



DEPARTMENT OF COMMERCE

International Trade Administration

[A-555-002]

Certain Paper Shopping Bags from Cambodia: Final Affirmative Determination of Sales at Less Than Fair Value and Final Affirmative Determination of Critical Circumstances, In Part

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

SUMMARY: The U.S. Department of Commerce (Commerce) determines that certain paper shopping bags (paper bags) from Cambodia are being, or are likely to be, sold in the United States at less-than-fair value (LTFV). The period of investigation (POI) is April 1, 2022, through March 31, 2023.

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

FOR FURTHER INFORMATION CONTACT: Charles Doss or Kyle Clahane, AD/CVD Operations, Office III, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-4474 or (202) 482-1168, respectively.

SUPPLEMENTARY INFORMATION:

Background

On January 3, 2024, Commerce published in the *Federal Register* its preliminary affirmative determination in the LTFV investigation of paper bags from Cambodia, in which we also postponed the final determination until May 17, 2024.¹ We invited interested parties to

¹ See *Certain Paper Shopping Bags from Cambodia: Preliminary Affirmative Determination of Sales at Less Than Fair Value, Preliminary Affirmative Determination of Critical Circumstances, in Part, Postponement of Final Determination, and Extension of Provisional Measures*, 89 FR 325 (January 3, 2024) (*Preliminary Determination*), and accompanying Preliminary Decision Memorandum (PDM).

comment on the *Preliminary Determination*.

A summary of the events that occurred since Commerce published the *Preliminary Determination*, as well as a full discussion of the issues raised by parties for this final determination, may be found in the Issues and Decision Memorandum.² 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 <https://access.trade.gov>. In addition, a complete version of the Issues and Decision Memorandum can be accessed directly at <https://access.trade.gov/public/FRNoticesListLayout.aspx>.

Scope of the Investigation

The products covered by this investigation are paper bags from Cambodia. For a complete description of the scope of this investigation, *see* Appendix I.

Scope Comments

During the course of this investigation, Commerce received scope comments from parties. Commerce issued a Preliminary Scope Decision Memorandum to address these comments and set aside a period of time for parties to address scope issues in scope-specific case and rebuttal briefs.³ We received comments from interested parties on the Preliminary Scope Decision Memorandum, which we addressed in the Final Scope Decision Memorandum.⁴ We made no changes to the scope of the investigation from the scope published in the *Preliminary Determination*, as noted in Appendix I to this notice.

Final Affirmative Determination of Critical Circumstances, in Part

² *See* Memorandum, "Decision Memorandum for the Final Affirmative Determination in the Less-Than-Fair-Value Investigation of Certain Paper Shopping Bags from Cambodia," dated concurrently with, and hereby adopted by, this notice (Issues and Decision Memorandum).

³ *See* Memorandum, "Preliminary Scope Decision Memorandum," dated December 27, 2023 (Preliminary Scope Decision Memorandum).

⁴ *See* Memorandum, "Final Scope Decision Memorandum," dated March 11, 2024 (Final Scope Decision Memorandum).

We continue find that that critical circumstances do not exist with respect to imports of paper bags from Cambodia for Nice Packaging (Cambodia) Co., Ltd. (Nice), UUPak, and all other producers and exporters, but do exist with respect to imports of paper bags from Pan Pacific. For a full description of the methodology and results of Commerce’s critical circumstances analysis, *see* the Issues and Decision Memorandum.

Verification

As provided in section 782(i) of the Tariff Act of 1930, as amended (the Act), we conducted verifications of the sales and cost information submitted by Nice Packaging (Cambodia) Co., Ltd. (Nice) for use in our final determination.⁵ In addition, Commerce was unable to conduct an on-site verification of the information relied upon in making its final determination with respect to UUPak Company Limited (UUPak). However, from February 21 through 22, 2024, we took additional steps, in lieu of an on-site verification to verify the information relied upon in making this final determination, in accordance with section 782(i) of the Act, by conducting virtual verification of UUPak.⁶

Analysis of Comments Received

All issues raised in the case and rebuttal briefs submitted by interested parties in this investigation are addressed in the Issues and Decision Memorandum. A list of the issues addressed in the Issues and Decision Memorandum is attached as Appendix II to this notice.

⁵ *See* Memoranda, “Verification of Nice Packaging (Cambodia) Co., Ltd. Sales Responses,” dated March 26, 2024; and “Verification of the Cost Response of Nice Packing (Cambodia) Co., Ltd. in the Antidumping Duty Investigation of Paper Shopping Bags from Cambodia,” dated March 28, 2024.

⁶ *See* Memorandum, “Verification of the Questionnaire Responses of UUPak Company Limited,” dated March 15, 2024.

Changes Since the *Preliminary Determination*

We have made certain changes to the margin calculations for Nice since the *Preliminary Determination*. For a discussion of these changes, *see* the Issues and Decision Memorandum.⁷

Use of Adverse Facts Available (AFA)

As discussed in the *Preliminary Determination*, Commerce assigned to Pan Pacific Plastics Manufacturing, Inc. (Pan Pacific) an estimated weighted-average dumping margin on the basis of adverse facts available (AFA), pursuant to sections 776(a) and (b) of the Act.⁸ For the reasons explained in the Issues and Decision Memorandum, and consistent with Commerce's practice, as AFA, we assigned Pan Pacific the highest corroborated dumping margin alleged in the petition.⁹

All-Others Rate

Section 735(c)(5)(A) of the Act provides that the estimated weighted-average dumping margin for all other producers and exporters not individually investigated shall be equal to the weighted average of the estimated weighted-average dumping margins established for individually investigated exporters and producers, excluding rates that are zero, *de minimis*, or determined entirely under section 776 of the Act.

Commerce calculated an individual estimated weighted-average dumping margin for Nice. As explained in the *Preliminary Determination* PDM, Commerce continues to determine that, under section 772(a) of the Act, UUPak did not have any reviewable sales during the POI and, as such, has not calculated a final margin for UUPak.¹⁰ As a result, because we have only calculated one margin and that margin is not zero, *de minimis*, or based entirely on facts otherwise available, the estimated weighted-average dumping margin calculated for Nice is the

⁷ *See* Memorandum, "Nice Packaging (Cambodia) Co. Ltd. Final Analysis Memorandum," dated concurrently with this notice (Nice's Final Sales Analysis Memorandum).

⁸ *See Preliminary Determination*, 89 FR at 325.

⁹ *See Preliminary Determination* PDM at 6-8.

¹⁰ *See Preliminary Determination* PDM at, "Treatment of UUPak's Sales." Our treatment of UUPak remains unchanged for purposes of this final determination.

margin assigned to UUPak and all other producers and exporters, pursuant to section 735(c)(5)(A) of the Act.

Final Determination

The final estimated weighted-average dumping margins are as follows:

Producer/Exporter	Weighted-Average Dumping Margin (percent)
Nice Packaging (Cambodia) Co., Ltd.	7.07
UUPak Company Limited	7.07
Pan Pacific Plastics Manufacturing, Inc.	248.81*
All Others	7.07

* Rate based on AFA

Disclosure

We intend to disclose the calculations performed in this final determination within five days of the date of publication of this notice in the *Federal Register* in accordance with 19 CFR 351.224(b).

Continuation of Suspension of Liquidation

In accordance with section 735(c)(1)(B) of the Act, for Nice, UUPak, and all-other producers/exporters, Commerce will instruct U.S. Customs and Border Protection (CBP) to continue to suspend liquidation of subject merchandise as described in Appendix I of this notice, which were entered, or withdrawn from warehouse, for consumption, on or after January 3, 2024, the date of publication in the *Federal Register* of the *Preliminary Determination*.

In accordance with section 735(c)(4) of the Act, because Commerce continues to find that critical circumstances exist for Pan Pacific, we will instruct CBP to continue to suspend liquidation of all entries of subject merchandise, as described in Appendix I to this notice, which were entered, or withdrawn from warehouse for consumption on or after October 5, 2023, which is 90 days before the publication of the *Preliminary Determination* in the *Federal Register*, at the cash deposit rate indicated above.

Pursuant to section 735(c)(1)(B)(ii) of the Act and 19 CFR 351.210(d), upon the publication of this notice, we will instruct CBP to require a cash deposit for estimated antidumping duties for such entries as follows: (1) the cash deposit rate for each respondent listed above will be equal to the company-specific estimated weighted-average dumping margin determined in this final determination; (2) if the exporter is not the respondent identified above but the producer is, then the cash deposit rate will be equal to the company-specific estimated weighted-average dumping margin listed for the producer of the subject merchandise; and (3) the cash deposit rate for all other producers and exporters is the all-others estimated weighted-average dumping margin. These suspension of liquidation instructions will remain in effect until further notice.

U.S. International Trade Commission Notification

In accordance with section 735(d) of the Act, Commerce will notify the U.S. International Trade Commission (ITC) of its final affirmative determination of sales at LTFV. Because Commerce's final determination is affirmative, in accordance with section 735(b)(2) of the Act, the ITC will make its final determination as to whether the domestic industry in the United States is materially injured, or threatened with material injury, by reason of imports or sales (or the likelihood of sales) for importation of paper bags from Cambodia no later than 45 days after this final determination. If the ITC determines that such injury does not exist, this proceeding will be terminated, all cash deposits posted will be refunded, and suspension of liquidation will be lifted. If the ITC determines that such injury does exist, Commerce will issue an antidumping duty order directing CBP to assess, upon further instruction by Commerce, antidumping duties on all imports of the subject merchandise entered, or withdrawn from warehouse, for consumption on or after the effective date of the suspension of liquidation, as discussed in the "Continuation of Suspension of Liquidation" section above.

Administrative Protective Order

This notice will serve as the final reminder to parties subject to an 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 or 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 violation which is subject to sanction.

Notification to Interested Parties

This determination and this notice are issued and published pursuant to sections 735(d) and 777(i)(1) of the Act, and 19 CFR 351.210(c).

Dated: May 17, 2024.

Ryan Majerus,
*Deputy Assistant Secretary
for Policy and Negotiations,
performing the non-exclusive functions and duties
of the Assistant Secretary for Enforcement and Compliance.*

Appendix I

Scope of the Investigation

The products within the scope of this investigation are paper shopping bags with handles of any type, regardless of whether there is any printing, regardless of how the top edges are finished (*e.g.*, folded, serrated, or otherwise finished), regardless of color, and regardless of whether the top edges contain adhesive or other material for sealing closed. Subject paper shopping bags have a width of at least 4.5 inches and depth of at least 2.5 inches.

Paper shopping bags typically are made of kraft paper but can be made from any type of cellulose fiber, paperboard, or pressboard with a basis weight less than 300 grams per square meter (GSM).

A non-exhaustive illustrative list of the types of handles on shopping bags covered by the scope include handles made from any materials such as twisted paper, flat paper, yarn, ribbon, rope, string, or plastic, as well as die-cut handles (whether the punchout is fully removed or partially attached as a flap).

Excluded from the scope are:

- Paper sacks or bags that are of a 1/6 or 1/7 barrel size (*i.e.*, 11.5–12.5 inches in width, 6.5–7.5 inches in depth, and 13.5–17.5 inches in height) with flat paper handles or die-cut handles;
- Paper sacks or bags with die-cut handles, a grams per square meter paper weight of less than 86 GSM, and a height of less than 11.5 inches; and
- Paper sacks or bags (i) with non-paper handles made wholly of woven ribbon or other similar woven fabric¹¹ and (ii) that are finished with folded tops or for which tied knots or t-bar aglets (made of wood, metal, or plastic) are used to secure the handles to the bags.

The above-referenced dimensions are provided for paper bags in the opened position. The height of the bag is the distance from the bottom fold edge to the top edge (*i.e.*, excluding the height of handles that extend above the top edge). The depth of the bag is the distance from the front of the bag edge to the back of the bag edge (typically measured at the bottom of the bag). The width of the bag is measured from the left to the right edges of the front and back panels (upon which the handles typically are located).

This merchandise is currently classifiable under Harmonized Tariff Schedule of the United States (HTSUS) subheadings 4819.30.0040 and 4819.40.0040. The HTSUS subheadings are provided for convenience and customs purposes only; the written description of the scope is dispositive.

¹¹ Paper sacks or bags with handles made of braided or twisted materials, such as rope or cord, do not qualify for this exclusion.

Appendix II

List of Topics Discussed in the Issues and Decision Memorandum

- I. Summary
- II. Background
- III. Final Affirmative Determination Of Critical Circumstances, In Part
- IV. Changes Since the *Preliminary Determination*
- V. Discussion of the Issues
 - Comment 1: Whether Commerce's Application of the Adverse Facts Available Rate to Pan Pacific is Unreasonable
 - Comment 2: Whether Commerce Should Clarify the Scope
 - Comment 3: Whether Commerce Should Alter Its Application of Constructed Value
 - Comment 4: Whether Commerce Should Continue to Adjust Nice's Cost of Production
 - Comment 5: Whether Commerce Should Make Changes to Nice's Final Margin Calculations
- VI. Recommendation