



Billing Code: 3510-DS-P

## DEPARTMENT OF COMMERCE

### INTERNATIONAL TRADE ADMINISTRATION

(A-570-827)

Certain Cased Pencils from the People's Republic of China: Final Results of Expedited Sunset Review of the Antidumping Duty Order

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

SUMMARY: The Department of Commerce (the Department) finds that revocation of the antidumping duty order (AD) order on certain cased pencils from the People's Republic of China (PRC) would be likely to lead to continuation or recurrence of dumping at the level indicated in the "Final Results of Review" section of this notice.

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

FOR FURTHER INFORMATION CONTACT: Mary Kolberg, Office I, AD/CVD Operations, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-1785.

### SUPPLEMENTARY INFORMATION

#### Background

On June 1, 2016, the Department initiated a sunset review of the *AD Order*<sup>1</sup> on certain cased pencils from the PRC pursuant to section 751(c) of the Tariff Act of 1930, as amended

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

(the Act).<sup>2</sup> The Dixon Ticonderoga Company (Dixon), as well as the General Pencil Co., Inc., Musgrave Pencil Co., and RoseMoon, Inc., notified the Department of their intent to participate in the sunset review as domestic interested parties on June 7, 2016, and June 14, 2016, respectively, pursuant to 19 CFR 351.218(d)(1)(i).<sup>3</sup> Each of these companies claimed interested party status under section 771(9)(C) of the Act, as domestic producers of the domestic like product.

On July 1, 2016, the Department received a collective substantive response from General Pencil Co., Inc., Musgrave Pencil Co., and RoseMoon, Inc., within the 30-day deadline specified in 19 CFR 351.218(d)(3)(i).<sup>4</sup> The Department did not receive a substantive response from Dixon or any respondent interested party to the sunset proceeding. Because the Department received no response from the respondent interested parties, the Department conducted an expedited review of this *AD Order*, pursuant to section 751(c)(3)(B) of the Act and 19 CFR 351.218(e)(1)(ii)(C)(2).

#### Scope of the Order

Imports covered by the order are shipments of certain cased pencils of any shape or dimension (except as described below) which are writing and/or drawing instruments that feature cores of graphite or other materials, encased in wood and/or man-made materials, whether or not decorated and whether or not tipped (*e.g.*, with erasers, *etc.*) in any fashion, and either sharpened or unsharpened. The pencils subject to the order are currently classifiable under subheading

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<sup>2</sup> See *Initiation of Five-Year ("Sunset") Review*, 81 FR 34974 (June 1, 2016).

<sup>3</sup> See letter from Dixon to the Department, re: "Five-Year Sunset Review of Certain Cased Pencils from the People's Republic of China: Dixon Notice of Intent to Participate," dated June 7, 2016; *see also* letter from General Pencil Co., Inc., Musgrave Pencil Co. and RoseMoon, Inc., to the Department, re: "§751(c) Five-Year Sunset Review of the Antidumping Duty Order Against Cased Pencils from the People's Republic of China; Notice of Appearance and Intent to Participate," dated June 14, 2016.

<sup>4</sup> See letter from General Pencil Co., Inc., Musgrave Pencil Co. and RoseMoon, Inc. to the Department, re: "§751(c) Five-Year Sunset Review of the Antidumping Duty Order Against Cased Pencils from the People's Republic of China; Substantive Response of Domestic Interested Parties," dated July 1, 2016.

9609.10.00 of the Harmonized Tariff Schedule of the United States ('HTSUS'). Specifically excluded from the scope of the order are mechanical pencils, cosmetic pencils, pens, noncased crayons (wax), pastels, charcoals, chinks, and pencils produced under U.S. patent number 6,217,242, from paper infused with scents by the means covered in the above-referenced patent, thereby having odors distinct from those that may emanate from pencils lacking the scent infusion. Also excluded from the scope of the order are pencils with all of the following physical characteristics: (1) Length: 13.5 or more inches; (2) sheath diameter: not less than one-and-one quarter inches at any point (before sharpening); and (3) core length: Not more than 15 percent of the length of the pencil. In addition, pencils with all of the following physical characteristics are excluded from the scope of the order: Novelty jumbo pencils that are octagonal in shape, approximately ten inches long, one inch in diameter before sharpening, and three-and-one eighth inches circumference, composed of turned wood encasing one-and-one half inches of sharpened lead on one end and a rubber eraser on the other end. Although the HTSUS subheading is provided for convenience and customs purposes, the written description of the scope of the order is dispositive.

#### Analysis of Comments Received

All issues raised in this review are addressed in the Issues and Decision Memorandum, which is dated concurrently with this notice.<sup>5</sup> The issues discussed in the Issues and Decision Memorandum include the likelihood of continuation or recurrence of dumping and the magnitude of the margins likely to prevail if the *AD Order* were revoked. Parties can find a complete discussion of all issues raised in this expedited sunset review and the corresponding

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<sup>5</sup> See Memorandum to Paul Piquado, Assistant Secretary for Enforcement and Compliance, from Christian Marsh, Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations, "Issues and Decision Memorandum for the Final Results of the Expedited Five-Year Sunset Review of the Antidumping Duty Order on Certain Cased Pencils from the People's Republic of China," dated September 29, 2016.

recommendations in this public memorandum, which is on file electronically *via* the Enforcement and Compliance Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS). ACCESS is available to registered users at <http://access.trade.gov> and in the Central Records Unit, room B8024 of the main Department of Commerce building. A list of topics discussed in the Issues and Decision Memorandum is included as an Appendix to this notice. In addition, a complete version of the Issues and Decision Memorandum can be accessed directly on the Internet at <http://enforcement.trade.gov/frn/index.html>. The signed Issues and Decision Memorandum and the electronic versions of the Issues and Decision Memorandum are identical in content.

#### Final Results of Review

Pursuant to sections 751(c)(1) and 752(c)(1) and (3) of the Act, we determine that revocation of the *AD Order* on certain cased pencils from the PRC would be likely to lead to continuation or recurrence of dumping at weighted-average percent margins up to 53.65 percent.

#### Notification Regarding Administrative Protective Order

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

We are issuing and publishing these final results and notice in accordance with sections 751(c), 752(c), and 777(i)(1) of the Act, and 19 CFR 351.218.

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Paul Piquado  
Assistant Secretary  
for Enforcement and Compliance

September 29, 2016

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(Date)

Appendix—List of Topics Discussed in the Issues and Decision Memorandum

- I. Summary
- II. History of the Order
- III. Background
- IV. Scope of the Order
- V. Discussion of the Issues
  - 1. Likelihood of Continuation or Recurrence of Dumping
  - 2. Magnitude of the Margins Likely to Prevail
- VI. Final Results of Review
- VII. Recommendation

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