

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/ destruction of APO materials or conversion to judicial protective order is hereby requested. Failure to comply with the regulations and terms of an APO is a violation which is subject to sanction.

This determination is published pursuant to sections 705(d) and 777(i) of the Act.

Dated: September 20, 2010.

Ronald K. Lorentzen,

Deputy Assistant Secretary for Import Administration.

Appendix

List of Comments and Issues in the Decision Memorandum

General Issues

Comment 1 Application of CVD Law to the PRC

Comment 2 Application of the CVD Law to NMEs and the Administrative Protection Act

Comment 3 Double Counting/Overlapping Remedies

Comment 4 Cutoff Date for Identifying Subsidies

Currency

Comment 5 Opportunity to Comment and the Initiation Standard

Comment 6 The Determination Not To Investigate the Alleged Currency Subsidy

Comment 7 The Department’s Analysis of a Unified Rate of Exchange

Scope

Comment 8 Burden Imposed on Respondents

Comment 9 Whether Multi-ply Paperboard Was Intended To Be in the Scope

Comment 10 Physical Characteristics and End-use Applications Distinguish Multi-ply Paper From the Covered Merchandise

Comment 11 Whether the Department Should Retain the “Suitability” Language in the Scope Description

Comment 12 Whether Inclusion of Multi-ply Paper in the Scope Affects Respondent Selection

Comment 13 Scope Expansion Violates Standing and Injury Requirements

Chemicals for LTAR

Comment 14 Benchmarks—Papermaking Chemicals

Comment 15 Provision of Papermaking Chemicals for LTAR—Specificity

Comment 16 Government Ownership and Determining Whether a Financial Contribution Has Occurred

Preferential Lending to the Coated Paper Industry

Comment 17 Whether Chinese Banks Are Authorities

Comment 18 Whether the Policy Loan Program Is Specific

Lending Benchmarks

Comment 19 Whether Negative Real Interest Rates Should Be Excluded From the Regression

Comment 20 Whether the Regression Is Statistically Valid

Comment 21 Should the Department Use an In-Country Benchmark

Comment 22 Terms of Loan Rates in the IMF Data

Comment 23 Whether the Long-Term and Discount Rates Are Flawed

Provision of Land for LTAR

Comment 24 Whether HYDC Is an Authority

Comment 25 Financial Contribution

Comment 26 Whether To Use an In-country Benchmark

Comment 27 Whether There Are Flaws in the Thai Benchmark

Comment 28 Specificity of Land for LTAR Based on AFA

Issues Related to Sun Companies

Comment 29 Whether To Use Revised Sales Values for the Sun Companies

Comment 30 Whether To Apply Adverse Facts Available to Sun Companies’ Unreported Loans

Comment 31 Whether To Apply Facts Available to Sun Companies’ Unreported Cross-Owned Companies

Issues Related to Gold Companies

Comment 32 Whether To Grant the Gold Companies an EV Adjustment

Comment 33 Creditworthiness

Comment 34 Whether To Adjust the Uncreditworthiness Benchmark

Comment 35 GE Sales Denominator

Comment 36 Whether To Attribute Subsidies Received by Input Suppliers Whose Inputs Are Not Used for Merchandise Exported to the United States

Comment 37 Whether the Department Should Attribute Subsidies From Pulp Producers Based on the Percentage of Total Pulp Sales to the Paper Producers Covered

Comment 38 Whether To Countervail Additional Financing Reported by the Gold Companies

Comment 39 Whether To Adjust the Gold Companies’ Interest Calculation

Comment 40 Whether To Adjust JHP’s Reported VAT and Duty Exemptions on Imported Equipment

Comment 41 Whether To Use an Alternative Electricity Benchmark

Comment 42 Whether To Apply AFA to JAP and JHP Caustic Soda Purchases

[FR Doc. 2010–24184 Filed 9–24–10; 8:45 am]

BILLING CODE 3510–DS–P

DEPARTMENT OF COMMERCE

International Trade Administration

[A–570–958]

Certain Coated Paper Suitable for High-Quality Print Graphics Using Sheet-Fed Presses From the People’s Republic of China: Final Determination of Sales at Less Than Fair Value

AGENCY: Import Administration, International Trade Administration, Department of Commerce.

DATES: *Effective Date:* September 27, 2010.

SUMMARY: On May 6, 2010, the Department of Commerce (“Department”) published its preliminary determination of sales at less than fair value (“LTFV”) in the antidumping investigation of certain coated paper suitable for high-quality print graphics using sheet-fed presses (“coated paper”) from the People’s Republic of China (“PRC”). We invited interested parties to comment on our preliminary determination of sales at LTFV. Based on our analysis of the comments we received, we have made changes to our margin calculations for the mandatory respondents. The final dumping margins for this investigation are listed in the “Final Determination Margins” section below.

FOR FURTHER INFORMATION CONTACT:

Lindsey Novom and Demitri Kalogeropoulos, AD/CVD Operations, Office 8, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC 20230; *telephone:* (202) 482–5256 or (202) 482–2623, respectively.

SUPPLEMENTARY INFORMATION:

Case History

The Department published its preliminary determination of sales at LTFV on May 6, 2010. *See Certain Coated Paper Suitable for High-Quality Print Graphics Using Sheet-Fed Presses from the People’s Republic of China: Notice of Preliminary Determination of Sales at Less Than Fair Value and Postponement of Final Determination, 75 FR 24892, (May 6, 2010) (“Preliminary Determination”).*

On May 19, 2010, Shandong Sun Paper Industry Joint Stock Co., Ltd., Yanzhou Tianzhang Paper Industry Co., Ltd., Shandong International Paper and Sun Coated Paperboard Co., Ltd., International Paper and Sun Cartonboard Co., Ltd. (collectively “Sun Paper Companies”) ceased participating

in the investigation.¹ On May 10, 2010, Gold East Paper (Jiangsu) Co., Ltd. (“GE”), Gold Huasheng Paper Co., Ltd. (“GHS”), Gold East (Hong Kong) Trading Co., Ltd. (“GEHK”), Ningbo Zhonghua Paper Co., Ltd. (“NBZH”), Ningbo Asia Pulp and Paper Co., Ltd. (“NAPP”), collectively referred to as the “GE Group,” or “APP-China,” alleged that the Department made ministerial errors in its *Preliminary Determination*. On May 13, 2010, APP-China and Appleton Coated LLC, NewPage Corporation, S.D. Warren Company d/b/a Sappi Fine Paper North America, and United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union (collectively, “Petitioners”) submitted comments on APP-China’s allegations. On June 9, 2010, the Department released a memo detailing the errors it found to be “clerical” in nature, but determined not to amend the *Preliminary Determination* as the ministerial errors were not significant under 19 CFR 351.224(g).

In a Memo to the File, on May 19, 2010, regarding “Phone Call Regarding Factual Information Submission and Tackifier Input,” the Department requested information with respect to APP-China’s “tackifier” input. On May 21, 2010, APP-China submitted the input data. APP-China and Shandong Chenming Paper Holding Ltd. (“Chenming”) also submitted a market-oriented industry (“MOI”) submission, on May 19, 2010.

Between May 26, 2010, and June 25, 2010, the Department conducted verifications of several of the APP-China entities and their affiliated U.S. reseller Global Paper Solutions Inc. (“GPS”). The Department released both verification reports for these companies on July 21, 2010. See the “Verification” section below for additional information. Petitioners submitted a request for a public hearing on May 28, 2010, and June 3, 2010, respectively. On August 6, 2010, APP-China and Petitioners filed timely requests for a withdrawal of request for a public hearing.

APP-China and Petitioners submitted surrogate value comments on June 29, 2010. On July 6, 2010, Petitioners submitted rebuttal comments on this information. On July 27, 2010, the Department requested a revised factors of production (“FOP”) and sales database from APP-China, and on July 30, 2010, APP-China submitted the requested databases to the Department.

¹ See letter from Sun Paper Companies, regarding “Certain Coated Paper Suitable for High-Quality Print Graphics Using Sheet-Fed Presses from the People’s Republic of China: Withdrawal from Antidumping Case,” dated May 19, 2010.

On August 5, 2010, case briefs were filed by Petitioners, APP-China, and the Government of China (“GOC”), APP-China, and Chenming, collectively, submitted a separate case brief on August 5, 2010. On August 10, 2010, Petitioners filed their rebuttal brief, and on August 11, 2010, APP-China filed its rebuttal brief. The Department released labor wage rate data on July 16, 2010.² Petitioners and APP-China submitted comments on the labor wage rate data on July 23, 2010. The Department released additional (Honduran) labor wage rate data on August 5, 2010, and Petitioners submitted comments on this information on August 9, 2010. On August 12, 2010, APP-China requested that the Department reject parts of Petitioners’ August 10, 2010 rebuttal brief because it contains certain new information. On August 16, 2010, Petitioners submitted a response to APP-China’s request. On August 17, 2010, the Department rejected APP-China’s request and continued to accept the Petitioners’ rebuttal brief as filed because the information at issue already existed on the record of this investigation. On August 19, 2010, APP-China submitted a request for reconsideration, and Petitioners submitted a request to remove APP-China’s request for reconsideration from the record on August 23, 2010. On September 1, 2010, the Department rejected APP-China’s August 19, 2010, request for reconsideration and Petitioners’ August 23, 2010 submission because they contained untimely filed written arguments within the meaning of 19 CFR 351.309 of the Department’s regulations. In accordance with 19 CFR 351.302(d), the Department removed the submissions from the record of the proceeding and has not considered them for purposes of the final determination. On September 3, 2010 APP-China resubmitted its request for reconsideration, and Petitioners resubmitted their request to remove APP-China’s request for reconsideration. On September 16, 2010, the Department issued its final response not to reject Petitioners’ rebuttal brief.

Scope Comments

Following the *Preliminary Determination*, on August 3, 2010, the Department issued a decision memorandum addressing three scope issues in this and the concurrent antidumping and countervailing duty investigations on certain coated paper from Indonesia and the People’s Republic of China: (1) Whether to clarify

² See Memorandum to the file, “Wage Rate Data,” dated July 16, 2010.

the scope of these investigations to exclude multi-ply coated paper and paperboard; (2) whether to modify the scope language by striking the phrase “suitable for high-quality print graphics;” and (3) whether to add three Harmonized Tariff Schedule of the United States (“HTSUS”) numbers which may include in-scope merchandise (i.e., HTSUS 4810.32, 4810.39 and 4810.92). See August 3, 2010, Memorandum to Ronald K. Lorentzen, Deputy Assistant Secretary for Import Administration, from Susan Kuhbach, Director, Office 1, entitled “Scope” (August 3, 2010 Scope Memorandum). For the reasons explained in the August 3, 2010, Scope Memorandum, the Department determined that: (1) Multiply products that otherwise meet the description of the scope of the investigations are not excluded from the scope; (2) the “suitable for high-quality print graphics” language should not be deleted from the scope; and (3) the three HTSUS numbers at issue should be added to the scope.

The Department subsequently provided the interested parties an opportunity to comment on its post-preliminary scope determination. In response, the respondents in these investigations filed a case brief on August 20, 2010, and the petitioners filed a rebuttal brief on August 24, 2010. Based on the Department’s analysis of these comments and the factual records of these investigations, the Department continues to find that multi-ply coated paper and paperboard are not excluded from the scope of the investigations, that the “suitable for high-quality print graphics” language should be maintained, and that the three HTSUS numbers listed above should be added to the scope. For a complete discussion of the parties’ comments and the Department’s position, see “Issues and Decision Memorandum for the Final Determination in the Countervailing Duty Investigation of Certain Coated Paper Suitable for High-Quality Print Graphics Using Sheet-Fed Presses from the People’s Republic of China,” dated concurrently with this notice and incorporated herein by reference.

Period of Investigation

The period of investigation (“POI”) is January 1, 2009, through June 30, 2009. This period corresponds to the two most recent fiscal quarters prior to the month of the filing of the petition, which was September 2009. See 19 CFR 351.204(b)(1).

Verification

As provided in section 782(i) of the Tariff Act of 1930, as amended (“Act”), we verified the information submitted by APP-China for use in our final determination. See the Department’s verification reports on the record of this investigation in the Central Records Unit (“CRU”), Room 7046 of the main Department building, with respect to these entities. For all verified companies, we used standard verification procedures, including the examination of relevant accounting and production records, as well as original source documents provided by respondents.

Analysis of Comments Received

All non-scope issues raised in the case and rebuttal briefs by parties to this investigation are addressed in the “Investigation of Certain Coated Paper Suitable for High-Quality Print Graphics Using Sheet-Fed Presses from the People’s Republic of China: Issues and Decision Memorandum,” dated concurrently with this notice and hereby adopted in this notice (“Issues and Decision Memorandum”). A list of the issues which parties have raised and to which we have responded in the Issues and Decision Memorandum is attached to this notice as Appendix I. The Issues and Decision Memorandum is a public document on file in the CRU and is accessible on the Web at ia.ita.doc.gov/frn. The paper copy and electronic version of the memorandum are identical in content.

Changes Since the Preliminary Determination

- Sun Paper Companies did not submit a complete database of all reportable U.S. sales, refused to undergo verification, and withdrew from participating in the investigation. We have also found that Sun Paper Companies did not demonstrate that they are entitled to a separate rate, and are therefore part of the PRC entity. Thus, we have applied total adverse facts available (“AFA”) to the PRC entity, which includes Sun Paper Companies. See “Use of Facts Available” and “PRC-Wide Rate” sections below. See also Comment 6 of the Issues and Decision Memorandum.

- For APP-China, we made the following changes since the *Preliminary Determination*:

- We revised the targeted dumping analysis to include another customer alleged by Petitioners. See Comment 4 of the Issues and Decision Memorandum.

- The Department has revised APP-China’s margin calculation to

incorporate minor corrections submitted at verification, as well as other minor discrepancies noted in the verification report. See Comments 10 and 11 of the Issues and Decision Memorandum. See also the public version of the APP-China Verification report on file in the CRU.

- The Department is no longer deducting certain commissions from those sales classified as “Channel 1” sales, based on APP-China’s minor correction from verification. See Comment 12 of the Issues and Decision Memorandum.

- The Department has made corrections to the *Preliminary Determination* that we found to be “clerical” in nature in our Ministerial Error Memo. See Comment 13 of the Issues and Decision Memorandum.

- The Department has revised the calculation of foreign truck freight to include the weight of the packing. See Comment 15 of the Issues and Decision Memorandum.

- The Department has revised the calculation of domestic inland insurance and brokerage and handling to include the weight of the packing. See Final Analysis Memo.

- The Department has revised the surrogate value (“SV”) for tapioca starch (“TSTARCH”). For the final determination, the Department is valuing TSTARCH using the Indonesian HTS category 110814, labeled “Manioc (cassava) starch.” See Comment 22 of the Issues and Decision Memorandum.

- The Department is using HTS category 3906.90.90, labeled “other acrylic polymers in other forms,” to value the non-market economy (“NME”) portion of APP-China’s tackifier input. See Comment 25 of the Issues and Decision Memorandum.

- The Department has revised the SV for surface sizing starch (“SSS”). For the final determination, the Department is valuing SSS using the Indian HTS category 3505.10.00, labeled “dextrins and other modified starches (for example, pregelatinized or esterified starches).” See Comment 29 of the Issues and Decision Memorandum.

- We have revised the calculation of the wage rate. See Comment 30 of the Issues and Decision Memorandum.

- We have revised the brokerage and handling surrogate value. See Comment 31 of the Issues and Decision Memorandum.

Scope of Investigation

The merchandise covered by this investigation includes certain coated paper and paperboard³ in sheets

³ “Paperboard” refers to Certain Coated Paper that is heavier, thicker and more rigid than coated paper

suitable for high quality print graphics using sheet-fed presses; coated on one or both sides with kaolin (china or other clay), calcium carbonate, titanium dioxide, and/or other inorganic substances; with or without a binder; having a GE brightness level of 80 or higher;⁴ weighing not more than 340 grams per square meter; whether gloss grade, satin grade, matte grade, dull grade, or any other grade of finish; whether or not surface-colored, surface-decorated, printed (except as described below), embossed, or perforated; and irrespective of dimensions (“Certain Coated Paper”).

Certain Coated Paper includes (a) coated free sheet paper and paperboard that meets this scope definition; (b) coated groundwood paper and paperboard produced from bleached chemi-thermo-mechanical pulp (“BCTMP”) that meets this scope definition; and (c) any other coated paper and paperboard that meets this scope definition.

Certain Coated Paper is typically (but not exclusively) used for printing multi-colored graphics for catalogues, books, magazines, envelopes, labels and wraps, greeting cards, and other commercial printing applications requiring high quality print graphics.

Specifically excluded from the scope are imports of paper and paperboard printed with final content printed text or graphics.

As of 2009, imports of the subject merchandise are provided for under the following categories of the HTSUS: 4810.14.11, 4810.14.1900, 4810.14.2010, 4810.14.2090, 4810.14.5000, 4810.14.6000, 4810.14.70, 4810.19.1100, 4810.19.1900, 4810.19.2010, 4810.19.2090, 4810.22.1000, 4810.22.50, 4810.22.6000, 4810.22.70, 4810.29.1000, 4810.29.5000, 4810.29.6000, 4810.29.70, 4810.32, 4810.39 and 4810.92. While HTSUS subheadings are provided for convenience and customs purposes, the written description of the scope of the investigations is dispositive.

Surrogate Country

In the *Preliminary Determination*, we stated that we had selected India as the appropriate surrogate country to use in this investigation for the following

which otherwise meets the product description. In the context of Certain Coated Paper, paperboard typically is referred to as ‘cover,’ to distinguish it from ‘text.’”

⁴ One of the key measurements of any grade of paper is brightness. Generally speaking, the brighter the paper the better the contrast between the paper and the ink. Brightness is measured using a GE Reflectance Scale, which measures the reflection of light off of a grade of paper. One is the lowest reflection, or what would be given to a totally black grade, and 100 is the brightest measured grade.

reasons: (1) It is a significant producer of comparable merchandise; (2) it is at a level of economic development comparable to that of the PRC, pursuant to section 773(c)(4) of the Act; and (3) we have reliable data from India that we can use to value the FOPs. See *Preliminary Determination*, 75 FR at 24898. For the final determination, we received no comments on surrogate country selection and made no changes to our findings with respect to the selection of a surrogate country.

Separate Rates

In proceedings involving NME countries, the Department begins with a rebuttable presumption that all companies within the country are subject to government control and, thus, should be assigned a single antidumping duty deposit rate. It is the Department's policy to assign all exporters of merchandise subject to an investigation in an NME country this single rate unless an exporter can demonstrate that it is sufficiently independent so as to be entitled to a separate rate. See *Final Determination of Sales at Less Than Fair Value: Sparklers from the People's Republic of China*, 56 FR 20588 (May 6, 1991) ("*Sparklers*"), as amplified by *Notice of Final Determination of Sales at Less Than Fair Value: Silicon Carbide from the People's Republic of China*, 59 FR 22585 (May 2, 1994) ("*Silicon Carbide*"), and 19 CFR 351.107(d).

In the *Preliminary Determination*, we found that the four mandatory respondents (*i.e.*, GE, GHS (and their affiliates, NAPP and NBZH), Tianzhang, and IP Paperboard/IP Cartonboard), and the separate-rate respondent Chenming, demonstrated their eligibility for separate-rate status. For the final determination, we continue to find that the evidence placed on the record of this investigation by GE, GHS (their affiliates, NAPP and NBZH), and Chenming demonstrates both a *de jure* and *de facto* absence of government control, with respect to their respective exports of the merchandise under investigation, and, thus are eligible for separate-rate status. See *Preliminary Determination*, 75 FR at 24899–24900. However, we are no longer finding that Tianzhang, and IP Paperboard/IP Cartonboard are eligible for separate rate status, as they withdrew from participating in the investigation.

Margin for the Separate Rate Company

As discussed above, the Department continues to find that Chenming has demonstrated its eligibility for a separate rate. Consistent with the Department's practice, as the separate

rate, we have established a margin for Chenming based on the rate we calculated for the cooperating mandatory respondent, APP-China.⁵

Use of Facts Available ("FA")

Sections 776(a)(1) and (2) of the Act provide that the Department shall apply "facts otherwise available" if, *inter alia*, necessary information is not on the record, or an interested party: (A) Withholds information requested by the Department, (B) fails to provide such information by the deadline, or in the form or manner requested, (C) significantly impedes a proceeding, or (D) provides information that cannot be verified, as provided by section 782(i) of the Act.

Where the Department determines that a response to a request for information does not comply with the request, section 782(d) of the Act provides that the Department will inform the party submitting the response and will, to the extent practicable, provide that party the opportunity to remedy or explain its deficiency. If the party fails to remedy the deficiency within the applicable time limits, subject to section 782(e) of the Act, the Department may disregard all or part of the original and subsequent responses, as appropriate. Pursuant to section 782(e) of the Act, the Department shall not decline to consider submitted information if all of the following requirements are met: (1) The information is submitted by the established deadline; (2) the information can be verified; (3) the information is not so incomplete that it cannot serve as a reliable basis for reaching the applicable determination; (4) the interested party has demonstrated that it acted to the best of its ability; and (5) the information can be used without undue difficulties.

Section 782(e) of the Act states that the Department shall not decline to consider information deemed "deficient" under section 782(d) if: (1) The information is submitted by the established deadline; (2) the information can be verified; (3) the information is not so incomplete that it cannot serve as a reliable basis for reaching the applicable determination; (4) the interested party has demonstrated that it acted to the best of its ability; and (5)

⁵ See, e.g., *Preliminary Determination of Sales at Less Than Fair Value and Partial Affirmative Determination of Critical Circumstances: Certain Polyester Staple Fiber from the People's Republic of China*, 71 FR 77373, 77377 (December 26, 2006), unchanged in *Final Determination of Sales at Less Than Fair Value and Partial Affirmative Determination of Critical Circumstances: Certain Polyester Staple Fiber from the People's Republic of China*, 72 FR 19690 (April 19, 2007).

the information can be used without undue difficulties.

Furthermore, section 776(b) of the Act states that if the administering authority finds that an interested party has not acted to the best of its ability to comply with a request for information, the administering authority may, in reaching its determination, use an inference that is adverse to that party. The adverse inference may be based upon: (1) The petition, (2) a final determination in the investigation under this title, (3) any previous review under section 751 of the Act or determination under section 753 of the Act, or (4) any other information placed on the record.

Because Sun Paper Companies ceased participating in the instant investigation, the Department was not able to conduct verification of Sun Paper Companies' responses. Verification is integral to the Department's analysis because it allows the Department to satisfy itself that it is relying upon accurate information and calculating dumping margins as accurately as possible. By failing to participate in verification, Sun Paper Companies prevented the Department from verifying its reported information, including separate rates information, and significantly impeded the proceeding. In addition, by not permitting verification, Sun Paper Companies failed to demonstrate that they operate free of government control and are entitled to a separate rate. Accordingly, Sun Paper Companies is considered part of the PRC-wide entity for purposes of this final determination. Thus, we find that, in accordance with sections 776(a)(2)(A), (C) and (D) of the Act, the use of FA for the PRC-wide entity (which includes Sun Paper Companies) is appropriate for this final determination.

First, the PRC-wide entity, which includes Sun Paper Companies, failed to submit a full and proper database of all sales to unaffiliated U.S. customers during the POI. Accordingly, we find that the PRC wide entity withheld information requested by the Department pursuant to section 776(a)(2)(A) of the Act.⁶ Second, we find that the PRC-wide entity, which includes the Sun Paper Companies, significantly impeded the Department's proceeding pursuant to sections 776(a)(2)(C) of the Act, by failing to provide the requested information and by refusing to allow verification of their data. Based on the above, we have

⁶ For the *Preliminary Determination*, the Department applied partial AFA to Sun Paper Companies for failing to report all reportable U.S. sales made during the POI. See *Preliminary Determination*, 75 FR at 24901–24902.

determined that the PRC-wide entity, which includes the Sun Paper Companies, failed to act to the best of its ability by not providing the requested information and by ceasing their participation in the proceeding. Therefore, we have determined that when selecting from among FA, an adverse inference is warranted for the PRC-wide entity, including the Sun Paper Companies, pursuant to section 776(b) of the Act.

The PRC-Wide Rate

Because we begin with the presumption that all companies within a NME country are subject to government control, and because only the companies listed under the "Final Determination Margins" section, below, have overcome that presumption, we are applying a single antidumping rate (*i.e.*, the PRC-wide rate) to all other exporters of subject merchandise from the PRC. These other companies did not demonstrate entitlement to a separate rate. *See, e.g., Synthetic Indigo From the People's Republic of China; Notice of Final Determination of Sales at Less Than Fair Value*, 65 FR 25706, 25707 (May 3, 2000). The PRC-wide rate applies to all entries of subject merchandise except for entries from the companies eligible for separate rate status.

In the *Preliminary Determination*, the Department preliminarily determined that there were exporters/producers of the subject merchandise during the POI from the PRC that did not respond to the Department's request for information. Further, we treated these PRC producers/exporters as part of the PRC-wide entity because they did not apply for a separate rate. As a result, we found that the use of FA was appropriate to determine the PRC-wide rate pursuant to section 776(a)(2)(A) of the Act. *See Preliminary Determination*, 75 FR at 24900–02.

Thus, in the *Preliminary Determination*, the Department determined that, in selecting from among the FA, an adverse inference is appropriate because the PRC-wide entity failed to cooperate by not acting to the best of its ability to comply with requests for information. *See Id.* As AFA, we preliminarily assigned to the PRC-wide entity a rate of 135.8 percent, the highest calculated rate from the petition. *See id; see also Statement of Administrative Action accompanying the URAA*, H.R. Rep. No. 103–316, vol. 1, at 870 (1994) ("SAA").

Section 776(a)(2) of the Act provides that, if an interested party (A) withholds information requested by the Department, (B) fails to provide such

information by the deadline, or in the form or manner requested, (C) significantly impedes a proceeding, or (D) provides information that cannot be verified, the Department shall use, subject to sections 782(d) and (e) of the Act, facts otherwise available in reaching the applicable determination. Because the PRC-wide entity (including Sun Paper Companies) did not respond to our requests for information, withheld information requested by the Department, and did not allow their information to be verified, pursuant to sections 776(a)(2)(A), (C), and (D) of the Act, we determine, as in the *Preliminary Determination*, that the use of facts otherwise available is appropriate to determine the PRC-wide rate.

Selection of the Adverse Facts Available Rate

In deciding which facts to use as AFA, section 776(b) of the Act and 19 CFR 351.308(c)(1) provide that the Department may rely on information derived from (1) The petition, (2) a final determination in the investigation, (3) any previous review or determination, or (4) any information placed on the record. In selecting a rate for AFA, the Department selects a rate that is sufficiently adverse "as to effectuate the purpose of the facts available rule to induce respondents to provide the Department with complete and accurate information in a timely manner."⁷ It is also the Department's practice to select a rate that ensures "that the party does not obtain a more favorable result by failing to cooperate than if it had cooperated fully."⁸

Generally, the Department finds selecting the highest rate in any segment of the proceeding as AFA to be appropriate.⁹ It is the Department's practice to select, as AFA, the higher of the (a) highest margin alleged in the petition, or (b) the highest calculated rate of any respondent in the investigation.¹⁰ In the instant

⁷ *See Notice of Final Determination of Sales at Less than Fair Value: Static Random Access Memory Semiconductors From Taiwan*, 63 FR 8909, 8932 (February 23, 1998).

⁸ *See Brake Rotors From the People's Republic of China: Final Results and Partial Rescission of the Seventh Administrative Review; Final Results of the Eleventh New Shipper Review*, 70 FR 69937, 69939 (November 18, 2005); *See also*, SAA at 870.

⁹ *See, e.g., Certain Cased Pencils from the People's Republic of China; Preliminary Results of Antidumping Duty Administrative Review and Intent to Rescind in Part*, 70 FR 76755, 76761 (December 28, 2005) unchanged in final, *Certain Cased Pencils from the People's Republic of China; Final Results and Partial Rescission of Antidumping Duty Administrative Review*, 71 FR 38366 (July 6, 2006), and accompanying Issues and Decision Memorandum at Comment 10.

¹⁰ *See Final Determination of Sales at Less Than Fair Value: Certain Cold-Rolled Carbon Quality*

investigation, as AFA, we have assigned to the PRC-wide entity the highest petition rate, recalculated using the revised wage rate, on the record of this proceeding that can be corroborated. *See Certain Coated Paper Suitable for High-Quality Print Graphics Using Sheet-Fed Presses From Indonesia and the People's Republic of China: Initiation of Antidumping Duty Investigations*, 74 FR 53710 (October 20, 2009) ("Initiation Notice"), and Memorandum to the File, regarding "Recalculation of Petition Margins," dated concurrently with this notice. The Department determines that this information is the most appropriate from the available sources to effectuate the purposes of AFA.

Corroboration

Section 776(c) of the Act provides that, when the Department relies on secondary information rather than on information obtained in the course of an investigation as FA, it must, to the extent practicable, corroborate that information from independent sources reasonably at its disposal. Secondary information is described as "information derived from the petition that gave rise to the investigation or review, the final determination concerning merchandise subject to this investigation, or any previous review under section 751 concerning the merchandise subject to this investigation."¹¹ To "corroborate" means that the Department will satisfy itself that the secondary information to be used has probative value. Independent sources used to corroborate may include, for example, published price lists, official import statistics and customs data, and information obtained from interested parties during the particular investigation. To corroborate secondary information, the Department will, to the extent practicable, examine the reliability and relevance of the information used.¹²

Steel Products from the People's Republic of China, 65 FR 34660 (May 21, 2000), and accompanying Issues and Decision Memorandum at "Facts Available."

¹¹ *See Final Determination of Sales at Less Than Fair Value: Sodium Hexametaphosphate From the People's Republic of China*, 73 FR 6479, 6481 (February 4, 2008), quoting SAA at 870.

¹² *See Tapered Roller Bearings and Parts Thereof, Finished and Unfinished, From Japan, and Tapered Roller Bearings, Four Inches or Less in Outside Diameter, and Components Thereof, From Japan; Preliminary Results of Antidumping Duty Administrative Reviews and Partial Termination of Administrative Reviews*, 61 FR 57391, 57392 (November 6, 1996), unchanged in *Tapered Roller Bearings and Parts Thereof, Finished and Unfinished, From Japan, and Tapered Roller Bearings, Four Inches or Less in Outside Diameter, and Components Thereof, From Japan; Final Results of Antidumping Duty Administrative*

The AFA rate that the Department used is from the Petition; however, we have updated the labor wage rate used to calculate the Petition rates. The Department's practice is not to recalculate dumping margins provided in petitions, but rather to corroborate the applicable petition rate when applying that rate as AFA. In the instant case, however, the surrogate wage rate used in the Petition was based upon the Department's methodology that the Federal Circuit invalidated in *Dorbest II*.¹³ In light of the Federal Circuit decision to invalidate the wage rate methodology, the Department has adjusted the petition rate using the surrogate value for labor used in this final determination.¹⁴

The AFA rate that the Department used is from the Petition. To corroborate the AFA margin that we have selected, we compared this margin to the transaction-specific margins we found for the cooperating mandatory respondents. We found that the margin of 135.83 percent has probative value because it is in the range of the

transaction-specific margins that we found for APP-China during the period of investigation. See APP-China's Final Analysis Memo. Accordingly, we find this rate is reliable and relevant, considering the record information, and thus, has probative value. See Memorandum to the File, regarding "Corroboration of the PRC-Wide Entity Rate and for the Final Determination in the Antidumping Duty Investigation of Certain Coated Paper Suitable for High-Quality Print Graphics Using Sheet-Fed Presses from the People's Republic of China," dated concurrently with this notice. Given that numerous PRC-wide entities did not respond to the Department's requests for information and that Sun Paper Companies, which is part of the PRC-wide entity, ceased participating in the investigation, the Department concludes that the updated petition rate of 135.83 percent, as total AFA for the PRC-wide entity, is sufficiently adverse to prevent these respondents from benefitting from their lack of cooperation. See SAA at 870.

Accordingly, we found that the rate of 135.83 percent is corroborated to the extent practicable within the meaning of section 776(c) of the Act.

The PRC-wide rate applies to all entries of the merchandise under investigation except for entries from APP-China and Chenming, as they have demonstrated eligibility for a separate rate. These companies and their corresponding antidumping duty cash deposit rates are listed below in the "Final Determination" section of this notice.

Combination Rates

In the *Preliminary Determination*, the Department stated that it would calculate combination rates for respondents that are eligible for a separate rate in this investigation.¹⁵ This practice is described in the *Separate Rate Policy Bulletin*.¹⁶

Final Determination

The weighted-average dumping margin percentages are as follows:

Exporter	Producer	Percent margin
Gold East Paper (Jiangsu) Co., Ltd.;	Gold East Paper (Jiangsu) Co., Ltd.;	7.60
Gold Huasheng Paper Co., Ltd.;	Gold Huasheng Paper Co., Ltd.;	
Ningbo Zhonghua Paper Co., Ltd.;	Ningbo Zhonghua Paper Co., Ltd.;	
Ningbo Asia Pulp and Paper Co., Ltd.;	Ningbo Asia Pulp and Paper Co., Ltd.	
Gold East (Hong Kong) Trading Co., Ltd.		
Shandong Chenming Paper Holdings Ltd	Shandong Chenming Paper Holdings Ltd	7.60
PRC-Wide Entity*		135.83

* The PRC-Wide Entity includes the Sun Paper Companies.

Disclosure

We will disclose the calculations performed within five days of the date of publication of this notice to parties in this proceeding in accordance with 19 CFR 351.224(b).

Continuation of Suspension of Liquidation

In accordance with section 735(c)(1)(B) of the Act, we are directing U.S. Customs and Border Protection ("CBP") to continue to suspend liquidation of all imports of subject merchandise entered or withdrawn from warehouse, for consumption on or after the date of publication of the *Preliminary Determination* in the **Federal Register**. We will instruct CBP to require a cash deposit or the posting of a bond equal to the weighted-average amount by which the normal value

exceeds U.S. price, as follows: (1) The rate for the exporter/producer combinations listed in the chart above will be the rate we have determined in this final determination; (2) for all PRC exporters of subject merchandise which have not received their own rate, the cash-deposit rate will be the PRC-wide rate; and (3) for all non-PRC exporters of subject merchandise which have not received their own rate, the cash-deposit rate will be the rate applicable to the PRC exporter/producer combination that supplied that non-PRC exporter. These suspension-of-liquidation instructions will remain in effect until further notice.

ITC Notification

In accordance with section 735(d) of the Act, we have notified the International Trade Commission ("ITC")

of our final determination of sales at LTFV. As our final determination is affirmative, in accordance with section 735(b)(2) of the Act, the ITC will, within 45 days, determine 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 the subject merchandise. If the ITC determines that material injury or threat of material injury does not exist, the proceeding will be terminated and all securities posted will be refunded or canceled. If the ITC determines that such injury does exist, the Department will issue an antidumping duty order directing CBP to assess antidumping duties on all imports of the subject merchandise entered or withdrawn from warehouse

Reviews and Termination in Part, 62 FR 11825 (March 13, 1997).

¹³ See Comment 30 of Issues and Decision Memorandum.

¹⁴ See *Id.* See also Memorandum to the File, regarding "Recalculation of Petition Margins," dated concurrently with this notice.

¹⁵ See *Preliminary Determination*, 75 FR at 24905.

¹⁶ See Memorandum entitled "Separate-Rates Practice and Application of Combination Rates in Antidumping Investigations Involving Non-Market Economy Countries" dated April 5, 2005, available at <http://ia.ita.doc.gov/policy/index.html>.

for consumption on or after the effective date of the suspension of liquidation.

Notification Regarding APO

This notice also serves as a reminder to the parties subject to administrative protective order (“APO”) of their responsibility concerning the disposition of proprietary information disclosed under APO in accordance with 19 CFR 351.305. Timely notification of 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 sanctionable violation.

This determination and notice are issued and published in accordance with sections 735(d) and 777(i)(1) of the Act.

Dated: September 20, 2010.

Ronald K. Lorentzen,

Deputy Assistant Secretary for Import Administration.

Appendix I—List of Issues

Case Issues:

- Comment 1: Whether to Grant Market-Oriented Industry (“MOI”) Status to the Coated Paper Industry
- Comment 2A: Whether Simultaneous Application of Countervailing Duties (“CVDs”) and Antidumping Duties Calculated Using the NME Methodology is Contrary to Law
- Comment 2B: Whether Simultaneous Application of Countervailing Duties and Antidumping Duties Calculated Using the NME Methodology to Imports of the Same Products Results in the Imposition of Double Remedies
- Comment 3: Whether Targeted Dumping Test Violates the Administrative Procedures Act (“APA”) and is Flawed
- Comment 4: Whether to Revise the Targeted Dumping Analysis in Light of APP-China’s Minor Corrections Filed at Verification
- Comment 5: Whether the Department Should Apply Zeroing
- Comment 6: Application of Adverse Facts Available (“AFA”) to Sun Paper Companies
- Comment 7: Whether to Apply Market-Oriented Economy (“MOE”) Treatment to APP-China
- Comment 8: Whether to Apply AFA to All Sales and Expense Information of GPS
- Comment 9: Whether to Reclassify Certain APP-China Sales from Export Price (“EP”) to “Constructed Export Price (“CEP”)
- Comment 10: Whether the Department Should Reject APP-China’s Minor Correction
- Comment 11: Whether the Department Should Deduct Certain Rebates for APP-China
- Comment 12: Whether the Department Should Deduct Certain Commission Expenses
- Comment 13: Whether the Department Should Correct Certain Ministerial Errors
- Comment 14: Whether to Deduct Domestic Inland Insurance from U.S. Price

- Comment 15: Application of Foreign Truck Freight
- Comment 16: Whether to Treat All of APP-China’s Market Economy (“ME”) Pulp Purchases as Market Economy Purchases (“MEPs”)
- Comment 17: Whether to Accept APP-China’s ME Purchases from Thailand and Korea
- Comment 18: Whether to Employ the 33 Percent Threshold for GE Group’s ME Purchases
- Comment 19: Valuation of Calcium Carbonate Ore (“CCORE”)
- Comment 20: Valuation of Optical Brightener (“OBA/OBAS/OBAL”)
- Comment 21: Valuation of Masculine Starch Transforming Agent (“MSTA”)
- Comment 22: Valuation of Tapioca Starch (“TSTARCH”)
- Comment 23: Valuation of Wet End Starch (“WESTARCH”)
- Comment 24: Valuation of Dispersing Agent A (“DISPERSANTA”)
- Comment 25: Valuation of Tackifier
- Comment 26: Valuation of Hypochlorous Natrium/Sodium Hypochlorite (“BACLO/NACLO”)
- Comment 27: Valuation of Coating Binding Agent (“CBA”)
- Comment 28: Valuation of Coating Starch (“CSTARCH”)
- Comment 29: Valuation of Surface Sizing Starch (“SSS”)
- Comment 30: Selection of Labor Rate
- Comment 31: Valuation of Brokerage & Handling
- Comment 32: Whether the Department Should Include Certain Direct Selling Expenses in the Calculation of SG&A

[FR Doc. 2010–24159 Filed 9–24–10; 8:45 am]

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DEPARTMENT OF COMMERCE

International Trade Administration

[A–560–823]

Certain Coated Paper Suitable for High-Quality Print Graphics Using Sheet-Fed Presses From Indonesia: Final Determination of Sales at Less Than Fair Value

AGENCY: Import Administration, International Trade Administration, Department of Commerce.

SUMMARY: The Department of Commerce determines that certain coated paper suitable for high-quality print graphics using sheet-fed presses (certain coated paper) from Indonesia is being, or is likely to be, sold in the United States at less-than-fair-value (LTFV), as provided in section 735 of the Tariff Act of 1930, as amended (the Act). The estimated margins of sales at LTFV are shown in the “Final Determination Margins” section of this notice.

DATES: *Effective Date:* September 27, 2010.

FOR FURTHER INFORMATION CONTACT: Gemal Brangman or Brian Smith, AD/CVD Operations, Office 2, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC 20230; telephone (202) 482–3773 and (202) 482–1766, respectively.

SUPPLEMENTARY INFORMATION:

Background

On May 6, 2010, the Department of Commerce (Department) published in the **Federal Register** the preliminary determination of sales at LTFV in the antidumping duty investigation of certain coated paper from Indonesia. *See Certain Coated Paper Suitable for High-Quality Print Graphics Using Sheet-Fed Presses From Indonesia: Notice of Preliminary Determination of Sales at Less Than Fair Value and Postponement of Final Determination*, 75 FR 24885 (May 6, 2010) (*Preliminary Determination*).

On May 10, 2010, the respondents¹ in this investigation alleged a ministerial error in the Department’s preliminary margin calculation.

On May 14, 2010, the Department issued a post-preliminary analysis for PD/TK/IK evaluating whether the use of quarterly cost averaging periods was warranted in this investigation. *See Memorandum to Neal Halper, Director, Office of Accounting*, entitled “Alternative Cost Averaging Period Analysis Memorandum—PT Pabrik Kertas Tjiwi Kimia Tbk., PT Pindo Deli Pulp and Paper Mills, and PT Indah Kiat Pulp Tbk,” dated May 14, 2010. Based on the data and methodology described in this memorandum, we found that the change in the total cost of manufacturing recognized by PD/TK/IK during the period of investigation (POI) for its highest-volume products sold in the U.S. and home markets did not meet the Department’s standard for significance (*i.e.*, greater than 25 percent

¹ The respondents are: PT. Pindo Deli Pulp & Paper Mills (PD), PT. Pabrik Kertas Tjiwi Kimia, Tbk (TK), PT Indah Kiat Pulp & Paper Tbk (IK) (collectively PD/TK/IK). In the preliminary determination, we determined it appropriate to treat PD, TK, and IK as one entity for margin calculation purposes because they met the regulatory criteria for collapsing. *See Memorandum to John M. Andersen, Acting Deputy Assistant Secretary for Import Administration, from the Team* entitled, “Whether To Treat Respondents as a Single Entity for Margin Calculation Purposes in the Antidumping Duty Investigation of Certain Coated Paper Suitable for High-Quality Print Graphics Using Sheet-Fed Presses From Indonesia,” dated April 21, 2010. No party commented on this preliminary determination and we found nothing at verification that would otherwise compel us to reverse this determination. Therefore, we have continued to treat these affiliated companies as one entity in the final determination.