



This document is scheduled to be published in the Federal Register on 08/12/2016 and available online at <http://federalregister.gov/a/2016-19258>, and on [FDsys.gov](http://FDsys.gov)

BILLING CODE: 3510-DS-P

DEPARTMENT OF COMMERCE

INTERNATIONAL TRADE ADMINISTRATION

A-570-920

Lightweight Thermal Paper from the People's Republic of China: Preliminary Results of Antidumping Duty Administrative Review; 2014-2015

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

SUMMARY: The Department of Commerce ("Department") is conducting an administrative review of the antidumping duty order on lightweight thermal paper ("LWTP") from the People's Republic of China ("PRC"). The period of review ("POR") is November 1, 2014, through October 31, 2015. The review covers two exporters of subject merchandise: Jaan Huey Co. Ltd. ("Jaan Huey") and Shanghai Hanhong Paper Co., Ltd. and Hanhong Paper Co. Ltd (together, "Hanhong"). Because neither respondent participated in this review, the Department preliminarily finds that Jaan Huey and Hanhong have not demonstrated eligibility for a separate rate in this segment of the proceeding, and therefore, for the preliminary results, we are treating both as part of the PRC-wide entity. Interested parties are invited to comment on these preliminary results.

DATES: Effective [Insert date of publication in the *Federal Register*.]

FOR FURTHER INFORMATION CONTACT: Keith Haynes, AD/CVD Operations, Office III, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-5139.

## SUPPLEMENTARY INFORMATION:

### Background

On January 7, 2016, the Department initiated the seventh administrative review of the antidumping duty order on LWTP from the PRC.<sup>1</sup> On February 2, 2016, the Department issued antidumping questionnaires to Jaan Huey and Hanhong. On February 16, 2016, Jaan Huey notified the Department that it would not be participating in this administrative review.<sup>2</sup> The Hanhong companies did not respond to the Department's request for information.

### Scope of the Order

The merchandise covered by this review includes certain lightweight thermal paper, which is thermal paper with a basis weight of 70 grams per square meter ( $\text{g/m}^2$ ) (with a tolerance of  $\pm 4.0 \text{ g/m}^2$ ) or less; irrespective of dimensions;<sup>3</sup> with or without a base coat<sup>4</sup> on one or both sides; with thermal active coating(s)<sup>5</sup> on one or both sides that is a mixture of the dye and the developer that react and form an image when heat is applied; with or without a top coat;<sup>6</sup> and without an adhesive backing. Certain lightweight thermal paper is typically (but not exclusively) used in point-of-sale applications such as ATM receipts, credit card receipts, gas pump receipts, and retail store receipts. The merchandise subject to this review may be classified in the Harmonized Tariff Schedule of the United States ("HTSUS") under subheadings 3703.10.60, 4811.59.20, 4811.90.8040, 4811.90.9090, 4820.10.20, 4823.40.00, 4811.90.8030, 4811.90.8050,

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<sup>1</sup> See *Initiation of Antidumping and Countervailing Duty Administrative Reviews*, 81 FR 736 (January 7, 2016) ("Initiation Notice").

<sup>2</sup> See letter from Jaan Huey, "Notice of Non-Participation in ADD Review: Annual Antidumping Administrative Review of Lightweight Thermal Paper from the People's Republic of China," dated February 16, 2016.

<sup>3</sup> LWTP is typically produced in jumbo rolls that are slit to the specifications of the converting equipment and then converted into finished slit rolls. Both jumbo and converted rolls (as well as LWTP in any other form, presentation, or dimension) are covered by the scope of these orders.

<sup>4</sup> A base coat, when applied, is typically made of clay and/or latex and like materials and is intended to cover the rough surface of the paper substrate and to provide insulating value.

<sup>5</sup> A thermal active coating is typically made of sensitizer, dye, and co-reactant.

<sup>6</sup> A top coat, when applied, is typically made of polyvinyl acetone, polyvinyl alcohol, and/or like materials and is intended to provide environmental protection, an improved surface for press printing, and/or wear protection for the thermal print head.

4811.90.9030, and 4811.90.9050.<sup>7,8</sup> Although HTSUS subheadings are provided for convenience and customs purposes, the written description of the scope of these orders is dispositive.

#### Non-market Economy Country

The Department considers the PRC to be a nonmarket economy (“NME”) country.<sup>9</sup> In accordance with section 771(18)(C)(i) of the Tariff Act of 1930, as amended (“the Act”), any determination that a foreign country is an NME country shall remain in effect until revoked by the administering authority. Therefore, we continue to treat the PRC as an NME country for purposes of these preliminary results.

#### Application of Separate Rates in NME Proceedings

In the *Initiation Notice*, the Department notified parties of the application process by which exporters may obtain separate rate status in an NME proceeding.<sup>10</sup> It is the Department’s policy to assign all exporters of the merchandise subject to review in NME countries a single rate unless an exporter can affirmatively demonstrate an absence of government control, both in law (*de jure*) and in fact (*de facto*), with respect to exports. To establish whether a company is sufficiently independent to be entitled to a separate, company-specific rate, the Department

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<sup>7</sup> HTSUS subheading 4811.90.8000 was a classification used for LWTP until January 1, 2007. Effective that date, subheading 4811.90.8000 was replaced with 4811.90.8020 (for gift wrap, a non-subject product) and 4811.90.8040 (for “other” including LWTP). HTSUS subheading 4811.90.9000 was a classification for LWTP until July 1, 2005. Effective that date, subheading 4811.90.9000 was replaced with 4811.90.9010 (for tissue paper, a non-subject product) and 4811.90.9090 (for “other,” including LWTP).

<sup>8</sup> As of January 1, 2009, the International Trade Commission deleted HTSUS subheadings 4811.90.8040 and 4811.90.9090 and added HTSUS subheadings 4811.90.8030, 4811.90.8050, 4811.90.9030, and 4811.90.9050 to the *Harmonized Tariff Schedule of the United States (2009)*. See *Harmonized Tariff Schedule of the United States (2009)*, available at <www.usitc.gov>. These HTSUS subheadings were added to the scope of the order in LWTP’s LTFV investigation.

<sup>9</sup> See, e.g., *Certain Kitchen Appliance Shelving and Racks from the People’s Republic of China: Preliminary Results of the First Administrative Review, Preliminary Rescission, in Part, and Extension of Time Limits for the Final Results*, 76 FR 62765, 62767-68 (October 11, 2011), unchanged in *Certain Kitchen Appliance Shelving and Racks from the People’s Republic of China: Final Results and Partial Rescission of First Antidumping Duty Administrative Review*, 77 FR 21734 (April 11, 2012).

<sup>10</sup> See *Initiation Notice*.

analyzes each exporting entity in an NME country under the test established in *Sparklers*,<sup>11</sup> as further developed by *Silicon Carbide*.<sup>12</sup> However, if the Department determines that a company is wholly foreign-owned, then an analysis of the *de jure* and *de facto* criteria is not necessary to determine whether it is independent from government control.<sup>13</sup>

### Methodology

The Department is conducting this review in accordance with section 751 of the Act. Neither mandatory respondent cooperated to the best of its ability because neither provided a response to the Department's questionnaire. Further, neither respondent submitted a separate rate application or certification to demonstrate eligibility to receive a separate rate. Thus, the Department preliminarily determines that the application of adverse facts available ("AFA") is warranted for these preliminary results, in accordance with section 776 of the Act and 19 CFR 351.308 and, because neither demonstrated eligibility for a separate rate, we are treating the mandatory respondents as part of the PRC-wide entity.

### PRC-Wide Entity

The Department's change in policy regarding conditional review of the PRC-wide entity applies to this administrative review.<sup>14</sup> Under this policy, the PRC-wide entity will not be under review unless a party specifically requests, or the Department self-initiates, a review of the

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<sup>11</sup> See *Final Determination of Sales at Less Than Fair Value: Sparklers from the People's Republic of China*, 56 FR 20588 (May 6, 1991) ("*Sparklers*").

<sup>12</sup> See *Notice of Final Determination of Sales at Less Than Fair Value: Silicon Carbide from the People's Republic of China*, 59 FR 22585 (May 2, 1994) ("*Silicon Carbide*").

<sup>13</sup> See, e.g., *Final Results of Antidumping Duty Administrative Review: Petroleum Wax Candles from the People's Republic of China*, 72 FR 52355, 52356 (September 13, 2007).

<sup>14</sup> See *Antidumping Proceedings: Announcement of Change in Department Practice for Respondent Selection in Antidumping Duty Proceedings and Conditional Review of the Nonmarket Economy Entity in NME Antidumping Duty Proceedings*, 78 FR 65963 (November 4, 2013).

entity. Because no party requested a review of the PRC-wide entity in this review, the entity is not under review, and the entity's rate is not subject to change (*i.e.*, 115.29 percent).<sup>15</sup>

#### Preliminary Results of Review

The preliminary weighted-average antidumping duty margin percentage is as follows:

Producer and/or Exporter	Weighted-Average Dumping Margin (Percent)
PRC-Wide Entity	115.29

#### Public Comment and Opportunity to Request a Hearing

Interested parties may submit case briefs within 30 days after the date of publication of these preliminary results of review in the *Federal Register*.<sup>16</sup> Rebuttals to case briefs must be limited to issues raised in the case briefs and must be filed within five days following the time limit for filing case briefs.<sup>17</sup> Parties who submit arguments are requested to submit with the argument (a) a statement of the issue, (b) a brief summary of the argument, and (c) a table of authorities.<sup>18</sup> Parties submitting briefs should do so pursuant to the Department's electronic filing system, ACCESS.<sup>19</sup>

Any interested party may request a hearing within 30 days of publication of this notice.<sup>20</sup> Hearing requests should contain the following information: (1) the party's name, address, and telephone number; (2) the number of participants; and (3) a list of the issues to be discussed. Oral presentations will be limited to issues raised in the briefs. If a request for a hearing is made,

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<sup>15</sup> See "Lightweight Thermal Paper from the People's Republic of China: Final Determination of Sales at Less Than Fair Value," 73 FR 57329 (Oct 2, 2008).

<sup>16</sup> See 19 CFR 351.309(c)(1)(ii).

<sup>17</sup> See 19 CFR 351.309(d)(1)-(2).

<sup>18</sup> See 19 CFR 351.309(c)(2), (d)(2).

<sup>19</sup> See 19 CFR 351.303 (for general filing requirements).

<sup>20</sup> See 19 CFR 351.310(c).

parties will be notified of the time and date for the hearing to be held at the U.S. Department of Commerce, 14<sup>th</sup> Street and Constitution Avenue NW, Washington, DC 20230.<sup>21</sup>

The Department intends to issue the final results of this administrative review, which will include the results of our analysis of all issues raised in the case briefs, within 120 days of publication of these preliminary results in the *Federal Register*, pursuant to section 751(a)(3)(A) of the Act.

#### Assessment Rates

Upon issuance of the final results, the Department will determine, and CBP shall assess, antidumping duties on all appropriate entries covered by this review. The Department intends to issue assessment instructions to CBP 15 days after the publication date of the final results of this review.

#### Cash Deposit Requirements

The following cash deposit requirements will be effective upon publication of the final results of this administrative review for all shipments of the subject merchandise entered, or withdrawn from warehouse, for consumption on or after the publication date, as provided for by section 751(a)(2)(C) of the Act: (1) for previously investigated or reviewed PRC and non-PRC exporters who are not under review in this segment of the proceeding but who have separate rates, the cash deposit rate will continue to be the exporter-specific rate published for the most recent period; (2) for all PRC exporters of subject merchandise that have not been found to be entitled to a separate rate, the cash deposit rate will be the PRC-wide rate of 115.29 percent; and (3) for all non-PRC exporters of subject merchandise which have not received their own rate, the cash deposit rate will be the rate applicable to the PRC exporter(s) that supplied that non-PRC exporter. These deposit requirements, when imposed, shall remain in effect until further notice.

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<sup>21</sup> See 19 CFR 351.310(d).

## Notification to Importers

This notice also serves as a preliminary reminder to importers of their responsibility under 19 CFR 351.402(f)(2) to file a certificate regarding the reimbursement of antidumping duties prior to liquidation of the relevant entries during this period. Failure to comply with this requirement could result in the Secretary's presumption that reimbursement of antidumping duties occurred and the subsequent assessment of double antidumping duties.

This administrative review and notice are in accordance with sections 751(a)(1) and 777(i) of the Act and 19 CFR 351.213.

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Ronald K. Lorentzen  
Acting Assistant Secretary  
for Enforcement and Compliance

August 5, 2016

Date

[FR Doc. 2016-19258 Filed: 8/11/2016 8:45 am; Publication Date: 8/12/2016]