



BILLING CODE: 3510-DS-P

DEPARTMENT OF COMMERCE

INTERNATIONAL TRADE ADMINISTRATION

A-122-861

Certain Uncoated Groundwood Paper from Canada: Preliminary Affirmative Determination of Sales at Less Than Fair Value, Postponement of Final Determination, and Extension of Provisional Measures

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

SUMMARY: The Department of Commerce (Commerce) preliminarily determines that certain uncoated groundwood paper (UGW paper) from Canada is being, or is likely to be, sold in the United States at less than fair value (LTFV). The period of investigation (POI) is July 1, 2016, through June 30, 2017.

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

FOR FURTHER INFORMATION CONTACT: David Goldberger or Terre Keaton Stefanova, AD/CVD Operations, Office II, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-4136 or (202) 482-1280, respectively.

SUPPLEMENTARY INFORMATION:

Background

This preliminary determination is made in accordance with section 733(b) of the Tariff Act of 1930, as amended (the Act). Commerce published the notice of initiation of this investigation on September 1, 2017.¹ On December 21, 2017, Commerce postponed the

¹ See *Certain Uncoated Groundwood Paper from Canada: Initiation of Less-Than-Fair-Value Investigation*, 82 FR 41599 (September 1, 2017) (*Initiation Notice*).

preliminary determination of this investigation until March 7, 2018.² Commerce exercised its discretion to toll all deadlines affected by the closure of the Federal Government from January 20 through January 22, 2018. If the new deadline falls on a non-business day, in accordance with Commerce's practice, the deadline will become the next business day. The revised deadline for the preliminary determination of this investigation is now March 12, 2018.³

For a complete description of the events that followed the initiation of this investigation, *see* the Preliminary Decision Memorandum.⁴ A list of topics included in the Preliminary Decision Memorandum is included as Appendix II to this notice. The Preliminary 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 <https://access.trade.gov>, and to all parties in the Central Records Unit, room B8024 of the main Department of Commerce building. In addition, a complete version of the Preliminary Decision Memorandum can be accessed directly at <http://enforcement.trade.gov/frn/>. The signed and the electronic versions of the Preliminary Decision Memorandum are identical in content.

Scope of the Investigation

The product covered by this investigation is UGW paper from Canada. For a complete description of the scope of this investigation, *see* Appendix I.

² *See Certain Uncoated Groundwood Paper From Canada: Postponement of Preliminary Determination in the Less-Than-Fair-Value Investigation*, 82 FR 60586 (December 21, 2017).

³ *See* Memorandum, "Deadlines Affected by the Shutdown of the Federal Government," dated January 23, 2018. All deadlines in this segment of the proceeding have been extended by three days.

⁴ *See* Memorandum, "Decision Memorandum for the Preliminary Determination in the Less-Than-Fair-Value Investigation of Certain Uncoated Groundwood Paper," dated concurrently with, and hereby adopted by, this notice (Preliminary Decision Memorandum).

Scope Comments

In accordance with the preamble to Commerce's regulations,⁵ the *Initiation Notice* set aside a period of time for parties to raise issues regarding product coverage (*i.e.*, scope).⁶ Certain interested parties commented on the scope of the investigation as it appeared in the *Initiation Notice*. For a summary of the product coverage comments and rebuttal responses submitted to the record for this preliminary determination, and accompanying discussion and analysis of all comments timely received, *see* the Preliminary Scope Decision Memorandum.⁷

After evaluating these comments, Commerce has preliminarily modified the scope language as it appeared in the *Initiation Notice* to exclude: 1) paper that has undergone a creping process over the entire surface area of the paper; 2) UGW construction paper and UGW manila drawing paper in sheet or roll format; and 3) directory paper. *See* the revised scope in Appendix I to this notice. For further discussion, *see* the Preliminary Scope Decision Memorandum.

Methodology

Commerce is conducting this investigation in accordance with section 731 of the Act. Commerce calculated export price in accordance with section 772(a) of the Act. Alternatively, as appropriate, Commerce calculated constructed export price in accordance with section 772(b) of the Act. Normal value (NV) is calculated in accordance with section 773 of the Act. For a full description of the methodology underlying the preliminary determination, *see* the Preliminary Decision Memorandum.

⁵ *See Antidumping Duties; Countervailing Duties, Final Rule*, 62 FR 27296, 27323 (May 19, 1997).

⁶ *See Initiation Notice*.

⁷ *See* Memorandum, "Certain Uncoated Groundwood Paper from Canada: Scope Comments Decision Memorandum for the Preliminary Determination" (Preliminary Scope Decision Memorandum), dated concurrently with this preliminary determination.

All-Others Rate

Sections 733(d)(1)(A)(ii) and 735(c)(5)(A) of the Act provide that, in the preliminary determination, Commerce shall determine an estimated all-others rate for all exporters and producers not individually examined. This rate shall be an amount equal to the weighted average of the estimated weighted-average dumping margins established for exporters and producers individually investigated, excluding any zero and *de minimis* margins, and any margins determined entirely under section 776 of the Act.

In this investigation, Commerce preliminarily found zero rates for Resolute FP Canada Inc. and Donohue Malbaie Inc. (collectively, Resolute), and White Birch Paper Canada Company, Papier Masson WB LP, FF Soucy WB LP, and Stadacona WB LP (collectively, White Birch Paper). Therefore, the only rate that is not zero, *de minimis*, or based entirely on facts otherwise available is the rate calculated for Catalyst Pulp and Paper Sales, Inc. and Catalyst Paper General Partnership (collectively, Catalyst). Consequently, the rate calculated for Catalyst is also assigned as the rate for all-other producers and exporters in this investigation.

Preliminary Determination

Commerce preliminarily determines that the following estimated weighted-average dumping margins exist:

| Exporter/Producer | Estimated Weighted-Average Dumping Margin (percent) |
|---|---|
| Catalyst Pulp and Paper Sales, Inc./Catalyst Paper General Partnership | 22.16 |
| Resolute FP Canada Inc/Donohue Malbaie Inc. | 0.00 |
| White Birch Paper Canada Company/Papier Masson WB LP/FF Soucy WB LP/Stadacona WB LP | 0.00 |
| All Others | 22.16 |

Suspension of Liquidation

In accordance with section 733(d)(2) of the Act, Commerce will direct U.S. Customs and Border Protection (CBP) to suspend liquidation of entries of subject merchandise, as described in Appendix I, entered, or withdrawn from warehouse, for consumption on or after the date of publication of this notice in the *Federal Register*. Further, pursuant to section 733(d)(1)(B) of the Act and 19 CFR 351.205(d), Commerce will instruct CBP to require a cash deposit equal to the estimated weighted-average dumping margin or the estimated all-others rate, as follows: (1) the cash deposit rate for the respondents listed above will be equal to the company-specific estimated weighted-average dumping margins determined in this preliminary determination, except if that rate is zero or *de minimis*, no cash deposit will be required; (2) if the exporter is not a respondent identified above, but the producer is, then the cash deposit rate will be equal to the company-specific estimated weighted-average dumping margin established for that producer of the subject merchandise, except as explained below; and (3) the cash deposit rate for all other producers and exporters will be equal to the all-others estimated weighted-average dumping margin.

Because the estimated weighted-average dumping margins for Resolute and White Birch Paper are zero, entries of shipments of subject merchandise from these companies will not be subject to suspension of liquidation or cash deposit requirements. In such situations, Commerce applies the exclusion to the provisional measures to the producer/exporter combination that was examined in the investigation. Accordingly, Commerce is directing CBP not to suspend liquidation of entries of subject merchandise produced and exported by: 1) Resolute; and 2) White Birch Paper. Entries of shipments of subject merchandise from Resolute or White Birch Paper in any other producer/exporter combination, or by third parties that sourced subject merchandise from the excluded producer/exporter combination, or by third parties that sourced subject merchandise from the excluded producer/exporter combinations, are subject to the provisional measures at the all others rate.

Should the final estimated weighted-average dumping margin be zero or *de minimis* for Resolute and White Birch Paper, entries of shipments of subject merchandise produced and exported by either Resolute or White Birch Paper will be excluded from the potential antidumping duty order. Such exclusion is not applicable to merchandise exported to the United States by Resolute or White Birch Paper in any other producer/exporter combinations or by third parties that sourced subject merchandise from the excluded producer/exporter combinations.

These suspension of liquidation instructions will remain in effect until further notice.

Disclosure

Commerce intends to disclose its calculations and analysis performed to interested parties in this preliminary determination within five days of any public announcement or, if there is no public announcement, within five days of the date of publication of this notice in accordance with 19 CFR 351.224(b).

Verification

As provided in section 782(i)(1) of the Act, Commerce intends to verify the information relied upon in making its final determination.

Public Comment

Case briefs or other written comments may be submitted to the Assistant Secretary for Enforcement and Compliance no later than seven days after the date on which the last verification report is issued in this investigation. Rebuttal briefs, limited to issues raised in case briefs, may be submitted no later than five days after the deadline date for case briefs.⁸ Pursuant to 19 CFR 351.309(c)(2) and (d)(2), parties who submit case briefs or rebuttal briefs in this investigation are encouraged to submit with each argument: (1) a statement of the issue; (2) a brief summary of the argument; and (3) a table of authorities.

Pursuant to 19 CFR 351.310(c), interested parties who wish to request a hearing, limited to issues raised in the case and rebuttal briefs, must submit a written request to the Assistant Secretary for Enforcement and Compliance, U.S. Department of Commerce, within 30 days after the date of publication of this notice. Requests should contain the party's name, address, and telephone number, the number of participants, whether any participant is a foreign national, and a list of the issues to be discussed. If a request for a hearing is made, Commerce intends to hold the hearing at the U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230, at a time and date to be determined. Parties should confirm by telephone the date, time, and location of the hearing two days before the scheduled date.

Postponement of Final Determination and Extension of Provisional Measures

⁸ See 19 CFR 351.309; see also 19 CFR 351.303 (for general filing requirements).

Section 735(a)(2) of the Act provides that a final determination may be postponed until not later than 135 days after the date of the publication of the preliminary determination if, in the event of an affirmative preliminary determination, a request for such postponement is made by exporters who account for a significant proportion of exports of the subject merchandise, or in the event of a negative preliminary determination, a request for such postponement is made by the petitioner. Section 351.210(e)(2) of Commerce's regulations requires that a request by exporters for postponement of the final determination be accompanied by a request for extension of provisional measures from a four-month period to a period not more than six months in duration.

On January 23, 2018, pursuant to 19 CFR 351.210(e), the petitioner requested that Commerce postpone the final determination and that provisional measures be extended to a period not to exceed six months.⁹ Additionally, on January 16, January 19, and January 23, 2018, White Birch Paper, Catalyst, and Resolute, respectively, requested that Commerce postpone the final determination and that provisional measures be extended to a period not to exceed six months.¹⁰ In accordance with section 735(a)(2)(A) of the Act and 19 CFR 351.210(b)(2)(ii), because: (1) the preliminary determination is affirmative; (2) the requesting exporters account for a significant proportion of exports of the subject merchandise; and (3) no compelling reasons for denial exist, Commerce is postponing the final determination and extending the provisional measures from a four-month period to a period not greater than six

⁹ See Petitioner's Letter, "Antidumping Duty Investigation of Certain Uncoated Groundwood Paper from Canada: Petitioner's Request for Postponement of Final Determination," dated January 23, 2018.

¹⁰ See White Birch Paper's Letter, "Certain Uncoated Groundwood Paper from Canada, Case No. A-122-861: Request to postpone Final Determination," dated January 16, 2018; Catalyst's Letter, "Certain Uncoated Groundwood Paper from Canada: Catalyst Request to Postpone Final Determination," dated January 19, 2018; and Resolute's Letter, "Uncoated Groundwood Paper from Canada: Request for Extension of Final Determination in Antidumping Duty Investigation," dated January 23, 2018.

months. Accordingly, Commerce will make its final determination no later than 135 days after the date of publication of this preliminary determination.

International Trade Commission Notification

In accordance with section 733(f) of the Act, Commerce will notify the International Trade Commission (ITC) of its preliminary determination. If the final determination is affirmative, the ITC will determine before the later of 120 days after the date of this preliminary determination or 45 days after the final determination whether these imports are materially injuring, or threaten material injury to, the U.S. industry.

Notification to Interested Parties

This determination is issued and published in accordance with sections 733(f) and 777(i)(1) of the Act and 19 CFR 351.205(c).

Gary Taverman
Deputy Assistant Secretary
for Antidumping and Countervailing Duty Operations,
performing the non-exclusive functions and duties of the
Assistant Secretary for Enforcement and Compliance

Dated: March 12, 2018

Appendix I

Scope of the Investigation

The merchandise covered by this investigation includes certain paper that has not been coated on either side and with 50 percent or more of the cellulose fiber content consisting of groundwood pulp, including groundwood pulp made from recycled paper, weighing not more than 90 grams per square meter. Groundwood pulp includes all forms of pulp produced from a mechanical pulping process, such as thermo-mechanical process (TMP), chemi-thermo mechanical process (CTMP), bleached chemi-thermo mechanical process (BCTMP) or any other mechanical pulping process. The scope includes paper shipped in any form, including but not limited to both rolls and sheets.

Certain uncoated groundwood paper includes but is not limited to standard newsprint, high bright newsprint, book publishing, and printing and writing papers. The scope includes paper that is white, off-white, cream, or colored.

Specifically excluded from the scope are imports of certain uncoated groundwood paper printed with final content of printed text or graphic. Also excluded are papers that otherwise meet this definition, but which have undergone a supercalendering process.¹¹ Additionally, excluded are papers that otherwise meet this definition, but which have undergone a creping process over the entire surface area of the paper.

Also excluded are uncoated groundwood construction paper and uncoated groundwood manila drawing paper in sheet or roll format. Excluded uncoated groundwood construction paper and uncoated groundwood manila drawing paper: (a) have a weight greater than 61 grams per square meter; (b) have a thickness greater than 6.1 caliper, *i.e.*, greater than .0061" or 155 microns; (c) are produced using at least 50 percent thermomechanical pulp; and (d) have a shade, as measured by CIELAB, as follows: L* less than or 75.0 *or* b* greater than or equal to 25.0.

Also excluded is uncoated groundwood directory paper that: (a) has a basis weight of 34 grams per square meter or less; and (b) has a thickness of 2.6 caliper mils or 66 microns or less.

Certain uncoated groundwood paper is classifiable in the Harmonized Tariff Schedule of the United States (HTSUS) in several subheadings, including 4801.00.0120, 4801.00.0140, 4802.61.1000, 4802.61.2000, 4802.61.3110, 4802.61.3191, 4802.61.6040, 4802.62.1000, 4802.62.2000, 4802.62.3000, 4802.62.6140, 4802.69.1000, 4802.69.2000, and 4802.69.3000. Subject merchandise may also be imported under several additional subheadings including 4805.91.5000, 4805.91.7000, and 4805.91.9000.¹² Although the HTSUS subheadings are

¹¹ Supercalendering imparts a glossy finish produced by the movement of the paper web through a supercalender which is a stack of alternating rollers of metal and cotton (or other softer material). The supercalender runs at high speed and applies pressure, heat, and friction which glazes the surface of the paper, imparting gloss to the surface and increasing the paper's smoothness and density.

¹² The following HTSUS numbers are no longer active as of January 1, 2017: 4801.00.0020, 4801.00.0040,

provided for convenience and customs purposes, the written description of the merchandise is dispositive.

4802.61.3010, 4802.61.3091, and 4802.62.6040.

Appendix II

List of Topics Discussed in the Preliminary Decision Memorandum

- I. Summary
- II. Background
- III. Period of Investigation
- IV. Scope Comments
- V. Discussion of the Methodology
 - A. Determination of the Comparison Method
 - B. Results of the Differential Pricing Analysis
- VI. Date of Sale
- VII. Product Comparisons
- VIII. Export Price and Constructed Export Price
- IX. Normal Value
 - A. Home Market Viability
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 - C. Cost of Production (COP) Analysis
 - 1. Calculation of COP
 - 2. Test of Comparison Market Sales Prices
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- XI. Conclusion

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