



## DEPARTMENT OF COMMERCE

### International Trade Administration

[A-583-872]

### **Certain Paper Shopping Bags from Taiwan: 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 Taiwan are being, or are likely to be, sold in the United States at less than fair value (LTFV). The period of investigation is April 1, 2022, through March 31, 2023.

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

**FOR FURTHER INFORMATION CONTACT:** Nathan James, AD/CVD Operations, Office V, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-5305.

### **SUPPLEMENTARY INFORMATION:**

#### Background

On January 3, 2024, Commerce published in the *Federal Register* its preliminary determination in the LTFV investigation of paper bags from Taiwan, in which we also postponed the final determination until May 17, 2024.<sup>1</sup> We invited interested parties to comment on the

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<sup>1</sup> See *Certain Paper Shopping Bags from Taiwan: Preliminary Affirmative Determination of Sales at Less Than Fair Value, Preliminary Affirmative Determination of Critical Circumstances, Postponement of Final Determination, and Extension of Provisional Measures*, 89 FR 331 (January 3, 2023) (*Preliminary Determination*), and accompanying Preliminary Decision Memorandum.

## *Preliminary Determination.*<sup>2</sup>

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.<sup>3</sup> 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 Taiwan. 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.<sup>4</sup> We received comments from parties on the Preliminary Scope Decision Memorandum, which we addressed in the Final Scope Decision Memorandum.<sup>5</sup> We made no changes to the scope of the investigation from the scope published in the *Preliminary Determination*, as shown in Appendix I to this notice.

## Final Affirmative Determination of Critical Circumstances

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<sup>2</sup> *See Preliminary Determination*, 89 FR at 332-3.

<sup>3</sup> *See* Memorandum, "Decision Memorandum for the Final Affirmative Determination in the Less-Than-Fair-Value Investigation of Certain Paper Shopping Bags from Taiwan, and Final Affirmative Determination of Critical Circumstances, in Part," dated concurrently with, and hereby adopted by, this notice (Issues and Decision Memorandum).

<sup>4</sup> *See* Memorandum, "Preliminary Scope Decision Memorandum," dated December 27, 2023 (Preliminary Scope Decision Memorandum).

<sup>5</sup> *See* Memorandum, "Final Scope Decision Memorandum," dated March 11, 2024 (Final Scope Decision Memorandum).

We continue to find that critical circumstances exist for imports of paper bags from Taiwan from Juang Jia Guoo Co., Ltd. (JJG); we find that critical circumstances do not exist for Haur Tyi Paper Bag Co., Ltd. (Haurtyi) and for all other producers and exporters, pursuant to sections 735(a)(3)(A) and (B) of the Tariff Act of 1930, as amended (the Act), and 19 CFR 351.206. For further discussion of this issue, *see* the Issues and Decision Memorandum.

#### Verification

As provided in section 782(i) of the Act, we conducted verifications of the sales and cost information submitted by Haurtyi for use in our final determination. We used standard verification procedures, including an examination of relevant sales and accounting records and original source documents provided by Haurtyi.<sup>6</sup>

#### 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.

#### Changes Since the *Preliminary Determination*

We have made certain changes to the margin calculations for Haurtyi since the *Preliminary Determination*, and we have modified the margin assigned to JJG. For a discussion of these changes, *see* the Issues and Decision Memorandum.

#### Use of Adverse Facts Available

As discussed in the *Preliminary Determination*, Commerce assigned to mandatory respondent JJG an estimated weighted-average dumping margin on the basis of facts available with adverse inferences (AFA), pursuant to sections 776(a) and (b) of the Act.<sup>7</sup> There is no new information on the record that would cause us to revisit our decision in the *Preliminary*

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<sup>6</sup> *See* Memoranda, “Verification of the Sales Response of Haur Tyi Paper Bag Co., Ltd. in the Less-Than-Fair-Value Investigation of Certain Paper Shopping Bags from Taiwan,” dated April 15, 2024; and “Verification of the Cost Response of Haur Tyi Paper Bag Co., Ltd. in the Antidumping Duty Investigation of Certain Paper Shopping Bags from Taiwan,” dated April 15, 2024.

<sup>7</sup> *See Preliminary Determination*, 89 FR at 331.

*Determination.* Accordingly, for the reasons explained in the *Preliminary Determination*, and consistent with Commerce’s practice, as AFA, we assigned JJG the highest corroborated dumping margin alleged in the petition.<sup>8</sup>

#### 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 exporters and producers individually investigated, excluding rates that are zero, *de minimis*, or determined entirely under section 776 of the Act.

In this investigation, Commerce assigned an individual estimated weighted-average dumping margin to JJG entirely under section 776 of the Act. Therefore, the only rate that is not zero, *de minimis*, or based entirely on facts otherwise available is the rate calculated for Haurtyi. Consequently, Commerce is assigning the rate calculated for Haurtyi as the rate for 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:

| <b>Exporter/Producer</b>     | <b>Weighted-Average Dumping Margin<br/>(percent)</b> |
|------------------------------|--|
| Haur Tyi Paper Bag Co., Ltd. | 4.74   |
| Juang Jia Guoo Co., Ltd.     | 65.81*   |
| All Others                   | 4.74   |

\* 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).

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<sup>8</sup> See, e.g., *Welded Stainless Pressure Pipe from Thailand: Final Determination of Sales at Less Than Fair Value*, 79 FR 31093 (May 30, 2014), and accompanying Issues and Decision Memorandum (IDM) at Comment 3; see also Checklist, “Antidumping Duty Investigation Initiation Checklist: Certain Paper Shopping Bags from Taiwan,” dated June 20, 2023.

### Suspension of Liquidation

In accordance with section 735(c)(4) of the Act, because Commerce continues to find that critical circumstances exist for JJG, we will instruct U.S. Customs and Border Protection (CBP) to continue to suspend liquidation of entries of subject merchandise, as described in Appendix I of this notice, which are entered, or withdrawn from warehouse for consumption, on or after October 5, 2023, which is 90 days prior to the date of publication of the affirmative *Preliminary Determination* in the *Federal Register*.

For Haurtyi and the “all other” companies, we will instruct CBP to suspend<sup>9</sup> or continue to suspend, respectively, liquidation of entries of paper bags from Taiwan, as described in Appendix I of this notice, which are 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*.

Pursuant to section 735(c)(1)(B)(ii) of the Act and 19 CFR 351.210(d), Commerce will instruct CBP to require a cash deposit equal to the estimated weighted-average dumping margin as follows: (1) the cash deposit rate for the respondents 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 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; and (3) the cash deposit rate for all other producers and exporters will be equal to 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.

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<sup>9</sup> Because we preliminarily found a *de minimis* dumping margin for Haurtyi, at that time, we instructed CBP not to suspend liquidation of entries of subject merchandise produced and exported by Haurtyi.

International Trade Commission (ITC) of its final affirmative determination of sales at LTFV. Because Commerce's final determination in this proceeding 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 of paper bags from Taiwan no later than 45 days after this final determination. If the ITC determines that material injury or threat of material injury does not exist, the proceeding will be terminated and all cash deposits will be refunded or canceled, 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 that are entered, or withdrawn from warehouse, for consumption on or after the effective date of the suspension of liquidation, as discussed above in the "Suspension of Liquidation" section above.

#### Administrative Protective Order

This notice serves as the only reminder to parties subject to an administrative protective order (APO) of their responsibility concerning the disposition of proprietary information disclosed under APO in accordance with 19 CFR 351.305(a)(3). Timely 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 subject to sanction.

#### Notification to Interested Parties

This determination is issued and published in accordance with sections 735(d) and 777(i) 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 fabric<sup>10</sup> 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.

## Appendix II

### List of Topics Discussed in the Issues and Decision Memorandum

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<sup>10</sup> Paper sacks or bags with handles made of braided or twisted materials, such as rope or cord, do not qualify for this exclusion.

- I. Summary
- II. Background
- III. Affirmative Determination of Critical Circumstances, in Part
- IV. Changes from the *Preliminary Determination*
- V. Discussion of the Issues

- Comment 1: Destination Reporting
- Comment 2: Differential Pricing Analysis
- Comment 3: Home-Market Bank Charges
- Comment 4: Classification of Sales Personnel Bonuses
- Comment 5: Cost Adjustment for Printing Services Obtained from Affiliated Suppliers
- Comment 6: Imputed Interest Expense from Interest Free Loans
- Comment 7: Revisions in Haurtyi's Latest Sales Files
- Comment 8: Treatment of May Sun Jieh Enterprise Co., Ltd.

- VI. Recommendation

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