.<sup>72</sup>

For Indonesia, the petitioners calculated COM based on the experience of a U.S. producer adjusted for known differences between the United States and Indonesia during the proposed POI. The petitioners multiplied the U.S. producer's usage quantities by publicly-available data to value the inputs used to manufacture uncoated paper in Indonesia. To determine the depreciation, SG&A, and financial expense rates, the petitioners relied on financial statements of a producer of uncoated paper in Indonesia.<sup>73</sup>

Based upon a comparison of the ex-factory price of the foreign like product in the home market to the COP of the product for Australia, Brazil, and Indonesia, respectively, we find reasonable grounds to believe or suspect that sales of the foreign like product in the home market were made below the COP, within the meaning of section 773(b)(2)(A)(i) of the Act.<sup>74</sup> Accordingly, the Department is initiating a country-wide cost investigation relating to sales of uncoated paper in Australia, Brazil, and Indonesia, respectively.

#### *Normal Value Based on Constructed Value*

For Australia, because they alleged sales below cost, pursuant to sections 773(a)(4), 773(b) and 773(e) of the Act, the petitioners also calculated NV based on constructed value (CV). The petitioners calculated CV using the same average COM, SG&A, financial expense, and packing figures used to compute the COP. The petitioners relied on the same financial statements used as the basis for the depreciation and SG&A expense rates to calculate the profit

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<sup>72</sup> See Brazil AD Initiation Checklist.

<sup>73</sup> See Indonesia AD Initiation Checklist.

<sup>74</sup> See Australia AD Initiation Checklist; Brazil AD Initiation Checklist; and Indonesia AD Initiation Checklist.

rate. However, because these financial statements did not report a profit, the petitioners conservatively did not include a profit rate.<sup>75</sup>

For Brazil, because they alleged sales below cost, pursuant to sections 773(a)(4), 773(b) and 773(e) of the Act, the petitioners also calculated NV based on CV. The petitioners calculated CV using the same average COM, SG&A, financial expense, and packing figures used to compute the COP. The petitioners relied on the same financial statements used as the basis for the depreciation and SG&A expense rates to calculate the profit rate. However, because these financial statements did not report a profit, the petitioners conservatively did not include a profit rate.<sup>76</sup>

For Indonesia, because they alleged sales below cost, pursuant to sections 773(a)(4), 773(b) and 773(e) of the Act, the petitioners also calculated NV based on CV. The petitioners calculated CV using the same average COM, SG&A, financial expense, and packing figures used to compute the COP. The petitioners relied on the same financial statements used as the basis for the depreciation and SG&A expense rates to calculate the profit rate.<sup>77</sup>

#### Fair Value Comparisons

Based on the data provided by the petitioners, there is reason to believe that imports of uncoated paper from Australia, Brazil, Indonesia, the PRC, and Portugal are being, or are likely to be, sold in the United States at less than fair value. Based on comparisons of EP to NV (based on home market price and constructed value) in accordance with section 773(a) of the Act, the estimated dumping margin(s) for uncoated paper from: 1) Australia range from 49.90 percent to

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<sup>75</sup> See Australia AD Initiation Checklist.

<sup>76</sup> See Brazil AD Initiation Checklist.

<sup>77</sup> See Indonesia AD Initiation Checklist.

222.46 percent;<sup>78</sup> 2) Brazil range from 86.90 percent to 172.07 percent;<sup>79</sup> 3) Indonesia range from 12.08 to 66.82 percent;<sup>80</sup> and 4) Portugal range from 2.23 to 22.59 percent.<sup>81</sup> Based on comparisons of EP to NV, in accordance with section 773(c) of the Act, the estimated dumping margins for uncoated paper from the PRC range from 243.65 to 271.87 percent.<sup>82</sup>

### Initiation of LTFV Investigations

Based upon the examination of the AD Petitions on uncoated paper from Australia, Brazil, Indonesia, the PRC, and Portugal, we find that the Petitions meet the requirements of section 732 of the Act. Therefore, we are initiating AD investigations to determine whether imports of uncoated paper from Australia, Brazil, Indonesia, the PRC, and Portugal are being, or are likely to be, sold in the United States at LTFV. In accordance with section 733(b)(1)(A) of the Act and 19 CFR 351.205(b)(1), unless postponed, we will make our preliminary determinations no later than 140 days after the date of this initiation.

### Respondent Selection

The petitioners named six companies as producers/exporters of uncoated paper from Indonesia.<sup>83</sup> Following standard practice in AD investigations involving market-economy countries, the Department will, where appropriate, select respondents based on CBP data for U.S. imports of uncoated paper under HTSUS numbers: 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. For Indonesia, we intend to release CBP data under Administrative Protective Order (APO) to all parties with access to information protected by

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<sup>78</sup> See Australia AD Initiation Checklist.

<sup>79</sup> See Brazil AD Initiation Checklist.

<sup>80</sup> See Indonesia AD Initiation Checklist.

<sup>81</sup> See Portugal AD Initiation Checklist.

<sup>82</sup> See PRC AD Initiation Checklist.

<sup>83</sup> See Volume I of the Petitions, at Exhibit I-7.

APO within five-business days of publication of this *Federal Register* notice.<sup>84</sup> The Department invites comments regarding respondent selection within seven days of publication of this *Federal Register* notice.

Although the Department normally relies on import data from CBP to select a limited number of producers/exporters for individual examination in AD investigations, the Petitions identified only one company as a producer/exporter of uncoated paper in Australia: Paper Australia Pty. Ltd.; two companies as producers/exporters of uncoated paper in Brazil: International Paper and Suzano Papel e Celulose S.A.; and one company as a producer/exporter of uncoated paper in Portugal: Portucel/Soporcel.<sup>85</sup> In addition, the petitioners provided information from independent third party sources as support for identifying those producers/exporters from Australia, Brazil, and Portugal.<sup>86</sup> Furthermore, we currently know of no additional producers/exporters of merchandise under consideration from these countries. Accordingly, the Department intends to examine all known producers/exporters in the investigations for Australia, Brazil, and Portugal (*i.e.*, the companies cited above for each respective investigation). We invite interested parties to comment on this issue. Parties wishing to comment must do so within five days of the publication of this notice in the *Federal Register*. Comments must be filed 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. EST by the date noted above.

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<sup>84</sup> See *Certain Steel Nails From India, the Republic of Korea, Malaysia, the Sultanate of Oman, Taiwan, the Republic of Turkey, and the Socialist Republic of Vietnam: Initiation of Less-Than-Fair-Value Investigations*, 79 FR 36019, 36024 (June 25, 2014).

<sup>85</sup> See Volume I of the Petitions, at Exhibit I-7.

<sup>86</sup> See Volume II of the Petitions, at II-1 – II-2 at footnote 1, and Exhibit II-3 ;Volume V of the Petitions, at V-1 through V-2 and Exhibit V-1; Volume VI of the Petitions, at Exhibits VI-1 and VI-2.

With respect to the PRC, the petitioners identified eight potential respondents.<sup>87</sup> In accordance with our standard practice for respondent selection in cases involving NME countries, we intend to issue quantity-and-value questionnaires to each potential respondent and base respondent selection on the responses received. In addition, the Department will post the quantity-and-value questionnaire along with filing instructions on the Enforcement and Compliance website at <http://www.trade.gov/enforcement/news.asp>.

Exporters/producers of uncoated paper from the PRC that do not receive quantity-and-value questionnaires by mail may still submit a quantity-and-value response and can obtain a copy from the Enforcement and Compliance website. The quantity-and-value questionnaire must be submitted by all the PRC exporters/producers no later than February 24, 2015, which is two weeks from the signature date of this notice. All quantity-and-value questionnaires must be filed electronically *via* ACCESS.

#### Separate Rates

In order to obtain separate-rate status in an NME investigation, exporters and producers must submit a separate-rate application.<sup>88</sup> The specific requirements for submitting a separate-rate application in the PRC investigation are outlined in detail in the application itself, which is available on the Department's website at <http://enforcement.trade.gov/nme/nme-sep-rate.html>. The separate-rate application will be due 30 days after publication of this initiation notice.<sup>89</sup> For exporters and producers who submit a separate-rate application and have been selected as mandatory respondents, these exporters and producers will only be eligible for consideration for

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<sup>87</sup> See Volume I of the Petitions, at Exhibit I-7.

<sup>88</sup> See Policy Bulletin 05.1: Separate-Rates Practice and Application of Combination Rates in Antidumping Investigation involving Non-Market Economy Countries (April 5, 2005), available at <http://enforcement.trade.gov/policy/bull05-1.pdf> (Policy Bulletin 05.1).

<sup>89</sup> Although in past investigations this deadline was 60 days, consistent with section 351.301 (a) of the Department's regulations, which states that "the Secretary may request any person to submit factual information at any time during a proceeding," this deadline is now 30 days.

separate-rate status when they respond to all parts of the questionnaire as mandatory respondents. The Department requires that respondents from the PRC submit a response to both the quantity-and-value questionnaire and the separate-rate application by their respective deadlines in order to receive consideration for separate-rate status.

### Use of Combination Rates

The Department will calculate combination rates for certain respondents that are eligible for a separate rate in an NME investigation. Policy Bulletin 05.1 states:

{w}hile continuing the practice of assigning separate rates only to exporters, all separate rates that the Department will now assign in its NME Investigation will be specific to those producers that supplied the exporter during the period of investigation. Note, however, that one rate is calculated for the exporter and all of the producers which supplied subject merchandise to it during the period of investigation. This practice applies both to mandatory respondents receiving an individually calculated separate rate as well as the pool of non-investigated firms receiving the weighted-average of the individually calculated rates. This practice is referred to as the application of “combination rates” because such rates apply to specific combinations of exporters and one or more producers. The cash-deposit rate assigned to an exporter will apply only to merchandise both exported by the firm in question *and* produced by a firm that supplied the exporter during the period of investigation.

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This practice is necessary to prevent the avoidance of payment of antidumping duties by firms shifting exports through exporters with the lowest assigned cash-deposit rates. The Department’s previous practice of accounting for changes in producers during administrative reviews is not sufficient to prevent these activities, because in many industries, producer can appear and disappear frequently prior to the administrative review. Only by limiting the application of the separate rate to specific combinations of exporters and one or more producers can the Department prevent the “funneling” of subject merchandise through the exporters with the lowest rates.<sup>90</sup>

Therefore, for the Department to grant separate-rate status, the identity of all producers supplying a particular exporter eligible for a separate rate *must* be public information to ensure

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<sup>90</sup> See Policy Bulletin 05.1 at 6-7 (emphasis added).

that CBP can apply the rate to the proper combination of exporter(s) and producer(s) eligible for a particular rate.

#### Distribution of Copies of the Petitions

In accordance with section 732(b)(3)(A) of the Act and 19 CFR 351.202(f), copies of the public version of the Petitions have been provided to the governments of Australia, Brazil, Indonesia, the PRC, and Portugal *via* ACCESS. To the extent practicable, we will attempt to provide a copy of the public version of the Petitions to each exporter named in the Petitions, as provided under 19 CFR 351.203(c)(2).

#### ITC Notification

We have notified the ITC of our initiation, as required by section 732(d) of the Act.

#### Preliminary Determinations by the ITC

The ITC will preliminarily determine, within 45 days after the date on which the Petitions were filed, whether there is a reasonable indication that imports of uncoated paper from Australia, Brazil, Indonesia, the PRC, and/or Portugal are materially injuring or threatening material injury to a U.S. industry.<sup>91</sup> A negative ITC determination for any country will result in the investigation being terminated with respect to that country;<sup>92</sup> otherwise, these investigations will proceed according to statutory and regulatory time limits.

#### Submission of Factual Information

On April 10, 2013, the Department published *Definition of Factual Information and Time Limits for Submission of Factual Information*, 78 FR 21246 (April 10, 2013), which modified two regulations related to AD and CVD proceedings: the definition of factual information (19 CFR 351.102(b)(21)), and the time limits for the submission of factual information (19 CFR

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<sup>91</sup> See section 733(a) of the Act.

<sup>92</sup> *Id.*

351.301). The final rule identifies five categories of factual information in 19 CFR 351.102(b)(21), which are summarized as follows: (i) evidence submitted in response to questionnaires; (ii) evidence submitted in support of allegations; (iii) publicly available information to value factors under 19 CFR 351.408(c) or to measure the adequacy of remuneration under 19 CFR 351.511(a)(2); (iv) evidence placed on the record by the Department; and (v) evidence other than factual information described in (i)–(iv). The final rule requires any party, when submitting factual information, to specify under which subsection of 19 CFR 351.102(b)(21) the information is being submitted and, if the information is submitted to rebut, clarify, or correct factual information already on the record, to provide an explanation identifying the information already on the record that the factual information seeks to rebut, clarify, or correct. The final rule also modified 19 CFR 351.301 so that, rather than providing general time limits, there are specific time limits based on the type of factual information being submitted. These modifications are effective for all proceeding segments initiated on or after May 10, 2013, and thus are applicable to these investigations. Review the final rule, available at <http://enforcement.trade.gov/frn/2013/1304frn/2013-08227.txt>, prior to submitting factual information in these investigations.

#### Revised Extension of Time Limits Regulation

On September 20, 2013, the Department modified its regulation concerning the extension of time limits for submissions in AD and CVD proceedings.<sup>93</sup> The modification clarifies that parties may request an extension of time limits before a time limit established under 19 CFR 351 expires, or as otherwise specified by the Secretary. In general, an extension request will be considered untimely if it is filed after the time limit established under Part 351 expires. For

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<sup>93</sup> See *Extension of Time Limits*, 78 FR 57790 (September 20, 2013).

submissions which are due from multiple parties simultaneously, an extension request will be considered untimely if it is filed after 10:00 a.m. on the due date. Examples include but are not limited to: (1) case and rebuttal briefs, filed pursuant to 19 CFR 351.309; (2) factual information to value factors under section 19 CFR 351.408(c) or to measure the adequacy of remuneration under section 19 CFR 351.511(a)(2) filed pursuant to 19 CFR 351.301(c)(3) and rebuttal, clarification and correction filed pursuant to 19 CFR 351.301(c)(3)(iv); (3) comments concerning the selection of a surrogate country and surrogate values and rebuttal; (4) comments concerning CBP data; and (5) quantity-and-value questionnaires. Under certain circumstances, the Department may elect to specify a different time limit by which extension requests will be considered untimely for submissions which are due from multiple parties simultaneously. In such a case, the Department will inform parties in the letter or memorandum setting forth the deadline (including a specified time) by which extension requests must be filed to be considered timely. This modification also requires that an extension request must be made in a separate, stand-alone submission, and clarifies the circumstances under which the Department will grant untimely filed requests for the extension of time limits. These modifications are effective for all segments initiated on or after October 21, 2013, and thus are applicable to these investigations. Review *Extension of Time Limits*, available at <http://www.gpo.gov/fdsys/pkg/FR-2013-09-20/html/2013-22853.htm>, prior to submitting factual information in these investigations.

### Certification Requirements

Any party submitting factual information in an AD or CVD proceeding must certify to the accuracy and completeness of that information.<sup>94</sup> Parties are hereby reminded that revised certification requirements are in effect for company/government officials, as well as their

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<sup>94</sup> See section 782(b) of the Act.

representatives. Investigations initiated on the basis of petitions filed on or after August 16, 2013, and other segments of any AD or CVD proceedings initiated on or after August 16, 2013, should use the formats for the revised certifications provided at the end of the *Final Rule*.<sup>95</sup> The Department intends to reject factual submissions if the submitting party does not comply with the applicable revised certification requirements.

#### Notification to Interested Parties

Interested parties must submit applications for disclosure under APO in accordance with 19 CFR 351.305. On January 22, 2008, the Department published *Antidumping and Countervailing Duty Proceedings: Documents Submission Procedures; APO Procedures*, 73 FR 3627 (January 22, 2008). Parties wishing to participate in these investigations should ensure that they meet the requirements of these procedures (*e.g.*, the filing of letters of appearance as discussed in 19 CFR 351.103(d)).

This notice is issued and published pursuant to section 777(i) of the Act and 19 CFR 351.203(c).

Paul Piquado  
Assistant Secretary  
for Enforcement and Compliance

Dated: February 10, 2015.

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<sup>95</sup> See *Certification of Factual Information to Import Administration during Antidumping and Countervailing Duty Proceedings*, 78 FR 42678 (July 17, 2013) (*Final Rule*); see also frequently asked questions regarding the *Final Rule*, available at [http://enforcement.trade.gov/tlei/notices/factual\\_info\\_final\\_rule\\_FAQ\\_07172013.pdf](http://enforcement.trade.gov/tlei/notices/factual_info_final_rule_FAQ_07172013.pdf).

## Appendix I

### Scope of the Investigations

The merchandise covered by these investigations 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 level<sup>1</sup> 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.

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 investigations is dispositive.

[FR Doc. 2015-03338 Filed 02/17/2015 at 8:45 am; Publication Date: 02/18/2015]

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<sup>1</sup> 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.