

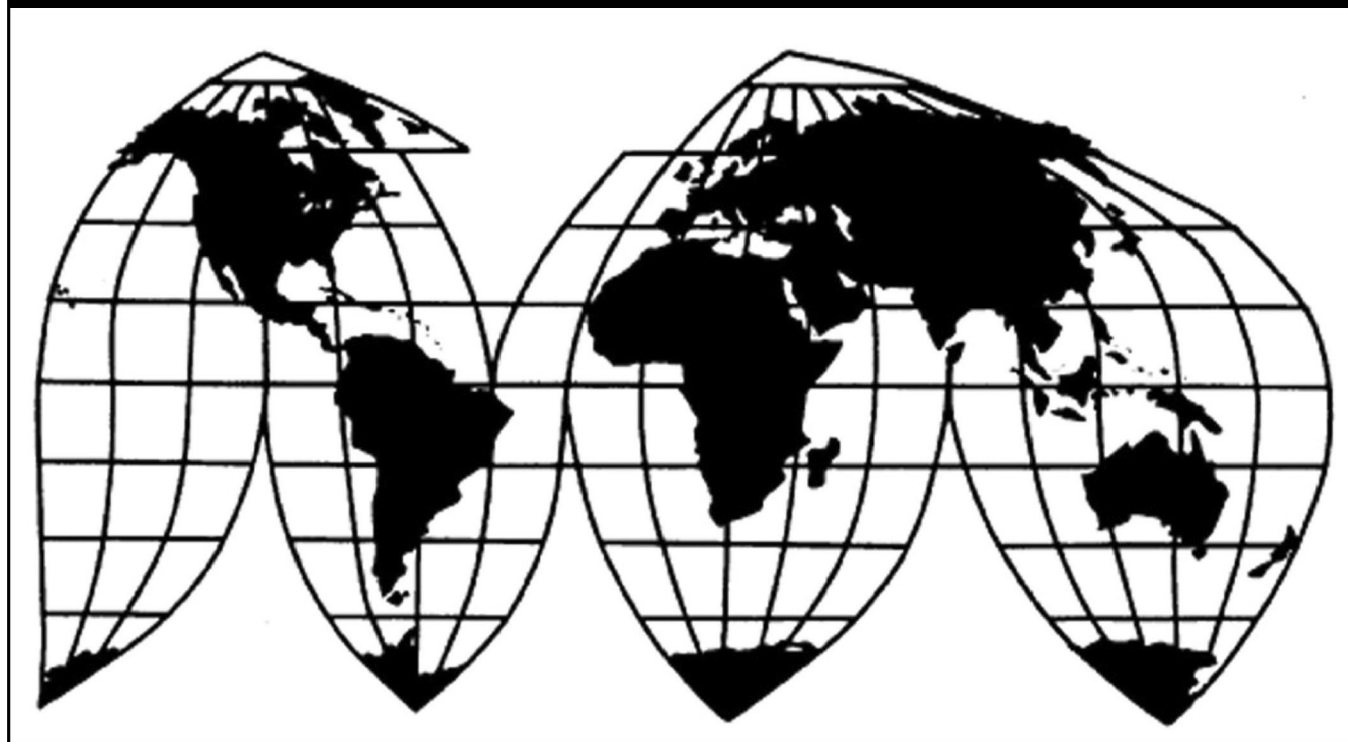
# Certain Crepe Paper Products from China

Investigation No. 731-TA-1070A (Third Review)

Publication 5163

February 2021

**U.S. International Trade Commission**



Washington, DC 20436

# U.S. International Trade Commission

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# UNITED STATES INTERNATIONAL TRADE COMMISSION

Investigation No. 731-TA-1070A (Third Review)

Certain Crepe Paper Products from China

## **DETERMINATION**

On the basis of the record<sup>1</sup> developed in the subject five-year review, the United States International Trade Commission (“Commission”) determines, pursuant to the Tariff Act of 1930 (“the Act”), that revocation of the antidumping duty order on certain crepe paper products from China would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.

## **BACKGROUND**

The Commission instituted this review on August 3, 2020 (85 FR 46715) and determined on November 6, 2020 that it would conduct an expedited review (86 FR 7411, January 28, 2021).

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<sup>1</sup> The record is defined in § 207.2(f) of the Commission’s Rules of Practice and Procedure (19 CFR 207.2(f)).





## Views of the Commission

Based on the record in this five-year review, we determine under section 751(c) of the Tariff Act of 1930, as amended (“the Tariff Act”), that revocation of the antidumping duty order on certain crepe paper products (“crepe paper”) from China would likely lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.

### I. Background

On February 17, 2004, eight entities filed a petition that resulted in two final phase investigations after the U.S. Department of Commerce (“Commerce”) found certain tissue paper products (“tissue paper”) and crepe paper to be separate products and conducted separate investigations. The Commission identified the separate investigation numbers by the suffixes A for crepe paper and B for tissue paper.<sup>1</sup> There were two petitioners in the original investigation with respect to crepe paper: domestic producers Seaman Paper Company of Massachusetts, Inc. (“Seaman Paper”) and American Crepe. In January 2005, the Commission determined that an industry in the United States was materially injured by reason of imports of crepe paper products from China that were sold at less than fair value (“LTFV”).<sup>2</sup> Commerce issued an antidumping duty order with respect to subject imports from China on January 25, 2005.<sup>3</sup>

The Commission instituted the first five-year review on December 1, 2009.<sup>4</sup> It conducted an expedited review of the antidumping duty order and determined that revocation of the order would likely lead to the continuation or recurrence of material injury to an industry

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<sup>1</sup> See *Certain Crepe Paper Products from China*, Inv. No. 731-TA-1070A (Final), USITC Pub. 3749 (Jan. 2005) (“Final Determination”) at 3; *Certain Tissue Paper Products from China*, Inv. No. 731-TA-1070B (Final), USITC Pub. 3758 (Mar. 2005) at 3.

<sup>2</sup> Final Determination, USITC Pub. 3749 at 3.

<sup>3</sup> *Certain Crepe Paper Products from the People’s Republic of China: Antidumping Duty Order*, 70 Fed. Reg. 3509 (Jan. 25, 2005).

<sup>4</sup> *Crepe Paper Products From China*, 74 Fed. Reg. 62815 (Dec. 1, 2009).

in the United States within a reasonably foreseeable time.<sup>5</sup> Commerce issued a continuation of the antidumping duty order on May 13, 2010.<sup>6</sup>

The Commission instituted its second five-year review on April 1, 2015.<sup>7</sup> It again conducted an expedited review and determined that revocation of the antidumping duty order would likely lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.<sup>8</sup> Commerce issued a continuation of the antidumping duty order on September 22, 2015.<sup>9</sup>

The Commission instituted the current five-year review on August 3, 2020.<sup>10</sup> Seaman Paper (“Domestic Producer”) submitted the only response to the Commission’s notice of institution and filed comments on adequacy. It did not receive a response from any respondent interested party. On November 6, 2020, the Commission found the Domestic Producer’s response to the notice of institution individually adequate, the domestic interested party group response adequate, and the respondent interested party group response inadequate. In the absence of any circumstances warranting a full review, the Commission determined to conduct an expedited review of the order.<sup>11</sup> Domestic Producer also submitted final comments in this review pursuant to Commission rule 207.62(b) on January 29, 2021.

U.S. industry data are based on the information that the Domestic Producer submitted in response to the notice of institution that is believed to account for \*\*\* percent of domestic production of crepe paper in 2019.<sup>12</sup> U.S. import data and related information are based on Commerce official import statistics.<sup>13</sup> Foreign industry data and related information are based

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<sup>5</sup> *Certain Crepe Paper Products from China*, Inv. No. 731-TA-1070A (Review), USITC Pub. 4148 (Apr. 2010) (“First Review Determination”).

<sup>6</sup> *Certain Crepe Paper Products from China: Continuation of the Antidumping Duty Order*, 75 Fed. Reg. 26919 (May 13, 2010).

<sup>7</sup> *Crepe Paper From China: Institution of a Five-Year Review*, 80 Fed. Reg. 17499 (Apr. 1, 2015).

<sup>8</sup> *Crepe Paper from China*, Inv. No. 731-TA-1070A (Second Review), USITC Pub. 4560 (Aug. 2015) (“Second Review Determination”).

<sup>9</sup> *Certain Crepe Paper Products from China: Continuation of the Antidumping Duty Order*, 80 Fed. Reg. 57149 (Sept. 22, 2015).

<sup>10</sup> *Crepe Paper From China: Institution of a Five-Year Review*, 85 Fed. Reg. 46715 (Aug. 3, 2020).

<sup>11</sup> *Crepe Paper From China: Scheduling of Expedited Five-Year Review*, 86 Fed. Reg. 7411 (Jan. 28, 2021).

<sup>12</sup> Confidential Report, INV-SS-124 (Oct. 26, 2020) (“CR”) and Public Report, USITC Pub. 5163 (Feb. 2021) (“PR”) at I-10.

<sup>13</sup> CR/PR at I-13.

on information that the Domestic Producer provided in its response to the notice of institution and on public information compiled by Commission staff.<sup>14</sup>

## II. Domestic Like Product and Industry

### A. Domestic Like Product

In making its determination under section 751(c) of the Tariff Act, the Commission defines the “domestic like product” and the “industry.”<sup>15</sup> The Tariff Act defines “domestic like product” as “a product which is like, or in the absence of like, most similar in characteristics and uses with, the article subject to an investigation under this subtitle.”<sup>16</sup> The Commission’s practice in five-year reviews is to examine the domestic like product definition from the original investigation and consider whether the record indicates any reason to revisit the prior findings.<sup>17</sup>

Commerce has defined the imported merchandise within the scope of the order under review as follows:

For purposes of the order, the term “certain crepe paper” includes crepe paper products that have a basis weight not exceeding 29 grams per square meter prior to being creped and, if appropriate, flame-proofed. Crepe paper has a finely wrinkled surface texture and typically but not exclusively is treated to be flame-retardant. Crepe paper is typically but not exclusively produced as streamers in roll form and packaged in plastic bags. Crepe paper may or may not be bleached, dye colored, surface-colored, surface decorated or printed, glazed, sequined, embossed, die-cut, and/or flame retardant. Subject crepe paper may be rolled, flat or folded, and may be packaged by banding or wrapping with

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<sup>14</sup> See CR/PR at Table I-5 Source, I-17 n.60.

<sup>15</sup> 19 U.S.C. § 1677(4)(A).

<sup>16</sup> 19 U.S.C. § 1677(10); see, e.g., *Cleo Inc. v. United States*, 501 F.3d 1291, 1299 (Fed. Cir. 2007); *NEC Corp. v. Dep’t of Commerce*, 36 F. Supp. 2d 380, 383 (Ct. Int’l Trade 1998); *Nippon Steel Corp. v. United States*, 19 CIT 450, 455 (1995); *Timken Co. v. United States*, 913 F. Supp. 580, 584 (Ct. Int’l Trade 1996); *Torrington Co. v. United States*, 747 F. Supp. 744, 748-49 (Ct. Int’l Trade 1990), *aff’d*, 938 F.2d 1278 (Fed. Cir. 1991); see also S. Rep. No. 249, 96<sup>th</sup> Cong., 1<sup>st</sup> Sess. 90-91 (1979).

<sup>17</sup> See, e.g., *Internal Combustion Industrial Forklift Trucks from Japan*, Inv. No. 731-TA-377 (Second Review), USITC Pub. 3831 at 8-9 (Dec. 2005); *Crawfish Tail Meat from China*, Inv. No. 731-TA-752 (Review), USITC Pub. 3614 at 4 (July 2003); *Steel Concrete Reinforcing Bar from Turkey*, Inv. No. 731-TA-745 (Review), USITC Pub. 3577 at 4 (Feb. 2003).

paper, by placing in plastic bags, and/or by placing in boxes for distribution and use by the ultimate consumer. Packages of crepe paper subject to this order may consist solely of crepe paper of one color and/or style, or may contain multiple colors and/or styles.<sup>18</sup>

The scope definition in this review is unchanged from Commerce’s scope definition in the original investigation and prior reviews.

Crepe paper products are manufactured from lightweight, flat tissue paper using a wet creping process that imparts a regular, finely wrinkled surface to the paper.<sup>19</sup> Subject crepe paper may be colored, decorated, or customized in a variety of ways; it is typically cut into streamers that are used for decorative purposes.<sup>20</sup> The crepe paper products at issue in this review are distinguishable from the dry creped tissue paper used for sanitary and other household purposes and the creped kraft papers used in industrial applications such as air, fuel, and oil filters.<sup>21</sup>

In its original determination and prior reviews, the Commission defined a single domestic like product consisting of crepe paper, coextensive with the scope defined by Commerce.<sup>22</sup> In the current review, the Domestic Producer agrees with the Commission’s definition of the domestic like product from the original investigation and prior reviews.<sup>23</sup> There is no new information obtained during this review that would suggest any reason to revisit the Commission’s domestic like product definition from the prior proceedings.<sup>24</sup> Therefore, we define the domestic like product as crepe paper, coextensive with Commerce’s scope definition.

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<sup>18</sup> *Certain Crepe Paper Products From the People’s Republic of China: Final Results of the Expedited Third Sunset Review of the Antidumping Duty Order*, 85 Fed. Reg. 78828 (Dec. 7, 2020) (“*Commerce Final Review Determination*”).

<sup>19</sup> CR/PR at I-7-8.

<sup>20</sup> CR/PR at I-7.

<sup>21</sup> CR/PR at I-7.

<sup>22</sup> Final Determination, USITC Pub. 3749 at 6; First Review Determination, USITC Pub. 4148 at 5; Second Review Determination USITC Pub. 4560 at 5. In the original investigation, the Commission found that tissue and crepe paper were distinct products based on physical characteristics, end uses, limited interchangeability, differences in producer perceptions, different production processes, facilities and employees, and price disparities. Final Determination, USITC Pub. 3749 at 6.

<sup>23</sup> Domestic Producer Confidential Response to Notice of Institution, EDIS Doc. 718666 (“*Response*”) at 6.

<sup>24</sup> See CR/PR at I-7-8.

## **B. Domestic Industry**

Section 771(4)(A) of the Tariff Act defines the relevant industry as the domestic “producers as a whole of a domestic like product, or those producers whose collective output of a domestic like product constitutes a major proportion of the total domestic production of the product.”<sup>25</sup> In defining the domestic industry, the Commission’s general practice has been to include in the industry producers of all domestic production of the like product, whether toll-produced, captively consumed, or sold in the domestic merchant market.

In the original investigation and prior reviews, the Commission defined the domestic industry as consisting of all domestic producers of crepe paper and did not exclude any related parties under 19 U.S.C. § 1677(4)(B).<sup>26</sup> There are no related party or other domestic industry issues in this review.<sup>27</sup> Accordingly, we define the domestic industry as all domestic producers of crepe paper. Seaman Paper is \*\*\* domestic producer of crepe paper.<sup>28</sup>

## **III. Revocation of the Antidumping Duty Order Would Likely Lead to Continuation or Recurrence of Material Injury Within a Reasonably Foreseeable Time**

### **A. Legal Standards**

In a five-year review conducted under section 751(c) of the Tariff Act, Commerce will revoke an antidumping or countervailing duty order unless: (1) it makes a determination that dumping or subsidization is likely to continue or recur and (2) the Commission makes a determination that revocation of the antidumping or countervailing duty order “would be likely to lead to continuation or recurrence of material injury within a reasonably foreseeable time.”<sup>29</sup> The Uruguay Round Agreements Act (“URAA”) Statement of Administrative Action (“SAA”) states that “under the likelihood standard, the Commission will engage in a counterfactual

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<sup>25</sup> 19 U.S.C. § 1677(4)(A). The definitions in 19 U.S.C. § 1677 are applicable to the entire subtitle containing the antidumping and countervailing duty laws, including 19 U.S.C. §§ 1675 and 1675a. See 19 U.S.C. § 1677.

<sup>26</sup> Final Determination, USITC Pub. 3749 at 6-7; First Review Determination, USITC Pub. 4148 at 5-6; Second Review Determination USITC Pub. 4560 at 5.

<sup>27</sup> See Response at 5 (Seaman Paper imported no subject merchandise during the period of review).

<sup>28</sup> CR/PR at I-10.

<sup>29</sup> 19 U.S.C. § 1675a(a).

analysis; it must decide the likely impact in the reasonably foreseeable future of an important change in the status quo – the revocation or termination of a proceeding and the elimination of its restraining effects on volumes and prices of imports.”<sup>30</sup> Thus, the likelihood standard is prospective in nature.<sup>31</sup> The U.S. Court of International Trade has found that “likely,” as used in the five-year review provisions of the Act, means “probable,” and the Commission applies that standard in five-year reviews.<sup>32</sup>

The statute states that “the Commission shall consider that the effects of revocation or termination may not be imminent, but may manifest themselves only over a longer period of time.”<sup>33</sup> According to the SAA, a “‘reasonably foreseeable time’ will vary from case-to-case, but normally will exceed the ‘imminent’ timeframe applicable in a threat of injury analysis in original investigations.”<sup>34</sup>

Although the standard in a five-year review is not the same as the standard applied in an original investigation, it contains some of the same fundamental elements. The statute provides that the Commission is to “consider the likely volume, price effect, and impact of

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<sup>30</sup> SAA, H.R. Rep. No. 103-316, vol. I at 883-84 (1994). The SAA states that “{t}he likelihood of injury standard applies regardless of the nature of the Commission’s original determination (material injury, threat of material injury, or material retardation of an industry). Likewise, the standard applies to suspended investigations that were never completed.” *Id.* at 883.

<sup>31</sup> While the SAA states that “a separate determination regarding current material injury is not necessary,” it indicates that “the Commission may consider relevant factors such as current and likely continued depressed shipment levels and current and likely continued {sic} prices for the domestic like product in the U.S. market in making its determination of the likelihood of continuation or recurrence of material injury if the order is revoked.” SAA at 884.

<sup>32</sup> See *NMB Singapore Ltd. v. United States*, 288 F. Supp. 2d 1306, 1352 (Ct. Int’l Trade 2003) (“‘likely’ means probable within the context of 19 U.S.C. § 1675(c) and 19 U.S.C. § 1675a(a)”), *aff’d mem.*, 140 Fed. Appx. 268 (Fed. Cir. 2005); *Nippon Steel Corp. v. United States*, 26 CIT 1416, 1419 (2002) (same); *Usinor Industeel, S.A. v. United States*, 26 CIT 1402, 1404 nn.3, 6 (2002) (“more likely than not” standard is “consistent with the court’s opinion;” “the court has not interpreted ‘likely’ to imply any particular degree of ‘certainty’”); *Indorama Chemicals (Thailand) Ltd. v. United States*, 26 CIT 1059, 1070 (2002) (“standard is based on a likelihood of continuation or recurrence of injury, not a certainty”); *Usinor v. United States*, 26 CIT 767, 794 (2002) (“‘likely’ is tantamount to ‘probable,’ not merely ‘possible’”).

<sup>33</sup> 19 U.S.C. § 1675a(a)(5).

<sup>34</sup> SAA at 887. Among the factors that the Commission should consider in this regard are “the fungibility or differentiation within the product in question, the level of substitutability between the imported and domestic products, the channels of distribution used, the methods of contracting (such as spot sales or long-term contracts), and lead times for delivery of goods, as well as other factors that may only manifest themselves in the longer term, such as planned investment and the shifting of production facilities.” *Id.*

imports of the subject merchandise on the industry if the orders are revoked or the suspended investigation is terminated.”<sup>35</sup> It directs the Commission to take into account its prior injury determination, whether any improvement in the state of the industry is related to the order or the suspension agreement under review, whether the industry is vulnerable to material injury if an order is revoked or a suspension agreement is terminated, and any findings by Commerce regarding duty absorption pursuant to 19 U.S.C. § 1675(a)(4).<sup>36</sup> The statute further provides that the presence or absence of any factor that the Commission is required to consider shall not necessarily give decisive guidance with respect to the Commission’s determination.<sup>37</sup>

In evaluating the likely volume of imports of subject merchandise if an order under review is revoked and/or a suspended investigation is terminated, the Commission is directed to consider whether the likely volume of imports would be significant either in absolute terms or relative to production or consumption in the United States.<sup>38</sup> In doing so, the Commission must consider “all relevant economic factors,” including four enumerated factors: (1) any likely increase in production capacity or existing unused production capacity in the exporting country; (2) existing inventories of the subject merchandise, or likely increases in inventories; (3) the existence of barriers to the importation of the subject merchandise into countries other than the United States; and (4) the potential for product shifting if production facilities in the foreign country, which can be used to produce the subject merchandise, are currently being used to produce other products.<sup>39</sup>

In evaluating the likely price effects of subject imports if an order under review is revoked and/or a suspended investigation is terminated, the Commission is directed to consider whether there is likely to be significant underselling by the subject imports as compared to the domestic like product and whether the subject imports are likely to enter the United States at prices that otherwise would have a significant depressing or suppressing effect on the price of the domestic like product.<sup>40</sup>

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<sup>35</sup> 19 U.S.C. § 1675a(a)(1).

<sup>36</sup> 19 U.S.C. § 1675a(a)(1). Commerce has not made any duty absorption findings. *Commerce Final Review Determination*, (Dec. 7, 2020).

<sup>37</sup> 19 U.S.C. § 1675a(a)(5). Although the Commission must consider all factors, no one factor is necessarily dispositive. SAA at 886.

<sup>38</sup> 19 U.S.C. § 1675a(a)(2).

<sup>39</sup> 19 U.S.C. § 1675a(a)(2)(A-D).

<sup>40</sup> See 19 U.S.C. § 1675a(a)(3). The SAA states that “{c}onsistent with its practice in investigations, in considering the likely price effects of imports in the event of revocation and (Continued...)

In evaluating the likely impact of imports of subject merchandise if an order under review is revoked and/or a suspended investigation is terminated, the Commission is directed to consider all relevant economic factors that are likely to have a bearing on the state of the industry in the United States, including but not limited to the following: (1) likely declines in output, sales, market share, profits, productivity, return on investments, and utilization of capacity; (2) likely negative effects on cash flow, inventories, employment, wages, growth, ability to raise capital, and investment; and (3) likely negative effects on the existing development and production efforts of the industry, including efforts to develop a derivative or more advanced version of the domestic like product.<sup>41</sup> All relevant economic factors are to be considered within the context of the business cycle and the conditions of competition that are distinctive to the industry. As instructed by the statute, we have considered the extent to which any improvement in the state of the domestic industry is related to the order under review and whether the industry is vulnerable to material injury upon revocation.<sup>42</sup>

No respondent interested party participated in this expedited review. The record, therefore, contains limited new information with respect to the crepe paper industry in China. There also is limited information on the crepe paper market in the United States during the period of review. Accordingly, for our determination, we rely as appropriate on the facts available from the original investigation and prior reviews, and the limited new information on the record in this third five-year review.

## **B. Conditions of Competition and the Business Cycle**

In evaluating the likely impact of the subject imports on the domestic industry if an order is revoked, the statute directs the Commission to consider all relevant economic factors “within the context of the business cycle and conditions of competition that are distinctive to the affected industry.”<sup>43</sup> The following conditions of competition inform our determination.

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(...Continued)

termination, the Commission may rely on circumstantial, as well as direct, evidence of the adverse effects of unfairly traded imports on domestic prices.” SAA at 886.

<sup>41</sup> 19 U.S.C. § 1675a(a)(4).

<sup>42</sup> The SAA states that in assessing whether the domestic industry is vulnerable to injury if the order is revoked, the Commission “considers, in addition to imports, other factors that may be contributing to overall injury. While these factors, in some cases, may account for the injury to the domestic industry, they may also demonstrate that an industry is facing difficulties from a variety of sources and is vulnerable to dumped or subsidized imports.” SAA at 885.

<sup>43</sup> 19 U.S.C. § 1675a(a)(4).



## 1. Demand Conditions

In the original investigation, the Commission found that demand for crepe paper was unchanged over the January 2001 to September 2004 period of investigation (“POI”).<sup>44</sup> In the first review, information on the record indicated that demand was relatively steady, but had declined during the latter portion of the period of review due to the general economic downturn.<sup>45</sup> The Commission found that demand for crepe paper was generally tied to the U.S. economy, reasoning that consumers tend to spend less on party supplies when the economy is down.<sup>46</sup> In the second review, the Commission found that the conditions of competition that influence demand for crepe paper had not significantly changed since the original investigation and first review, and that demand for crepe paper remained heavily reliant on the strength of the U.S. economy and consumer spending.<sup>47</sup>

Available information in this review indicates that the conditions of competition that influence demand for crepe paper have not changed significantly since the original investigation and prior reviews.<sup>48</sup> Reliable data concerning apparent U.S. consumption are unavailable in this review due to the lack of a precise HTS classification for crepe paper.<sup>49</sup> The record indicates that demand for crepe paper continues to be tied to the strength of the U.S. economy as measured by consumer spending.<sup>50</sup> The Domestic Producer reported that demand \*\*\* during the period of review, but ended the period \*\*\* in 2019 than in 2015 due to \*\*\*, and decreased in 2020 due to the COVID-19 pandemic.<sup>51</sup> It does not anticipate any significant increases in demand.<sup>52</sup>

## 2. Supply Conditions

In the original investigation, the Commission found that the U.S. market was supplied only by domestic production and subject imports, as there were no reported nonsubject

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<sup>44</sup> Final Determination, USITC Pub. 3749 at 8.

<sup>45</sup> First Review Determination, USITC Pub. 4148 at 8.

<sup>46</sup> First Review Determination, USITC Pub. 4148 at 8.

<sup>47</sup> Second Review Determination, USITC Pub. 4560 at 9.

<sup>48</sup> *Compare* CR/PR at App. D *with* Response at 8.

<sup>49</sup> CR/PR at I-14. The Domestic Producer’s commercial shipments, which would have accounted for most apparent U.S. consumption, \*\*\* square meters in 2015 to \*\*\* square meters in 2016, \*\*\* in 2017 and 2018 to \*\*\*, respectively, and \*\*\* square meters in 2019. Response at 20-21.

<sup>50</sup> Response at 19.

<sup>51</sup> Response at 15, Exhibit 4 at 21-22; CR/PR at App. D at 3-4.

<sup>52</sup> Response at 21.

imports during the POI. The Commission also found that the domestic industry's share of apparent U.S. consumption fell substantially over the POI and that its production capacity remained stable until 2004.<sup>53</sup> In the first review, information on the record indicated that subject imports had retreated from the U.S. market, and there was still no evidence of nonsubject imports of crepe paper.<sup>54</sup> In the second review, the Commission found that subject imports remained in the U.S. market at very low levels and that there continued to be no evidence of nonsubject imports.<sup>55</sup> Information on the record also indicated that the domestic crepe paper industry had consolidated since the prior review.<sup>56</sup>

In the current review, the record indicates that the domestic industry satisfied \*\*\* demand in the U.S. market and possessed \*\*\* unused capacity, \*\*\* square meters in 2019, with which it could satisfy any increase in demand.<sup>57</sup> The record further indicates that subject imports remained in the U.S. market at low levels and that nonsubject imports continued to be largely absent from the market during the period of review.<sup>58</sup> The Domestic Producer confirms that subject imports have not returned to the U.S. market in commercially significant volumes since imposition of the antidumping duty order, and that nonsubject imports do not have a meaningful presence in the market.<sup>59</sup>

### 3. Substitutability and Other Conditions

In the original investigation, the Commission found that there was a high degree of substitutability between domestically produced crepe paper and subject imports from China.<sup>60</sup>

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<sup>53</sup> Final Determination, USITC Pub. 3749 at 9. The domestic industry's capacity decreased in interim 2004 when a domestic producer idled \*\*\* of its capacity. *Id.* at 9; Confidential Final Determination, EDIS Doc. 717289 at 13 & n.59.

<sup>54</sup> First Review Determination, USITC Pub. 4148 at 8.

<sup>55</sup> Second Review Determination, USITC Pub. 4560 at 9-10.

<sup>56</sup> Second Review Determination, USITC Pub. 4560 at 9.

<sup>57</sup> Response at 20-21; CR/PR at D-3.

<sup>58</sup> Although the record contains no reliable data on U.S. imports of crepe paper from China, CR/PR at I-7, official Commerce statistics indicate that U.S. imports of kraft paper from China, which include crepe paper and out-of-scope merchandise, increased irregularly from 187,000 kilograms in 2015 to 192,000 kilograms in 2019. *Id.* at Table I-4. While we recognize that these data overstate the volume of imports of crepe paper from China, *see* Response at 14, we find the data consistent with the continued presence of subject imports in the U.S. market. *See id.* These data are also consistent with information that a major Chinese producer and exporter of crepe paper considers the United States to be among its main international markets. Response at 25, Exhibit 9.

<sup>59</sup> Response at 20 & n.57.

<sup>60</sup> Final Determination, USITC Pub. 3749 at 10.

All domestic producers and the majority of purchasers reported that domestic crepe paper and subject imports were “always” interchangeable, and purchasers reported that price was one of the most important factors in purchasing decisions.<sup>61</sup> The Commission observed that U.S. producers’ shipments to distributors, and to a lesser extent to retailers, decreased during the POI, whereas their shipments to end users increased.<sup>62</sup> It further noted that U.S. shipments of subject merchandise increased to retailers and decreased to end users.<sup>63</sup> The Commission found that subject imports and the domestic like product competed directly in all channels of distribution and that such competition appeared to be growing, particularly in sales to retailers.<sup>64</sup>

In the first review, the record indicated that there continued to be a high degree of substitutability between domestically produced crepe paper and subject imports and that price continued to be an important factor in purchasing decisions.<sup>65</sup> Information on the record also indicated that overlapping channels of distribution continued to exist in the U.S. market.<sup>66</sup>

In the second review, the Commission found that, absent any evidence of a change since the prior proceedings, there was a high degree of substitutability between domestic and subject crepe paper, and that price continued to be an important factor in purchasing decisions.<sup>67</sup>

In this review, the Domestic Producer maintains that there continues to be a high degree of substitutability between domestically produced crepe paper and subject imports and that, as a consequence, price remains an important factor in purchasing decisions.<sup>68</sup> The limited information available in this review does not indicate that the substitutability between subject and domestic crepe paper or the importance of price to purchasers has changed since the original investigation and prior reviews. Accordingly, we again find that there is a high degree of substitutability between domestic and subject crepe paper, and that price continues to be an important factor in purchasing decisions.

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<sup>61</sup> Final Determination, USITC Pub. 3749 at 10.

<sup>62</sup> Final Determination, USITC Pub. 3749 at 9.

<sup>63</sup> Final Determination, USITC Pub. 3749 at 9.

<sup>64</sup> Final Determination, USITC Pub. 3749 at 9.

<sup>65</sup> First Review Determination, USITC Pub. 4148 at 10.

<sup>66</sup> First Review Determination, USITC Pub. 4148 at 9.

<sup>67</sup> Second Review Determination, USITC Pub. 4560 at 10.

<sup>68</sup> Response at 8.

On September 24, 2018, subject imports became subject to an additional 10 percent *ad valorem* duty under Section 301 of the Trade Act of 1974.<sup>69</sup> As of May 10, 2019, this duty was increased to 25 percent *ad valorem*.<sup>70</sup>

### C. Likely Volume of Subject Imports

In the original investigation, subject import volume increased sharply throughout the POI, rising from 3.8 million square meters in 2001 to 12.2 million square meters in 2002 and 20.8 million square meters in 2003. The increase between 2001 and 2003 was more than fourfold – approximately 444 percent.<sup>71</sup> The market share held by subject imports also increased over the POI, and the increase coincided precisely with the decrease in the market share held by the domestic industry.<sup>72</sup> The Commission concluded that the volume of subject imports, and the increase in that volume, was significant, both in absolute terms and relative to U.S. consumption and production.<sup>73</sup>

In the first review, the Commission found that the imposition of the antidumping duty order had a disciplining effect on subject imports.<sup>74</sup> It observed that available data on the record suggested that the Chinese crepe paper industry's capacity had increased and that Chinese producers remained export oriented and interested in the U.S. market.<sup>75</sup> The Commission concluded that the volume of subject imports would likely be significant and would likely increase significantly should the order be revoked.<sup>76</sup>

In the second review, the Commission found that the imposition of the antidumping duty order continued to have a disciplining effect on subject imports.<sup>77</sup> Based on the available

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<sup>69</sup> *Notice of Modification of Section 301 Action: China's Acts, Policies, and Practices Related to Technology Transfer, Intellectual Property, and Innovation*, 83 Fed. Reg. 47974 (Sept. 21, 2018). See CR/PR at I-7.

<sup>70</sup> *Notice of Modification of Section 301 Action: China's Acts, Policies, and Practices Related to Technology Transfer, Intellectual Property, and Innovation*, 84 Fed. Reg. 20459 (May 9, 2019). See CR/PR at I-7.

<sup>71</sup> Final Determination, USITC Pub. 3749 at 10.

<sup>72</sup> Final Determination, USITC Pub. 3749 at 10. The domestic industry's market share declined from \*\*\* percent in 2001 to \*\*\* percent in 2002 and to \*\*\* percent in 2003. In interim 2004, the domestic market share dipped below \*\*\* percent. *Id.*; Confidential Final Determination, EDIS Doc. 717289 at 15.

<sup>73</sup> Final Determination, USITC Pub. 3749 at 10.

<sup>74</sup> First Review Determination, USITC Pub. 4148 at 11-12.

<sup>75</sup> First Review Determination, USITC Pub. 4148 at 11-12.

<sup>76</sup> First Review Determination, USITC Pub. 4148 at 12.

<sup>77</sup> Second Review Determination, USITC Pub. 4560 at 12.

information, the Commission found that Chinese producers of crepe paper had increased their capacity since the first review and had the ability to shift production from other products to crepe paper.<sup>78</sup> It also found that Chinese producers had an incentive to increase exports to the U.S. market after revocation in light of their export orientation and \*\*\*.<sup>79</sup> The Commission concluded that the likely volume of subject imports, both in absolute terms and relative to production and consumption in the United States, would likely be significant within the reasonably foreseeable future if the order were revoked.<sup>80</sup>

The information available in this review indicates that the order continues to have a disciplining effect on the volume of subject imports. According to official Commerce statistics, U.S. imports of kraft paper from China, which include crepe paper and out-of-scope merchandise, increased irregularly from 187,000 kilograms in 2015 to 466,000 kilograms in 2017 before declining to 192,000 kilograms in 2019.<sup>81</sup> Imports of kraft paper from China in 2019, though overstated as a measure of subject imports of crepe paper from China, remained well below their pre-order peak volume of 355,000 kilograms in 2002.<sup>82</sup>

The record in the current review does not contain current data specific to crepe paper production or capacity in China because subject producers did not participate in this review.<sup>83</sup> Nonetheless, the information available indicates that Chinese producers of crepe paper maintain substantial capacity to produce crepe paper, and also substantial capacity to produce tissue paper that could be shifted to the production of crepe paper.<sup>84</sup> China also exports substantial volumes of crepe paper and related products, and ranks among the leading global exporters of such products.<sup>85</sup> Moreover, the record also suggests that Chinese producers would

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<sup>78</sup> Second Review Determination, USITC Pub. 4560 at 12.

<sup>79</sup> Second Review Determination, USITC Pub. 4560 at 12; Confidential Second Review Determination, EDIS Doc. 564706 at 16-17.

<sup>80</sup> Second Review Determination, USITC Pub. 4560 at 12.

<sup>81</sup> CR/PR at Table I-4.

<sup>82</sup> Confidential Report, Crepe Paper from China, Inv. No. 731-TA-1070A (Second Review), EDIS Doc. No. 717294 at I-16.

<sup>83</sup> CR/PR at I-15. The record also does not contain current information about inventories of the subject merchandise. See CR/PR at App. C. In addition, there are no outstanding antidumping or countervailing duty orders in other markets on crepe paper from China. CR/PR at I-17.

<sup>84</sup> CR/PR at I-15; Response at 23-28, Exhibits 2 (listing known producers of subject merchandise in China), 9.

<sup>85</sup> CR/PR at Table I-6. We recognize that data on global exports of crepe paper by major sources includes exports of out-of-scope products, and is therefore overstated. CR/PR at I-17. The Domestic Producer provided information on seven Chinese producers, including two that claim to export 90 to (Continued...)

have the incentive to increase their exports to the United States if the order were revoked, due to the attractiveness of the large U.S. market; the United States is the world's largest market for crepe paper, according to the Domestic Producer.<sup>86</sup>

Based on the significant increase in the volume and market share of subject imports during the original investigation, the substantial production capacity and unused capacity of subject producers at the end of the original investigation, the ability of subject producers to increase production, the evidence on the record of the subject industry's current capacity to produce crepe paper, and the export orientation of the subject industry, we find that subject producers have the ability and incentive to increase their exports to the United States if the order were revoked. Therefore, we find that the likely volume of subject imports, both in absolute terms and relative to production and consumption in the United States, would likely be significant within the reasonably foreseeable future if the order were revoked.<sup>87</sup>

#### **D. Likely Price Effects**

In the original investigation, the Commission found that the domestic like product and subject imports were highly interchangeable and that price played an important role in purchasing decisions.<sup>88</sup> The Commission also observed that several significant purchasers confirmed that they switched from domestic to subject sources to take advantage of lower prices and that domestic producers lowered their prices to compete with subject imports.<sup>89</sup> Domestic producers lost market share to subject imports.<sup>90</sup> The Commission expressed concern with the comparability of the domestic and subject import pricing data given that these data showed subject imports primarily overselling the domestic like product, despite other evidence on the record showing that subject imports were lower priced.<sup>91</sup> It concluded that because the

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(...Continued)

100 percent of their production and two that tout their export prowess. See Response at 24-26, Exhibit 9.

<sup>86</sup> Response at 28.

<sup>87</sup> While Section 301 tariffs currently impose a 25 percent *ad valorem* duty on subject imports, no U.S. purchaser or the Domestic Producer reported that these tariffs have had an effect on either the supply of or demand for subject imports or that they anticipated such effects in the reasonably foreseeable future. CR/PR at D-3-4; see Response at 18-29. We also observe that, notwithstanding Section 301 tariffs, subject imports have remained in the U.S. market.

<sup>88</sup> Final Determination, USITC Pub. 3749 at 11.

<sup>89</sup> Final Determination, USITC Pub. 3749 at 11.

<sup>90</sup> Final Determination, USITC Pub. 3749 at 10, 13.

<sup>91</sup> Final Determination, USITC Pub. 3749 at 12. The pricing data showed more overselling than underselling by subject imports. *Id.*

domestic industry made a greater proportion of its sales to distributors than did importers, domestic producers had lower weighted average prices.<sup>92</sup> The Commission did not find significant underselling by subject imports, but found that subject imports had significant price suppressing effects because significant price competition by the rapidly increasing volume of subject imports forced the domestic industry to spread its fixed costs over reduced sales volume and prevented it from raising prices.<sup>93</sup>

In the first review, the Commission found again that subject imports were highly interchangeable with the domestic like product and that price continued to be an important factor in purchasing decisions.<sup>94</sup> It found that if the order were revoked, subject imports would likely compete with the domestic like product on the basis of price, as they did in the original investigation, in order to gain market share.<sup>95</sup> The Commission concluded that if the order were revoked, subject imports would likely increase significantly and would likely have depressing or suppressing effects on prices for the domestic like product.<sup>96</sup>

In the second review, the Commission found that subject imports remained highly substitutable with the domestic like product and that price continued to be an important factor in purchasing decisions.<sup>97</sup> It found that, if the order were revoked, Chinese producers were likely to increase their exports to the U.S. market to a significant level and compete with the domestic like product on the basis of price in order to gain market share, as they did in the original investigation.<sup>98</sup> The Commission concluded that if the order were revoked, subject imports would likely increase significantly and would likely have a depressing or suppressing effect on prices for the domestic like product.<sup>99</sup>

There is no new product-specific pricing information on the record in this review. As explained above, the record indicates that crepe paper produced in the United States and in China remain highly substitutable and that price continues to be an important factor in purchasing decisions. Given these conditions of competition, if the order were revoked Chinese producers would likely price aggressively in order to regain sales. Consequently, we find that if the order were revoked the likely significant volume of subject imports would compete with the

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<sup>92</sup> Final Determination, USITC Pub. 3749 at 12.

<sup>93</sup> Final Determination, USITC Pub. 3749 at 12-13.

<sup>94</sup> First Review Determination, USITC Pub. 4148 at 13-14.

<sup>95</sup> First Review Determination, USITC Pub. 4148 at 13-14.

<sup>96</sup> First Review Determination, USITC Pub. 4148 at 13-14.

<sup>97</sup> Second Review Determination, USITC Pub. 4560 at 13.

<sup>98</sup> Second Review Determination, USITC Pub. 4560 at 13.

<sup>99</sup> Second Review Determination, USITC Pub. 4560 at 13.

domestic like product on the basis of price, as they did during the original investigation. In addition, we find that, absent the disciplining effects of the antidumping duty order, subject imports would have a depressing or suppressing effect on prices for the domestic like product and/or cause domestic producers to lose sales and market share, as they did during the original investigation.

#### **E. Likely Impact**

In the original investigation, the Commission found that virtually every indicator of the domestic industry's condition showed declines over the POI. There were declines in production, capacity, output, capacity utilization, shipment volumes, and employment indicators.<sup>100</sup> The Commission also found that the domestic industry's financial condition worsened considerably over the POI.<sup>101</sup> It concluded that subject imports had a significant adverse impact on the domestic industry.<sup>102</sup>

In the first review, the Commission found that the high volume of low-priced subject imports that would likely re-enter the U.S. market if the order were revoked would have a significant adverse impact on the domestic industry. It found that the domestic industry would likely lose market share to subject imports and that this would likely have an adverse impact on the domestic industry's production, shipments, sales, revenue, and employment, as it did in the original investigation.<sup>103</sup>

In the second review, the Commission found that the information on the record indicated that the domestic industry had shown a slight improvement in its operating and financial performance since the original investigation and first review.<sup>104</sup> The Commission found that if the order were revoked, the likely significant volume and price effects of the subject imports would likely have a significant impact on the production, shipments, sales, market share, and revenue of the domestic industry.<sup>105</sup> It found that these declines would likely have an adverse impact on the domestic industry's profitability and employment, its ability to raise capital, its ability to make and maintain capital investments, and its ability to fund research and

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<sup>100</sup> Final Determination, USITC Pub. 3749 at 13.

<sup>101</sup> Final Determination, USITC Pub. 3749 at 13-14.

<sup>102</sup> Final Determination, USITC Pub. 3749 at 14.

<sup>103</sup> First Review Determination, USITC Pub. 4148 at 15.

<sup>104</sup> Second Review Determination, USITC Pub. 4560 at 14.

<sup>105</sup> Second Review Determination, USITC Pub. 4560 at 14.



development.<sup>106</sup> It concluded that if the antidumping duty order were revoked, subject imports would likely have a significant impact on the domestic industry within a reasonably foreseeable time.<sup>107</sup>

In this expedited review, the information available concerning the condition of the domestic industry, including its financial performance, consists of the data provided by the Domestic Producer in its response to the notice of institution. The limited record in this review is insufficient for us to determine whether the domestic industry is vulnerable to the continuation or recurrence of material injury in the event of revocation of the order.

The information on the record indicates that the domestic industry has improved its performance since the original investigation and first review but experienced declines in its performance since the second review. In 2019, the domestic industry's capacity remained the same as in 2014, at \*\*\* square meters, but higher than in 2008 or 2003.<sup>108</sup> The domestic industry produced \*\*\* square meters of crepe paper in 2019 and had a capacity utilization of \*\*\* percent.<sup>109</sup> Both figures are lower than in 2014 but higher than in 2008 or 2003.<sup>110</sup> Domestic shipments totaled \*\*\* square meters in 2019, a level lower than in 2014 but greater than in 2008 or 2003.<sup>111</sup> Although the domestic industry remained \*\*\* at the end of the period of review, it reported lower operating income in 2019 at \$\*\*\* (equivalent to \*\*\* percent of net sales) than in 2014 or 2008.<sup>112</sup> The industry experienced \*\*\* in 2003.<sup>113</sup>

Based on the limited record of this expedited review, we find that if the order were revoked, the likely significant volume and price effects of the subject imports would likely have a significant impact on the production, shipments, sales, market share, and revenue of the domestic industry. These declines would likely impact the domestic industry's profitability and employment, its ability to raise capital, and to make and maintain capital investments.

We also have considered the role of factors other than subject imports, including the presence of nonsubject imports, so as not to attribute injury from other factors to the subject imports. The available data indicate that nonsubject imports are not present in the U.S. market

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<sup>106</sup> Second Review Determination, USITC Pub. 4560 at 14.

<sup>107</sup> Second Review Determination, USITC Pub. 4560 at 14.

<sup>108</sup> CR/PR at Table I-3.

<sup>109</sup> CR/PR at Table I-3.

<sup>110</sup> CR/PR at Table I-3.

<sup>111</sup> CR/PR at Table I-3.

<sup>112</sup> CR/PR at Table I-3. The domestic industry reported an operating income of \$\*\*\* (equivalent to \*\*\* percent of net sales) in 2014 and \$\*\*\* (equivalent to \*\*\* percent of net sales) in 2008. *Id.*

<sup>113</sup> CR/PR at Table I-3.

at appreciable levels.<sup>114</sup> We therefore conclude that the likely adverse effects of revocation we have identified would not be attributable to nonsubject imports.

Accordingly, we conclude that if the antidumping duty order were revoked, subject imports would likely have a significant impact on the domestic industry within a reasonably foreseeable time.

#### **IV. Conclusion**

For the above reasons, we determine that revocation of the antidumping duty order on crepe paper from China would likely lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.

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<sup>114</sup> See Response at 20.

# Information obtained in this review

## Background

On August 3, 2020, the U.S. International Trade Commission (“Commission”) gave notice, pursuant to section 751(c) of the Tariff Act of 1930, as amended (“the Act”),<sup>1</sup> that it had instituted a review to determine whether revocation of the antidumping duty order on certain crepe paper products (“crepe paper”) from China would be likely to lead to continuation or recurrence of material injury.<sup>2</sup> All interested parties were requested to respond to this notice by submitting certain information requested by the Commission.<sup>3</sup> <sup>4</sup> The following tabulation presents information relating to the background and schedule of this proceeding:

<b>Effective date</b>	<b>Action</b>
August 1, 2020	Notice of initiation by Commerce (85 FR 47185, August 4, 2020)
August 3, 2020	Notice of institution by Commission (85 FR 46715, August 3, 2020)
November 6, 2020	Commission’s vote on adequacy
December 2, 2020	Commerce’s results of its expedited review
February 22, 2021	Commission’s determination and views

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<sup>1</sup> 19 U.S.C. 1675(c).

<sup>2</sup> 85 FR 46715, August 3, 2020. In accordance with section 751(c) of the Act, the U.S. Department of Commerce (“Commerce”) published a notice of initiation of a five-year review of the subject antidumping duty order. 85 FR 47185, August 4, 2020. Pertinent Federal Register notices are referenced in app. A, and may be found at the Commission’s website ([www.usitc.gov](http://www.usitc.gov)).

<sup>3</sup> As part of their response to the notice of institution, interested parties were requested to provide company-specific information. That information is presented in app. B. Summary data compiled in the original investigation are presented in app. C.

<sup>4</sup> Interested parties were also requested to provide a list of three to five leading purchasers in the U.S. market for the subject merchandise. Presented in app. D are the responses received from purchaser surveys transmitted to the purchasers identified in this proceeding.

## Responses to the Commission’s notice of institution

### Individual responses

The Commission received one submission in response to its notice of institution in the subject review. It was filed on behalf of Seaman Paper Company of Massachusetts, Inc. (“Seaman Paper”), a domestic producer of crepe paper (referred to herein as the “domestic interested party”).

A complete response to the Commission’s notice of institution requires that the responding interested party submit to the Commission all the information listed in the notice. Responding firms are given an opportunity to remedy and explain any deficiencies in their responses. A summary of the number of responses and estimates of coverage for each is shown in table I-1.

**Table I-1**  
**Crepe paper: Summary of responses to the Commission’s notice of institution**

Type of interested party	Completed responses	
	Number of firms	Coverage
Domestic:		
U.S. producer	1	***0%

Note: The U.S. producer coverage figure presented is the domestic interested party’s estimate of its share of total U.S. production of crepe paper during 2019. Domestic interested party’s response to the notice of institution, September 2, 2020, p. 1.

### Party comments on adequacy

The Commission received party comments on the adequacy of responses to the notice of institution and whether the Commission should conduct an expedited or full review from Seaman Paper. Seaman Paper requests that the Commission conduct an expedited review of the antidumping duty order on crepe paper from China.<sup>5</sup>

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<sup>5</sup> Domestic interested party’s comments on adequacy, October 16, 2020, p. 2.

## **The original investigation and subsequent reviews**

### **The original investigation**

The original investigation resulted from a petition filed on February 17, 2004 with Commerce and the Commission by Seaman Paper, Otter River, Massachusetts; American Crepe Corporation (“American Crepe”), Montoursville, Pennsylvania; Eagle Tissue LLC, South Windsor, Connecticut; Flower City Tissue Mills Co., Rochester, New York; Garlock Printing & Converting, Inc., Gardner, Massachusetts; Paper Service Ltd., Hinsdale, New Hampshire; Putney Paper Co., Ltd., Putney, Vermont; and Paper, Allied-Industrial, Chemical and Energy Workers International Union AFL-CIO, CLC. The petition covered both certain tissue paper products (“tissue paper”) and crepe paper. However, the Commission’s investigation proceeded in two parts in the final phase – identified in the investigation number by the suffixes A for crepe paper and B for tissue paper – because Commerce found tissue paper and crepe paper to be separate products and conducted two separate investigations of the subject merchandise.<sup>6</sup> The petitioners in the original investigation with respect to crepe paper were domestic producers Seaman Paper and American Crepe.<sup>7</sup> On February 14, 2005, Commerce determined that imports of crepe paper from China were being sold at less than fair value (“LTFV”).<sup>8</sup> The Commission determined on January 18, 2005 that the domestic industry was materially injured by reason of LTFV imports of crepe paper from China.<sup>9</sup> On January 25, 2005, Commerce issued its antidumping duty order with the final weighted-average dumping margin of 266.83 percent.<sup>10</sup>

### **The first five-year review**

On March 8, 2010, the Commission determined that it would conduct an expedited review of the antidumping duty order on crepe paper from China.<sup>11</sup> On March 29, 2010,

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<sup>6</sup> Certain Crepe Paper Products from China, Inv. No. 731-TA-1070A (Final), USITC Publication 3749, January 2005 (“Original publication”), p. 3. Moreover, Commerce made an earlier determination with respect to its crepe paper investigation. Certain Tissue Paper Products from China, Inv. No. 731-TA-1070B (Final), USITC Publication 3758, March 2005, p. 3.

<sup>7</sup> Original publication, p. 3.

<sup>8</sup> 69 FR 70233, December 3, 2004. Additionally, Commerce found that critical circumstances exist for imports of crepe paper from China. *Ibid.*

<sup>9</sup> 70 FR 3385, January 24, 2005. The Commission also made a negative finding with respect to critical circumstances. *Ibid.*

<sup>10</sup> 70 FR 3509, January 25, 2005.

<sup>11</sup> 75 FR 13779, March 23, 2010.

Commerce determined that revocation of the antidumping duty order on crepe paper from China would be likely to lead to continuation or recurrence of dumping.<sup>12</sup> On April 30, 2010, the Commission determined that material injury would be likely to continue or recur within a reasonably foreseeable time.<sup>13</sup> Following affirmative determinations in the five-year review by Commerce and the Commission, effective May 13, 2010, Commerce issued a continuation of the antidumping duty order on imports of crepe paper from China.<sup>14</sup>

### **The second five-year review**

On July 6, 2015, the Commission determined that it would conduct an expedited review of the antidumping duty order on crepe paper from China.<sup>15</sup> On August 6, 2015, Commerce determined that revocation of the antidumping duty order on crepe paper from China would be likely to lead to continuation or recurrence of dumping.<sup>16</sup> On August 31, 2015, the Commission determined that material injury would be likely to continue or recur within a reasonably foreseeable time.<sup>17</sup> Following affirmative determinations in the five-year review by Commerce and the Commission, effective September 22, 2015, Commerce issued a continuation of the antidumping duty order on imports of crepe paper from China.<sup>18</sup>

### **Previous and related investigations**

As discussed previously, the Commission conducted a final phase investigation on tissue paper from China in 2004-05. On February 14, 2005, Commerce made an affirmative LTFV determination with respect to tissue paper from China.<sup>19</sup> On March 21, 2005, the Commission completed its final phase investigation, determining that an industry in the United States was materially injured by reason of subject imports of tissue paper from China.<sup>20</sup> After receipt of the Commission's final affirmative determination, Commerce issued an antidumping duty order on imports of tissue paper from China.<sup>21</sup>

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<sup>12</sup> 75 FR 15415, March 29, 2010.

<sup>13</sup> 75 FR 24968, May 6, 2010.

<sup>14</sup> 75 FR 26919, May 13, 2010.

<sup>15</sup> 80 FR 43118, July 21, 2015.

<sup>16</sup> 80 FR 46954, August 6, 2015.

<sup>17</sup> 80 FR 53888, September 8, 2015.

<sup>18</sup> 80 FR 57149, September 22, 2015.

<sup>19</sup> 70 FR 7475, February 14, 2005.

<sup>20</sup> 70 FR 15350, March 25, 2005.

<sup>21</sup> 70 FR 16223, March 30, 2005.

On May 7, 2010, the Commission gave notice that it would conduct an expedited review on the antidumping duty order on tissue paper from China.<sup>22</sup> On July 1, 2010, the Commission determined that revocation of the antidumping duty order would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonable foreseeable time.<sup>23</sup> Following affirmative determinations by Commerce and the Commission, effective July 20, 2010, Commerce issued a continuation of the antidumping duty order on imports of tissue paper from China.<sup>24</sup>

On September 4, 2015, the Commission determined that it would conduct a full review on the antidumping duty order on tissue paper from China.<sup>25</sup> On June 23, 2016, the Commission determined that revocation of the antidumping duty order on tissue paper from China would be likely to lead to a continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.<sup>26</sup> Following affirmative determinations by Commerce and the Commission, effective July 12, 2016, Commerce issued a continuation of the antidumping duty order on imports of tissue paper from China.<sup>27</sup>

## **Commerce's five-year review**

Commerce is conducting an expedited review with respect to the order on imports of crepe paper from China and intends to issue the final results of this review based on the facts available not later than December 2, 2020.<sup>28</sup> Commerce's Issues and Decision Memorandum, published concurrently with Commerce's final results, will contain complete and up-to-date information regarding the background and history of the order, including scope rulings, duty absorption, changed circumstances reviews, and anti-circumvention. Upon publication, a complete version of the Issues and Decision Memorandum can be accessed at <http://enforcement.trade.gov/frn/>. The Issues and Decision Memorandum will also include any decisions that may have been pending at the issuance of this report. Any foreign producers/exporters that are not currently subject to the antidumping duty order on imports of

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<sup>22</sup> 75 FR 28061, May 19, 2010.

<sup>23</sup> 75 FR 39277, July 8, 2010.

<sup>24</sup> 75 FR 42067, July 20, 2010.

<sup>25</sup> 80 FR 57386, September 23, 2015.

<sup>26</sup> 81 FR 43642, July 5, 2016.

<sup>27</sup> 81 FR 45128, July 12, 2016.

<sup>28</sup> Letter from Shawn Thompson, Director, AD/CVD Operations, Enforcement and Compliance, U.S. Department of Commerce to Nannette Christ, Director of Investigations, September 30, 2020.

crepe paper from China are noted in the sections titled “The original investigation” and “U.S. imports,” if applicable.

## **The product**

### **Commerce’s scope**

Commerce has defined the scope as follows:

*For purposes of the order, the term “certain crepe paper” includes crepe paper products that have a basis weight not exceeding 29 grams per square meter prior to being creped and, if appropriate, flame-proofed. Crepe paper has a finely wrinkled surface texture and typically but not exclusively is treated to be flame-retardant. Crepe paper is typically but not exclusively produced as streamers in roll form and packaged in plastic bags. Crepe paper may or may not be bleached, dye colored, surface-colored, surface decorated or printed, glazed, sequined, embossed, die-cut, and/or flame retardant. Subject crepe paper may be rolled, flat or folded, and may be packaged by banding or wrapping with paper, by placing in plastic bags, and/or by placing in boxes for distribution and use by the ultimate consumer. Packages of crepe paper subject to this order may consist solely of crepe paper of one color and/or style, or may contain multiple colors and/or styles.<sup>29</sup>*

### **U.S. tariff treatment**

U.S. imports of crepe paper may be classified in the Harmonized Tariff Schedule of the United States (“HTS”) under several broad subheadings covering a range of paper goods.<sup>30</sup> In its first five-year review, the Commission found that HTS subheadings 4808.20, 4808.30, and 4808.90.20<sup>31</sup> were most specific to the subject crepe paper, and based the import data used in that report on these numbers. This report will do the same and thus use 4808.90.20 and 4808.40.00. Crepe paper enters the U.S. market at a column 1-general duty rate of “free” for

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<sup>29</sup> 80 FR 57149, September 22, 2015.

<sup>30</sup> 4802.54; 4802.61; 4802.62; 4802.69; 4804.39; 4806.40; 4808.40; 4808.90; 4811.90; 4818.90; 4823.90; 9505.90.40.

<sup>31</sup> HTS subheadings 4808.20 and 4808.30 were deleted from the HTS and replaced by subheading 4808.40 on February 3, 2012.



both HTS subheadings. Decisions on the tariff classification and treatment of imported goods are within the authority of U.S. Customs and Border Protection.

HTS subheadings 4808.90.20 and 4808.40.00 were included in USTR's third enumeration ("Tranche 3" or "List 3") of products imported from China that became subject to the additional 10 percent ad valorem duties (annexes A and C of 83 FR 47974, on or after September 24, 2018) under Section 301 of the Trade Act of 1974.<sup>32</sup> Escalation of this duty to 25 percent ad valorem was rescheduled from January 1, 2019 (annex B of 83 FR 47974)<sup>33</sup> to March 2, 2019 (83 FR 65198),<sup>34</sup> but was subsequently postponed until further notice,<sup>35</sup> and then was implemented effective May 10, 2019 (84 FR 20459).<sup>36</sup>

### **Description and uses<sup>37</sup>**

Crepe paper is manufactured from flat tissue paper using a wet creping process that imparts a regularly wrinkled surface to the paper. The crepe paper products at issue in this review are distinguishable from the dry creped tissue paper used for sanitary and other household purposes and the creped kraft papers used in industrial applications such as air, fuel, and oil filters. Subject crepe paper products can be converted in a variety of ways, such as colored, decorated, or otherwise customized.

While tissue paper (defined broadly) is an upstream product in the manufacture of crepe paper, crepe paper products have a finely wrinkled (creped) surface, usually are cut into streamers and treated with fire-retardant chemicals, and most often are used for decorative purposes. In addition, small amounts are sold in sheets to school supply companies, craft stores, or individuals for use in craft projects.

### **Manufacturing process<sup>38</sup>**

The crepe paper products subject to this review are produced from rolls of flat tissue paper, often referred to as "jumbo rolls," rather than dry creped tissue paper such as that used

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<sup>32</sup> 83 FR 47974, September 21, 2018.

<sup>33</sup> Ibid.

<sup>34</sup> 83 FR 65918, December 19, 2018.

<sup>35</sup> 84 FR 7966, March 5, 2019.

<sup>36</sup> 84 FR 20459, May 9, 2019.

<sup>37</sup> Unless otherwise noted, this information is based on Crepe Paper from China, Investigation No. 731-TA-1070A (Second Review), USITC Publication 4560, August 2015 ("Second review publication"), pp. I-5-I-6.

<sup>38</sup> Unless otherwise noted, this information is based on Second review publication, p. I-6.

for sanitary and other household purposes. The term “tissue paper” refers to a class of lightweight paper that generally exhibits a gauze-like, partially transparent character and that has a basis weight of less than 29 grams per square meter (18 pounds per 3,000 square feet). The tissue paper used for the manufacture of crepe paper differs from that used for bulk and consumer tissue paper in that sizing<sup>39</sup> is added to the pulp as the paper is manufactured.

In contrast to the dry creping process that is used in the manufacture of sanitary tissue and toweling, crepe paper undergoes a wet creping process. Typically, the first step is to mix a solution of ammonia-based flameproof salts and, if necessary, dyes and other additives (e.g., softeners, mineral-based pearlescent coatings). For dyed crepe papers, proper color matching from batch to batch is critical. Once mixed, the solution is transferred to a creping machine, and a roll of tissue paper is mounted in its roll stand. As the sheet is unwound, it is bathed in the solution, which is circulated either in a trough or in the nip of a small roll which presses the sheet onto a large, rotating drum. The moistened sheet adheres to the drum, which is equipped with a doctor blade<sup>40</sup> extending across the surface of the back side of the roll. Crepes are formed as the sheet is crowded against the doctor blade, and a felt picks the sheet off the doctor blade. The relative speeds of the felt and the rotating drum are set such that the felt will not pull the creping out of the sheet. The felt conveys the creped paper to a drier cylinder which dries the sheet. Once dry, the crepe paper is rewound on a roll. The roll of creped paper is then moved to a slitter, which cuts the sheet into streamer widths (typically 1-3/4 inches), winds them to the correct length and diameter, and applies adhesive to the end to keep the streamers from unraveling. The streamers are packed in preformed bags, wholesale bags (if needed), and finally into corrugated cartons.

The crepe paper jumbo rolls can later be converted and printed by converters or integrated producers using a range of equipment. Converting operations generally are performed with purpose-built, high-speed, automated equipment.<sup>41</sup>

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<sup>39</sup> Sizing involves adding a certain substance during the papermaking process to achieve certain qualities. In particular, sizing prevents the sheet of paper from disintegrating during the creping operations.

<sup>40</sup> A doctor blade is a device for regulating the amount of liquid material applied during the papermaking process.

<sup>41</sup> Original publication, pp. III-1-III-2.

## The industry in the United States

### U.S. producers

During the final phase of the original investigation, the Commission received U.S. producer questionnaires from three firms, which accounted for nearly all production of crepe paper in the United States during 2003.<sup>42</sup>

During the first five-year review, the domestic interested party provided a list of three known and operating U.S. producers of crepe paper at that time.<sup>43</sup> Seaman Paper, the only domestic producer providing U.S. industry data in response to the Commission's notice of institution in the first five-year review, accounted for "at least" \*\*\* percent of production of crepe paper in the United States during 2008.<sup>44</sup>

During the second five-year review, Seaman Paper, the only domestic producer providing U.S. industry data in response to the Commission's notice of institution in that review, \*\*\*. Accordingly, Seaman Paper accounted for \*\*\* percent of production of crepe paper in the United States during 2014.<sup>45</sup>

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<sup>42</sup> Original publication, p. I-2. At the time of the original investigation, there were four known U.S. producers of crepe paper: American Crepe, Cindus Corporation ("Cindus"), Seaman Paper, and The Beistle Company ("Beistle"). Beistle, which was unable to complete the entire questionnaire, was believed to account for a modest share of the U.S. market. Of the responding firms, Cindus and American Crepe were identified as converters and Seaman Paper as an integrated producer. *Ibid.*, p. III-1.

<sup>43</sup> Crepe Paper Products from China, Investigation No. 731-TA-1070A (Review), USITC Publication 4148, April 2010 ("First review publication"), p. I-8. During the first five-year review, the domestic interested party reported that Beistle ceased production of the domestic like product and began importing the subject merchandise from China but indicated that this transition resulted in very small changes in domestic production capacity. Additionally, in 2007, American Crepe was acquired by Unique Industries ("Unique"), a U.S. importer of crepe paper from China in the original investigation. Unique continued that production of crepe paper in the United States and ceased importation of crepe paper from China. *Ibid.*

<sup>44</sup> Investigation No. 731-TA-1070A (Review): Crepe Paper Products from China, Confidential Report, INV-HH-032, April 5, 2010, p. I-10.

<sup>45</sup> Investigation No. 731-TA-1070A (Second Review): Crepe Paper from China, Confidential Report, INV-NN-041, June 23, 2015, pp. I-4, I-12. During second five-year review period, U.S. producers \*\*\* ceased production of the subject product. In \*\*\* ceased production of the subject product \*\*\*. In \*\*\* ceased production of the domestic like product and \*\*\*. *Ibid.*, pp. I-12-I-13.

In this current review, the domestic interested party \*\*\*. Accordingly, Seaman Paper, the sole firm to provide U.S. industry data in response to the Commission’s notice of institution, accounted for \*\*\* percent of production of crepe paper in the United States during 2019.<sup>46</sup>

## Recent developments

Table I-2 presents events in the U.S. industry since the last five-year review.

**Table I-2**  
**Crepe paper: Recent developments in the U.S. industry**

Year	Firm	Event
2015	Seaman Paper	Seaman Paper acquired WerolaKrepp und Buntpapierfabrik of Rastatt, Germany. WerolaKrepp makes a range of crepe paper products.
2016	Seaman Paper	Seaman Paper established a joint venture company with the Pagliani Carta Srl of Fossoli, Italy to print and convert white and colored tissue papers for the European retail packaging market.

Source: *Seaman Paper website*, <https://www.seamanpaper.com/us/history>, accessed August 31, 2020. *WerolaKrepp und Buntpapierfabrik website*, <https://www.werola.de/en/index.html>, accessed October 1, 2020.

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<sup>46</sup> Domestic interested party’s response to the notice of institution, September 2, 2020, pp. 2-3.

## U.S. producers' trade and financial data

The Commission asked domestic interested parties to provide trade and financial data in their response to the notice of institution in the current five-year review.<sup>47</sup> Table I-3 presents a compilation of the trade and financial data submitted from all responding U.S. producers in the original investigation and subsequent five-year reviews.

**Table I-3**

**Crepe paper: Trade and financial data submitted by U.S. producers, 2003, 2008, 2014, and 2019**

Item	2003	2008	2014	2019
Capacity (1,000 square meters)	***	***	***	***
Production (1,000 square meters)	***	***	***	***
Capacity utilization (percent)	***	***	***	***
U.S. shipments: Quantity (1,000 square meters)	***	***	***	***
Value (\$1,000)	***	***	***	***
Unit value (per 1,000 square meters)	\$***	\$***	\$***	\$***
Net sales (\$1,000)	***	***	***	***
COGS (\$1,000)	***	NA	***	***
COGS/net sales (percent)	***	NA	***	***
Gross profit (loss) (\$1,000)	***	NA	***	***
SG&A expenses (\$1,000)	***	NA	***	***
Operating income (loss) (\$1,000)	***	***	***	***
Operating income (loss)/net sales (percent)	***	***	***	***

Note: For a discussion of data coverage, please see "U.S. producers" section.

Source: For the year 2003, data are compiled using data submitted in the Commission's original investigation. For the years 2008 and 2014, data are compiled using data submitted in the Commission's first and second five-year reviews, respectively. For the year 2019, data are compiled using data submitted by domestic interested party. Domestic interested party's response to the notice of institution, September 2, 2020, exh. 4.

## Definitions of the domestic like product and domestic industry

The domestic like product is defined as the domestically produced product or products which are like, or in the absence of like, most similar in characteristics and uses with, the

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<sup>47</sup> Individual company trade and financial data are presented in app. B.

subject merchandise. The domestic industry is defined as the U.S. producers as a whole of the domestic like product, or those producers whose collective output of the domestic like product constitutes a major proportion of the total domestic production of the product. Under the related parties provision, the Commission may exclude a U.S. producer from the domestic industry for purposes of its injury determination if “appropriate circumstances” exist.<sup>48</sup>

In its original determination and its expedited first and second five-year review determinations, the Commission defined the domestic like product as crepe paper, coextensive with Commerce’s scope. In its original determination and its expedited first and second five-year review determinations, the Commission defined the domestic industry as all domestic producers (whether integrated or converters) of crepe paper.<sup>49</sup>

## **U.S. imports and apparent U.S. consumption**

### **U.S. importers**

During the final phase of the original investigation, the Commission received U.S. importer questionnaires from 13 firms, which staff believed covered all known major importers of crepe paper at that time.<sup>50</sup> Import data presented in the original investigation are based on questionnaire responses.

Although the Commission did not receive responses from any respondent interested parties in its first five-year review, the domestic interested party provided a list of 28 firms that may have imported crepe paper from China at that time.<sup>51</sup> Import data were not presented in the first review.<sup>52</sup>

Although the Commission did not receive responses from any respondent interested parties in its second five-year review, the domestic interested party provided a list of 120 firms

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<sup>48</sup> Section 771(4)(B) of the Tariff Act of 1930, 19 U.S.C. § 1677(4)(B).

<sup>49</sup> 85 FR 46715, August 3, 2020.

<sup>50</sup> Coverage estimates were complicated because the HTS categories identified in Commerce’s scope contained tissue paper products as well as other products not subject to the investigation on crepe paper. Original publication, p. IV-1.

<sup>51</sup> First review publication, p. I-16. During the first five-year review, the domestic interested party reported that since the period of the original investigation, the volume of U.S. imports of crepe paper from China has declined “dramatically” and “Chinese imports retreated virtually entirely from the U.S. market and have not returned in any significant volume.” Ibid.

<sup>52</sup> Although import data were not presented in the first five-year review, the Commission utilized official Commerce statistics for HTS subheadings most specific to crepe paper (4808.20, 4808.30, and 4808.90.20) to analyze import trends. First review publication, pp. 11 and I-16.

believed to import “party supplies”, a product category much broader than the scope of that review.<sup>53</sup> Import data presented in the second review are based on official Commerce statistics for HTS subheadings most specific to crepe paper (4808.20, 4808.30, 4808.40, and 4808.90.20).<sup>54</sup>

Although the Commission did not receive responses from any respondent interested parties in this current review, in its response to the Commission’s notice of institution, the domestic interested party provided a list of 40 potential U.S. importers of crepe paper.<sup>55</sup> Import data presented in this current review are based on official Commerce statistics for HTS statistical reporting numbers most specific to crepe paper (4808.90.2000 and 4808.40.000).

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<sup>53</sup> Second review publication, p. I-12. During the second five-year review, the domestic interested party noted the data demonstrate that the volume of subject imports remained significantly reduced since 2008. *Ibid.*

<sup>54</sup> HTS subheadings 4808.20 and 4808.30 were deleted from the HTS and replaced by subheading 4808.40 on February 3, 2012. Second review publication, p. I-7.

<sup>55</sup> Domestic interested party’s response to the notice of institution, September 2, 2020, exh. 1.

## U.S. imports

Table I-4 presents the quantity and value of U.S. imports from China as well as the other top sources of U.S. imports (shown in descending order of 2019 imports by quantity).

**Table I-4**  
**Kraft paper (including creped or crinkled): U.S. imports, 2015-19**

Item	2015	2016	2017	2018	2019
<b>Quantity (1,000 kilograms)</b>					
China (subject)	187	180	466	419	192
France	2,940	445	155	144	3,115
Canada	243	131	141	444	406
Germany	347	510	555	391	362
All other sources	324	45	185	282	98
Subtotal, nonsubject	3,854	1,130	1,036	1,261	3,981
Total imports	4,041	1,310	1,502	1,680	4,173
<b>Landed, duty-paid value (\$1,000)</b>					
China (subject)	322	379	847	765	390
France	6,929	1,223	382	345	7,294
Canada	1,151	607	857	1,967	1,908
Germany	1,083	1,252	1,582	1,124	1,151
All other sources	1,024	258	421	827	317
Subtotal, nonsubject	10,187	3,339	3,243	4,263	10,670
Total imports	10,509	3,718	4,090	5,028	11,060

Note: Because of rounding, figure may not add to total shown.

Source: Compiled from official Commerce statistics for HTS statistical reporting numbers 4808.90.2000 and 4808.40.0000, the HTS statistical reporting numbers most specific to subject crepe paper. U.S. import data for all of the HTS subheadings identified in the antidumping order (4802.30, 4802.54, 4802.61, 4802.62, 4802.69, 4804.39, 4806.40, 4808.30, 4808.90, 4811.90, 4818.90, 4823.90, and 9505.90.40) appear to overstate substantially crepe paper import volume. Import data for the HTS subheadings most specific to crepe paper similarly appear to overstate crepe paper volume, however, during the first five-year review, the Commission recognized these classifications as a reasonable indicator of import trends as they occur with regard to crepe paper specifically. First review publication, p. 11.

## Apparent U.S. consumption and market shares

Data regarding apparent consumption for the original period of investigation (2001-03) are found in appendix C. Data regarding apparent consumption for the subsequent reviews are unavailable because no reliable U.S. import data were available due to the lack of a precise HTS classification for crepe paper.

## The industry in China

During the final phase of the original investigation, the Commission received foreign producer/exporter questionnaires from two producers and one exporter. However, only one of



the responding foreign producers reported actual production of crepe paper in China at that time.<sup>56</sup>

Although the Commission did not receive responses from any respondent interested parties in its first five-year review, the domestic interested party provided a list of 73 possible producers of crepe paper in China in that proceeding.<sup>57</sup>

Although the Commission did not receive responses from any respondent interested parties in its second five-year review, the domestic interested party provided a list of 82 possible producers of crepe paper in China in that proceeding.<sup>58</sup>

Although the Commission did not receive responses from any respondent interested parties in this five-year review, the domestic interested party provided a list of 145 possible producers of crepe paper in China.<sup>59</sup>

Table I-5 presents Chinese exports under HS subheadings 4808.90 and 4808.40, categories that include crepe paper and out-of-scope products, for 2015-19 (by export destination in descending order of quantity for 2019).

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<sup>56</sup> Original publication, p. VII-1.

<sup>57</sup> First review publication, p. I-20.

<sup>58</sup> The domestic interested party also included multiple reports of Chinese firms expanding their facilities, hiring more laborers, and adding manufacturing equipment. Second review publication, p. I-14.

<sup>59</sup> Domestic interested party's response to the notice of institution, September 20, 2020, exh. 2.

**Table I-5**  
**Crepe paper and out-of-scope products: Exports from China, by destination, 2015-19**

Exporter	2015	2016	2017	2018	2019
	Quantity (1,000 kilograms)				
Taiwan	4,010	6,333	6,373	8,648	8,722
Vietnam	1,008	469	679	1,282	2,521
Mexico	332	1,126	1,483	1,603	1,718
India	12	34	178	703	1,076
Thailand	96	114	164	289	707
Argentina	321	176	268	294	595
Italy	169	84	241	317	587
Philippines	260	334	429	524	554
Hong Kong	265	536	787	617	510
Brazil	578	111	24	557	428
United States	1,064	3,434	2,676	3,033	132
All other	7,111	5,352	6,208	5,892	6,776
Total	15,226	18,102	19,508	23,759	24,326
	Value (\$1,000)				
Taiwan	6,834	9,484	9,780	14,608	13,950
Vietnam	8,318	1,424	1,373	3,016	4,031
Mexico	656	1,817	2,487	3,077	3,242
India	60	124	586	1,660	2,316
Thailand	325	320	440	780	1,370
Argentina	610	309	459	557	959
Italy	486	303	501	686	1,030
Philippines	612	769	723	996	1,155
Hong Kong	294	505	1,020	799	357
Brazil	1,035	195	82	913	712
United States	2,997	6,425	5,752	6,302	758
All other	28,707	17,226	16,709	18,474	22,685
Total	50,934	38,901	39,912	51,868	52,565

Note: Because of rounding, figures may not add to totals shown.

Note: There are countries with more exports, by both quantity and value, than the United States that are not included in the table; the United States is listed for information purposes.

Source: Global Trade Information Services, Inc., Global Trade Atlas, HS subheadings 4808.90 and 4808.40. These data may be overstated as HS subheadings 4808.90 and 4808.40 may contain products outside the scope of this review.

## **Third-country trade actions**

Based on available information, crepe paper from China has not been subject to other antidumping or countervailing duty investigations outside the United States.<sup>60</sup>

## **The global market**

Table I-6 presents the largest global export sources for HS subheadings 4808.90 and 4808.40, categories that include crepe paper and out-of-scope products, for 2015-19.

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<sup>60</sup> Based on publicly available information from the World Trade Organization's dispute web portal.

**Table I-6**  
**Crepe paper: Global exports by major sources, 2015-19**

Exporter	2015	2016	2017	2018	2019
	Quantity (1,000 kilograms)				
France	33,896	30,429	31,013	31,062	30,707
China	15,226	18,102	19,508	23,759	24,326
Italy	20,165	19,940	20,716	24,491	23,748
Switzerland	21,979	21,109	22,276	20,261	20,178
Germany	16,805	18,724	19,364	17,616	18,381
United States	19,919	32,330	27,267	13,873	17,562
Malaysia	2,716	2,277	2,206	3,048	17,381
United Kingdom	10,637	9,853	11,211	11,395	11,773
Spain	8,565	7,200	9,698	13,338	9,924
Hungary	14,539	12,830	11,299	9,415	9,138
All other	131,380	150,237	149,192	116,000	76,532
Total	295,827	323,031	323,750	284,258	259,650
	Value (\$1,000)				
France	63,043	63,745	69,747	74,694	69,698
China	50,934	38,901	39,912	51,868	52,565
Italy	36,725	35,223	36,328	48,351	45,408
Switzerland	39,583	36,239	37,242	36,440	35,281
Germany	41,324	46,591	48,920	49,473	46,840
United States	42,694	55,262	49,857	38,860	39,605
Malaysia	1,436	1,200	1,086	1,701	7,519
United Kingdom	39,498	34,388	38,916	43,486	44,271
Spain	14,365	12,843	14,448	18,637	15,819
Hungary	2,160	2,144	2,021	1,655	1,367
All other	152,339	174,095	181,339	176,034	133,592
Total	484,101	500,631	519,816	541,199	491,965

Note: Because of rounding, figures may not add to total shown.

Source: Global Trade Information Services, Inc., Global Trade Atlas, HS subheadings 4808.90 and 4808.40. These data may be overstated as HS subheadings 4808.90 and 4808.40 contain products outside the scope of this review.

**APPENDIX A**

***FEDERAL REGISTER NOTICES***



The Commission makes available notices relevant to its investigations and reviews on its website, [www.usitc.gov](http://www.usitc.gov). In addition, the following tabulation presents, in chronological order, Federal Register notices issued by the Commission and Commerce during the current proceeding.

<b>Citation</b>	<b>Title</b>	<b>Link</b>
85 FR 46715 August 3, 2020	<i>Crepe Paper From China; Institution of a Five-Year Review</i>	<a href="https://www.govinfo.gov/content/pkg/FR-2020-08-03/pdf/2020-16732.pdf">https://www.govinfo.gov/content/pkg/FR-2020-08-03/pdf/2020-16732.pdf</a>
85 FR 47185 August 4, 2020	<i>Initiation of Five-Year (Sunset) Reviews</i>	<a href="https://www.govinfo.gov/content/pkg/FR-2020-08-04/pdf/2020-16879.pdf">https://www.govinfo.gov/content/pkg/FR-2020-08-04/pdf/2020-16879.pdf</a>





**APPENDIX B**  
**COMPANY-SPECIFIC DATA**



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**APPENDIX C**

**SUMMARY DATA COMPILED IN PRIOR PROCEEDINGS**



**Table C-1**

**Certain crepe paper products: Summary data concerning the U.S. market, 2001-03, January-September 2003, and January-September 2004**

(Quantity=1,000 square meters; value=1,000 dollars; unit values, unit labor costs, and unit expenses are per 1,000 square meters; and period changes=percent, except where noted)

Item	Calendar year			January-September		Period changes			
	2001	2002	2003	2003	2004	2001-2003	2001-2002	2002-2003	Jan.-Sept. 2003-Jan.-Sept. 2004
U.S. consumption quantity: Amount	62,832	67,535	61,203	46,481	49,604	-2.6	7.5	-9.4	6.7
Producers' share <sup>1</sup>	***	***	***	***	***	***	***	***	***
Importers' share: <sup>1</sup>									
China	***	***	***	***	***	***	***	***	***
Other sources	***	***	***	***	***	***	***	***	***
Total	***	***	***	***	***	***	***	***	***
U.S. consumption value: Amount	11,274	12,385	11,047	8,547	8,900	-2.0	9.9	-10.8	4.1
Producers' share <sup>1</sup>	***	***	***	***	***	***	***	***	***
Importers' share: <sup>1</sup>									
China	***	***	***	***	***	***	***	***	***
Other sources	***	***	***	***	***	***	***	***	***
Total	***	***	***	***	***	***	***	***	***
U.S. shipments of imports from China:									
Quantity	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***
Ending inventory	***	***	***	***	***	***	***	***	***
Other sources:									
Quantity	0	0	0	0	0	0.0	0.0	0.0	0.0
Value	0	0	0	0	0	0.0	0.0	0.0	0.0
Unit value	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.0	0.0	0.0	0.0
Ending inventory	0	0	0	0	0	0.0	0.0	0.0	0.0
All sources:									
Quantity	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***
Ending inventory	***	***	***	***	***	***	***	***	***
U.S. producers'--									
Capacity quantity	***	***	***	***	***	***	***	***	***
Production quantity	***	***	***	***	***	***	***	***	***
Capacity utilization <sup>1</sup>	***	***	***	***	***	***	***	***	***
U.S. shipments:									
Quantity	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***

Table continued on next page.

**Table C-1**

**Certain crepe paper products: Summary data concerning the U.S. market, 2001-03, January-September 2003, and January-September 2004**

(Quantity=1,000 square meters; value=1,000 dollars; unit values, unit labor costs, and unit expenses are per 1,000 square meters; and period changes=percent, except where noted)

Item	Calendar year			January-September		Period changes			
	2001	2002	2003	2003	2004	2001-2003	2001-2002	2002-2003	Jan.-Sept. 2003-Jan.-Sept. 2004
Export shipments:									
Quantity	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***
Ending inventory quantity	***	***	***	***	***	***	***	***	***
Inventories/total shipments <sup>1</sup>	***	***	***	***	***	***	***	***	***
Production workers	***	***	***	***	***	***	***	***	***
Hours worked (1,000 hours)	***	***	***	***	***	***	***	***	***
Wages paid (1,000 dollars)	***	***	***	***	***	***	***	***	***
Hourly wages	***	***	***	***	***	***	***	***	***
Productivity (square meters per hour)	***	***	***	***	***	***	***	***	***
Unit labor costs	***	***	***	***	***	***	***	***	***
Net sales:									
Quantity	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***
COGS	***	***	***	***	***	***	***	***	***
Gross profit or (loss)	***	***	***	***	***	***	***	***	***
SG&A expenses	***	***	***	***	***	***	***	***	***
Operating income or (loss)	***	***	***	***	***	***	***	***	***
Capital expenditures	***	***	***	***	***	***	***	***	***
Unit COGS	***	***	***	***	***	***	***	***	***
Unit SG&A expenses	***	***	***	***	***	***	***	***	***
Unit operating income (loss)	***	***	***	***	***	***	***	***	***
COGS/sales <sup>1</sup>	***	***	***	***	***	***	***	***	***
Operating income or (loss)/sales <sup>1</sup>	***	***	***	***	***	***	***	***	***

<sup>1</sup> Period changes are in percentage points.

<sup>2</sup> Not meaningful.

Note.—Financial data are reported on a fiscal year basis and may not necessarily be comparable to data reported on a calendar year basis. Because of rounding, figures may not add to the totals shown.

Source: Compiled from data submitted in response to Commission questionnaires.



**APPENDIX D**

**PURCHASER QUESTIONNAIRE RESPONSES**



As part of their response to the notice of institution, interested parties were asked to provide a list of three to five leading purchasers in the U.S. market for the domestic like product. A response was received from the domestic interested party and it named the following five firms as the top purchasers of crepe paper: \*\*\*. Purchaser questionnaires were sent to these five firms and one firm (\*\*\*) provided responses, which are presented below.

1. Have there been any significant changes in the supply and demand conditions for crepe paper that have occurred in the United States or in the market for crepe paper in China since January 1, 2015?

<b>Purchaser</b>	<b>Yes / No</b>	<b>Changes that have occurred</b>
***	***	***

2. Do you anticipate any significant changes in the supply and demand conditions for crepe paper in the United States or in the market for crepe paper in China within a reasonably foreseeable time?

<b>Purchaser</b>	<b>Yes / No</b>	<b>Changes that have occurred</b>
***	***	***

