



DEPARTMENT OF COMMERCE

International Trade Administration

[A-570-164, C-570-165]

Certain Paper Plates from the People's Republic of China: Initiation of Circumvention Inquiries on the Antidumping and Countervailing Duty Orders

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

SUMMARY: In response to a request from the Anticircumvention Working Group of the American Paper Plate Coalition (AWG) (collectively, the requesters), the U.S. Department of Commerce (Commerce) is initiating country-wide circumvention inquiries to determine whether imports of certain paper plates (paper plates) completed in the Kingdom of Cambodia (Cambodia) or Malaysia (collectively, the third countries) using paperboard manufactured in the People's Republic of China (China), are circumventing the antidumping (AD) and countervailing duty (CVD) orders on paper plates from China.

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

FOR FURTHER INFORMATION CONTACT: Justin Enck at (202) 482-1614, Shawn Gregor at (202) 482-3226 (Cambodia), and Walter Schaub at (202) 482-0907 (Malaysia), Trade Remedy Counseling and Initiations, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230.

SUPPLEMENTARY INFORMATION:

Background

On July 8, 2025, pursuant to section 781(b) of the Tariff Act of 1930, as amended (the Act), and 19 CFR 351.226(i), the requesters¹ filed circumvention inquiry requests² alleging that

¹ The members of the requesters/AWG are AJM Packaging Corporation; Aspen Products, Inc.; Dart Container Corporation; Hoffmaster Group, Inc.; and Unique Industries, Inc.

² See Requesters' Letter, "Request for Circumvention Inquiry Pursuant to Section 781(b) of the Tariff Act of 1930, as Amended, with Respect to the Kingdom of Cambodia," dated July 8, 2025; see also Requesters' Letters, "Request for Circumvention Inquiry Pursuant to Section 781(b) of the Tariff Act of 1930, as Amended, with Respect to Malaysia," dated July 8, 2025 (collectively, Circumvention Requests).

paper plates completed in the third countries using paperboard manufactured in China, are circumventing the AD and CVD orders on paper plates from China³ and, accordingly, should be included within the scope of the *Orders*.

On July 14, 2025, we issued a supplemental questionnaire to the requesters regarding the Malaysia circumvention request.⁴ On July 15, 2025, we issued a supplemental questionnaire to the requesters regarding the Cambodia circumvention request.⁵ On July 17, 2025, the requesters filed their responses to both supplemental questionnaires.⁶ On July 18 and 25, 2025, Ecosense Environmental Technology Sdn. Bhd. (Ecosense), Feihong Malaysia Sdn. Bhd. (Feihong), and Target General Merchandise, Inc. (Target) filed opposition comments in response to the Circumvention Requests.⁷

Scope of the *Orders*

The merchandise subject to these *Orders* is paper plates. For a full description of the scope of the *Orders*, see the Circumvention Initiation Checklists.⁸

Merchandise Subject to the Circumvention Inquiries

The circumvention inquiries cover paper plates assembled and completed in either Cambodia or Malaysia using Chinese-origin paperboard, that are subsequently exported to the United States.

Initiation of Circumvention Inquiries

³ See *Certain Paper Plates from the People's Republic of China, Thailand, and the Socialist Republic of Vietnam: Antidumping Duty Orders*, 90 FR 13139 (March 20, 2025); see also *Certain Paper Plates from the People's Republic of China and the Socialist Republic of Vietnam: Countervailing Duty Orders*, 90 FR 13135 (March 20, 2025) (collectively, *Orders*).

⁴ See Commerce's Letter, "Malaysia Circumvention Inquiry Request Supplemental Questionnaire," dated July 14, 2025.

⁵ See Commerce's Letter, "Kingdom of Cambodia Circumvention Inquiry Request Supplemental Questionnaire," dated July 15, 2025.

⁶ See Requesters' Letters, "Certain Paper Plates from China: Response to Kingdom of Cambodia Circumvention Inquiry Request Supplemental Questionnaire," dated July 17, 2025.

⁷ See Ecosense's Letter, "Ecosense Comments Regarding Adequacy," dated July 18, 2025; see also Feihong's Letter, "Factual Information to Rebut, Clarify, or Correct AWG's July 17, 2025 Supplemental Questionnaire Response," dated July 25, 2025; and Target's Letter, "Adequacy Comments on Circumvention Inquiry Request on Cambodia," dated July 25, 2025.

⁸ See Checklists, "Paper Plates Completed in Cambodia Circumvention Initiation Checklist," and "Paper Plates Completed in Malaysia Circumvention Initiation Checklist," dated concurrently with, and hereby adopted by, this notice (collectively, Circumvention Initiation Checklists), at Attachment I.

Section 351.226(d) of Commerce's regulations states that if Commerce determines that a request for a circumvention inquiry satisfies the requirements of 19 CFR 351.226(c), then Commerce "will accept the request and initiate a circumvention inquiry." Section 351.226(c)(1) of Commerce's regulations, in turn, requires that each circumvention inquiry request allege "that the elements necessary for a circumvention determination under section 781 of the Act exist" and be "accompanied by information reasonably available to the interested party supporting these allegations." The requesters alleged circumvention pursuant to section 781(b) of the Act (*i.e.*, merchandise completed or assembled in other foreign countries).

Section 781(b)(1) of the Act provides that Commerce may find circumvention of an order when merchandise of the same class or kind subject to the order is completed or assembled in a foreign country other than the country to which the order applies. In conducting a circumvention inquiry, under section 781(b)(1) of the Act, Commerce relies on the following criteria: (A) merchandise imported into the United States is of the same class or kind as any merchandise produced in a foreign country that is the subject of an AD or CVD order; (B) before importation into the United States, such imported merchandise is completed or assembled in another foreign country from merchandise which is subject to the order or is produced in the foreign country that is subject to the order; (C) the process of assembly or completion in the foreign country referred to in section (B) is minor or insignificant; (D) the value of the merchandise produced in the foreign country to which the AD or CVD order applies is a significant portion of the total value of the merchandise exported to the United States; and (E) the administering authority determines that action is appropriate to prevent evasion of such order.

In determining whether the process of assembly or completion in a foreign country is minor or insignificant under section 781(b)(1)(C) of the Act, section 781(b)(2) of the Act directs Commerce to consider: (A) the level of investment in the foreign country; (B) the level of research and development in the foreign country; (C) the nature of the production process in the foreign country; (D) the extent of production facilities in the foreign country; and (E) whether or

not the value of processing performed in the foreign country represents a small proportion of the value of the merchandise imported into the United States. However, no single factor, by itself, controls Commerce's determination of whether the process of assembly or completion in a foreign country is minor or insignificant.⁹ Accordingly, Commerce will evaluate each of these five factors as they exist in the foreign country, depending on the particular circumvention scenario.

In addition, section 781(b)(3) of the Act sets forth additional factors to consider in determining whether to include merchandise assembled or completed in a foreign country within the scope of an AD or CVD order. Specifically, Commerce shall take into account such factors as: (A) the pattern of trade, including sourcing patterns; (B) whether the manufacturer or exporter of the merchandise that was shipped to the foreign country is affiliated with the person who, in the foreign country, uses the merchandise to complete or assemble the merchandise which is subsequently imported into the United States; and (C) whether imports of the merchandise into the foreign country have increased after the initiation of the investigation that resulted in the issuance of such order.

Analysis

Based on our analysis of the requesters' circumvention inquiry requests and supplemental questionnaire responses, we determine that they have satisfied the criteria under 19 CFR 351.226(c), and thus, pursuant to 19 CFR 351.226(d)(1)(iii), we are initiating the requested circumvention inquiries. For a full discussion of the basis for our decision to initiate the circumvention inquiries, *see* the Circumvention Initiation Checklists. As explained in the Circumvention Initiation Checklists, the information provided by the requesters warrants initiating the circumvention inquiries on a country-wide basis. Commerce has taken this

⁹ *See* Statement of Administrative Action Accompanying the Uruguay Round Agreements Act, H.R. Doc. 103-316, Vol. 1 (1994), at 893.

approach in prior circumvention inquiries, where the facts warranted initiation on a country-wide basis.¹⁰

Consistent with the approach in the prior circumvention inquiries that were initiated on a country-wide basis, Commerce intends to solicit information from certain companies in the third countries concerning their production of paper plates and their shipments thereof to the United States.

Respondent Selection

Commerce intends to base respondent selection on U.S. Customs and Border Protection (CBP) entry data from Cambodia and Malaysia for the relevant Harmonized Tariff Schedule of the United States (HTSUS) subheading(s) identified in the scope of the *Orders*. Commerce intends to place the CBP data on the record within five days of the publication of this initiation notice, which will be available on Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS). ACCESS is available to registered users at <https://access.trade.gov>. Comments regarding the CBP data and respondent selection should be submitted within seven days after placement of the CBP data on the record of the inquiries.

Commerce intends to establish a schedule for questionnaire responses after respondent selection. A company's failure to submit complete, timely responses to Commerce's requests for information may result in the application of facts available, pursuant to section 776(a) of the Act, which may include adverse inferences, pursuant to section 776(b) of the Act.

Suspension of Liquidation

Pursuant to 19 CFR 351.226(l)(1), Commerce will notify CBP of these initiations and direct CBP to continue the suspension of liquidation of entries of products subject to the circumvention inquiries that were already subject to the suspension of liquidation under the

¹⁰ See, e.g., *Hydrofluorocarbon Blends from the People's Republic of China: Initiation of Circumvention Inquiry on the Antidumping Duty Order*, 88 FR 74150 (October 30, 2023).

Orders and to apply the cash deposit rates that would be applicable if the products were determined to be covered by the scope of the *Orders*.

Should Commerce issue an affirmative preliminary or final circumvention determination, Commerce will follow the suspension of liquidation rules under 19 CFR 351.226(l)(2)-(4). In the event that Commerce issues an affirmative preliminary or final circumvention determination that the products are circumventing the *Orders*, Commerce will instruct CBP to continue the suspension of liquidation of previously suspended entries and to apply the applicable cash deposit rate. Commerce will also instruct CBP to begin the suspension of liquidation and application of cash deposits for any unliquidated entries not yet suspended, entered, or withdrawn from warehouse, for consumption, on or after the date of publication of the notice of initiation of the circumvention inquiries pursuant to paragraphs (l)(2)(ii) and (l)(3)(ii). In addition, pursuant to paragraphs (l)(2)(iii)(A) and (l)(3)(iii)(A), Commerce may instruct CBP to begin the suspension of liquidation and application of cash deposits for any unliquidated entries not yet suspended, entered, or withdrawn from warehouse, for consumption, prior to the date of initiation of the circumvention inquiries, but not for such entries prior to November 4, 2021, the effective date of these provisions in the *Final Rule*.¹¹ These rules will not affect CBP's authority to take any additional action with respect to the suspension of liquidation or related measures for these entries, as stated in 19 CFR 351.226(l)(5).

Notification to Interested Parties

In accordance with 19 CFR 351.226(d) and section 781(b) of the Act, Commerce determines that the requesters' requests for circumvention inquiries satisfy the requirements of 19 CFR 351.226(c). Accordingly, Commerce is notifying all interested parties of the initiation of the circumvention inquiries to determine whether paper plates completed in the third countries using paperboard manufactured in China and subsequently exported to the United States are

¹¹ See *Regulations to Improve Administration and Enforcement of Antidumping and Countervailing Duty Laws*, 86 FR 52300, 52345 (September 20, 2021) (*Final Rule*).

circumventing the *Orders*. In addition, we have included a description of the products that are subject to the inquiries and an explanation of Commerce's decision to initiate the inquiries as provided in the accompanying Circumvention Initiation Checklists.¹²

In accordance with 19 CFR 351.226(e)(1), unless the circumvention inquiries are rescinded, in whole or in part, or the deadline for the preliminary circumvention determinations is extended, Commerce intends to issue its preliminary circumvention determinations no later than 150 days from the date of publication of the notices of initiation of these circumvention inquiries in the *Federal Register*. Furthermore, in accordance with section 781(f) of the Act and 19 CFR 351.226(e)(2), unless the circumvention inquiries are rescinded, in whole or in part, or the deadline for the final circumvention deadlines is extended, Commerce intends to issue its final determinations within 300 days from the date of publication of the notice of initiation of the circumvention inquiries in the *Federal Register*.

This notice is published in accordance with section 781(b) of the Act, and 19 CFR 351.226(d)(1)(iii).

Dated: August 19, 2025.

/s/ Abdelali Elouaradia

Abdelali Elouaradia,
Deputy Assistant Secretary
for Enforcement and Compliance.

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¹² See Circumvention Initiation Checklists.