



DEPARTMENT OF COMMERCE

International Trade Administration

[C-560-829]

Certain Uncoated Paper from Indonesia: Final Affirmative Countervailing Duty Determination

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

SUMMARY: The Department of Commerce (the Department) determines that countervailable subsidies are being provided to producers and exporters of certain uncoated paper from Indonesia. For information on the estimated subsidy rates, see the “Final Determination and Suspension of Liquidation” section of this notice. The period of investigation (POI) is January 1, 2014, through December 31, 2014.

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

FOR FURTHER INFORMATION CONTACT: David Goldberger or Brandon Custard, Office II, AD/CVD Operations, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-4136 or (202) 482-1823, respectively.

SUPPLEMENTARY INFORMATION:

Background

The events that occurred since the Department published the Preliminary Determination¹ on June 29, 2015, are discussed in the Issues and Decision Memorandum, which is hereby

¹ See Certain Uncoated Paper From Indonesia: Preliminary Affirmative Countervailing Duty Determination and Alignment of Final Determination With Final Antidumping Determination, 80 FR 36971 (June 29, 2015) (Preliminary Determination), and accompanying Decision Memorandum for the Preliminary Affirmative Countervailing Duty Determination in the Countervailing Duty Investigation of Certain Uncoated Paper from Indonesia (Preliminary Decision Memorandum).

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

Scope of the Investigation

The product covered by this investigation is certain uncoated paper. For a complete description of the scope of the investigation, see Appendix I.

Analysis of Subsidy Programs and Comments Received

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

Use of Facts Otherwise Available, Including Adverse Inferences

For purposes of this final determination, we continue to rely on facts available and to draw an adverse inference, in accordance with sections 776(a) and (b) of the Act, to determine the subsidy rates for Great Champ Trading Limited (Great Champ) and Indah Kiat Pulp & Paper

² See memorandum entitled, "Countervailing Duty Investigation of Certain Uncoated Paper from Indonesia: Issues and Decision Memorandum for the Final Affirmative Determination," dated concurrently with this notice (Issues and Decision Memorandum).

TBK (IK) and Pabrik Kertas Tjiwi Kimia (TK)³ because these companies failed to participate in this investigation and the Government of Indonesia (GOI) failed to provide requested information with respect to certain programs upon which we initiated an investigation.⁴

Final Determination and Suspension of Liquidation

In accordance with section 705(c)(1)(B)(i) of the Act, we calculated a rate for PT Anugrah Kertas Utama (AKU) and APRIL Fine Paper Macao Commercial Offshore Limited (AFPM) (collectively, the APRIL companies). Section 705(c)(5)(A)(i) of the Act states that, for companies not individually investigated, we will determine an “all-others” rate equal to the weighted-average countervailable subsidy rates established for exporters and producers individually investigated, excluding any zero and de minimis countervailable subsidy rates, and any rates determined entirely under section 776 of the Act. Where the rates for investigated companies are zero or de minimis, or based entirely on facts otherwise available, section 705(c)(5)(A)(ii) of the Act instructs the Department to establish an “all-others” rate using “any reasonable method.” As discussed above, we determined Great Champ’s and IK’s/TK’s rates based entirely on AFA in accordance with sections 776(a) and (b) of the Act. Therefore, we used the rate calculated for the APRIL companies as the “all-others” rate. We intend to disclose to parties the calculations performed in this proceeding within five days of the public announcement of this final determination in accordance with 19 CFR 351.224(b).

³ We found IK, TK, and PT Pindo Deli Pulp and Paper Mills to be cross-owned and, therefore, are assigning them a single countervailing duty rate. For further discussion, see Memorandum entitled, “Cross-Ownership of Asia Pulp and Paper/Sinar Mas Group Companies: Countervailing Duty Investigation of Uncoated Paper from Indonesia,” dated June 22, 2015.

⁴ See Issues and Decision Memorandum, at pages 3-9.

We determine the countervailable subsidy rates to be:

Company	Subsidy Rate
APRIL Fine Paper Macao Commercial Offshore Limited/ PT Anugrah Kertas Utama/PT Riau Andalan Kertas/PT Intiguna Primatama/PT Riau Andalan Pulp & Paper/PT Esensindo Cipta Cemerlang	21.22 percent
Great Champ Trading Limited	104.00 percent
Indah Kiat Pulp & Paper TBK/Pabrik Kertas Tjiwi Kimia/PT Pindo Deli Pulp and Paper Mills	109.15 percent
All-Others	21.22 percent

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

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

We will issue a CVD order and reinstate the suspension of liquidation in accordance with our final determination and under section 706(a) of the Act if the United States International Trade Commission (ITC) issues a final affirmative injury determination, and we will instruct CBP to require a cash deposit of estimated countervailing duties for such entries of merchandise in the amounts indicated above. If the ITC determines that material injury, or threat of material

injury, does not exist, this proceeding will be terminated and all estimated duties deposited as a result of the suspension of liquidation will be refunded.

International Trade Commission (ITC) Notification

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

Return or Destruction of Proprietary Information

This notice serves as the only reminder to parties subject to the administrative protective order (APO) of their responsibility concerning the destruction of proprietary information disclosed under APO in accordance with 19 CFR 351.305(a)(3). Timely written notification of the return/destruction of APO materials or conversion to judicial protective order is hereby requested. Failure to comply with the regulations and terms of an APO is a violation which is subject to sanction.

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

Dated: January 8, 2016.

Paul Piquado,

Assistant Secretary

for Enforcement and Compliance.

Appendix I

Scope of the Investigation

The merchandise covered by the investigation includes uncoated paper in sheet form; weighing at least 40 grams per square meter but not more than 150 grams per square meter; that either is a white paper with a GE brightness 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. Use of Facts Otherwise Available
- IV. Subsidies Valuation
- V. Analysis of Programs
- VI. Analysis of Comments
 - 1. Adverse Facts Available for Great Champ
 - 2. Whether the Stumpage Program Meets the Specificity Requirement
 - 3. Whether the Stumpage Program Applies to Purchases of Felled Trees
 - 4. Whether to Include APRIL's Harvest of Mixed Hardwood Timber in Calculating Countervailable Benefits
 - 5. Whether to Use Malaysian Stumpage Fees as a Benchmark
 - 6. Whether the Log Export Ban Constitutes a Countervailable Subsidy
 - 7. Selection of Timber Benchmark Values
 - 8. Adjustments to Log Benchmark Values
 - 9. Corrections and Revisions to APRIL's Log Harvesting and Purchase Data
 - 10. Whether APRIL Received a Countervailable Debt Forgiveness Benefit
 - 11. Whether APRIL Received a Countervailable Benefit for Preferential Loans
 - 12. Uncreditworthiness
- VII. Recommendation

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