

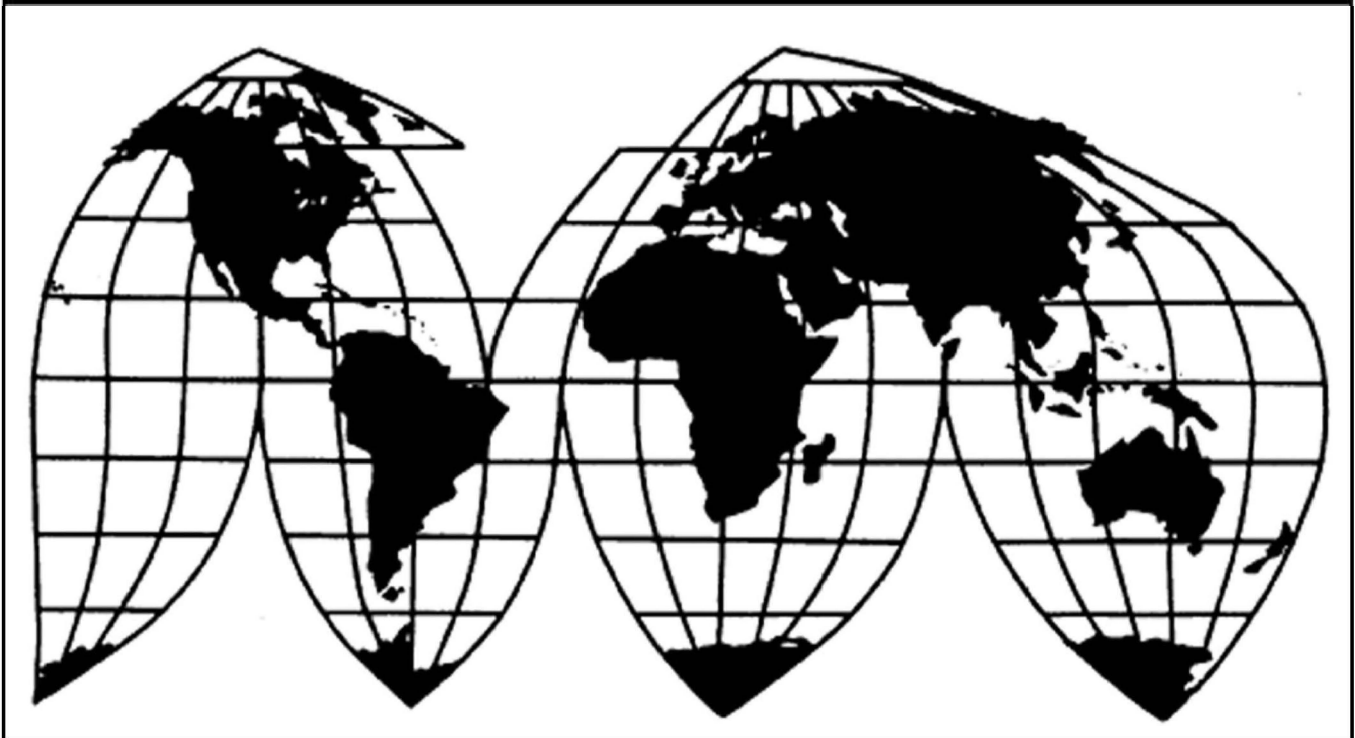
Certain Coated Paper Suitable for High-Quality Print Graphics Using Sheet-Fed Presses from China and Indonesia

Investigation Nos. 701-TA-470-471 and 731-TA-1169-1170 (Second Review)

Publication 5330

June 2022

U.S. International Trade Commission



Washington, DC 20436

U.S. International Trade Commission

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Note: Information that would reveal confidential operations of individual concerns may not be published. Such information is identified by brackets or by headings in confidential reports and is deleted and replaced with asterisks in public reports.

UNITED STATES INTERNATIONAL TRADE COMMISSION

Investigation Nos. 701-TA-470-471 and 731-TA-1169-1170 (Second Review)

Certain Coated Paper Suitable for High-Quality Print Graphics Using Sheet-Fed Presses
from China and Indonesia

DETERMINATION

On the basis of the record¹ developed in the subject five-year reviews, the United States International Trade Commission (“Commission”) determines, pursuant to the Tariff Act of 1930 (“the Act”), that revocation of the countervailing and antidumping duty orders on certain coated paper suitable for high-quality print graphics using sheet-fed presses from China and Indonesia 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 these reviews on December 1, 2021 (86 FR 68272) and determined on March 7, 2022, that it would conduct expedited reviews (87 FR 22231, April 14, 2022).

By order of the Commission.

Lisa R. Barton
Secretary to the Commission

Issued:

¹ 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 these five-year reviews, we determine under section 751(c) of the Tariff Act of 1930, as amended (“the Tariff Act”), that revocation of the antidumping and countervailing duty orders on certain coated paper suitable for high-quality print graphics using sheet-fed presses (“certain coated paper” or “CCP”) from China and Indonesia would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.

I. Background

Original Investigations. In response to countervailing and antidumping duty petitions filed on September 23, 2009, by Appleton Coated, LLC (“Appleton”), NewPage Corp., Sappi Fine Paper North America, Inc. (“Sappi”), domestic producers of coated paper,¹ and the United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union (“USW”), the Commission determined on November 10, 2010, that a domestic industry was threatened with material injury by reason of subject imports from China and Indonesia.² U.S. Department of Commerce (“Commerce”) published antidumping and countervailing duty orders on November 17, 2010.^{3 4}

¹ As discussed below, the term “certain coated paper” (or “CCP”) refers to subject merchandise as defined in Commerce’s scope and the term “coated paper” refers to the domestic like product, which the Commission defined more broadly than the scope to also include CCP sheeter rolls.

² Confidential Report (“CR”), INV-UU-017, EDIS Doc. 763706 (Feb. 22, 2022) and Public Report (“PR”) at I-2 – I-3; *Certain Coated Paper Suitable for High-Quality Print Graphics Using Sheet-Fed Presses from China and Indonesia*, Inv. Nos. 701-TA-470-471 and 731-TA-1169-1170 (Final), USITC Pub. 4192 (Nov. 2010) (“*Original Investigations*”) and Confidential Views, EDIS Doc. 569540. Commissioner Lane determined that the domestic industry was materially injured by reason of cumulated subject imports.

³ *Certain Coated Paper Suitable for High-Quality Print Graphics Using Sheet-Fed Presses From the People’s Republic of China: Amended Final Affirmative Countervailing Duty Determination and Countervailing Duty Order*, 75 Fed. Reg. 70201; *Certain Coated Paper Suitable for High-Quality Print Graphics Using Sheet-Fed Presses From the People’s Republic of China: Amended Final Determination of Sales at Less Than Fair Value and Antidumping Duty Order*, 75 Fed. Reg. 70203; *Certain Coated Paper Suitable for High-Quality Print Graphics Using Sheet-Fed Presses From Indonesia: Antidumping Duty Order*, 75 Fed. Reg. 70205; *Certain Coated Paper Suitable for High-Quality Print Graphics Using Sheet-Fed Presses From Indonesia: Countervailing Duty Order*, 75 Fed. Reg. 70206. Commerce subsequently published a correction to its final affirmative countervailing duty determination and order on subject imports from China on December 6, 2010. *Certain Coated Paper Suitable for High-Quality Print Graphics Using Sheet-Fed Presses From the People’s Republic of China: Notice of Correction for Amended Final Affirmative Countervailing Duty Determination and Countervailing Duty Order*, 75 Fed. Reg. 75663.

⁴ The Commission’s determinations were affirmed in all respects on appeal before the United States Court of International Trade. See *Gold East Paper (Jiangsu) Co. v. United States*, 896 F. Supp. 2d 1242 (Ct. Int’l Trade 2012). In addition, in response to a challenge brought by the government of Indonesia before the World Trade Organization (“WTO”), the panel report rejected Indonesia’s claims and found the Commission’s determinations fully consistent with the WTO Agreements. Report of the (Continued...)

First reviews: On October 1, 2015, the Commission instituted the first five-year reviews of the orders.⁵ In January 2016, the Commission found the domestic interested party group response adequate and the respondent interested party group response adequate with respect to the reviews on subject imports from Indonesia, and determined to conduct full reviews with respect to China and Indonesia.⁶ In December 2016, the Commission determined that revocation of the antidumping and countervailing duty orders on certain coated paper from China and Indonesia would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.⁷ Commerce subsequently published a notice of the continuation of the antidumping and countervailing duty orders on certain coated paper from China and Indonesia in January 2017.⁸

Current Reviews: The Commission instituted these second five-year reviews on December 1, 2021.⁹ The Commission received one response to its notice of institution in these reviews, filed jointly on behalf of Verso Corporation (“Verso”) and Sappi, integrated U.S. producers of coated paper, and the USW, which represents workers involved in the production of coated paper (collectively, “Domestic Producers”).¹⁰ Domestic Producers also submitted comments on whether the Commission should expedite these reviews and final comments. No respondent interested party responded to the Commission’s notice of institution or participated in these reviews. On March 7, 2022, the Commission determined that the domestic interested party group response to the notice of institution was adequate and that the respondent interested party group responses were inadequate.¹¹ Finding that no other circumstances warranted conducting full reviews, the Commission determined to conduct

Panel, *United States – Antidumping and Countervailing Duty Measures on Certain Coated Paper from Indonesia*, WT/DS491/R, 6 December 2017.

⁵ *Certain Coated Paper Suitable for High-Quality Print Graphics Using Sheet-Fed Presses: Institution of Five-Year Reviews*, 80 Fed. Reg. 59189 (Oct. 1, 2015).

⁶ See *Certain Coated Paper Suitable for High-Quality Print Graphics Using Sheet-Fed Presses from China and Indonesia*, Inv. Nos. 701-470-471 and 731-TA-1169-1170 (Review), USITC Pub. 4656 (Dec. 2016) (“*First Review Determinations*”) at 4. Although the Commission found the respondent interested group response with respect to the reviews on subject imports from China to be inadequate, the Commission decided to conduct full reviews of the orders on subject imports from China to promote administrative efficiency in light of its decision to conduct full reviews of the orders on subject merchandise from Indonesia. *Id.*

⁷ *First Review Determinations*, USITC Pub. 4656 at 3.

⁸ *Certain Coated Paper Suitable for High-Quality Print Graphics Using Sheet-Fed Presses From Indonesia and the People’s Republic of China: Continuation of Antidumping and Countervailing Duty Orders*, 82 Fed. Reg. 1692 (Jan. 6, 2017).

⁹ *Certain Coated Paper Suitable for High-Quality Print Graphics Using Sheet-Fed Presses From China and Indonesia: Institution of Five Year Reviews*, 86 Fed. Reg. 68272 (Dec. 1, 2021).

¹⁰ Domestic Interested Parties’ Response to the Notice of Institution, EDIS Doc. 759684 (Jan. 4, 2022) (“*Domestic Response*”).

¹¹ *Certain Coated Paper Suitable for High-Quality Print Graphics Using Sheet-Fed Presses From China and Indonesia: Scheduling of Expedited Five-Year Reviews*, 87 Fed. Reg. 22231 (Apr. 14, 2022).

expedited reviews.¹² Domestic Producers subsequently filed final comments pursuant to Commission rule 207.62(d) on the determinations that the Commission should reach.¹³

U.S. industry data are based on the information furnished by the Domestic Producers, believed to account for *** percent of coated paper production in the United States in 2020, in their response to the notice of institution.¹⁴ U.S. import data are based on official import statistics from Commerce.¹⁵ Foreign industry data and related information are based on information submitted by the Domestic Producers, information from the original investigations and first reviews, and publicly available information.¹⁶ Additionally, three purchasers responded to the adequacy phase questionnaire.¹⁷

II. Domestic Like Product and Industry

A. Domestic Like Product

Commerce has defined the scope of the antidumping and countervailing duty orders in these reviews as follows:

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

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

¹² *Certain Coated Paper Suitable for High-Quality Print Graphics Using Sheet-Fed Presses From China and Indonesia: Scheduling of Expedited Five-Year Reviews*, 87 Fed. Reg. 22231 (Apr. 14, 2022).

¹³ Domestic Interested Parties' Comments on the Determination to be Reached by the Commission in These Reviews, EDIS Doc. 769391 (Apr. 28, 2022) ("Domestic Final Comments").

¹⁴ CR/PR at I-16.

¹⁵ See CR/PR at Table I-6.

¹⁶ See CR/PR at Tables I-8 – I-10.

¹⁷ CR/PR at D-3.

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

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

Imports of the subject merchandise are provided for under the following categories of the Harmonized Tariff Schedule of the United States (HTSUS): 4810.14.11, 4810.14.1900, 4810.14.2010, 4810.14.2090, 4810.14.5000, 4810.14.6000, 4810.14.70, 4810.19.1100, 4810.19.1900, 4810.19.2010, 4810.19.2090, 4810.22.1000, 4810.22.50, 4810.22.6000, 4810.22.70, 4810.29.1000, 4810.29.5000, 4810.29.6000, 4810.29.70, 4810.32, 4810.39 and 4810.92. While HTSUS subheadings are provided for convenience and customs purposes, the written description of the scope of these orders is dispositive.¹⁸

The scope differs from that in the original investigations in that the third and fourth paragraphs have been added.¹⁹ In addition, Commerce conducted a scope inquiry in September 2012, in which it determined that packaging paperboard products with a thickness of 310 μm or more and a density of less than .70 g/cm^3 are not suitable for high-quality print graphics, and were therefore outside the scope.²⁰

Coated paper is coated on one or both sides with kaolin (China or other clay), calcium carbonate, titanium dioxide, and/or other inorganic substances. Paper and paperboard coated with these substances have a better printing surface than other uncoated paper and paperboard. Other important physical characteristics of coated paper include: (1) brightness; (2) basis weight; (3) finish; (4) opacity; (5) smoothness; and (6) caliper.²¹ Coated paper includes the following categories of paper products: (1) coated paper other than coated paperboard; (2)

¹⁸ *Coated Paper Suitable for High-Quality Print Graphics Using Sheet-Fed Presses From Indonesia and the People's Republic of China: Final Results of the Second Expedited First Sunset Reviews of the Antidumping Duty Orders*, 87 Fed. Reg. 19664 (Apr. 5, 2022); *Certain Coated Paper Suitable for High-Quality Print Graphics Using Sheet-Fed Presses From Indonesia: Final Results of Expedited Second Sunset Review of the Countervailing Duty Order*, 87 Fed. Reg. 16715 (Mar. 24, 2022); *Certain Coated Paper Suitable for High-Quality Print Graphics Using Sheet-Fed Presses From People's Republic of China: Final Results of Expedited Second Sunset Review of the Countervailing Duty Order*, 87 Fed. Reg. 18354 (Mar. 30, 2022).

¹⁹ See *First Review Determinations*, USITC Pub. 4656 at 6.

²⁰ CR/PR at I-6 n.23. Paperboard refers to coated paper that is heavier, thicker, and more rigid than coated paper which otherwise meets the product description. In the context of coated paper, paperboard typically is referred to as "cover," to distinguish it from "text." *Id.* at I-6 n.22.

²¹ CR/PR at I-8.

coated paperboard used in the commercial printing industry as “cover” stock; and (3) coated packaging paperboard.²²

Many of the production facilities of U.S. producers of coated paper are integrated operations, producing coated paper in one continuous process from the harvested log to the intermediate product (pulp) to the final paper product. The production process is similar for all the integrated producers.²³ Coated paper is produced and sold in the United States in both sheeter rolls and in sheets. These terms are generally defined as follows:

CCP in sheets²⁴ – coated paper other than coated packaging paperboard and coated packaging paperboard that have been sheeted (cut) into certain sheet sizes from sheeter rolls by paper producers or by independent converters for use in sheet-fed presses. These presses generally print only one side of the sheet at a time and tend to have smaller print runs. Sheets have high moisture levels and certain mechanical properties that allow them to run through a sheet-fed press without curling or losing print and color fidelity.

Sheeter roll CCP – rolls of coated paper other than coated packaging paperboard and coated packaging paperboard intended to be sheeted into various sheet sizes by paper producers or independent converters. Sheeter roll CCP and free sheet CCP are identical in physical characteristics but for the sheeting process.²⁵

1. The Prior Proceedings

In the original investigations, the Commission defined the domestic like product to be coated paper meeting the physical specifications of Commerce’s scope definition (free sheet CCP), as construed by the Commission, and CCP sheeter rolls.²⁶ In reaching this definition, the Commission considered several issues.

²² CR/PR at I-10.

²³ CR/PR at I-12.

²⁴ As further discussed below in section IV(A)(1)(c), the Domestic Producers in the current reviews urge the Commission to revise its terminology when referring to CCP sheets as coated paper “in sheet form” or “in sheets” instead of “free sheets.” See Domestic Response at 44; Domestic Final Comments at 3. Accordingly, we use the term “free sheets” in summarizing the Commission’s determinations in the original determinations and first reviews when the Commission used this term, but adopt the Domestic Producers’ terminology for purposes of these reviews.

²⁵ CR/PR at I-14; *First Review Determinations*, USITC Pub. 4656 at 7; Public Report from *First Review Determinations*, USITC Pub. 4656 at I-26.

²⁶ *Original Investigations*, USITC Pub. 4192 at 6-11; Confidential Views at 16. In addressing Commerce’s scope definition, the Commission observed that there was a dispute concerning the extent to which the scope language specifying that in-scope merchandise must be “suitable for high quality (Continued...)

First, the Commission considered whether coated paper and paperboard were separate like products.²⁷ The Commission observed that both were used in commercial printing applications and that there was overlap in physical characteristics such as brightness, basis weight, and caliper. The Commission further observed that both were considered broadly interchangeable in the market, were sold in similar channels of distribution, and were typically produced using similar processes and equipment, although usually made by different producers.²⁸ Finding that there was no clear dividing line between coated paper and paperboard that it construed to be within the scope definition, the Commission did not define coated paper and paperboard as separate domestic like products.²⁹

The Commission next addressed whether to include CCP sheeter rolls in the domestic like product.³⁰ Applying its semifinished product analysis, the Commission found that virtually all CCP sheeter rolls were used in the production of coated paper and that there was, at most, a small market for CCP sheeter rolls. The Commission further found that CCP sheeter rolls represented a substantial proportion of the cost and value of the finished product, undergoing only one other production step before transformation into free sheet CCP. Accordingly, the Commission defined the domestic like product to include CCP sheeter rolls.³¹

Finally, the Commission considered whether to include web rolls in the definition of the domestic like product.³² The Commission observed that there were some similarities between CCP in free sheets or sheeter rolls and web rolls; in particular, they had similar channels of distribution, were produced using the same processes and equipment, and used in similar printing applications. Nevertheless, the Commission found a clear dividing line between CCP in free sheets or sheeter rolls and web rolls. Specifically, the Commission found that each was produced to meet the distinct requirements of particular printing presses, and therefore, differed physically from one another in terms of moisture content, porosity, and mechanical characteristics such as flatness. The Commission further found that they were not broadly interchangeable, were priced differently, and were not perceived by market participants to be broadly similar. In addition, the Commission observed that web rolls held a substantial amount of paper and weighed one to five tons. Consequently, the Commission did not include web rolls within the domestic like product.³³

In the first five-year reviews, the Commission found that there was no information on the record of the reviews suggesting any reason to revisit the domestic like product definition

print graphics” served to limit in-scope paperboard to commercial printing applications and would not include paperboard used for packaging. Observing that Commerce had not resolved the issue at the time of the Commission’s determinations, the Commission construed the scope language to include paperboard otherwise meeting the physical specifications set forth in the scope, even if such paperboard was used for packaging, rather than only for commercial printing. *Original Investigations*, USITC Pub. 4192 at 4-6; Confidential Views at 6-8.

²⁷ *Original Investigations*, USITC Pub. 4192 at 6-7.

²⁸ *Original Investigations*, USITC Pub. 4192 at 6-7.

²⁹ *Original Investigations*, USITC Pub. 4192 at 6-7; Confidential Views at 8.

³⁰ *Original Investigations*, USITC Pub. 4192 at 7.

³¹ *Original Investigations*, USITC Pub. 4192 at 7; Confidential Views at 9.

³² *Original Investigations*, USITC Pub. 4192 at 7-11.

³³ *Original Investigations*, USITC Pub. 4192 at 7-11; Confidential Views at 9-16.

from the original investigations, or indicating any material changes in pertinent product characteristics.³⁴ Consequently, for the reasons articulated in the original investigations, the Commission defined the domestic like product as coated paper meeting the physical specifications of Commerce’s scope definition, as well as its scope inquiry determination (free sheet CCP), and CCP sheeter rolls.³⁵

2. The Current Reviews

In these reviews, Domestic Producers state that they agree with the definition of the domestic like product from the original investigations and first five-year reviews.³⁶ However, they urge the Commission to clarify certain terminology used in the notice of institution to describe the domestic like product and domestic industry.³⁷ In particular, the Domestic Producers note that in defining the domestic like product and the domestic industry, the notice of institution differentiates between “free sheet” and “sheeter rolls.”³⁸ Domestic Producers emphasize that the term “free sheet” does not necessarily refer to sheets of coated paper, but is instead synonymous with “wood free” paper that is made principally from chemical pulp.³⁹ Thus, according to Domestic Producers, sheeter rolls can be coated “free sheet” paper even if they are in roll form, not sheet form.⁴⁰ For these reasons, the Domestic Producers urge the Commission to refer to sheets as coated paper “in sheet form” or “in sheets,” instead of as “free sheet” coated paper.⁴¹ We adopt this change in terminology for these reviews.

The record in the current reviews contains no new information indicating that the characteristics and uses of coated paper have changed since the original investigations and first reviews so as to warrant revisiting the definition of the domestic like product.⁴² In light of this, and absent any argument to the contrary, we define the domestic like product as coated paper meeting the physical specifications of Commerce’s scope definition, including CCP in sheets and CCP sheeter rolls.

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

³⁴ *First Review Determinations*, USITC Pub. 4656 at 9.

³⁵ *First Review Determinations*, USITC Pub. 4656 at 9.

³⁶ Domestic Response at 43.

³⁷ Domestic Response at 43; Domestic Final Comments at 3.

³⁸ Domestic Response at 44; Domestic Final Comments at 3.

³⁹ Domestic Response at 44; Domestic Final Comments at 3.

⁴⁰ Domestic Response at 44; Domestic Final Comments at 3.

⁴¹ Domestic Response at 44; Domestic Final Comments at 3.

⁴² See CR/PR at I-6 – I-15.

the product.”⁴³ 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.

These reviews raise the issue as to whether converters engage in sufficient production-related activities to be included in the domestic industry. The record does not indicate that there are any related parties issues in these reviews.⁴⁴

In the original investigations, the Commission addressed whether converters of sheeter rolls, which converted CCP sheeter rolls into sheets of CCP, engaged in sufficient production-related activities to be considered domestic producers. After analyzing the nature of converters’ operations, and emphasizing converters’ substantial capital investments and employment, the Commission determined to include converters in the domestic industry.⁴⁵

In the first reviews, the Commission found that the record indicated no material changes in the nature of converters’ operations, and no party argued that converters should not be included in the domestic industry.⁴⁶ Consequently, for the reasons articulated in the original determinations, the Commission included converters of CCP sheeter rolls in the domestic industry.⁴⁷ The Commission did not exclude any domestic producers pursuant to the related parties provision.⁴⁸ Although one domestic producer qualified for possible exclusion as an importer of subject merchandise, the Commission found that appropriate circumstances did not exist to exclude the producer because its subject imports were limited to 2010, it was a small producer, and no party had advocated for its exclusion.⁴⁹ Accordingly, the Commission defined the domestic industry as all domestic producers of the domestic like product, including free sheet CCP and CCP sheeter rolls.⁵⁰

In the current reviews, Domestic Producers state that they agree with the definition of the domestic industry from the original investigations and first five-year reviews, and do not argue that converters should not be included in the domestic industry.⁵¹ The record does not indicate that there have been any material changes in the nature of converters’ operations since the last reviews.⁵² Accordingly, for the reasons articulated in the original investigations,

⁴³ 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.

⁴⁴ See Domestic Response at 39-40, 42.

⁴⁵ *Original Investigations*, USITC Pub. 4192 at 12. The Commission did not exclude any related parties under 19 U.S.C. § 1677(4)(B). It observed that, although two converters purchased subject merchandise during the period of investigation, the quantities of each firm’s purchases of subject imports were small. *Id.* at 12-13.

⁴⁶ *First Review Determinations*, USITC Pub. 4656 at 10.

⁴⁷ *First Review Determinations*, USITC Pub. 4656 at 10.

⁴⁸ *First Review Determinations*, USITC Pub. 4656 at 11.

⁴⁹ *First Review Determinations*, USITC Pub. 4656 at 11.

⁵⁰ *First Review Determinations*, USITC Pub. 4656 at 11.

⁵¹ Domestic Response at 43-44.

⁵² See Domestic Response at 41 n.185 (assuming that the proportion of U.S. shipments consisting of CCP in sheets produced by converters has not changed since the last reviews), Exhibit 26 (listing both other domestic producers and converters).

we again include converters, which convert CCP sheeter rolls into CCP in sheets, in the domestic industry.

In sum, consistent with our definition of the domestic like product, we define the domestic industry as all domestic producers of the domestic like product, which includes CCP in sheets and CCP sheeter rolls.

III. Cumulation

A. Legal Standard

With respect to five-year reviews, section 752(a) of the Tariff Act provides as follows: the Commission may cumulatively assess the volume and effect of imports of the subject merchandise from all countries with respect to which reviews under section 1675(b) or (c) of this title were initiated on the same day, if such imports would be likely to compete with each other and with domestic like products in the United States market. The Commission shall not cumulatively assess the volume and effects of imports of the subject merchandise in a case in which it determines that such imports are likely to have no discernible adverse impact on the domestic industry.⁵³

Cumulation therefore is discretionary in five-year reviews, unlike original investigations, which are governed by section 771(7)(G)(i) of the Tariff Act.⁵⁴ The Commission may exercise its discretion to cumulate, however, only if the reviews are initiated on the same day, the Commission determines that the subject imports are likely to compete with each other and the domestic like product in the U.S. market, and imports from each such subject country are not likely to have no discernible adverse impact on the domestic industry in the event of revocation. Our focus in five-year reviews is not only on present conditions of competition, but also on likely conditions of competition in the reasonably foreseeable future. The statutory threshold for cumulation is satisfied in these reviews because each review was initiated on the same day: December 1, 2021.⁵⁵

⁵³ 19 U.S.C. § 1675a(a)(7).

⁵⁴ 19 U.S.C. § 1677(7)(G)(i); *see also, e.g., Nucor Corp. v. United States*, 601 F.3d 1291, 1293 (Fed. Cir. 2010) (Commission may reasonably consider likely differing conditions of competition in deciding whether to cumulate subject imports in five-year reviews); *Allegheny Ludlum Corp. v. United States*, 475 F. Supp. 2d 1370, 1378 (Ct. Int'l Trade 2006) (recognizing the wide latitude the Commission has in selecting the types of factors it considers relevant in deciding whether to exercise discretion to cumulate subject imports in five-year reviews); *Nucor Corp. v. United States*, 569 F. Supp. 2d 1328, 1337-38 (Ct. Int'l Trade 2008).

⁵⁵ *See Certain Coated Paper Suitable for High-Quality Print Graphics Using Sheet-Fed Presses From China and Indonesia: Institution of Five Year Reviews*, 86 Fed. Reg. 68272 (Dec. 1, 2021).

B. The Prior Proceedings and Arguments of the Parties

1. The Prior Proceedings

Original Investigations. In the original investigations, the Commission exercised its discretion to cumulate subject imports from China and Indonesia for purposes of its threat analysis.⁵⁶ First, the Commission concluded there was a reasonable overlap of competition among subject imports and the domestic like product during the period of investigation.⁵⁷ The Commission further found that subject imports from China and Indonesia were likely to compete under similar conditions of competition in the U.S. market in the imminent future.⁵⁸ Specifically, the Commission found that during the period of investigation imports from each subject country showed similar volume trends and undersold the domestic like product in the majority of quarterly comparisons.⁵⁹ Moreover, the Commission emphasized that some of the subject producers in China and Indonesia were affiliated with a single firm, Asia Pulp and Paper, Ltd. (China) and Asia Pulp and Paper (Indonesia) (collectively, “APP”), and as such had the ability to shift exports to the United States from one source country to another.⁶⁰

First Reviews. In the first reviews, the Commission exercised its discretion to cumulate subject imports from China and Indonesia.⁶¹ It found that subject imports from China and Indonesia, considered individually, were not likely to have no discernible adverse impact upon revocation of the orders,⁶² and that there would likely be a reasonable overlap of competition between subject imports from the subject countries and between subject imports from each country and the domestic like product after revocation.⁶³ The Commission also found that subject imports from China and Indonesia would likely compete under similar conditions of competition if the orders were revoked.⁶⁴

2. Party Arguments

Domestic Producers argue that the Commission should exercise its discretion to cumulate subject imports of CCP from China and Indonesia in the current reviews.⁶⁵ In their view, there is no basis to conclude that CCP imports from either country would be likely to have no discernible adverse impact on the domestic industry.⁶⁶ Moreover, they assert that subject imports from China and Indonesia are likely to compete with each other and with the domestic like product if the orders were revoked, as the relevant conditions have not changed since the

⁵⁶ *Original Investigations*, USITC Pub. 4192 at 15-17.

⁵⁷ *Original Investigations*, USITC Pub. 4192 at 15-16.

⁵⁸ *Original Investigations*, USITC Pub. 4192 at 16.

⁵⁹ *Original Investigations*, USITC Pub. 4192 at 16.

⁶⁰ *Original Investigations*, USITC Pub. 4192 at 3, 16-17.

⁶¹ *First Review Determinations*, USITC Pub. 4656 at 24.

⁶² *First Review Determinations*, USITC Pub. 4656 at 19.

⁶³ *First Review Determinations*, USITC Pub. 4656 at 22.

⁶⁴ *First Review Determinations*, USITC Pub. 4656 at 24.

⁶⁵ Domestic Final Comments at 4.

⁶⁶ Domestic Final Comments at 4.

original investigations and first reviews.⁶⁷ They also claim that subject and domestic suppliers of coated paper are likely to face the same conditions of competition after revocation, as such conditions have not significantly changed since the orders were imposed.⁶⁸ Accordingly, the Domestic Producers assert that the Commission should cumulate subject imports from China and Indonesia in these reviews.⁶⁹

C. Likelihood of No Discernible Adverse Impact

The statute precludes cumulation if the Commission finds that subject imports from a country are likely to have no discernible adverse impact on the domestic industry.⁷⁰ Neither the statute nor the Uruguay Round Agreements Act (“URAA”) Statement of Administrative Action (“SAA”) provides specific guidance on what factors the Commission is to consider in determining that imports “are likely to have no discernible adverse impact” on the domestic industry.⁷¹ With respect to this provision, the Commission generally considers the likely volume of subject imports and the likely impact of those imports on the domestic industry within a reasonably foreseeable time if the orders are revoked. Our analysis for each of the subject countries takes into account, among other things, the nature of the product and the behavior of subject imports in the original investigations.

Based on the record in these reviews, we find that imports from each subject country are not likely to have no discernible adverse impact on the domestic industry in the event of revocation of the corresponding orders.

China. In the original investigations, the Commission received questionnaire responses from ten producers of CCP in sheets in China accounting for approximately *** percent of production of subject merchandise in 2009 and approximately *** percent of exports from China to the United States.⁷² The volume of subject imports from China increased overall during the period of investigation, and was 345,768 short tons in 2007, 329,307 short tons in 2008, and 352,555 short tons in 2009; the volume of subject imports from China was lower in the January-June (“interim”) period of 2010, at 71,706 short tons, than in interim 2009, at 190,622 short tons.⁷³ As a share of apparent U.S. consumption, subject imports from China rose from 12.1 percent in 2007 to 12.5 percent in 2008 and 15.6 percent in 2009; their market share was significantly lower in interim 2010, at 5.7 percent, than in interim 2009, at 17.9 percent, as a direct result of the pending investigations.⁷⁴

In the first five-year reviews, subject imports from China were present in the U.S. market only in 2010, at 71,706 short tons (equivalent to 2.9 percent of apparent U.S. consumption), and subsequently exited the market.⁷⁵ The Commission received a joint

⁶⁷ Domestic Final Comments at 4.

⁶⁸ Domestic Response at 14.

⁶⁹ Domestic Final Comments at 5.

⁷⁰ 19 U.S.C. § 1675a(a)(7).

⁷¹ SAA, H.R. Rep. No. 103-316, vol. I at 887 (1994).

⁷² *Original Investigations*, USITC Pub. 4192 at 1 and Confidential Views at 1-2 & VII-2 – VII-5.

⁷³ Public Report from *Original Investigations*, USITC Pub. 4192 at Table C-1.

⁷⁴ *Original Investigations*, USITC Pub. 4192 at 16, 27, Table C-3 and Confidential Views at 22, 37.

⁷⁵ *First Review Determinations*, USITC Pub. 4656 at Table I-1.

response to its questionnaire from five producers in China that were believed to account for approximately *** of the production of subject merchandise in China during the review period.⁷⁶ These firms did not report any exports of CCP to the United States during the period of review,⁷⁷ although their total global export shipments increased from *** short tons in 2010 to *** short tons in 2014 before falling to *** short tons in 2015; their volume of total exports was *** short tons in interim 2015 and *** short tons in interim 2016.⁷⁸ Their export shipments as a share of total shipments fluctuated during the period of review, falling from *** percent in 2010 to *** percent in 2011 and then increasing to *** percent in 2014 before decreasing to *** percent in 2015; their exports as a share of total shipments were *** percent in interim 2016, compared to *** percent in interim 2015.⁷⁹

The current reviews contain limited new information concerning the CCP industry in China because no Chinese producer responded to the notice of institution.⁸⁰ Available information indicates that imports of CCP from China under the relevant HTS statistical reporting numbers, which may include out-of-scope products, were 17,486 short tons in 2016, 22,616 short tons in 2017, 19,993 short tons in 2018, 8,667 short tons in 2019, and 6,409 short tons in 2020.⁸¹ Subject imports from China accounted for *** percent of apparent U.S. consumption in 2020, compared to 0.0 percent in 2015 and 15.6 percent in 2009.⁸²

Domestic Producers provided a list of over 1,000 possible producers of CCP in China.⁸³ They also contend that a Chinese producer began producing paper on a new machine in October 2021, with a total annual capacity of 606,271 short tons.⁸⁴ Available information also indicates that China's global exports of CCP under the relevant HS subheadings, which also include out-of-scope products, were 2,969,725 short tons in 2016, 3,056,016 short tons in 2017, 2,597,830 short tons in 2018, 2,948,943 short tons in 2019, and 2,234,437 short tons in 2020.⁸⁵ The leading export destinations for China's exports of such merchandise were Vietnam, the United Arab Emirates, and Bangladesh in 2020.⁸⁶

Subject imports from China undersold the domestic like product in 39 of 42 quarterly comparisons in the original investigations, at margins ranging from 1.5 percent to 25.2

⁷⁶ *First Review Determinations*, USITC Pub. 4656 at 14; Confidential First Review Determinations at 19-20.

⁷⁷ Although APP-China did not report shipments of subject merchandise during the period of review, historical data from the original investigations for interim 2010 reflected imports of CCP from China in 2010. *First Review Determinations*, USITC Pub. 4656 at 14 n.61.

⁷⁸ *First Review Determinations*, USITC Pub. 4656 at 14; Confidential First Review Determinations at 19-20.

⁷⁹ *First Review Determinations*, USITC Pub. 4656 at 14; Confidential First Review Determinations at 19-20.

⁸⁰ See CR/PR at I-23.

⁸¹ CR/PR at Table I-6.

⁸² CR/PR at Table I-7.

⁸³ CR/PR at I-23; Domestic Response at Exhibit 28.

⁸⁴ CR/PR at I-23; Domestic Response at 19.

⁸⁵ CR/PR at Table I-8.

⁸⁶ CR/PR at Tables I-6 & I-8.

percent.⁸⁷ No pricing data concerning subject imports from China were obtained in the first reviews or the current reviews.⁸⁸

Based on the foregoing, including the continued presence of subject imports from China in the U.S. market while under the disciplining effect of the orders; the large size, expanding capacity, and volume of global exports of the Chinese CCP industry; and the underselling by subject imports from China during the original investigations, we find that revocation of the antidumping and countervailing duty orders on CCP from China would not likely have no discernible adverse impact on the domestic industry.

Indonesia. In the original investigations, the Commission received questionnaire responses from three producers of CCP in sheets in Indonesia accounting for approximately *** percent of production of subject merchandise in 2009 and approximately *** percent of exports from Indonesia to the United States.⁸⁹ The volume of subject imports from Indonesia increased during the period of investigation and was 52,541 short tons in 2007, 52,938 short tons in 2008, and 61,039 short tons in 2009; the volume of subject imports from Indonesia was lower in interim 2010, at 13,327 short tons, than in interim 2009, at 19,883 short tons.⁹⁰ As a share of apparent U.S. consumption, subject imports from Indonesia increased from 1.8 percent in 2007 to 2.0 percent in 2008 and 2.7 percent in 2009; these imports accounted for 1.1 percent of apparent U.S. consumption in interim 2010, compared to 1.9 percent in interim 2009.⁹¹

In the first reviews, subject imports from Indonesia were present in the U.S. market only in 2010, at 14,510 short tons (equivalent to 0.6 percent of apparent U.S. consumption), and subsequently exited the market.⁹² The Commission received a joint response to its questionnaire from three producers in Indonesia affiliated with APP, collectively known as APP-Indonesia.⁹³ These firms were believed to account for all production of subject merchandise in Indonesia during the first review period.⁹⁴ APP-Indonesia did not report exporting free sheet CCP to the United States during the period of review,⁹⁵ and its volume of total global exports decreased irregularly from *** short tons in 2010 to *** short tons in 2015; its volume of total global exports was *** short tons in interim 2016, compared to *** short tons in interim 2015.⁹⁶ APP Indonesia's global export shipments as a share of total shipments fluctuated

⁸⁷ *Original Investigations*, USITC Pub. 4192 at V-9.

⁸⁸ See Public Report from *First Review Determinations*, USITC Pub. 4656 at V-5 n.11; CR/PR at I-23-I-24, Exhibit B.

⁸⁹ *Original Investigations*, USITC Pub. 4192 at 1 & Confidential Views at 3-4.

⁹⁰ Public Report from *Original Investigations*, USITC Pub. 4192 at Table C-1.

⁹¹ *Original Investigations*, USITC Pub. 4192 at Table C-3.

⁹² *First Review Determinations*, USITC Pub. 4656 at Table I-1.

⁹³ *First Review Determinations*, USITC Pub. 4656 at 15.

⁹⁴ *First Review Determinations*, USITC Pub. 4656 at 15.

⁹⁵ Although APP-Indonesia did not report shipments of subject merchandise during the period of review, see Public Report from *First Review Determinations*, USITC Pub. 4656 at Table IV-11, historical statistics for January-June 2010 from the original investigations reflect imports of CCP from Indonesia in 2010. Public Report from *First Review Determinations*, USITC Pub. 4656 at I-7 n.19 & Table C-1.

⁹⁶ Public Report from *First Review Determinations*, USITC Pub. 4656 at Table IV-11; Confidential Report from First Reviews, EDIS Doc. 599798 (Dec. 30, 2016) at Table IV-11.

during the period of review, declining irregularly from *** percent in 2010 to *** percent in 2015; its exports as a share of total shipments were *** percent in interim 2016, compared to *** percent in interim 2015.⁹⁷

The current reviews contain limited new information concerning the CPP industry in Indonesia because no Indonesian producer responded to the notice of institution.⁹⁸ Available information indicates that the volume of imports of CCP from Indonesia under the relevant HTS statistical reporting numbers, which may include out-of-scope products, were 1,278 short tons in 2016, 779 short tons in 2017, 433 short tons in 2018, 3,694 short tons in 2019, and 5,545 short tons in 2020.⁹⁹ Subject imports from Indonesia accounted for *** percent of apparent U.S. consumption in 2020, compared to 0.0 percent in 2015 and 2.7 percent in 2009.¹⁰⁰

Domestic Producers provided a list of 42 possible producers of CCP in Indonesia.¹⁰¹ According to information provided by the Domestic Producers, several Indonesian producers expanded their production facilities or announced plans to do so during the period of review. Indonesian producer Pindo Deli built a new precipitated calcium carbonate (“PCC”) plant with a capacity of 88,185 short tons per year at one of its paper mills, having already added 40,000 tons of PCC capacity and planned the construction of a new 125,000 ton per year PCC plant.¹⁰² Tjiwi Kimia announced the expansion of its production facility in 2020, and APP’s OKI mill reportedly planned to triple in size in 2021, from an original capacity of 3.1 million short tons.¹⁰³ Available information also indicates that Indonesia’s global exports of CCP under the relevant HS subheadings, which also include out-of-scope products, were 471,975 short tons in 2016, 380,903 short tons in 2017, 324,586 short tons in 2018, 331,441 short tons in 2019, and 347,956 short tons in 2020.¹⁰⁴ The United States was the fifth-largest destination market for such exports in 2020.¹⁰⁵

Subject imports from Indonesia undersold the domestic like product in 9 of 16 quarterly comparisons in the original investigations, at margins ranging from 2.6 percent to 14.4 percent,¹⁰⁶ and in one of four quarterly comparisons in the first five-year reviews, at a margin of *** percent.¹⁰⁷ No pricing data concerning subject imports from Indonesia were obtained in the current reviews.¹⁰⁸

⁹⁷ Public Report from *First Review Determinations*, USITC Pub. 4656 at Table IV-11; Confidential Report from First Reviews, EDIS Doc. 599798 (Dec. 30, 2016) at Table IV-11.

⁹⁸ See CR/PR at I-25 – I-26.

⁹⁹ CR/PR at Table I-6.

¹⁰⁰ CR/PR at Table I-7.

¹⁰¹ CR/PR at I-25; Domestic Response at Exhibit 28.

¹⁰² CR/PR at I-25; Domestic Response at 20-21. PCC is a coating used in the production of CCP. CR/PR at I-13.

¹⁰³ CR/PR at I-25; Domestic Response at 20-21.

¹⁰⁴ CR/PR at Table I-9.

¹⁰⁵ CR/PR at Table I-9.

¹⁰⁶ *Original Investigations*, USITC Pub. 4192 at V-9.

¹⁰⁷ Public Report from *First Review Determinations*, USITC Pub. 4656 at V-7; Confidential Report from First Reviews, EDIS Doc. 599798 (Dec. 30, 2016) at V-7.

¹⁰⁸ See CR/PR at I-25 – I-26 and Exhibit B.

Based on the foregoing, including the continued presence of subject imports from Indonesia in the U.S. market while under the disciplining effect of the orders, the large size and increasing capacity of the CCP industry in Indonesia, the large volume of global exports of CCP from Indonesia, the importance of the U.S. market to the Indonesian CCP industry, and the underselling by subject imports from Indonesia during the original investigations, we find that revocation of the antidumping and countervailing duty orders on CCP from Indonesia would not likely have no discernible adverse impact on the domestic industry.

D. Likelihood of a Reasonable Overlap of Competition

The Commission generally has considered four factors intended to provide a framework for determining whether subject imports compete with each other and with the domestic like product.¹⁰⁹ Only a “reasonable overlap” of competition is required.¹¹⁰ In five-year reviews, the relevant inquiry is whether there likely would be competition even if none currently exists because the subject imports are absent from the U.S. market.¹¹¹

Fungibility. In the original investigations, the Commission found that there appeared to be a reasonable degree of fungibility among subject imports from each country and the domestic like product, observing that the questionnaire responses indicated that market participants perceived the domestic like product and subject imports to be interchangeable.¹¹² In the first reviews, the Commission found that the domestic like product and imports from each subject country remained fungible,¹¹³ given questionnaire responses indicating that

¹⁰⁹ The four factors generally considered by the Commission in assessing whether imports compete with each other and with the domestic like product are as follows: (1) the degree of fungibility between subject imports from different countries and between subject imports and the domestic like product, including consideration of specific customer requirements and other quality-related questions; (2) the presence of sales or offers to sell in the same geographical markets of imports from different countries and the domestic like product; (3) the existence of common or similar channels of distribution for subject imports from different countries and the domestic like product; and (4) whether subject imports are simultaneously present in the market with one another and the domestic like product. *See, e.g., Wieland Werke, AG v. United States*, 718 F. Supp. 50 (Ct. Int’l Trade 1989).

¹¹⁰ *See Mukand Ltd. v. United States*, 937 F. Supp. 910, 916 (Ct. Int’l Trade 1996); *Wieland Werke*, 718 F. Supp. at 52 (“Completely overlapping markets are not required.”); *United States Steel Group v. United States*, 873 F. Supp. 673, 685 (Ct. Int’l Trade 1994), *aff’d*, 96 F.3d 1352 (Fed. Cir. 1996). We note, however, that there have been investigations where the Commission has found an insufficient overlap in competition and has declined to cumulate subject imports. *See, e.g., Live Cattle from Canada and Mexico*, Inv. Nos. 701-TA-386 and 731-TA-812-13 (Preliminary), USITC Pub. 3155 at 15 (Feb. 1999), *aff’d sub nom., Ranchers-Cattlemen Action Legal Foundation v. United States*, 74 F. Supp. 2d 1353 (Ct. Int’l Trade 1999); *Static Random Access Memory Semiconductors from the Republic of Korea and Taiwan*, Inv. Nos. 731-TA-761-762 (Final), USITC Pub. 3098 at 13-15 (Apr. 1998).

¹¹¹ *See generally, Cheflene Corp. v. United States*, 219 F. Supp. 2d 1313, 1314 (Ct. Int’l Trade 2002).

¹¹² *Original Investigations*, USITC Pub. 4192 at 15.

¹¹³ *First Review Determinations*, USITC Pub. 4656 at 22.

market participants perceived domestically produced CCP in sheets and subject imports to be interchangeable.¹¹⁴

In the current reviews, Domestic Producers assert that conditions of competition in the market have not changed significantly since the orders were imposed.¹¹⁵ They contend that there continues to be a high degree of interchangeability between the domestic like product and subject imports.¹¹⁶ There is no new information in these reviews to indicate that the degree of fungibility of CCP from China, Indonesia, and the United States has changed from that observed in the original investigations and first reviews.

Channels of Distribution. In the original investigations, the Commission found that the vast majority of U.S. producers' U.S. shipments as well as the vast majority of subject imports from each subject country were sold to merchants/distributors.¹¹⁷ In the first reviews, the Commission found that U.S. producers sold most free sheet CCP and sheeter roll CCP to distributors, and smaller shares to end users.¹¹⁸ Subject imports, ***,¹¹⁹

In the current reviews, Domestic Producers assert that subject imports and the domestic like product are likely to be sold in similar channels of distribution if the orders were revoked.¹²⁰ There is no new information in these reviews to indicate that there has been any change in the channels of distribution of subject imports from China and Indonesia and the domestic like product since the original investigations and first reviews.

Geographic Overlap. In the original investigations, the Commission found that there was geographic overlap of the domestic like product and subject imports in the U.S. market, with domestic producers and importers of CCP from both subject countries serving a nationwide market and imports from both countries entering the United States through geographically dispersed U.S. ports of entry.¹²¹ In the first reviews, U.S. producers reported selling coated paper to all regions of the United States,¹²² while one importer reported that it sold subject imports from Indonesia in ***,¹²³

In the current reviews, Domestic Producers assert that subject imports and the domestic like product are likely to be sold in similar geographic regions if the orders were revoked.¹²⁴ The record indicates that the majority of imports from China entered through the western border of entry in all years from 2016 to 2020.¹²⁵ The majority of imports from Indonesia entered

¹¹⁴ *First Review Determinations*, USITC Pub. 4656 at 21.

¹¹⁵ Domestic Response at 14; Domestic Final Comments at 5.

¹¹⁶ Domestic Response at 13.

¹¹⁷ *Original Investigations*, USITC Pub. 4192 at 16.

¹¹⁸ *First Review Determinations*, USITC Pub. 4656 at 21.

¹¹⁹ *First Review Determinations*, USITC Pub. 4656 at 21; Confidential First Review Determinations, EDIS Doc. 598997 (Dec. 23, 2016) at 31.

¹²⁰ Domestic Response at 13-14.

¹²¹ *Original Investigations*, USITC Pub. 4192 at 15.

¹²² *First Review Determinations*, USITC Pub. 4656 at 21.

¹²³ *First Review Determinations*, USITC Pub. 4656 at 21; Confidential First Review Determinations at 32.

¹²⁴ Domestic Response at 13-14.

¹²⁵ CR/PR at I-21.

through eastern borders of entry in 2016, western borders of entry in 2017, and southern borders of entry from 2018 to 2020.¹²⁶

Simultaneous Presence in Market. In the original investigations, the Commission found that the domestic like product and subject imports were simultaneously present in the U.S. market throughout the period of investigation.¹²⁷ In the first reviews, the Commission observed that the domestic like product was present in each year of the period of review.¹²⁸ While recognizing that subject imports were only present in 2010, the Commission noted that out-of-scope imports of CCP sheeter rolls from Indonesia and China were present in each year of the period of review.¹²⁹

In the current reviews, Domestic Producers assert that subject imports from China and Indonesia and the domestic like product would likely be simultaneously present in the U.S. market after revocation, as during the original investigations.¹³⁰ The record indicates that imports from China were reported in all 60 months between 2016 and 2020, while imports from Indonesia were reported in 47 of 60 months during the period.¹³¹

Conclusion. The record in these expedited reviews contains limited information concerning subject imports in the U.S. market during the period of review. The record contains no new information, however, suggesting a change in the considerations that led the Commission in its original determinations and first reviews to conclude that there was a reasonable overlap of competition between and among imports from the subject countries and the domestic like product. In light of this, and in the absence of any contrary argument, we find that there would likely be a reasonable overlap of competition between and among subject imports from China and Indonesia, and the domestic like product, if the orders were revoked.

E. Likely Conditions of Competition

In determining whether to exercise our discretion to cumulate the subject imports, we assess whether subject imports from China and Indonesia would likely compete under similar or different conditions of competition in the U.S. market after revocation of the orders. The available information in the record in these expedited reviews shows that subject imports from each country undersold the domestic like product in the original investigations and were significant in terms of volume and market share prior to imposition of the orders.¹³² The available information also shows that the industries in each subject country are large and export oriented, with each exporting substantial volumes of CCP under the relevant HS subheadings, a category that includes CCP and out-of-scope merchandise, during the period of review.¹³³ Thus, the record in these reviews does not indicate that there would likely be any

¹²⁶ CR/PR at I-21.

¹²⁷ *Original Investigations*, USITC Pub. 4192 at 16.

¹²⁸ *First Review Determinations*, USITC Pub. 4656 at 22.

¹²⁹ *First Review Determinations*, USITC Pub. 4656 at 22.

¹³⁰ Domestic Response at 14.

¹³¹ CR/PR at I-21.

¹³² See section III.C, above.

¹³³ See section III.C, above.

significant difference in the conditions of competition between subject imports from China and Indonesia if the orders were revoked.¹³⁴

F. Conclusion

Based on the foregoing, we find that subject imports from China and Indonesia, considered individually, would not be likely to have no discernible adverse impact on the domestic industry if the corresponding orders were revoked. We also find a likely reasonable overlap of competition between and among subject imports from China and Indonesia and the domestic like product if the orders were revoked. Finally, we find that imports from each subject country are likely to compete in the U.S. market under similar conditions of competition should the orders be revoked. We therefore exercise our discretion to cumulate subject imports from China and Indonesia for purposes of our analysis in these reviews.

IV. Revocation of the Antidumping and Countervailing Duty Orders 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.”¹³⁵ The SAA states that “under the likelihood standard, the Commission will engage in a counterfactual 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.”¹³⁶ Thus, the likelihood standard is prospective in nature.¹³⁷ The U.S. Court of International Trade (“CIT”) has found

¹³⁴ While subject imports from China are subject to section 301 tariffs and subject imports from Indonesia are not, neither the Domestic Producers nor any responding purchaser 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. See CR/PR at D-3–D-5; Domestic Response; Domestic Final Comments.

¹³⁵ 19 U.S.C. § 1675a(a).

¹³⁶ SAA at 883–84. 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.

¹³⁷ 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 (Continued...)”

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.¹³⁸

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.”¹³⁹ 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.”¹⁴⁰

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 imports of the subject merchandise on the industry if the orders are revoked or the suspended investigation is terminated.”¹⁴¹ 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).¹⁴² 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.¹⁴³

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.

¹³⁸ 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’”).

¹³⁹ 19 U.S.C. § 1675a(a)(5).

¹⁴⁰ 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.*

¹⁴¹ 19 U.S.C. § 1675a(a)(1).

¹⁴² 19 U.S.C. § 1675a(a)(1). Commerce has not made any duty absorption findings since the most recent continuation of the orders. *Issues and Decision Memorandum for the Expedited Sunset Reviews of the Antidumping Duty Orders on Certain Coated Paper Suitable for High-Quality Print Graphics Using Sheet-Fed Presses from Indonesia and the People’s Republic of China*, EDIS Doc. 769730 (May 3, 2022).

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

In evaluating the likely volume of imports of subject merchandise if an order under review is revoked, 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.¹⁴⁴ 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.¹⁴⁵

In evaluating the likely price effects of subject imports if an order under review is revoked, 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.¹⁴⁶

In evaluating the likely impact of imports of subject merchandise if an order under review is revoked, 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.¹⁴⁷ 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 orders under review and whether the industry is vulnerable to material injury upon revocation.¹⁴⁸

No respondent interested party participated in these expedited reviews.¹⁴⁹ The record, therefore, contains limited new information with respect to the industries producing CCP in China and Indonesia. There also is limited information about the market for coated paper in

¹⁴⁴ 19 U.S.C. § 1675a(a)(2).

¹⁴⁵ 19 U.S.C. § 1675a(a)(2)(A–D).

¹⁴⁶ 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 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.

¹⁴⁷ 19 U.S.C. § 1675a(a)(4).

¹⁴⁸ 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.

¹⁴⁹ See CR/PR at I-2.

the United States during the current period of review. Accordingly, for our determinations, we rely as appropriate on information provided by the Domestic Producers, the facts available from the original investigations and first five-year reviews, and the limited new public information on the record in these reviews.

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.”¹⁵⁰ The following conditions of competition inform our determinations.

1. Demand Conditions

Prior Proceedings. In the original investigations, the Commission found several conditions of competition relevant to its analysis of threat of material injury by subject imports. It observed that CCP was used in printed material requiring high-gloss sheets, including annual company reports, high-end brochures, catalogues, magazines, direct mail advertisements, labels, and certain packaging applications.¹⁵¹ As such, it found demand for CCP to be largely determined by the overall economy and demand for high-end commercially printed advertisements, reports, and brochures.¹⁵² The Commission observed that apparent U.S. consumption of CCP by quantity decreased by 21.3 percent from 2007 to 2009, before improving in the first half of 2010.¹⁵³

In the first reviews, the Commission found that the end uses for free sheet CCP remained largely unchanged from the original investigations.¹⁵⁴ It observed that most questionnaire respondents reported that U.S. demand for CCP had decreased since January 1, 2010, and anticipated that it would continue to decrease over the next two years due to a shift from printed material to electronic media.¹⁵⁵ The Commission found that, as measured by apparent U.S. consumption, demand generally decreased during the period of review. Apparent U.S. consumption was 2,459,373 short tons in 2010, 2,441,152 short tons in 2011, 2,429,945 short tons in 2012, 2,399,446 short tons in 2013, 2,403,763 short tons in 2014, and 2,302,490 short tons in 2015.¹⁵⁶ It was 1,161,523 short tons in interim 2016, compared to 1,164,212 short tons in interim 2015.¹⁵⁷

Current Reviews. The information available in these reviews indicates that the factors driving demand for coated paper have not significantly changed since the prior proceedings.¹⁵⁸

¹⁵⁰ 19 U.S.C. § 1675a(a)(4).

¹⁵¹ *Original Investigations*, USITC Pub. 4192 at 22.

¹⁵² *Original Investigations*, USITC Pub. 4192 at 22.

¹⁵³ *Original Investigations*, USITC Pub. 4192 at 22.

¹⁵⁴ *First Review Determinations*, USITC Pub. 4656 at 28.

¹⁵⁵ *First Review Determinations*, USITC Pub. 4656 at 28-29.

¹⁵⁶ *First Review Determinations*, USITC Pub. 4656 at 29.

¹⁵⁷ *First Review Determinations*, USITC Pub. 4656 at 29.

¹⁵⁸ Domestic Response at 42.

The Domestic Producers claim that demand for coated paper continued to decline, as it did during the original investigations and first reviews, due to the continuing shift from printed material to electronic media.¹⁵⁹ According to Domestic Producers, the COVID-19 pandemic caused demand to decline in 2020 ***.¹⁶⁰ They anticipate that demand ***.¹⁶¹ One responding U.S. purchaser reports that demand ***, while another responding U.S. purchaser reports that demand *** and anticipates that demand ***.¹⁶²

Apparent U.S. consumption was *** short tons in 2020, lower than apparent U.S. consumption in 2009 (2,254,299 short tons), during the original investigations, and in 2015 (2,302,490 short tons), during the first reviews.¹⁶³

2. Supply Conditions

Prior Proceedings. In the original investigations, the Commission found that the domestic industry accounted for the largest share of apparent U.S. consumption, with its market share by quantity increasing steadily from 2007 to 2009 as well as being higher in interim 2010 than in interim 2009.¹⁶⁴ The Commission observed that subject imports' market share increased steadily from 2007 to 2009, but was lower in interim 2010 than in interim 2009.¹⁶⁵ Nonsubject imports' market share decreased steadily from 2007 to 2009 and was lower in interim 2010 than in interim 2009.¹⁶⁶ The Commission also found that there were a number of changes in the domestic industry's organization and production operations, including a significant amount of restructuring as well as the shutdown of several plants. The Commission also observed that a large majority of subject merchandise was produced and exported by affiliates of APP and that, in the latter half of 2009, APP had begun to establish Eagle Ridge, an e-commerce U.S. distribution network for its products.¹⁶⁷

In the first reviews, the Commission found that the domestic industry supplied approximately half of apparent U.S. consumption, and that the industry's market share had

¹⁵⁹ See Domestic Response at 7, 42.

¹⁶⁰ Domestic Response at 42.

¹⁶¹ Domestic Response at 42.

¹⁶² CR/PR at D-4-D-5.

¹⁶³ CR/PR at Table I-7. We recognize that the domestic industry's share of apparent U.S. consumption in 2020 may be understated relative to its shares in 2015 and 2009 due to the lower coverage of domestic industry production in these reviews. See CR/PR at Table I-2.

¹⁶⁴ *Original Investigations*, USITC Pub. 4192 at 22. The domestic industry's share of apparent U.S. consumption was 60.7 percent in 2007, 62.4 percent in 2008, and 65.5 percent in 2009; it was 68.7 percent in interim 2010 compared to 61.9 percent in interim 2009. *Id.*

¹⁶⁵ *Original Investigations*, USITC Pub. 4192 at 22-23. Subject imports accounted for 13.9 percent of apparent U.S. consumption in 2007, 14.5 percent in 2008, and 18.3 percent in 2009; they accounted for 6.8 percent in interim 2010 compared to 19.7 percent in interim 2009. *Id.*

¹⁶⁶ *Original Investigations*, USITC Pub. 4192 at 23. Nonsubject imports accounted for 25.4 percent of apparent U.S. consumption in 2007, 23.1 percent in 2008, and 16.1 percent in 2009; they accounted for 24.5 percent in interim 2010 compared to 18.4 percent in interim 2009. *Id.*

¹⁶⁷ *Original Investigations*, USITC Pub. 4192 at 24.

been relatively stable during the period of review.¹⁶⁸ Under the discipline of the orders, the Commission found, cumulated subject imports had accounted for 3.5 percent of apparent U.S. consumption in 2010, before exiting the U.S. market.¹⁶⁹ The Commission found that the balance of apparent U.S. consumption had been supplied by nonsubject imports, with the largest sources of such imports including Canada, Korea, Germany, and Finland.¹⁷⁰

Current Reviews. The domestic industry was the second largest supplier to the U.S. market during the period of review, accounting for *** percent of apparent U.S. consumption by volume in 2020.¹⁷¹ During the period of review, the domestic industry experienced several developments including the closure of domestic producer Appleton's coated paper operations in September 2017, the acquisition of Appleton by Industrial Assets and Maynard Industries in October 2017, and the subsequent resumption of Appleton's operations in December 2017 producing both CCP and out-of-scope products.¹⁷² Appleton, renamed Midwest Paper Group in April 2018, was acquired by Industrial Opportunity Partners in January 2020.¹⁷³ Additionally, Verso closed a papermill in Luke, Maryland, in April 2019, and announced a merger with Swedish company BillerusKorsnas AB in December 2021.¹⁷⁴

Cumulated subject imports were the smallest source of supply to the U.S. market during the period of review, accounting for *** percent of apparent U.S. consumption in 2020.¹⁷⁵

Nonsubject imports were the largest source of supply of CCP to the U.S. market during the period of review, accounting for *** percent of apparent U.S. consumption in 2020.¹⁷⁶ Canada, Finland, and South Korea were the three largest sources of nonsubject imports in 2020, accounting for 26.4 percent, 20.3 percent, and 23.4 percent of the total volume of nonsubject imports, respectively, that year.¹⁷⁷

¹⁶⁸ *First Review Determinations*, USITC Pub. 4656 at 29. The domestic industry's share of apparent U.S. consumption was 49.6 percent in 2010, 49.9 percent in 2011, 50.1 percent in 2012, 48.2 percent in 2013, 49.8 percent in 2014, and 48.0 percent in 2015; it was 50.4 percent in interim 2016, compared to 45.4 percent in interim 2015. *Id.*

¹⁶⁹ *First Review Determinations*, USITC Pub. 4656 at 30.

¹⁷⁰ *First Review Determinations*, USITC Pub. 4656 at 29. Nonsubject imports accounted for 45.8 percent of apparent U.S. consumption in 2010, 48.8 percent in 2011, 48.1 percent in 2012, 49.8 percent in 2013, 48.1 percent in 2014, and 50.1 percent in 2015. *Id.* Nonsubject imports accounted for 47.6 percent of apparent U.S. consumption in interim 2016, compared to 52.5 percent in interim 2015. *Id.*

¹⁷¹ CR/PR at Table I-7. As noted above, we recognize that the domestic industry's share of apparent U.S. consumption in 2020 may be understated relative to its shares in 2015 and 2009 due to the lower coverage of domestic industry production, and thus U.S. shipments, in these reviews. See CR/PR at Table I-2.

¹⁷² CR/PR at Table I-4.

¹⁷³ CR/PR at Table I-4.

¹⁷⁴ CR/PR at Table I-4.

¹⁷⁵ CR/PR at Table I-7.

¹⁷⁶ CR/PR at Table I-7. We note that nonsubject imports' share of apparent U.S. consumption in 2020 may be overstated relative to its shares in 2015 and 2009 due to the lower coverage of domestic industry production, and thus U.S. shipments, in these reviews. See CR/PR at Table I-2.

¹⁷⁷ *Derived from* CR/PR at Table I-6.

Three responding U.S. purchasers reported significant changes in the supply conditions for coated paper in the United States since 2016. Specifically, *** and *** indicated that ***.¹⁷⁸ *** and *** indicated that ***.¹⁷⁹

3. Substitutability and Other Conditions

Prior Proceedings. In the original investigations, the Commission found a moderately high degree of interchangeability between the domestic like product and subject imports, observing that a large majority of responding domestic producers, U.S. importers, and U.S. purchasers had reported that the domestic like product, subject imports, and nonsubject imports were always or frequently interchangeable.¹⁸⁰ The Commission further found that, according to market participants, price was a very important factor, although not necessarily the most important factor, in purchasing decisions, while other important purchasing factors included quality, reliability of supply, delivery time, and availability.¹⁸¹ The Commission also noted the prevalence of spot sales in the U.S. market.¹⁸²

The Commission observed that U.S. producers of CCP reported that pulp, chemicals and dyes, coating additives, and packaging were the principal raw materials used in producing CCP and that, although responses were mixed as to whether the cost of pulp had increased during the period of investigation, nearly all U.S. producers reported that the costs of chemicals and dyes had increased during that time period.¹⁸³ The Commission noted that certain U.S. paper mills had applied for and received the “black liquor” tax credit, which went into effect in late 2007 but expired at the end of 2009.¹⁸⁴

In the first reviews, the Commission found that there would likely be a moderate-to-high degree of substitutability between subject imports from China and Indonesia and between subject imports and domestically produced free sheet CCP.¹⁸⁵ In making this finding, the Commission noted that most responding U.S. producers, importers, and purchasers reported that subject imported free sheet CCP was always or frequently interchangeable with the domestic like product.¹⁸⁶ The Commission also found that price was an important factor in purchasing decisions, noting that price, along with product consistency, were the two factors most frequently identified as very important by purchasers.¹⁸⁷

With respect to other conditions of competition, the Commission found that pulp, chemicals and dyes, and coating additives were the principal raw materials used in the production of CCP.¹⁸⁸ The Commission also observed that U.S. purchasers had consolidated

¹⁷⁸ CR/PR at Appendix D-3 – D-4.

¹⁷⁹ CR/PR at Appendix D-4.

¹⁸⁰ *Original Investigations*, USITC Pub. 4192 at 24.

¹⁸¹ *Original Investigations*, USITC Pub. 4192 at 24.

¹⁸² *Original Investigations*, USITC Pub. 4192 at 25.

¹⁸³ *Original Investigations*, USITC Pub. 4192 at 25.

¹⁸⁴ *Original Investigations*, USITC Pub. 4192 at 25.

¹⁸⁵ *First Review Determinations*, USITC Pub. 4656 at 30.

¹⁸⁶ *First Review Determinations*, USITC Pub. 4656 at 30.

¹⁸⁷ *First Review Determinations*, USITC Pub. 4656 at 30.

¹⁸⁸ *First Review Determinations*, USITC Pub. 4656 at 30.

since 2010, with three distributors accounting for 85.4 percent of the purchases of free sheet CCP reported in 2015, and that six of 17 responding purchasers required their suppliers to have environmental certifications.¹⁸⁹ Finally, while recognizing that only a small volume of domestically produced coated paper had been sold through paper direct buy (“PDB”) programs during the period of review, whereby end users negotiated directly with paper manufacturers, the Commission emphasized that domestic producers and importers had been equally willing to engage in PDB programs during the original investigations, and that some purchasers had participated in such programs with subject producers.¹⁹⁰

Current Reviews. In these reviews, the Domestic Producers maintain that subject imports and the domestic like product remain moderately to highly substitutable.¹⁹¹ They also claim that the U.S. market for coated paper remains highly price-sensitive, due to the substitutable nature of coated paper from subject and domestic sources.¹⁹² There is no new information in the record to suggest that the substitutability of the domestic like product and subject imports, or the importance of price to purchasing decisions, has changed since the first five-year reviews. Accordingly, as in the first reviews, we find a moderate-to-high degree of substitutability between domestically produced coated paper and subject imports, and that price is an important factor in purchasing decisions.

There is no new information in the record to suggest that the raw materials used to manufacture coated paper have changed. However, one U.S. purchaser, *** lists *** among the factors that it anticipates will affect the supply and demand conditions of coated paper within a reasonably foreseeable time.¹⁹³

Effective September 24, 2018, imports of CCP from China became subject to an additional 10 percent *ad valorem* duty under Section 301 of the Trade Act of 1974¹⁹⁴ (“section 301 tariffs”).¹⁹⁵ Effective May 10, 2019, this additional duty increased from 10 percent to 25 percent *ad valorem*.¹⁹⁶

C. Likely Volume of Cumulated Subject Imports

1. The Prior Proceedings

Original Investigations. In the original investigations, the Commission found that subject imports increased significantly both in absolute terms as well as relative to apparent U.S.

¹⁸⁹ *First Review Determinations*, USITC Pub. 4656 at 31.

¹⁹⁰ *First Review Determinations*, USITC Pub. 4656 at 31.

¹⁹¹ Domestic Response at 33; Domestic Final Comments at 12.

¹⁹² Domestic Final Comments at 12.

¹⁹³ CR/PR at D-5.

¹⁹⁴ 19 U.S.C. § 2411.

¹⁹⁵ *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.

¹⁹⁶ *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 – I-8.

consumption and that the increase in subject imports' shipments and market share over the period examined was significant.¹⁹⁷ It further found that, in the absence of antidumping or countervailing duty orders, the volume of subject imports was likely to be significant in the imminent future, both in absolute terms as well as relative to consumption and production in the U.S. market.¹⁹⁸ The Commission observed that subject imports had the ability and incentive to increase exports to the United States, which remained a particularly attractive market even as it experienced declines, and subject imports would likely repeat their behavior of aggressively pricing subject merchandise to gain market share.¹⁹⁹

First Reviews. In the first reviews, the Commission found that the antidumping and countervailing duty orders had a disciplining effect on the volume of subject imports, which declined in 2010 and subsequently exited the U.S. market.²⁰⁰ The Commission observed that the cumulated capacity and production of APP producers in China and Indonesia during the period of review fluctuated and increased overall, with a greater increase in capacity than in production, and that the Chinese industry had significant excess capacity.²⁰¹ The Commission further found that the inventories of subject merchandise in China and Indonesia had increased irregularly during the period of review to levels that were substantial relative to apparent U.S. consumption in 2015.²⁰² Thus, the Commission found that subject producers in China and Indonesia had significant capacity, excess capacity, and inventory levels available to increase exports to the U.S. market if the orders were revoked.²⁰³

The Commission also found that subject imports had the incentive to increase exports of subject merchandise to the United States if the orders were revoked, noting that the Indonesian industry had confirmed its intent to reenter the U.S. market after revocation and that Chinese and Indonesian producers had continued to serve the U.S. market with out-of-scope sheeter rolls.²⁰⁴ The Commission found that the U.S. market was particularly attractive to subject producers due to its size and relatively higher prices.²⁰⁵ It also observed that subject producers had demonstrated a degree of export orientation, having increased exports to a particular market outside of their region quickly, and were increasingly focusing on markets other than Asia.²⁰⁶ Accordingly, based on the subject producers' substantial production capacity, excess capacity, available inventories, continued interest in the U.S. market, and export activities, as well as the attractiveness of the U.S. market, the Commission found that the volume of cumulated subject imports, in absolute terms and relative to U.S. production and consumption, would likely be significant if the orders were revoked.²⁰⁷

¹⁹⁷ *Original Investigations*, USITC Pub. 4192 at 27.

¹⁹⁸ *Original Investigations*, USITC Pub. 4192 at 30-31.

¹⁹⁹ *Original Investigations*, USITC Pub. 4192 at 27-31.

²⁰⁰ *First Review Determinations*, USITC Pub. 4656 at 32.

²⁰¹ *First Review Determinations*, USITC Pub. 4656 at 32.

²⁰² *First Review Determinations*, USITC Pub. 4656 at 33; Confidential First Review Determinations at 50-51.

²⁰³ *First Review Determinations*, USITC Pub. 4656 at 33.

²⁰⁴ *First Review Determinations*, USITC Pub. 4656 at 33.

²⁰⁵ *First Review Determinations*, USITC Pub. 4656 at 33.

²⁰⁶ *First Review Determinations*, USITC Pub. 4656 at 33.

²⁰⁷ *First Review Determinations*, USITC Pub. 4656 at 34.

2. The Current Reviews

The record in these reviews indicates that subject imports maintained a small presence in the U.S. market under the disciplining effect of the order throughout the period of review.²⁰⁸ The volume of subject imports fluctuated but declined overall and remained below the level of cumulated subject imports in the original investigations, initially increasing from 18,764 short tons in 2016 to 23,395 short tons in 2017, before decreasing to 20,426 short tons in 2018, 12,362 short tons in 2019, and 11,954 short tons in 2020.²⁰⁹ These imports accounted for *** percent of apparent U.S. consumption in 2020, compared with 0.0 percent in 2015 and 18.3 percent in 2009.²¹⁰

Due to the expedited nature of these reviews, the record contains limited information on the CCP industries in China and Indonesia. The information available indicates that subject producers have the means and incentive to increase their exports of subject merchandise to the U.S. market if the orders were revoked. Specifically, the information available indicates that the subject industries remain large and export oriented. The Domestic Producers have identified over 1,000 possible producers of CCP in China and 42 possible producers of CCP in Indonesia.²¹¹ They also provided information that certain subject producers in China and Indonesia had expanded their capacity during the period of review.²¹² Furthermore, the subject industries continued to produce and export substantial volumes of coated paper under relevant HS subheadings, which include CCP and out-of-scope merchandise, with China being the world's fourth largest exporter of such merchandise in 2020.²¹³

Available information also indicates that the U.S. market remains attractive to subject producers. While under the disciplining effect of the orders, a limited volume of cumulated subject imports were present in the U.S. market throughout the period of review, accounting for *** percent of apparent U.S. consumption in 2020, indicating that subject producers remain

²⁰⁸ The description of subject import volume is based on available information, which includes public data on the import volume of coated paper under relevant HTS subheadings, a category which includes out-of-scope merchandise. *See* CR/PR at Table I-6.

²⁰⁹ CR/PR at Table I-6. The subject import volume for these reviews is likely overstated as it may include out-of-scope merchandise. *Id.* There were no reported subject imports in 2015 and there were 413,594 short tons of cumulated subject imports in 2009. *Id.* at I-7.

²¹⁰ CR/PR at Table I-7.

²¹¹ CR/PR at I-23, I-25; Domestic Response at Exhibit 28.

²¹² As discussed above in section III.C, Domestic Producers assert that a Chinese producer began producing paper on a new machine in October 2021, with a total annual capacity of 606,271 short tons. CR/PR at I-23; Domestic Response at 19. Regarding Indonesia, they assert that several Indonesian producers expanded their production facilities or announced plans to do so during the period of review, including a new plant opening and other planned construction by Pindo Deli, the announcement of planned expansion of production by Tjiwi Kimia, and a plan to triple the capacity of a large-volume mill by APP. CR/PR at I-25; Domestic Response at 20-21.

²¹³ CR/PR at Table I-10. China's exports of merchandise under the relevant HS subheadings initially increased from 2.97 million short tons in 2016 to 3.06 million short tons in 2017, before decreasing to 2.23 million short tons in 2020. *Id.* Although Indonesia was not among the leading global exporters of coated paper, its exports of merchandise under the relevant HS subheadings were 347,956 short tons in 2020. *Id.* at Table I-9.

interested in the U.S. market and maintained contacts with U.S. customers.²¹⁴ Moreover, Domestic Producers assert that subject producers in China and Indonesia continue to increase their production capacity, despite declining global demand for CCP and the existence of unused capacity in both countries.²¹⁵ They contend that subject producers are export oriented, able to shift production from out-of-scope merchandise as a means of increasing CCP exports to the U.S. market, and remain very interested in the higher prices available in the large U.S. market.²¹⁶

The record in the current reviews also indicates that new and existing barriers to entry in third-country markets, including antidumping duty orders on CCP from China in the European Union and South Korea and, according to Domestic Producers, the prohibition of imports of CCP in “stock lots” by India, would provide subject producers with additional incentives to increase exports of CCP to the U.S. market if the orders were revoked.²¹⁷

Given the significant volume of cumulated subject imports during the original investigations, the disciplining effect of the orders, the subject industries’ substantial capacity and export orientation, and the continuing attractiveness of the U.S. market to subject producers, we find that the volume of subject imports would likely be significant, both in absolute terms and relative to consumption in the United States, if the orders were revoked.²¹⁸

D. Likely Price Effects of Cumulated Subject Imports

1. The Prior Proceedings

Original Investigations. In the original investigations, the Commission found that, given the degree of substitutability between the domestic like product and subject imports, the importance of price in purchasing decisions, and the prevalence of underselling in quarterly price comparisons, there had been significant underselling by subject imports during the period of investigation.²¹⁹ It further found that the trends in the prices of pricing products, together with the significant underselling by subject imports, showed that subject imports depressed domestic prices at least to some degree.²²⁰ The Commission declined to make a finding of significant price depression, however, because other factors, including declining demand and the black liquor tax credit, likely also contributed to lower prices, and it was “unable to gauge

²¹⁴ CR/PR at Table I-7.

²¹⁵ Domestic Final Comments at 10.

²¹⁶ Domestic Final Comments at 11.

²¹⁷ See CR/PR at I-26; Domestic Final Comments at 10-11.

²¹⁸ While subject imports from China are subject to additional duties pursuant to section 301, neither the Domestic Producers nor any responding purchaser reported that these duties have had an effect on either the supply of or demand for subject imports or that they anticipated such effects within a reasonably foreseeable time. See CR/PR at I-7 – I-8, Appendix D-3 – D-5.

We also note that the record in these expedited reviews contains no information concerning inventories of the subject merchandise and little information concerning the potential for product shifting.

²¹⁹ *Original Investigations*, USITC Pub. 4192 at 31.

²²⁰ *Original Investigations*, USITC Pub. 4192 at 32-33.

whether there {we}re significant effects attributable to subject imports.”²²¹ The Commission observed that domestic prices did not rebound significantly in interim 2010 when subject imports largely ceased.²²² The Commission also did not find that subject imports prevented price increases which otherwise would have occurred to a significant degree.²²³ It observed that, even if the domestic industry had experienced a cost/price squeeze during the period of investigation, factors other than subject imports, such as declining demand, may have prevented the domestic industry from raising prices; moreover, the fact that the domestic industry’s ratio of COGS to net sales was higher in interim 2010 than in interim 2009, despite a lower volume of subject imports in the market, cast doubt on the impact subject imports may have had on this ratio during the period of investigation.²²⁴

Although it declined to find significant price effects for purposes of present material injury, the Commission determined that subject imports were likely to have significant adverse effects on domestic producers’ prices in the imminent future.²²⁵ It concluded that producers of subject imports were likely to continue to use underselling and aggressive pricing as a means to gain market share and that underselling was likely to be significant in the imminent future, thereby increasing the demand for further imports.²²⁶ The Commission next considered whether price depression and/or price suppression was likely in the imminent future, observing that factors other than subject imports that placed negative pressure on domestic prices, including the black liquor tax and sharp declines in demand in 2009, would not play the same role in the near future.²²⁷ Therefore, the Commission concluded, that the aggressive pricing and underselling observed during the period of investigation would likely continue in the imminent future, putting pressure on domestic producers to lower prices in a market recovering from severely depressed demand, likely leading to the domestic industry experiencing price suppression or depression.²²⁸

First Reviews. In the first reviews, the Commission found that there was generally a moderate-to-high degree of substitutability between subject imports from China and Indonesia and between those imports and the domestic like product, and that price played an important role in purchasing decisions.²²⁹ The Commission found that the limited pricing data on the record indicated that subject imports undersold the domestic like product in one of four quarterly comparisons, at a margin of *** percent,²³⁰ and oversold the domestic like product in the remaining three comparisons, by margins between *** and *** percent.²³¹ Noting that

²²¹ *Original Investigations*, USITC Pub. 4192 at 33.

²²² *Original Investigations*, USITC Pub. 4192 at 33.

²²³ *Original Investigations*, USITC Pub. 4192 at 33.

²²⁴ *Original Investigations*, USITC Pub. 4192 at 32-33.

²²⁵ *Original Investigations*, USITC Pub. 4192 at 34-35.

²²⁶ *Original Investigations*, USITC Pub. 4192 at 34-35.

²²⁷ *Original Investigations*, USITC Pub. 4192 at 34-35.

²²⁸ *Original Investigations*, USITC Pub. 4192 at 34-35.

²²⁹ *First Review Determinations*, USITC Pub. 4656 at 35.

²³⁰ *First Review Determinations*, USITC Pub. 4656 at 35; Confidential First Review Determinations at 55.

²³¹ *First Review Determinations*, USITC Pub. 4656 at 35; Confidential First Review Determinations at 55.

these data provided limited guidance, the Commission found that, in the absence of the orders, the significant underselling observed during the original investigations would likely recur, as subject producers would again price their product aggressively to gain market share.²³² Faced with significant subject import underselling, the Commission explained, domestic producers would likely be forced to cut prices, forego price increases, or risk losing market share.²³³ Consequently, the Commission found that if the orders were revoked, cumulated subject imports likely would undersell the domestic like product and cause the domestic industry to lose market share and/or depress or suppress prices of the domestic like product, thereby having adverse price effects.²³⁴

2. The Current Reviews

As discussed above, we continue to find a moderate-to-high degree of substitutability between domestically produced coated paper and subject imports from China and Indonesia, and that price is an important factor in purchasing decisions.

The record does not contain recent product-specific pricing information due to the expedited nature of these reviews. Based on the information available, including subject import underselling during the original investigations, the moderate-to-high degree of substitutability of subject imports and the domestic like product, and the importance of price in purchasing decisions, we find that the significant increase in subject import volume that is likely after revocation of the orders would likely be accompanied by significant underselling, as a means for subject imports to gain market share. Absent the discipline of the orders, the significant volumes of low-priced subject imports would likely take sales and market share from the domestic industry and/or force the industry to cut prices or restrain price increases necessary to cover increasing costs. Consequently, we find that if the orders were revoked, significant volumes of subject imports would likely have significant price effects.

E. Likely Impact of Cumulated Subject Imports

1. The Prior Proceedings

Original Investigations. In the original investigations, the Commission found that, over the period examined, the domestic industry was faced with price-based competition from subject imports in a severely declining market and, as a result, many of the domestic industry's performance-based indicators declined from 2007 to 2009.²³⁵ The Commission observed, however, that the deterioration of the domestic industry's performance from 2007 to 2009 coincided with the economic downturn in 2009, but the domestic industry remained profitable and increased market share during that time.²³⁶ Further, as subject imports left the market in 2010, many indicators did not improve. As a result, the Commission did not find a sufficient

²³² *First Review Determinations*, USITC Pub. 4656 at 35.

²³³ *First Review Determinations*, USITC Pub. 4656 at 35.

²³⁴ *First Review Determinations*, USITC Pub. 4656 at 35-36.

²³⁵ *Original Investigations*, USITC Pub. 4192 at 35.

²³⁶ *Original Investigations*, USITC Pub. 4192 at 37.

causal nexus to determine that subject imports were currently having an adverse impact on the domestic industry.²³⁷

Although it did not find that the domestic industry was presently materially injured by reason of subject imports, the Commission found the domestic industry to be vulnerable to material injury.²³⁸ In particular, the Commission observed the downward trend in virtually all of its performance indicators from 2007 to 2009, which it concluded likely would have been worse in 2009 if not for the black liquor tax credit.²³⁹ Moreover, the Commission observed that, even as demand recovered somewhat in 2010 and subject imports largely exited the market, several indicators continued to decline.²⁴⁰ The Commission found that producers of subject imports had already demonstrated the ability and willingness to undersell the domestic like product in order to significantly increase their exports, even in a contracting market, and were likely to continue that behavior in the imminent future, particularly in light of significant increases in capacity by the industry in China, the establishment of Eagle Ridge, and the attractiveness of the U.S. market.²⁴¹ The Commission observed that, although apparent U.S. consumption recovered somewhat in interim 2010, demand was projected to continue to decline. Therefore, the U.S. market could not accommodate growth in subject imports without material injury to the domestic industry, and future volumes of subject imports were likely to take market share from existing suppliers, including the domestic industry. Accordingly, given the weakened state of the domestic industry, the Commission concluded that, unless antidumping and countervailing duty orders were imposed, significant volumes of dumped and subsidized imports would gain additional market share in the imminent future and cause material injury to the domestic industry.²⁴²

The Commission also considered the role of factors other than subject imports.²⁴³ In particular, it found that, although modestly declining demand would likely limit the domestic industry's sales and restrain prices, the decline was not likely to be of a magnitude that would render insignificant the likely effects of subject imports as it had during the period of investigation.²⁴⁴ The Commission further considered nonsubject imports and observed that, although nonsubject imports gained market share in interim 2010 when subject imports left the market, the domestic industry's market share was several percentage points higher in interim 2010 than in interim 2009.²⁴⁵ Moreover, the Commission observed that the record indicated that nonsubject imports generally were priced higher than subject imports. Consequently, the Commission concluded that in the absence of orders subject imports would likely compete on price to regain the market share that they lost to both the domestic industry and nonsubject imports, which would in turn result in a more price-competitive market.²⁴⁶

²³⁷ *Original Investigations*, USITC Pub. 4192 at 35-38.

²³⁸ *Original Investigations*, USITC Pub. 4192 at 38.

²³⁹ *Original Investigations*, USITC Pub. 4192 at 38.

²⁴⁰ *Original Investigations*, USITC Pub. 4192 at 38.

²⁴¹ *Original Investigations*, USITC Pub. 4192 at 38.

²⁴² *Original Investigations*, USITC Pub. 4192 at 38.

²⁴³ *Original Investigations*, USITC Pub. 4192 at 38-39.

²⁴⁴ *Original Investigations*, USITC Pub. 4192 at 39.

²⁴⁵ *Original Investigations*, USITC Pub. 4192 at 39.

²⁴⁶ *Original Investigations*, USITC Pub. 4192 at 39.

First Reviews. In the first reviews, the Commission found that, notwithstanding the domestic industry's efforts to consolidate and rationalize capacity, the industry's capacity utilization rate fluctuated and declined significantly from 2010 to 2015.²⁴⁷ Most of the domestic industry's employment indicators fluctuated during the period of review but were lower in 2015 than in 2010, though higher in interim 2016 than in interim 2015.²⁴⁸ The Commission also noted that the domestic industry was profitable and its financial indicators stable throughout the period of review, although the industry's operating income and operating income as a share of net sales were lower in 2015 than in 2010. Based on these considerations, the Commission found that the domestic industry was not in a vulnerable condition.²⁴⁹

The Commission found that revocation of the orders would likely lead to an increase and significant volume of cumulated subject imports that would likely significantly undersell the domestic like product to gain market share.²⁵⁰ It found that the increased volume of low-priced subject imports would likely have a significant impact on the domestic industry's production, shipments, sales, market share, and revenue, and by extension the industry's profitability, employment, and ability to raise capital.²⁵¹ The Commission concluded that if the orders were revoked, subject imports from China and Indonesia would be likely to have a significant impact on the domestic industry within a reasonably foreseeable time.²⁵²

The Commission also considered the role of factors other than subject imports in the U.S. market, including the gradual decline in demand and the role of nonsubject imports in the U.S. market.²⁵³ It observed that the gradual decline in demand had not prevented the domestic industry from maintaining its market share and stable financial performance during the period of review. Given the interchangeability of imports from all sources and the domestic like product, the importance of price, and the secular decline in demand, the Commission also found that any increase in subject import market share would likely come, at least partially, at the expense of the domestic industry.²⁵⁴ Thus, the Commission found that subject imports would likely have adverse effects distinct from those of declining demand and nonsubject imports.²⁵⁵

The Commission concluded that revocation of the antidumping and countervailing duty orders on certain coated paper from China and Indonesia would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.²⁵⁶

²⁴⁷ *First Review Determinations*, USITC Pub. 4656 at 37.

²⁴⁸ *First Review Determinations*, USITC Pub. 4656 at 37.

²⁴⁹ *First Review Determinations*, USITC Pub. 4656 at 38.

²⁵⁰ *First Review Determinations*, USITC Pub. 4656 at 38.

²⁵¹ *First Review Determinations*, USITC Pub. 4656 at 38-39.

²⁵² *First Review Determinations*, USITC Pub. 4656 at 39.

²⁵³ *First Review Determinations*, USITC Pub. 4656 at 39.

²⁵⁴ *First Review Determinations*, USITC Pub. 4656 at 39.

²⁵⁵ *First Review Determinations*, USITC Pub. 4656 at 39.

²⁵⁶ *First Review Determinations*, USITC Pub. 4656 at 39.

2. The Current Reviews

Due to the expedited nature of these reviews, the record contains limited information concerning the domestic industry's performance since the last reviews.²⁵⁷ In 2020, the domestic industry's capacity was *** short tons; production was *** short tons; capacity utilization was *** percent; U.S. shipments were *** short tons, equivalent to *** percent of apparent U.S. consumption that year; net sales were \$***; operating income was \$***; operating income as a ratio to net sales was *** percent; and the industry's COGS to net sales ratio was *** percent.²⁵⁸ The domestic industry's performance was weaker in 2020 than in 2015 by every measure, and weaker than in 2009 with respect to every measure but ***.²⁵⁹ The limited information on the record, however, is insufficient for us to make a finding as to whether the domestic industry is vulnerable to the continuation or recurrence of material injury in the event of revocation of the orders.

As discussed above, we find that revocation of the orders would likely result in a significant volume of subject imports that would likely undersell the domestic like product to gain market share and, given the moderate-to-high degree of substitutability between subject imports and the domestic like product and the importance of price, force domestic producers to choose between cutting prices, foregoing price increases, or forfeiting market share. Consequently, the likely significant volume of low-priced subject imports and their adverse price effects would likely have a significant adverse impact on the production, shipments, sales, market share, and revenues of the domestic industry, which, in turn, would have a direct adverse impact on the industry's profitability and employment, as well as its ability to raise capital and make and maintain necessary capital investments. We conclude that, if the orders were revoked, subject imports from China and Indonesia would be likely to have a significant impact on the domestic industry within a reasonably foreseeable time.

We have also considered the role of factors other than cumulated subject imports, including nonsubject imports, so as not to attribute injury from other factors to cumulated subject imports. Although nonsubject imports have increased their share of apparent U.S. consumption since the prior proceedings to *** percent in 2020,²⁶⁰ the record provides no indication that the presence of nonsubject imports would prevent cumulated subject imports from entering the U.S. market in significant quantities, taking market share from the domestic industry, or depressing or suppressing prices for the domestic like product. Given the moderate-to-high degree of substitutability between subject imports and the domestic like

²⁵⁷ See CR/PR at Tables I-5 & I-7; *First Review Determinations*, USITC Pub. 4656 at 36-38. Because the Domestic Producers responding to the notice of institution accounted for only *** percent of total domestic production in 2020, their reported data may understate the domestic industry's performance in 2020 relative to data from the original investigations and first reviews, for which reported data covered the vast majority of domestic production. See CR/PR at I-15, Table I-2.

²⁵⁸ CR/PR at Tables I-5 and I-7.

²⁵⁹ CR/PR at Table I-5.

²⁶⁰ CR/PR at Table I-7. The market share of nonsubject imports was 52.0 percent in 2015 and 16.1 percent in 2009. *Id.* We note that nonsubject imports' share of apparent U.S. consumption in 2020 may be overstated relative to its share in 2015 and 2009 due to the lower coverage of domestic industry production, and thus U.S. shipments, in these reviews. See CR/PR at Tables I-2 & I-7.

product and the importance of price in purchasing decisions, the presence of nonsubject imports in the U.S. market would not prevent the significant volumes of low-priced subject imports that are likely after revocation from taking market share, at least in substantial part, from the domestic industry, or from forcing domestic producers to either lower prices or forgo price increases to retain market share. Consequently, we find that subject imports would likely cause adverse effects on the domestic industry that are distinct from any effects of nonsubject imports in the event of revocation.

We have also considered the likely effects of demand trends on the domestic industry. The record indicates that a secular decline in demand for coated paper is likely to continue. Both Domestic Producers and *** reported that demand continued to decline during the period of review, ***.²⁶¹ Although Domestic Producers and *** anticipate that demand will continue to decline, ***.²⁶² The significant volume of low-priced subject imports that is likely after revocation would exacerbate any injury caused by declining demand on the domestic industry, by further reducing the industry's sales, increasing the industry's per-unit fixed overhead costs, and placing additional downward pressure on domestic prices. Given these considerations, we find that the likely effects attributable to the subject imports are distinguishable from any likely effects of decreasing demand if the orders were revoked.

Accordingly, we conclude that if the antidumping and countervailing duty orders on CCP from China and Indonesia were revoked, subject imports would likely have a significant impact on the domestic industry within a reasonably foreseeable time.

V. Conclusion

For the foregoing reasons, we determine that revocation of the antidumping and countervailing duty orders on CCP from China and Indonesia would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.

²⁶¹ See Domestic Response at 7-8; CR/PR at D-4.

²⁶² CR/PR at D-4.

Information obtained in these reviews

Background

On December 1, 2021, the U.S. International Trade Commission (“Commission”) gave notice, pursuant to section 751(c) of the Tariff Act of 1930, as amended (“the Act”),¹ that it had instituted reviews to determine whether revocation of the antidumping and countervailing duty orders on certain coated paper suitable for high-quality print graphics using sheet-fed presses (“certain coated paper”) from China and Indonesia would be likely to lead to continuation or recurrence of material injury.² All interested parties were requested to respond to this notice by submitting certain information requested by the Commission.^{3 4} Table I-1 presents information relating to the background and schedule of this proceeding:

Table I-1
Certain Coated Paper: Information relating to the background and schedule of this proceeding

Effective date	Action
December 1, 2021	Notice of initiation by Commerce (86 FR 68220, December 1, 2021)
December 1, 2021	Notice of institution by Commission (86 FR 68272, December 1, 2021)
March 7, 2022	Commission’s vote on adequacy
March 31, 2022	Commerce’s results of its expedited reviews
June 2, 2022	Commission’s determinations and views

¹ 19 U.S.C. 1675(c).

² 86 FR 68272, December 1, 2021. In accordance with section 751(c) of the Act, the U.S. Department of Commerce (“Commerce”) published a notice of initiation of five-year reviews of the subject antidumping and countervailing duty orders. 86 FR 68220, December 1, 2021. Pertinent Federal Register notices are referenced in app. A, and may be found at the Commission’s website (www.usitc.gov).

³ 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 investigations and subsequent full reviews are presented in app. C.

⁴ Interested parties were also requested to provide a list of three to five leading purchasers in the U.S. market for the domestic like product and 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 reviews. It was filed on behalf of the following entities:

1. Verso Corporation (“Verso”); Sappi North America, Inc. (“Sappi”), domestic producers of certain coated paper, and United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union, AFL-CIO, CLC (the “USW”),⁵ (collectively referred to herein as “domestic interested parties”)

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-2.

⁵ The members of the USW are employed at the following U.S. producers of the domestic like product: Verso, Sappi, Evergreen Packaging / Pactiv Evergreen, WestRock, and Monadnock. Domestic interested parties’ response to the notice of institution, January 3, 2022, p.3. Domestic interested parties’ supplemental response to the notice of institution, January 28, 2022, p. 2.

Table I-2

Certain coated paper: Summary of completed responses to the Commission’s notice of institution

Interested party	Type	Number of firms	Coverage
U.S. producer	Domestic	3	***%

Note: The domestic interested party response was filed on behalf of two U.S. producers and one labor union. The U.S. producer coverage figure presented is the domestic interested parties’ estimate of the share of total 2020 U.S. production of the domestic like product accounted for by the two domestic producers on whose behalf the response was filed. The domestic interested parties noted that production information for the domestic producers that employ the USW’s members is not available. USW workers are employed at the following U.S. producers of the domestic like product: Verso, Sappi, Evergreen Packaging / Pactiv Evergreen, and Monadnock. Domestic interested parties estimated total 2020 U.S. production of the domestic like product to be *** short tons, which is based on the average annual decline in production by U.S. producers from 2010 to 2015, as reported during the last five-year reviews. Domestic interested parties’ response to the notice of institution, January 3, 2022, p. 41, and domestic interested parties’ supplemental response to the notice of institution, January 28, 2022, pp. 3-4.

Note: Domestic interested parties also provided an estimate of *** share of 2020 U.S. *capacity* to produce certain coated paper, which they estimated to be *** percent. With the addition of one USW-represented firm, WestRock, they estimated the domestic interested parties represented over *** percent of 2020 U.S. capacity to produce certain coated paper. These estimates do not take into account converters’ capacity (i.e., firms that convert certain coated paper sheet rolls into sheeted paper), as the domestic interested parties were not aware of any publicly available capacity or production data for converters. Nevertheless, the domestic interested parties believe, based on data collected during the full first five-year reviews, that inclusion of the converters’ capacity would still result in a finding that the domestic interested parties represent the majority of total U.S. certain coated paper capacity in 2020. Domestic interested parties’ response to the notice of institution, January 3, 2022, p. 41.

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 expedited or full reviews from the domestic interested parties. Domestic interested parties request that the Commission conduct expedited reviews of the antidumping and countervailing duty orders on certain coated paper.⁶

The original investigations and subsequent reviews

The original investigations

The original investigations resulted from petitions filed on September 23, 2009, with Commerce and the Commission by Appleton Coated, LLC (“Appleton”), Kimberly, Wisconsin; NewPage Corp. (“NewPage”), Miamisburg, Ohio; Sappi Fine Paper North America (“Sappi”), Boston, Massachusetts; and the USW, Pittsburgh, Pennsylvania.⁷ On September 27, 2010,

⁶ Domestic interested parties’ comments on adequacy, February 10, 2022, p. 2.

⁷ Certain Coated Paper Suitable for High-Quality Print Graphics Using Sheet-Fed Presses from China

(continued...)

Commerce determined that imports of certain coated paper from China and Indonesia were being sold at less than fair value (“LTFV”) and subsidized by the Governments of China and Indonesia.⁸ The Commission determined on November 10, 2010, that the domestic industry was threatened with material injury by reason of imports of certain coated paper from China and Indonesia that had been found by Commerce to be sold in the United States at LTFV, and that had been found by Commerce to be subsidized by the governments of China and Indonesia.⁹ On November 17, 2010, Commerce issued its antidumping and countervailing duty orders. The final weighted-average dumping margins assigned to Chinese firms ranged from 7.60 percent to 135.84 percent.¹⁰ The net subsidy rate for Chinese firms was between 19.46 percent and 202.84 percent.¹¹ For Indonesia, the weighted-average dumping margin was 20.13 percent for all firms.¹² The net subsidy rate for all Indonesian firms was 17.94 percent.¹³ Following a 2015 ruling by the Court of International Trade, Commerce revised the dumping margin down to 3.64 percent for the following Chinese companies: Gold East Paper (Jiangsu) Co., Ltd.; Gold Huasheng Paper Co., Ltd.; Ningbo Zhonghua Paper Co., Ltd.; Ningbo Asia Pulp and Paper Co., Ltd.; and Gold East (Hong Kong) Trading Co., Ltd.¹⁴

The first five-year reviews

On January 4, 2016, the Commission determined that it would conduct full reviews of the antidumping and countervailing duty orders on certain coated paper from China and Indonesia.¹⁵ On January 8, 2016, Commerce determined that revocation of the antidumping duty orders on certain coated paper from China and Indonesia would be likely to lead to continuation or recurrence of dumping.¹⁶ On February 5, 2016, Commerce determined that revocation of the countervailing duty order on certain coated paper from Indonesia would be likely to lead to continuation or recurrence of subsidization.¹⁷ On February 10, 2016, Commerce determined that revocation of the countervailing duty order on certain coated paper from

and Indonesia, Inv. Nos. 701-470-471 and 731-TA-1169-1170 (Final), USITC Publication 4192, November 2010 (“Original Publication”), p. I-1.

⁸ 75 FR 59209, 75 FR 59212, 75 FR 59217, and 75 FR 59223, September 27, 2010.

⁹ 75 FR 59217, September 27, 2010. 75 FR 70289, November 10, 2010.

¹⁰ 75 FR 70203, November 17, 2010.

¹¹ 75 FR 70201, November 17, 2010.

¹² 75 FR 70205, November 17, 2010.

¹³ 75 FR 70206, November 17, 2010.

¹⁴ 80 FR 77603, December 15, 2015.

¹⁵ 81 FR 1966, January 14, 2016.

¹⁶ 81 FR 907, January 8, 2016.

¹⁷ 81 FR 6234, February 5, 2016.

China would be likely to lead to continuation or recurrence of subsidization.¹⁸ On December 22, 2016, the Commission determined that material injury would be likely to continue or recur within a reasonably foreseeable time if the orders were revoked.¹⁹ Following affirmative determinations in the five-year reviews by Commerce and the Commission, effective January 6, 2017, Commerce issued a continuation of the antidumping and countervailing duty orders on imports of certain coated paper from China and Indonesia.²⁰

Previous and related investigations

The Commission has conducted two previous import relief investigations on certain coated paper or similar merchandise. Table I-3 presents information on previous and related title VII investigations.

Table I-3
Certain coated paper: Previous and related Commission proceedings and determinations

Date	Numbers	Countries	Determination
1991	731-TA-486-494	Austria, Belgium, Finland, France, Germany, Italy, the Netherlands, Sweden, and the United Kingdom	Negative
2007	701-TA-444-446 and 731-TA-1107-1109	China, Indonesia, and Korea	Negative

Source: U.S. International Trade Commission publications and Federal Register notices.

Note: "Date" refers to the year in which the investigation or review was instituted by the Commission.

Commerce's five-year reviews

Commerce announced that it would conduct expedited reviews with respect to the orders on imports of certain coated paper from China and Indonesia with the intent of issuing the final results of these reviews based on the facts available not later than March 31, 2022.²¹ Commerce publishes its Issues and Decision Memoranda and its final results concurrently, accessible upon publication at <http://enforcement.trade.gov/frn/>. Issues and Decision Memoranda contain complete and up-to-date information regarding the background and

¹⁸ 81 FR 7081, February 10, 2016.

¹⁹ 81 FR 96044, December 29, 2016.

²⁰ 82 FR 1692, January 6, 2017.

²¹ Letter from Abdelali Elouaradia, Office Director, Office IV, AD/CVD Operations, Enforcement and Compliance, U.S. Department of Commerce to Nannette Christ, Director of Investigations, January 20, 2022.

history of the order, including scope rulings, duty absorption, changed circumstances reviews, and anticircumvention, as well as any decisions that may have been pending at the time of issuance of this report. Any foreign producers/exporters that are not currently subject to the antidumping and countervailing duty orders on imports of certain coated paper from China and Indonesia are noted in the sections titled “The original investigations” and “U.S. imports,” if applicable.

The product

Commerce’s scope

Commerce has defined the scope as follows:

The scope of the orders cover certain coated paper and paperboard²² in sheets suitable for high quality print graphics²³ using sheet-fed presses; coated on one or both sides with kaolin (China or other clay), calcium carbonate, titanium dioxide, and/or other inorganic substances; with or without a binder; having a GE brightness level of 80 or higher,²⁴ weighing not more than 340 grams per square meter; whether gloss grade, satin grade, matte grade, dull grade, or any other grade of finish; whether or not surface-colored, surface decorated, printed (except as described below), embossed, or perforated; and irrespective of dimensions (Certain Coated Paper).

Certain Coated Paper includes (a) coated free sheet paper and paperboard that meets this scope definition; (b) coated groundwood

²² “Paperboard” refers to Certain Coated Paper that is heavier, thicker and more rigid than coated paper which otherwise meets the product description. In the context of Certain Coated Paper, paperboard typically is referred to as “cover,” to distinguish it from “text.”

²³ Commerce conducted a scope inquiry in September 2012 and determined that packaging paperboard products with a thickness of 310 µm or more and a density of less than .70 g/cm³ are not suitable for high-quality print graphics and are therefore outside the scope. Certain Coated Paper Suitable for High-Quality Print Graphics Using Sheet-Fed Presses from Indonesia and the People’s Republic of China: Final Scope Rulings for Certain Playing Card Products and Certain Packaging Paperboard Products, Memorandum to Christian Marsh from Susan H. Kuhbach, September 13, 2012.

²⁴ One of the key measurements of any grade of paper is brightness. Generally speaking, the brighter the paper the better the contrast between the paper and the ink. Brightness is measured using a GE Reflectance Scale, which measures the reflection of light off of a grade of paper. One is the lowest reflection, or what would be given to a totally black grade, and 100 is the brightest measured grade.

paper and paperboard produced from bleached chemi-thermo-mechanical pulp (BCTMP) that meets this scope definition; and (c) any other coated paper and paperboard that meets this scope definition.

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

Specifically excluded from the scope are imports of paper and paperboard printed with final content printed text or graphics.²⁵

U.S. tariff treatment

Certain coated paper is currently imported under HTS statistical reporting numbers 4810.14.1100, 4810.14.1900, 4810.14.2010, 4810.14.2090, 4810.14.5000, 4810.14.6000, 4810.14.7000, 4810.19.1100, 4810.19.1900, 4810.19.2010, 4810.19.2090, 4810.22.1000, 4810.22.5000, 4810.22.6000, 4810.22.7000, 4810.29.1035, 4810.29.5000, 4810.29.6000, 4810.29.7020, 4810.29.7035, and HTS subheadings 4810.32, 4810.39, and 4810.92. Uncoated paper imported into the U.S. market has a column 1-general duty rate of “free” for all relevant HTS subheadings and statistical reporting numbers. Decisions on the tariff classification and treatment of imported goods are within the authority of U.S. Customs and Border Protection.

HTS subheadings 4810.14.11, 4810.14.19, 4810.14.20, 4810.14.50, 4810.14.60, 4810.14.70, 4810.19.11, 4810.19.19, 4810.19.20, 4810.22.10, 4810.22.50, 4810.22.60, 4810.22.70, 4810.29.10, 4810.29.50, 4810.29.60, 4810.29.70, 4810.32.10, 4810.32.30, 4810.32.65, 4810.39.12, 4810.39.14, 4810.39.30, 4810.39.65, 4810.92.12, 4810.92.14, 4810.92.30, and 4810.92.65 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 1974.²⁶ Escalation of this duty to 25 percent ad valorem was rescheduled from January 1, 2019 (annex B of 83 FR 47974)²⁷ to March 2, 2019 (83 FR 65198),²⁸ but was

²⁵ 82 FR 1692, January 6, 2017.

²⁶ 83 FR 47974, September 21, 2018.

²⁷ Ibid.

²⁸ 83 FR 65198, December 19, 2018.

subsequently postponed until further notice,²⁹ and then was implemented effective May 10, 2019 (84 FR 20459).³⁰ A subsequent modification was provided for subject goods produced in China prior to May 10, 2019, not to be subject to the escalated 25 percent duty as long as such goods are imported into the United States prior to June 1, 2019 (84 FR 21892).^{31 32}

On February 5, 2020, USTR announced its determination to grant certain exclusion requests.³³ However, as of January 12, 2021, no exclusions had been granted for any products under HTS subheadings 4810.14.11, 4810.14.19, 4810.14.20, 4810.14.50, 4810.14.60, 4810.14.70, 4810.19.11, 4810.19.19, 4810.19.20, 4810.22.10, 4810.22.50, 4810.22.60, 4810.22.70, 4810.29.10, 4810.29.50, 4810.29.60, 4810.29.70, 4810.32.10, 4810.32.30, 4810.32.65, 4810.39.12, 4810.39.14, 4810.39.30, 4810.39.65, 4810.92.12, 4810.92.14, 4810.92.30, and 4810.92.65.³⁴

Description and uses³⁵

Certain coated paper is coated on one or both sides with kaolin (China or other clay), calcium carbonate, titanium dioxide, and/or other inorganic substances. Paper and paperboard coated with these substances have a better printing surface than uncoated paper and paperboard. Other important physical characteristics of certain coated paper include: (1) brightness, (2) basis weight, (3) finish, (4) opacity, (5) smoothness, and (6) caliper.

²⁹ 84 FR 7966, March 5, 2019.

³⁰ 84 FR 20459, May 9, 2019.

³¹ 84 FR 21892, May 15, 2019.

³² USTR proposed raising this additional duty from 25 percent to 30 percent on such products imported from China, on or after October 1, 2019 (Annex C – (List 3 - \$200 Billion Action), Part 1), 84 FR 46212, September 3, 2019.

³³ 85 FR 6674, February 5, 2020. See USTR, “How to Navigate the Section 301 Tariff Process,” <https://ustr.gov/issue-areas/enforcement/section-301-investigations/search>, accessed January 18, 2022.

³⁴ HTSUS (2022) Preliminary, USITC Publication 5272, January 2022. USITC, “About Harmonized Tariff Schedule,” no date, https://www.usitc.gov/harmonized_tariff_information, accessed January 18, 2022.

³⁵ Unless otherwise noted, this information is based on Certain Coated Paper Suitable for High Quality Print Graphics Using Sheet-Fed Presses from China and Indonesia, Investigation Nos. 701-TA-470-471 and 731-TA-1169-1170 (Review), USITC Publication 4656, December 2016 (“First review publication”), pp. I-20-I-23.

Brightness

Brightness is a measure of the paper's ability to reflect light. The higher the brightness, the greater the contrast between the paper and the colors printed upon it. Brightness ranges from 1, a totally black grade, to 100, the brightest measured grade.

Basis weight

Basis weight, a traditional unit of measurement for the paper industry in the United States, is the weight in pounds of a ream of paper (500 sheets of paper) of a given size (the basis). Certain coated paper is also sold on a grams per square meter basis.

Finish

The finish of certain coated paper refers to the characteristics of the surface of the paper or paperboard. The most common finishes are gloss, dull, and matte. Certain coated paper with a gloss finish has a very hard and smooth surface, which results in a printed image that is lustrous and shiny in appearance. Certain coated paper with a dull finish has a smooth surface but lacks luster or gloss; certain coated paper with a matte finish also has a smooth surface but lacks gloss.

Opacity

Opacity is a measure of the ability of certain coated paper to have a printed image on one side without the image showing through to the other side. The measurement ranges from zero to 100 percent. The higher the percentage, the more opaque the paper; conversely, the lower the percentage, the more transparent the paper.

Smoothness

Smoothness is the even and consistent continuity of the surface of certain coated paper. Smoothness can be measured by a number of methods. The Bekk method measures smoothness in units of time (seconds) for a given volume of air to pass across the surface of the paper. The longer the time, the smoother the paper.

Caliper

Caliper is the thickness of certain coated paper, measured in thousandths of an inch and typically expressed as points (e.g., 10 points equals 0.010 inch, 8 points equals 0.008 inch, and so on).

Categories of certain coated paper

Certain coated paper includes the following categories of paper products: (1) coated paper other than coated paperboard, (2) coated paperboard used in the commercial printing industry as “cover” stock, and (3) coated packaging paperboard. These three categories of paper products are described further below.

Coated paper other than coated paperboard

Coated paper other than coated paperboard includes (1) text grades of coated free sheet paper and (2) coated groundwood paper produced from bleached chemi-thermo-mechanical pulp.³⁶ Coated free sheet is a clay coated paper predominately composed of chemically obtained fibers (90 percent or more by weight). Coated groundwood is a clay coated paper made with substantial proportions of mechanically derived pulp.

U.S. producers typically sell coated paper other than coated paperboard in one of three grades, with Grade No. 1 having the highest brightness levels, Grade No. 2 having the next highest brightness levels, and Grade No. 3 having the lowest brightness levels. The brightness levels of these papers and their classification into a particular grade can vary by producer. Nonetheless, all three grades of these papers have brightness levels well over 80. Coated paper other than coated paperboard has basis weights ranging from 60 pounds to 100 pounds. The finish of this paper is typically gloss, dull, or matte, and the caliper is usually below 7 points. Coated paper other than coated paperboard is generally used for printing multi-colored graphics for books, catalogues, magazines, envelopes, labels and wraps, and any other commercial printing applications requiring high quality print graphics.

Coated paperboard used in the commercial printing industry as “cover” stock

Coated paperboard used in the commercial printing industry as “cover” stock includes: (1) cover grades of coated free sheet paper and (2) coated paperboard produced by firms that traditionally service the packaging industry and that sell coated paperboard to commercial printers for use as cover stock. These two product categories are heavier, thicker, and more rigid than text grades of coated free sheet paper and coated groundwood paper produced from bleached chemi-thermo-mechanical pulp. Although each of these two product categories is generally manufactured by different producers, they are generally interchangeable in the marketplace.

³⁶ Bleached chemi-thermo-mechanical pulp is a type of mechanical pulp produced by chemicals, heat, pressure, and grinding techniques, after which the pulp is bleached.

Cover grades of coated free sheet paper generally have brightness levels well over 80 and, like text grades of coated free sheet paper, are typically sold in one of three grades (Grade No. 1, Grade No. 2, and Grade No. 3). The weight of the paper, on a grams per square meter basis, ranges from approximately 176 to 352. The finish of this paper is usually gloss, dull, or matte, and the caliper ranges from 7 points to 14 points. Coated cover stock also has brightness levels well over 80. The weight of this paper, on a grams per square meter basis, ranges from approximately 176 to 465. The finish of the paper can vary, and the caliper ranges from 8 points to 26 points.

Coated paperboard used in the commercial printing industry as “cover” stock is used for printing multi-colored graphics for items such as business cards, appointment cards, brochures, catalogue and magazine covers, postcards, and tickets.

Coated packaging paperboard

There have been traditionally three major grades of coated packaging paperboard in the United States:

Solid bleached sulfate— a premium grade of coated paperboard that contains at least 80 percent virgin bleached wood pulp and used for packaging items such as medical goods, milk and juice, cosmetics and perfume, frozen food, and candy.

Coated unbleached kraft paperboard— a superior strength grade of coated paperboard that contains at least 80 percent virgin unbleached wood pulp and used for packaging items such as frozen food, milk, and pharmaceuticals.

Coated recycled paperboard— a coated paperboard that is made from 100 percent recovered paperboard and used for packaging items such as soap and laundry detergent, cookies and crackers, facial tissue and napkins, cake mix, breakfast cereal, and other types of dry food.

Coated packaging paperboard has brightness levels of 80 or higher but generally lower than the brightness levels of coated paper other than coated paperboard and coated paperboard used in the commercial printing industry as “cover” stock. The weight of coated packaging paperboard ranges from approximately 185 grams per square meter to 545 grams per square meter. The finish of the paperboard is generally between a gloss finish and a dull finish, and the caliper ranges from 10 points to 24 points.

Some of the production of these three grades of coated packaging paperboard falls outside of the scope of these orders because some products within these three grades are in the form of web rolls or fail to meet the brightness and/or the basis weight specifications described in the scope language and modified through the 2012 scope inquiry reviews, as described in footnote 23.

Manufacturing process³⁷

Some production facilities of certain coated paper are integrated operations, producing these products (as well as web rolls) in one continuous process from the harvested log to the intermediate product (pulp) to the final paper product.³⁸ This production process is similar for all the producers.

Manufacture of pulp

The manufacturing process begins with the removal of the bark from the hardwood and softwood logs in a debarking machine. The logs are then chipped into small uniformly sized chips in a chipper. The wood chips next undergo a chemical pulping process whereby they are cooked under pressure with water and chemicals in a digester-cooking vessel to separate the cellulose fibers from the lignin, the glue that holds the fibers together, and other impurities.

The resulting wood pulp is washed and bleached to attain a level of whiteness and brightness required for the grade of paper or paperboard being produced and then refined to enable the wood fibers to mesh and to increase their bonding properties. Different materials are added to the pulp, including kaolin clay and calcium carbonate for brightness, opacity, and smoothness, dyes for shade control,³⁹ optical brighteners for whiteness, and sizing agents form

³⁷ Unless otherwise noted, this information is based on the first review publication, pp. I-24-I-27.

³⁸ Certain coated paper is made from both hardwood pulp and softwood pulp. The short hardwood fibers help to provide a good printing surface, while the longer softwood fibers provide strength to the sheet. Some producers also repulp recycled paper and use this recycled pulp solely, or in combination with virgin pulp, in the production of some of their certain coated paper; they may also purchase chemical pulp or bleached chemi-thermo-mechanical pulp on the open market to supplement their own pulp production.

³⁹ Shade is a measurement of the color of paper. There are three generally accepted groups of white shades: true white, cream white, and blue white. A true white shade of paper reflects all the colors of the color spectrum equally. A cream white shade of paper absorbs more of the blue light and generally has a yellowish tint, while a blue white shade of paper absorbs more of the red and green lights and tends to have a bluish tint. Book publishers often use paper with a true white shade or a cream white shade as these papers are easier on the reader's eyes. For content containing mostly bluish colors and black color (for text), a blue white shade of paper produces a better print image. For content having colors mostly more akin to skin tones, a true white shade of paper may produce the best print image.

moisture control. The exact proportions of these materials are determined by the specifications for the type of coated paper or paperboard that is being produced. A large volume of water is also added.

Post-pulp paper manufacturing process

At this stage of the manufacturing process, the pulp mixture is 99.5 percent water and is ready to be run continuously through a paper machine. A paper machine has three major parts—the base sheet forming section (the wet end), the press section, and the dryer section. The mixture is pumped out onto a continuously moving wire web that is usually oriented horizontally and which loops around rollers at both ends. As the wire web moves, water drains through it, the fibers begin to bond, and a sheet (web) of paper begins to form on the wire. The web at this point has an 80 percent water content. The web of paper leaves the moving wire and enters the press section, where a set of steel rollers squeezes more water out of the web, reducing its water content to about 65 percent. The web then proceeds into the dryer section and passes over and under successive steam-heated drying cylinders. This drying process removes most of the remaining water from the web of paper.⁴⁰

Coating process

At this point, the web is now ready for coating and, if need be, calendering. Coating equipment is either integrated in line with the paper machine (on-line coating) or separate from the paper machine (off-line coating). For on-line coating, the paper enters the coating equipment after leaving the dryer section. If the coating is to occur off-line, the paper is wound onto large reels after the drying process and transported over to the off-line coating equipment. In either case, the coating and calendering processes are the same. The coating to be applied to the paper consists of a variety of chemicals and other materials mixed in certain proportions according to the requirements of the paper or paperboard being produced. These chemicals and other materials may include kaolin clay, other types of clay, calcium carbonate, titanium dioxide, latex, starches, dyes, lubricants, thickeners, plastic pigments, optical brighteners, and biocides. These mixtures brighten the paper, increase its opacity and gloss, help bind the coating to the paper, and control the buildup of fungus and mold.

⁴⁰ Some coated packaging paperboard has a multiply structure, i.e., the paperboard consists of multiple layers or plies of fiber that are formed separately at the wet end of the paper machine and subsequently bonded together to form a single sheet during pressing and drying.

When the paper web enters the coating equipment, a thin coat is applied evenly to one side, which is then dried, followed by the coating and drying of the other side of the web. One method of applying the coating to the paper involves a blade coating process, whereby extra coating is applied to the paper and then scraped off by a steel blade. The pressure of the steel blade against the surface results in a uniform surface. After the coating process, the paper or paperboard is rewound onto large reels, in preparation for the calendering process. A calender is a set of steel rolls, stacked one on top of the other, through which the paper web is passed. The rolls apply heat and pressure to the paper, increasing the smoothness and gloss of the surface. Paper with a gloss or dull finish is typically calendered, while paper with a matte finish is not. After calendering, the paper is rewound again onto large reels.

Certain coated paper in sheeter rolls and sheets

Certain coated paper is produced and sold in the United States in both sheeter rolls and in sheets.⁴¹ These terms are generally defined as follows:

Free sheet certain coated paper— coated paper other than coated packaging paperboard and coated packaging paperboard that have been sheeted (cut) into certain sheet sizes from sheeter rolls by paper producers or by independent converters for use in sheet-fed presses. These presses generally print only one side of the sheet at a time and tend to have smaller print runs. Sheets have high moisture levels and certain mechanical properties that allow them to run through a sheet-fed press without curling or losing print and color fidelity.

Sheeter roll certain coated paper – rolls of coated paper other than coated packaging paperboard and coated packaging paperboard intended to be sheeted into various sheet sizes by paper producers or independent converters. Sheeter roll certain coated paper and free sheet certain coated paper are identical in physical characteristics but for the sheeting process.

The large reels of paper or paperboard (jumbo rolls) are transported to the finishing department where a slitter/rewinder unwinds and slits them into smaller width rolls and rewinds them onto narrower reels. The various widths of these narrower rolls are dictated by

⁴¹ Free sheet certain coated paper was within the scope of the original investigations and five-year reviews, while certain coated paper in sheeter roll form was not. However, in both the original investigations and first five-year reviews, the Commission defined the domestic like product to include certain coated paper in both free sheet and sheeter roll forms. First review publication, pp. 4 and 9.

the width of the presses for which they are intended.⁴² At this point in the production process, sheeter roll certain coated paper (that is to be sheeted by independent converters) is wrapped and labeled for delivery to customers. The remaining sheeter roll certain coated paper is processed on a sheeter, which cuts the rolls into sheets, performs a quality check of the surface of the paper, removes faulty sheets, counts and packages the sheets in ream quantities, and stacks them on pallets ready for delivery. U.S. producers primarily sell both coated paper other than coated packaging paperboard and coated packaging paperboard in the form of free sheet certain coated paper. Until the free sheet certain coated paper and sheeter roll certain coated paper leave the paper mill for the customer, they are kept in climate-controlled areas and monitored carefully via inventory control software.

The industry in the United States

U.S. producers

During the final phase of the original investigations, the Commission received U.S. producer questionnaires from 11 integrated producers and four U.S. converters.⁴³ ⁴⁴ The integrated producers accounted for the vast majority of integrated production of certain coated paper in the United States during 2009, while the responding U.S. converters were estimated to account for less than *** percent of U.S. independent conversion activities in 2008.⁴⁵ During the first five-year reviews, the Commission received U.S. producer questionnaires from 11 integrated producers and six U.S. converters, which were believed to account for the vast majority of U.S. production of certain coated paper in 2015.⁴⁶

⁴² To use as much of the jumbo roll as possible in the process of slitting it into smaller width rolls, thereby reducing paper loss, producers try to match up their orders for sheeter roll certain coated paper and free sheet certain coated paper such that the various widths of the smaller rolls closely approximate the width of the jumbo roll. Producers are helped in this regard by the fact that they sell a variety of sizes of paper. Nevertheless, there is usually some loss of paper from any given jumbo roll.

⁴³ The term integrated is used to distinguish those producers who produce sheeter rolls from converters, which solely process sheeter rolls into sheets, and is not used to indicate the level of vertical integration of those producers.

⁴⁴ Original publication, pp. I-4, III-1.

⁴⁵ Inv. Nos. 701-TA-470-471 and 731-TA-1169-1170 (Final): Certain Coated Paper Suitable for High-Quality Print Graphics Using Sheet-Fed Presses from China and Indonesia, Confidential Report, INV-HH-102, October 14, 2010, (“Original confidential report”), p. III-1.

⁴⁶ First review publication, pp. I-29 and III-1. Integrated producers were believed to account for approximately 80 percent of U.S. production of free sheet certain coated paper, with U.S. converters accounting for the remainder.

In response to the Commission’s notice of institution in these current reviews, domestic interested parties provided a list of 16 known and currently operating U.S. producers and converters of certain coated paper. Two integrated producers providing U.S. industry data in response to the Commission’s notice of institution accounted for approximately *** percent of production of certain coated paper in the United States during 2020.⁴⁷

Recent developments

Table I-4 presents events in the U.S. industry since the last five-year reviews.

Table I-4
Certain coated paper: Recent developments in the U.S. industry

Date	Company	Action
September 2017	Appleton	Closed Appleton, Wisconsin operations.
October 2017	Appleton	Purchased by Industrial Assets and Maynard Industries.
December 2017	Appleton	Appleton mills resume operations in Appleton, Wisconsin, shifting heavily toward an out-of-scope product, brown paper used for packaging.
April 2018	Appleton/Midwest Paper Group	Appleton is renamed Midwest Paper Group.
April 30, 2019	Verso	Verso announces closure of paper mill in Luke, Maryland.
January 2020	Midwest Paper Group	Industrial Opportunity Partners acquires Midwest Paper Group.
December 2021	Verso	Verso Corporation announces that it has entered into a definitive merger agreement with Swedish company BillerudKorsnäs AB.

Sources: Domestic interested parties’ response to the notice of institution, January 3, 2022, p. 8; “IOP Buys 130-Year Old Paper Company,” <https://peprofessional.com/2020/01/iop-buys-130-year-old-paper-company/>; “‘A new beginning’ as Appleton Coated renamed Midwest Paper Group,” <https://www.postcrescent.com/story/news/2018/04/18/new-beginning-appleton-coated-renamed-midwest-paper-group/528505002/>; “Industrial Opportunity Partners Acquires Midwest Paper,” <https://www.iopfund.com/industrial-opportunity-partners-acquires-midwest-paper/?sfw=pass1642622875>; “Verso Corporation to be Acquired by BillerudKorsnäs AB for \$27 Per Share in Cash, or Approximately \$825 Million,” <https://investor.versoco.com/2021-12-19-Verso-Corporation-to-be-Acquired-by-BillerudKorsnas-AB-for-27-Per-Share-in-Cash,-or-Approximately-825-Million>.

⁴⁷ The domestic interested parties’ response was filed on behalf of two U.S. producers and one labor union. Production information for the firms that employ the labor union’s members is not available. Domestic interested parties’ supplemental response to the notice of institution, January 28, 2022, p. 4.

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 reviews.⁴⁸ Table I-5 presents a compilation of the trade and financial data submitted from all responding U.S. producers in the original investigations and subsequent five-year reviews.

Table I-5
Certain coated paper: Trade and financial data submitted by U.S. producers, by period

Quantity in short tons; value in 1,000 dollars; unit value in dollars per short ton; ratio is in percent

Item	Measure	2009	2015	2020
Capacity	Quantity	2,017,243	1,461,547	***
Production	Quantity	1,665,021	1,161,227	***
Capacity utilization	Ratio	82.5	79.5	***
U.S. shipments	Quantity	1,477,233	1,105,348	***
U.S. shipments	Value	1,435,315	1,203,877	***
U.S. shipments	Unit value	972	1,089	***
Net sales	Value	1,638,035	1,224,133	***
COGS	Value	1,469,203	1,050,078	***
COGS to net sales	Ratio	89.7	85.8	***
Gross profit or (loss)	Value	168,832	174,055	***
SG&A expenses	Value	107,067	77,596	***
Operating income or (loss)	Value	61,765	96,459	***
Operating income or (loss) to net sales	Ratio	3.8	7.9	***

Source: For the year 2009, data are compiled using data submitted in the Commission's original investigations. For the year 2015, data are compiled using data submitted in the Commission's first five-year reviews. For the year 2020, data are compiled using data submitted by domestic interested parties. Domestic interested parties' response to the notice of institution, January 3, 2022, exh. 25.

Note: The fiscal year for ***.

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

⁴⁸ Individual company trade and financial data are presented in app. B.

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 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.⁴⁹

In its original and full first five-year review determinations, the Commission defined a single Domestic Like Product consisting of coated paper meeting the physical specifications of Commerce’s scope definition and out-of-scope sheeter roll coated paper (i.e., coated paper in sheeter rolls, as opposed to in individual sheet form, that otherwise matches Commerce’s scope definition). In its original and full first five-year determinations, the Commission defined a single Domestic Industry consisting of U.S. producers and converters of the Domestic Like Product, which includes coated paper in sheet form that meets Commerce’s scope definition and sheeter roll coated paper.⁵⁰

⁴⁹ Section 771(4)(B) of the Tariff Act of 1930, 19 U.S.C. § 1677(4)(B).

⁵⁰ 86 FR 68273, December 1, 2021, and first review publication, p. 4, fn. 6; p. 9; and p. 11.

U.S. imports

U.S. importers

During the final phase of the original investigations, the Commission received U.S. importer questionnaires from 11 firms, which accounted for *** percent of U.S. imports from China and *** percent of U.S. imports from Indonesia.⁵¹ Import data presented in the original investigations are based on adjusted official Commerce statistics, adjusted based on information provided by petitioners and respondents.⁵² During the first five-year reviews, the Commission received U.S. importer questionnaires from 19 firms, ***, which accounted for an estimated *** percent of U.S. imports from Indonesia in 2010 (***).⁵³ Import data presented in the first reviews are based questionnaire responses supplemented with proprietary Customs data.⁵⁴

Although the Commission did not receive responses from any respondent interested parties in these current reviews, in its response to the Commission's notice of institution, the domestic interested parties provided a list of 195 potential U.S. importers of certain coated paper.^{55 56}

U.S. imports

Table I-6 presents the quantity, value, and unit value of U.S. imports from China and Indonesia as well as the other top sources of U.S. imports (shown in alphabetical order).

⁵¹ Original confidential report, p. IV-1, n.2.

⁵² Original publication, p. IV-3.

⁵³ ***. Investigation Nos. 701-TA-470-471 and 731-TA-1169-1170 (Review)): Certain Coated Paper Suitable for High-Quality Print Graphics Using Sheet-Fed Presses from China and Indonesia, Confidential Report, INV-OO-109, November 21, 2016, as revised in INV-OO-115, November 30, 2016 ("First review confidential report"), p. IV-1, n. 2.

⁵⁴ First review confidential report, p. IV-2.

⁵⁵ Domestic interested parties' response to the notice of institution, January 3, 2022, exh. 27.

⁵⁶ The list of possible U.S. importers submitted by domestic interested parties likely overstates the actual number of U.S. importers of certain coated paper because it includes numerous freight forwarding and logistics firms as well as a number of duplicate entities. Domestic interested parties' response to the notice of institution, January 3, 2022, exh. 27.

Table I-6
Certain coated paper: U.S. imports, by source and period

Quantity in short tons; value in 1,000 dollars; unit value in dollars per short ton

U.S. imports from	Measure	2016	2017	2018	2019	2020
China	Quantity	17,486	22,616	19,993	8,667	6,409
Indonesia	Quantity	1,278	779	433	3,694	5,545
Subject sources	Quantity	18,764	23,395	20,426	12,362	11,954
Canada	Quantity	409,835	404,100	440,397	427,344	305,066
Finland	Quantity	284,784	260,876	398,640	348,968	234,406
South Korea	Quantity	327,696	313,506	372,738	384,770	269,680
All other sources	Quantity	470,128	441,599	469,804	443,222	345,606
Nonsubject sources	Quantity	1,492,443	1,420,081	1,681,579	1,604,304	1,154,759
All import sources	Quantity	1,511,207	1,443,476	1,702,005	1,616,666	1,166,713
China	Value	19,948	24,156	23,513	11,874	10,119
Indonesia	Value	1,360	863	428	3,835	5,063
Subject sources	Value	21,308	25,018	23,941	15,710	15,182
Canada	Value	297,357	282,675	330,926	312,582	207,312
Finland	Value	201,110	182,046	291,453	275,357	168,467
South Korea	Value	290,962	269,606	346,693	369,141	244,316
All other sources	Value	440,284	411,374	458,834	453,944	342,769
Nonsubject sources	Value	1,229,712	1,145,701	1,427,906	1,411,025	962,864
All import sources	Value	1,251,020	1,170,719	1,451,847	1,426,735	978,046
China	Unit value	1,141	1,068	1,176	1,370	1,579
Indonesia	Unit value	1,064	1,108	988	1,038	913
Subject sources	Unit value	1,136	1,069	1,172	1,271	1,270
Canada	Unit value	726	700	751	731	680
Finland	Unit value	706	698	731	789	719
South Korea	Unit value	888	860	930	959	906
All other sources	Unit value	937	932	977	1,024	992
Nonsubject sources	Unit value	824	807	849	880	834
All import sources	Unit value	828	811	853	883	838

Source: Compiled from official Commerce statistics for HTS statistical reporting numbers 4810.14.1120, 4810.14.1140, 4810.14.1900, 4810.14.2010, 4810.14.2090, 4810.14.5000, 4810.14.6000, 4810.14.7020, 4810.14.7040, 4810.19.1100, 4810.19.1900, 4810.19.2010, 4810.19.2090, 4810.22.1000, 4810.22.5044, 4810.22.5080, 4810.22.6000, 4810.22.7020, 4810.22.7040, 4810.29.1035, 4810.29.5000, 4810.29.6000, 4810.29.7020, 4810.29.7035, 4810.92.1235, and 4810.92.1435, accessed January 7, 2022. These data may be overstated as these HTS statistical reporting numbers may contain products outside the scope of these reviews.

Note: Consistent with official import statistics used in the original investigations and full first five-year reviews, HTS subheadings 4810.32 and 4810.39 are not included in the import data presented in table I-6, as parties agreed that product within the scope of the original investigations was not properly classified under HTS subheadings 4810.32 and 4810.39. Original publication, p. I-4.

Note: New HTS statistical reporting numbers have been created since the original investigations that describe coated paper in roll form, and thus are not included in the import data presented in table I-6. These include: 4810.29.1025, 4810.29.7025, 4810.92.1225, and 4810.92.1425.

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

Cumulation considerations⁵⁷

In assessing whether imports should be cumulated in five-year reviews, the Commission considers, among other things, whether there is a likelihood of a reasonable overlap of competition among subject imports and the domestic like product. Additional information concerning geographical markets and simultaneous presence in the market is presented below.⁵⁸

Imports from China were reported in 60 of the 60 months between 2016 and 2020. Imports from Indonesia were reported in 47 of the 60 months between 2016 and 2020.

The majority of imports from China entered through the western border of entry in all years from 2016 through 2020. Imports of certain coated paper from China in 2020 were largely entered through the western border of entry (Los Angeles, CA).

The majority of imports from Indonesia entered through eastern borders of entry in 2016 and western borders in 2017. From 2018 to 2020, the majority of imports from Indonesia entered through southern borders of entry. The majority of imports of certain coated paper from Indonesia in 2020 were entered through the southern border of entry (Miami, FL).

Apparent U.S. consumption and market shares

Table I-7 presents data on U.S. producers' U.S. shipments, U.S. imports, apparent U.S. consumption, and market shares.

⁵⁷ Unless otherwise noted, this information is based on official U.S. import statistics for HTS statistical reporting numbers 4810.14.1120, 4810.14.1140, 4810.14.1900, 4810.14.2010, 4810.14.2090, 4810.14.5000, 4810.14.6000, 4810.14.7020, 4810.14.7040, 4810.19.1100, 4810.19.1900, 4810.19.2010, 4810.19.2090, 4810.22.1000, 4810.22.5044, 4810.22.5080, 4810.22.6000, 4810.22.7020, 4810.22.7040, 4810.29.1035, 4810.29.5000, 4810.29.6000, 4810.29.7020, 4810.29.7035, 4810.92.1235, and 4810.92.1435, accessed January 7, 2022.

⁵⁸ In addition, available information concerning subject country producers and the global market is presented in the next section of this report.

Table I-7
Certain coated paper: Apparent U.S. consumption and market shares, by source and period

Quantity in short ton; value in 1,000 dollars; share of quantity is the share of apparent U.S. consumption by quantity in percent; share of value is the share of apparent U.S. consumption by value in percent

Source	Measure	2009	2015	2020
U.S. producers	Quantity	1,477,233	1,105,348	***
China	Quantity	352,555	0	6,409
Indonesia	Quantity	61,039	0	5,545
Subject sources	Quantity	413,594	0	11,954
Nonsubject sources	Quantity	363,472	1,197,142	1,154,759
Total imports	Quantity	777,066	1,197,142	1,166,713
Apparent U.S. consumption	Quantity	2,254,299	2,302,490	***
U.S. producers	Value	1,435,315	1,203,877	***
China	Value	297,527	0	10,119
Indonesia	Value	52,384	0	5,063
Subject sources	Value	349,911	0	15,182
Nonsubject sources	Value	368,605	1,107,198	962,864
All import sources	Value	718,516	1,107,198	978,046
Apparent U.S. consumption	Value	2,153,831	2,311,075	***
U.S. producers	Share of quantity	65.5	48.0	***
China	Share of quantity	15.6	0.0	***
Indonesia	Share of quantity	2.7	0.0	***
Subject sources	Share of quantity	18.3	0.0	***
Nonsubject sources	Share of quantity	16.1	52.0	***
All import sources	Share of quantity	34.5	52.0	***
U.S. producers	Share of value	66.6	52.1	***
China	Share of value	13.8	0.0	***
Indonesia	Share of value	2.4	0.0	***
Subject sources	Share of value	16.2	0.0	***
Nonsubject sources	Share of value	17.1	47.9	***
All import sources	Share of value	33.4	47.9	***

Source: For the years 2009 and 2015, data are compiled using data submitted in the Commission's original investigations/first five-year reviews. For the year 2020, U.S. producers' U.S. shipments are compiled from the domestic interested parties' response to the Commission's notice of institution and U.S. imports are compiled using official Commerce statistics under HTS statistical reporting numbers 4810.14.1120, 4810.14.1140, 4810.14.1900, 4810.14.2010, 4810.14.2090, 4810.14.5000, 4810.14.6000, 4810.14.7020, 4810.14.7040, 4810.19.1100, 4810.19.1900, 4810.19.2010, 4810.19.2090, 4810.22.1000, 4810.22.5044, 4810.22.5080, 4810.22.6000, 4810.22.7020, 4810.22.7040, 4810.29.1035, 4810.29.5000, 4810.29.6000, 4810.29.7020, 4810.29.7035, 4810.92.1235, and 4810.92.1435, accessed January 7, 2022.

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

The industry in China

During the final phase of the original investigations, the Commission received foreign producer/exporter questionnaires from ten firms, which accounted for approximately *** percent of production of certain coated paper in China during 2009, and approximately *** percent of certain coated paper exports from China to the United States during 2009.⁵⁹ During the first five-year reviews, the Commission received foreign producer/exporter questionnaires from five firms, which accounted for approximately *** of production of certain coated paper in China during 2015, and *** percent of certain coated paper exports from China to the United States during 2015.⁶⁰

Although the Commission did not receive responses from any respondent interested parties in these five-year reviews, the domestic interested parties provided a list of over 1,000 possible producers of certain coated paper in China.⁶¹

In their brief, domestic interested parties stated that, in October 2021, Chinese company Guangxi Sun Paper Co., Ltd. (part of the Sun Paper group of paper companies) started producing paper on its new “cultural paper” machine with a total annual capacity of 550,000 metric tons (606,271 short tons). According to Sun Paper’s website, “cultural paper mainly includes coated paper, offset paper and light-weight paper.”⁶²

Table I-8 presents export data for HS subheadings 4810.14, 4810.19, 4810.22, 4810.29, and 4810.92, categories that include certain coated paper and out-of-scope products, from China (by export destination in descending order of quantity for 2020).

⁵⁹ Original confidential report, p. VII-2.

⁶⁰ First review confidential report, p. IV-11 and table IV-4.

⁶¹ Domestic interested parties’ response to the notice of institution, January 3, 2022, exh. 28.

⁶² Domestic interested parties’ response to the notice of institution, January 3, 2022, p. 19.

Table I-8
Certain coated paper: Quantity of exports from China, by destination and period

Quantity in short tons

Destination market	2016	2017	2018	2019	2020
Vietnam	156,561	198,742	195,432	224,952	209,949
United Arab Emirates	69,802	81,760	71,825	190,010	165,947
Bangladesh	120,259	132,926	135,926	151,375	142,255
Taiwan	131,374	154,278	139,763	133,272	118,923
Thailand	123,555	126,526	114,093	132,612	117,140
Malaysia	163,303	150,215	120,554	123,026	116,094
Turkey	225,559	192,750	115,959	203,526	114,188
India	262,905	364,067	231,533	248,110	100,573
Russia	92,489	87,565	102,241	88,742	87,770
South Korea	68,426	63,104	33,459	58,146	77,527
All other markets	1,555,492	1,504,105	1,337,044	1,395,173	984,070
All markets	2,969,725	3,056,016	2,597,830	2,948,943	2,234,437

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

Source: Global Trade Information Services, Inc., Global Trade Atlas, HS subheadings 4810.14, 4810.19, 4810.22, 4810.29, and 4810.92 accessed January 20, 2022. These data may be overstated as HS subheadings 4810.14, 4810.19, 4810.22, 4810.29, and 4810.92 may contain products outside the scope of these reviews.

The industry in Indonesia

During the final phase of the original investigations, the Commission received foreign producer/exporter questionnaires from three related firms that submitted a joint response, which accounted for approximately *** percent of production of certain coated paper in Indonesia, and *** percent of certain coated paper exports from Indonesia to the United States during the period of investigation.⁶³ ⁶⁴ During the first five-year reviews, the Commission received foreign producer/exporter questionnaires from three related firms that submitted a joint response, which accounted for approximately *** production of certain coated paper in Indonesia during 2015, and *** percent of certain coated paper exports from Indonesia to the United States during 2015.⁶⁵ ⁶⁶

Although the Commission did not receive responses from any respondent interested parties in these five-year reviews, the domestic interested parties provided a list of 42 possible producers of certain coated paper in Indonesia.⁶⁷

In their brief, domestic interested parties discussed several industry developments in Indonesia. Pindo Deli signed an agreement in 2017 with Mineral Technologies. The companies built an 80,000 metric ton (88,185 short ton) per year satellite precipitated calcium carbonate (“PCC”) plant at Pindo Deli’s paper mill. The Chief Executive Officer, Douglas T. Dietrich, stated that this “agreement follows the signing of a new 125,000 ton per year PCC plant and 40,000 ton expansion with APP in Indonesia earlier this year.” In 2021, it was reported that APP’s OKI mill planned to triple in size. The mill—which is nearly entirely owned by Pindo Deli and Tjiwi Kimia and appears to make pulp—currently has a capacity of 2.8 million metric tons (3.1 million short tons) per year. In addition to this general plant expansion, Paper Machinery Producer recently signed a contract for the delivery of two rebuilds for the Press and Dryer sections for APP’s Pindo Deli mill in Indonesia. Another APP subsidiary – Tjiwi Kimia – stated in its 2020 annual report that it is engaged in the “expansion of the Company’s production facility.”⁶⁸

⁶³ APP-Indonesia submitted a joint questionnaire on behalf of three companies. Original publication, p. VII-10.

⁶⁴ Original confidential report, p. VII-13.

⁶⁵ APP-Indonesia submitted a joint questionnaire on behalf of three companies. First review publication, p. IV-18, fn. 45.

⁶⁶ First review confidential report, pp. IV-11-12, and table IV-10.

⁶⁷ Domestic interested parties’ response to the notice of institution, January 3, 2022, exh. 28.

⁶⁸ Domestic interested parties’ response to the notice of institution, January 3, 2022, pp. 20-21.

Table I-9 presents export data for HS subheadings 4810.14, 4810.19, 4810.22, 4810.29, and 4810.92, categories that include certain coated paper and out-of-scope products, from Indonesia (by export destination in descending order of quantity for 2020).

Table I-9
Certain coated paper: Quantity exports from Indonesia, by destination and period

Quantity in short tons

Destination market	2016	2017	2018	2019	2020
Vietnam	93,959	75,442	91,339	79,697	99,477
Malaysia	26,590	22,703	28,393	30,287	41,697
Pakistan	44,339	43,892	24,701	19,400	24,477
India	50,334	36,963	27,285	24,051	19,657
United States	5,549	5,273	7,416	26,126	13,657
United Arab Emirates	3,682	3,760	3,536	7,119	13,417
Nigeria	15,471	15,541	13,327	16,443	13,189
Thailand	31,915	27,023	16,940	14,768	12,522
Bangladesh	41,378	24,917	11,030	13,271	11,976
Myanmar	10,697	7,227	9,165	11,802	9,706
All other markets	148,062	118,161	91,452	88,476	88,181
All markets	471,975	380,903	324,586	331,441	347,956

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

Source: Global Trade Information Services, Inc., Global Trade Atlas, HS subheading 4810.14, 4810.19, 4810.22, 4810.29, and 4810.92 accessed January 20, 2022. These data may be overstated as HS subheading 4810.14, 4810.19, 4810.22, 4810.29, and 4810.92 may contain products outside the scope of these reviews.

Third-country trade actions

The European Union issued antidumping duties on coated fine paper from China on May 14, 2011, and extended these duties on July 4, 2017. South Korea issued antidumping duties on coated printing paper from China on July 22, 2018. Argentina issued antidumping duties on coated paper from China on July 20, 2017, and discontinued these duties on March 6, 2020. Indonesia issued safeguard duties on coated paper and paperboard on September 7, 2018.⁶⁹

⁶⁹ WTO's dispute web portal; First review publication, pp. 33, IV-25, IV-33-34; Domestic interested parties' response to the notice of institution, January 3, 2022, p. 18.

The global market

Table I-10 presents global export data for HS subheadings 4810.14, 4810.19, 4810.22, 4810.29, and 4810.92, categories that include certain coated paper and out-of-scope products, (by source in descending order of quantity for 2020).

Table I-10
Certain coated paper: Quantity of global exports by country and period

Quantity in short tons

Exporting country	2016	2017	2018	2019	2020
Finland	5,025,796	5,267,027	5,507,345	5,132,396	4,304,191
Sweden	3,475,641	3,498,525	3,495,475	3,417,252	3,455,982
Germany	3,457,688	3,407,290	3,297,645	3,107,869	2,804,903
China	2,969,725	3,056,016	2,597,830	2,948,943	2,234,437
Austria	1,698,128	1,707,426	1,706,105	1,668,182	1,405,835
South Korea	1,764,801	1,751,644	1,712,654	1,658,701	1,302,051
Belgium	1,471,911	1,806,809	1,656,283	1,439,724	1,202,651
Italy	1,498,612	1,591,279	1,414,301	1,345,111	912,464
United States	611,492	603,397	615,311	642,896	622,072
Canada	678,087	672,363	740,067	774,958	588,338
All other Markets	5,429,914	5,354,182	5,366,119	5,185,682	5,020,932
All Markets	28,081,795	28,715,959	28,109,135	27,321,715	23,853,856

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

Source: Global Trade Information Services, Inc., Global Trade Atlas, HS subheadings 4810.14, 4810.19, 4810.22, 4810.29, and 4810.92. These data may be overstated as HS subheadings 4810.14, 4810.19, 4810.22, 4810.29, and 4810.92 may 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. In addition, the following tabulation presents, in chronological order, Federal Register notices issued by the Commission and Commerce during the current proceeding.

Citation	Title	Link
86 FR 68220 December 1, 2021	<i>Initiation of Five-Year (Sunset) Reviews</i>	https://www.govinfo.gov/content/pkg/FR-2021-12-01/pdf/2021-26154.pdf
86 FR 68272 December 1, 2021	<i>Certain Coated Paper Suitable for High-Quality Print Graphics Using Sheet-Fed Presses From China and Indonesia; Institution of Five-Year Reviews</i>	https://www.govinfo.gov/content/pkg/FR-2021-12-01/pdf/2021-26072.pdf

APPENDIX B
COMPANY-SPECIFIC DATA

RESPONSE CHECKLIST FOR U.S. PRODUCERS

Table B-1
Certain Coated Paper: Response checklist for U.S. producers

Item	Verso	Sappi	USW
Nature of operation	***	***	***
Statement of intent to participate	***	***	***
Statement of likely effects of revoking the order	***	***	***
U.S. producer list	***	***	***
U.S. importer/foreign producer list	***	***	***
List of 3-5 leading purchasers	***	***	***
List of sources for national/regional prices	***	***	***
Changes in supply/demand	***	***	***

Table B-2
Certain Coated Paper: Trade and financial data submitted by U.S. producers, 2020

Quantity in short tons, value in 1,000 dollars, share in percent

Item	Measure	Sappi	Verso	USW	Total
Capacity	Quantity	***	***	***	***
Production	Quantity	***	***	***	***
Reported share of total U.S. production	Share	***	***	***	
Commercial U.S. shipments	Quantity	***	***	***	***
Commercial U.S. shipments:	Value	***	***	***	***
Internal consumption and company transfers	Quantity	***	***	***	***
Internal consumption and company transfers	Value	***	***	***	***
Net sales	Value	***	***	***	***
COGS	Value	***	***	***	***
Gross profit or (loss)	Value	***	***	***	***
SG&A expenses	Value	***	***	***	***
Operating income or (loss)	Value	***	***	***	***

Source: Compiled using data submitted by domestic interested parties. Domestic interested parties' response to the notice of institution, January 3, 2022, exh. 25.

Note: The financial data for *** are for fiscal year ended September 26, 2021. The financial data for *** are for fiscal year ended December 31, 2021. The production, capacity, and shipment data presented are for calendar year 2020. The domestic interested party response was filed on behalf of four U.S. producers and one labor union. The domestic interested parties noted that production, capacity, shipment, and financial information for the domestic producers that employ the USW's members is not available.

Note: Reported share of total U.S. production is the firm's estimated share of total U.S. production as reported in the domestic interested parties' supplemental response to the NOI.

APPENDIX C
SUMMARY DATA COMPILED IN PRIOR PROCEEDINGS

Table C-3

Certain coated paper (All U.S. Integrated Producers): Summary data concerning the U.S. market, 2007-09, January-June 2009, and January-June 2010

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

Item	Reported data					Period changes			
	2007	2008	2009	January-June		2007-09	2007-08	2008-09	Jan.-June 2009-10
				2009	2010				
U.S. consumption quantity:									
Amount	2,862,837	2,642,844	2,254,299	1,067,787	1,253,750	-21.3	-7.7	-14.7	17.4
Producers' share (1)	60.7	62.4	65.5	61.9	68.7	4.8	1.7	3.1	6.8
Importers' share (1):									
China	12.1	12.5	15.6	17.9	5.7	3.6	0.4	3.2	-12.1
Indonesia	1.8	2.0	2.7	1.9	1.1	0.9	0.2	0.7	-0.8
Subtotal	13.9	14.5	18.3	19.7	6.8	4.4	0.6	3.9	-12.9
All other sources	25.4	23.1	16.1	18.4	24.5	-9.3	-2.3	-7.0	6.1
Total imports	39.3	37.6	34.5	38.1	31.3	-4.8	-1.7	-3.1	-6.8
U.S. consumption value:									
Amount	2,820,192	2,712,759	2,153,830	1,050,071	1,175,768	-23.6	-3.8	-20.6	12.0
Producers' share (1)	61.0	62.5	66.6	63.2	69.3	5.7	1.5	4.2	6.1
Importers' share (1):									
China	11.3	11.8	13.8	15.7	5.4	2.5	0.5	2.0	-10.4
Indonesia	1.6	1.8	2.4	1.6	1.0	0.8	0.2	0.6	-0.6
Subtotal	12.9	13.6	16.2	17.3	6.4	3.4	0.7	2.7	-10.9
All other sources	26.1	24.0	17.1	19.5	24.4	-9.0	-2.2	-6.9	4.9
Total imports	39.0	37.5	33.4	36.8	30.7	-5.7	-1.5	-4.2	-6.1
U.S. imports from:									
China:									
Quantity	345,768	329,307	352,555	190,622	71,706	2.0	-4.8	7.1	-62.4
Value	318,066	319,306	297,527	165,213	63,243	-6.5	0.4	-6.8	-61.7
Unit value	\$920	\$970	\$844	\$867	\$882	-8.3	5.4	-13.0	1.8
Ending inventory quantity	***	***	***	***	***	***	***	***	***
Indonesia:									
Quantity	52,541	52,938	61,039	19,883	13,327	16.2	0.8	15.3	-33.0
Value	45,543	48,765	52,384	16,458	11,536	15.0	7.1	7.4	-29.9
Unit value	\$867	\$921	\$858	\$828	\$866	-1.0	6.3	-6.8	4.6
Ending inventory quantity	***	***	***	***	***	***	***	***	***
Subtotal:									
Quantity	398,309	382,245	413,593	210,506	85,033	3.8	-4.0	8.2	-59.6
Value	363,609	368,071	349,911	181,670	74,779	-3.8	1.2	-4.9	-58.8
Unit value	\$913	\$963	\$846	\$863	\$879	-7.3	5.5	-12.1	1.9
Ending inventory quantity	***	***	***	***	***	***	***	***	***
All other sources:									
Quantity	727,306	611,626	363,472	196,512	307,612	-50.0	-15.9	-40.6	56.5
Value	737,251	650,135	368,605	204,901	286,665	-50.0	-11.8	-43.3	39.9
Unit value	\$1,014	\$1,063	\$1,014	\$1,043	\$932	0.0	4.9	-4.6	-10.6
Ending inventory quantity	***	***	***	***	***	***	***	***	***
All sources:									
Quantity	1,125,615	993,872	777,066	407,018	392,645	-31.0	-11.7	-21.8	-3.5
Value	1,100,860	1,018,206	718,516	386,572	361,443	-34.7	-7.5	-29.4	-6.5
Unit value	\$978	\$1,024	\$925	\$950	\$921	-5.5	4.8	-9.7	-3.1
Ending inventory quantity	***	***	***	***	***	***	***	***	***

Table continued on next page.

Table C-3--Continued

Certain coated paper (All U.S. Integrated Producers): Summary data concerning the U.S. market, 2007-09, January-June 2009, and January-June 2010

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

Item	Reported data					Period changes			
	2007	2008	2009	January-June		2007-09	2007-08	2008-09	Jan.-June 2009-10
				2009	2010				
U.S. producers:									
Average capacity quantity	2,064,211	1,942,813	2,017,243	990,138	1,047,402	-2.3	-5.9	3.8	5.8
Production quantity	1,945,013	1,856,583	1,665,021	795,320	993,354	-14.4	-4.5	-10.3	24.9
Capacity utilization (1)	94.2	95.6	82.5	80.3	94.8	-11.7	1.3	-13.0	14.5
U.S. shipments:									
Quantity	1,737,222	1,648,972	1,477,233	660,769	861,105	-15.0	-5.1	-10.4	30.3
Value	1,719,332	1,694,553	1,435,315	663,500	814,325	-16.5	-1.4	-15.3	22.7
Unit value	\$990	\$1,028	\$972	\$1,004	\$946	-1.8	3.8	-5.5	-5.8
Export shipments:									
Quantity	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***
Ending inventory quantity	***	***	***	***	***	***	***	***	***
Inventories/total shipments (1)	***	***	***	***	***	***	***	***	***
Production workers	***	***	***	***	***	***	***	***	***
Hours worked (1,000s)	***	***	***	***	***	***	***	***	***
Wages paid (\$1,000s)	***	***	***	***	***	***	***	***	***
Hourly wages	***	***	***	***	***	***	***	***	***
Productivity (tons/1,000 hours)	***	***	***	***	***	***	***	***	***
Unit labor costs	***	***	***	***	***	***	***	***	***
Net sales:									
Quantity	2,053,224	1,987,806	1,738,109	799,293	1,028,327	-15.3	-3.2	-12.6	28.7
Value	1,944,652	1,941,218	1,638,035	765,846	938,850	-15.8	-0.2	-15.6	22.6
Unit value	\$947	\$977	\$942	\$958	\$913	-0.5	3.1	-3.5	-4.7
Cost of goods sold (COGS)	1,679,590	1,718,204	1,469,203	688,609	859,486	-12.5	2.3	-14.5	24.8
Gross profit or (loss)	265,061	223,013	168,832	77,237	79,364	-36.3	-15.9	-24.3	2.8
SG&A expenses	121,033	127,943	107,067	54,804	55,452	-11.5	5.7	-16.3	1.2
Operating income or (loss)	144,029	95,070	61,765	22,434	23,913	-57.1	-34.0	-35.0	6.6
Capital expenditures	51,190	52,426	33,848	15,695	18,801	-33.9	2.4	-35.4	19.8
Unit COGS	\$818	\$864	\$845	\$862	\$836	3.3	5.7	-2.2	-3.0
Unit SG&A expenses	\$59	\$64	\$62	\$69	\$54	4.5	9.2	-4.3	-21.4
Unit operating income or (loss)	\$70	\$48	\$36	\$28	\$23	-49.3	-31.8	-25.7	-17.1
COGS/sales (1)	86.4	88.5	89.7	89.9	91.5	3.3	2.1	1.2	1.6
Operating income or (loss)/ sales (1)	7.4	4.9	3.8	2.9	2.5	-3.6	-2.5	-1.1	-0.4

(1) "Reported data" are in percent and "period changes" are in percentage points.

(2) Not applicable.

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. Unit values and shares are calculated from the unrounded figures.

Source: Compiled from data submitted in response to Commission questionnaires and from official Commerce statistics.

Table C-1

CCP: Summary data concerning the U.S. market, 2010-15, January to June 2015, and January to June 2016

(Quantity=short tons; Value=1,000 dollars; Unit values, unit labor costs, and unit expenses=dollars per short ton; Period changes=percent--exceptions noted)

	Reported data							
	Calendar year					January to June		
	2010	2011	2012	2013	2014	2015	2015	2016
U.S. consumption quantity:								
Amount.....	2,459,373	2,441,152	2,429,945	2,399,446	2,403,763	2,302,490	1,164,212	1,161,523
Producers' share (fn1).....	49.6	49.9	50.1	48.2	49.8	48.0	45.4	50.4
Importers' share (fn1):								
China.....	2.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Indonesia.....	0.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Subject sources.....	3.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Nonsubject sources of free sheet CCP.....	45.8	48.8	48.1	49.8	48.1	50.1	52.5	47.6
Sheeter roll CCP.....	1.1	1.3	1.8	2.0	2.1	1.9	2.0	2.0
All nonsubject sources.....	46.9	50.1	49.9	51.8	50.2	52.0	54.6	49.6
Total imports.....	50.4	50.1	49.9	51.8	50.2	52.0	54.6	49.6
U.S. consumption value:								
Amount.....	2,433,475	2,533,277	2,470,848	2,431,109	2,417,997	2,311,075	1,162,391	1,157,072
Producers' share (fn1).....	51.7	51.7	52.4	51.4	53.0	52.1	49.2	54.8
Importers' share (fn1):								
China.....	2.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Indonesia.....	0.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Subject sources.....	3.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Nonsubject sources of free sheet CCP.....	44.3	47.2	46.0	46.9	45.3	46.1	49.0	43.3
Sheeter roll CCP.....	0.9	1.1	1.6	1.8	1.8	1.8	1.8	1.9
All nonsubject sources.....	45.2	48.3	47.6	48.6	47.0	47.9	50.8	45.2
Total imports.....	48.3	48.3	47.6	48.6	47.0	47.9	50.8	45.2
U.S. imports from:								
China:								
Quantity.....	71,706	0	0	0	0	0	0	0
Value.....	63,243	0	0	0	0	0	0	0
Unit value.....	\$882	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Ending inventory quantity.....	0	0	0	0	0	0	0	0
Indonesia:								
Quantity.....	14,510	0	0	0	0	0	0	0
Value.....	12,531	0	0	0	0	0	0	0
Unit value.....	\$864	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Ending inventory quantity.....	0	0	0	0	0	0	0	0
Subject sources:								
Quantity.....	86,216	0	0	0	0	0	0	0
Value.....	75,774	0	0	0	0	0	0	0
Unit value.....	\$879	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Ending inventory quantity.....	0	0	0	0	0	0	0	0
Nonsubject sources of free sheet CCP:								
Quantity.....	1,126,283	1,192,315	1,169,430	1,194,147	1,157,334	1,153,830	611,692	552,461
Value.....	1,077,277	1,196,763	1,136,151	1,139,356	1,094,453	1,066,559	569,505	500,810
Unit value.....	\$956	\$1,004	\$972	\$954	\$946	\$924	\$931	\$907
Ending inventory quantity.....	15,819	33,326	20,888	18,625	17,467	15,980	18,053	24,792
All sources of sheeter rolls:								
Quantity.....	27,909	31,332	43,797	47,820	49,297	43,312	23,494	23,177
Value.....	22,977	27,558	39,763	43,359	43,063	40,639	21,455	22,010
Unit value.....	\$823	\$880	\$908	\$907	\$874	\$938	\$913	\$950
Ending inventory quantity.....	***	***	***	***	***	***	***	***
All nonsubject sources:								
Quantity.....	1,154,192	1,223,647	1,213,227	1,241,967	1,206,631	1,197,142	635,186	575,638
Value.....	1,100,254	1,224,321	1,175,914	1,182,715	1,137,516	1,107,198	590,960	522,820
Unit value.....	\$953	\$1,001	\$969	\$952	\$943	\$925	\$930	\$908
Ending inventory quantity.....	***	***	***	***	***	***	***	***
Total imports:								
Quantity.....	1,240,408	1,223,647	1,213,227	1,241,967	1,206,631	1,197,142	635,186	575,638
Value.....	1,176,028	1,224,321	1,175,914	1,182,715	1,137,516	1,107,198	590,960	522,820
Unit value.....	\$948	\$1,001	\$969	\$952	\$943	\$925	\$930	\$908
Ending inventory quantity.....	***	***	***	***	***	***	***	***
U.S. producers:								
Average capacity quantity.....	1,448,647	1,472,878	1,491,248	1,560,309	1,458,388	1,461,547	691,484	722,996
Production quantity.....	1,318,974	1,272,961	1,277,789	1,225,049	1,216,593	1,161,227	537,526	564,520
Capacity utilization (fn1).....	91.0	86.4	85.7	78.5	83.4	79.5	77.7	78.1
U.S. shipments:								
Quantity.....	1,218,965	1,217,505	1,216,718	1,157,479	1,197,132	1,105,348	529,026	585,885
Value.....	1,257,447	1,308,956	1,294,934	1,248,394	1,280,481	1,203,877	571,431	634,252
Unit value.....	\$1,032	\$1,075	\$1,064	\$1,079	\$1,070	\$1,089	\$1,080	\$1,083
Export shipments:								
Quantity.....	***	***	***	***	***	***	***	***
Value.....	***	***	***	***	***	***	***	***
Unit value.....	***	***	***	***	***	***	***	***
Ending inventory quantity.....	216,714	244,449	253,777	236,250	242,447	240,702	246,389	271,873
Inventories/total shipments (fn1).....	***	***	***	***	***	***	***	***
Production workers.....	2,415	2,412	2,412	2,352	2,197	2,232	1,938	1,961
Hours worked (1,000s).....	4,865	4,880	4,901	4,740	4,456	4,521	2,145	2,178
Wages paid (\$1,000).....	132,667	134,869	137,030	133,769	127,143	129,981	62,858	64,414
Hourly wages.....	\$27.27	\$27.64	\$27.96	\$28.22	\$28.53	\$28.75	\$29.30	\$29.57
Productivity (short tons per 1,000 hours).....	271.1	260.9	260.7	258.4	273.0	256.9	250.6	259.2
Unit labor costs.....	\$100.58	\$105.95	\$107.24	\$109.19	\$104.51	\$111.93	\$116.94	\$114.10
Net Sales:								
Quantity.....	1,293,204	1,296,647	1,280,865	1,231,982	1,221,374	1,179,591	563,416	591,549
Value.....	1,266,465	1,331,588	1,305,678	1,266,976	1,259,384	1,224,133	588,297	612,770
Unit value.....	\$979	\$1,027	\$1,019	\$1,028	\$1,031	\$1,038	\$1,044	\$1,036
Cost of goods sold (COGS).....	1,085,524	1,128,423	1,159,036	1,117,947	1,106,899	1,050,078	505,833	528,026
Gross profit of (loss).....	180,941	203,165	146,642	149,029	152,485	174,055	82,464	84,744
SG&A expenses.....	79,145	77,335	77,041	74,513	69,467	77,596	38,683	39,791
Operating income or (loss).....	101,796	125,830	69,601	74,516	83,018	96,459	43,781	44,953
Capital expenditures.....	***	***	***	***	***	***	***	***
Unit COGS.....	\$839	\$870	\$905	\$907	\$906	\$890	\$898	\$893
Unit SG&A expenses.....	\$61	\$60	\$60	\$60	\$57	\$66	\$69	\$67
Unit operating income or (loss).....	\$79	\$97	\$54	\$60	\$68	\$82	\$78	\$76
COGS/sales (fn1).....	85.7	84.7	88.8	88.2	87.9	85.8	86.0	86.2
Operating income or (loss)/sales (fn1).....	8.0	9.4	5.3	5.9	6.6	7.9	7.4	7.3

Table continued on next page.

Table C-1--Continued
CCP: Summary data concerning the U.S. market, 2010-15, January to June 2015, and January to June 2016

(Quantity=short tons; Value=1,000 dollars; Unit values, unit labor costs, and unit expenses=dollars per short ton; Period changes=percent--exceptions noted)

	Period changes						Jan-Jun 2015-16
	2010-15	2010-11	2011-12	2012-13	2013-14	2014-15	
U.S. consumption quantity:							
Amount.....	(6.4)	(0.7)	(0.5)	(1.3)	0.2	(4.2)	(0.2)
Producers' share (fn1).....	(1.6)	0.3	0.2	(1.8)	1.6	(1.8)	5.0
Importers' share (fn1):							
China.....	(2.9)	(2.9)	0.0	0.0	0.0	0.0	0.0
Indonesia.....	(0.6)	(0.6)	0.0	0.0	0.0	0.0	0.0
Subject sources.....	(3.5)	(3.5)	0.0	0.0	0.0	0.0	0.0
Nonsubject sources of free sheet CCP.....	4.3	3.0	(0.7)	1.6	(1.6)	2.0	(5.0)
Sheeter roll CCP.....	0.7	0.1	0.5	0.2	0.1	(0.2)	(0.0)
All nonsubject sources.....	5.1	3.2	(0.2)	1.8	(1.6)	1.8	(5.0)
Total imports.....	1.6	(0.3)	(0.2)	1.8	(1.6)	1.8	(5.0)
U.S. consumption value:							
Amount.....	(5.0)	4.1	(2.5)	(1.6)	(0.5)	(4.4)	(0.5)
Producers' share (fn1).....	0.4	(0.0)	0.7	(1.1)	1.6	(0.9)	5.7
Importers' share (fn1):							
China.....	(2.6)	(2.6)	0.0	0.0	0.0	0.0	0.0
Indonesia.....	(0.5)	(0.5)	0.0	0.0	0.0	0.0	0.0
Subject sources.....	(3.1)	(3.1)	0.0	0.0	0.0	0.0	0.0
Nonsubject sources of free sheet CCP.....	1.9	3.0	(1.3)	0.9	(1.6)	0.9	(5.7)
Sheeter roll CCP.....	0.8	0.1	0.5	0.2	(0.0)	(0.0)	0.1
All nonsubject sources.....	2.7	3.1	(0.7)	1.1	(1.6)	0.9	(5.7)
Total imports.....	(0.4)	0.0	(0.7)	1.1	(1.6)	0.9	(5.7)
U.S. imports from:							
China:							
Quantity.....	(100.0)	(100.0)	[fn2]	[fn2]	[fn2]	[fn2]	[fn2]
Value.....	(100.0)	(100.0)	[fn2]	[fn2]	[fn2]	[fn2]	[fn2]
Unit value.....	(100.0)	(100.0)	[fn2]	[fn2]	[fn2]	[fn2]	[fn2]
Ending inventory quantity.....	[fn2]	[fn2]	[fn2]	[fn2]	[fn2]	[fn2]	[fn2]
Indonesia:							
Quantity.....	(100.0)	(100.0)	[fn2]	[fn2]	[fn2]	[fn2]	[fn2]
Value.....	(100.0)	(100.0)	[fn2]	[fn2]	[fn2]	[fn2]	[fn2]
Unit value.....	(100.0)	(100.0)	[fn2]	[fn2]	[fn2]	[fn2]	[fn2]
Ending inventory quantity.....	[fn2]	[fn2]	[fn2]	[fn2]	[fn2]	[fn2]	[fn2]
Subject sources:							
Quantity.....	(100.0)	(100.0)	[fn2]	[fn2]	[fn2]	[fn2]	[fn2]
Value.....	(100.0)	(100.0)	[fn2]	[fn2]	[fn2]	[fn2]	[fn2]
Unit value.....	(100.0)	(100.0)	[fn2]	[fn2]	[fn2]	[fn2]	[fn2]
Ending inventory quantity.....	[fn2]	[fn2]	[fn2]	[fn2]	[fn2]	[fn2]	[fn2]
Nonsubject sources of free sheet CCP:							
Quantity.....	2.4	5.9	(1.9)	2.1	(3.1)	(0.3)	(9.7)
Value.....	(1.0)	11.1	(5.1)	0.3	(3.9)	(2.5)	(12.1)
Unit value.....	(3.4)	4.9	(3.2)	(1.8)	(0.9)	(2.3)	(2.6)
Ending inventory quantity.....	1.0	110.7	(37.3)	(10.8)	(6.2)	(8.5)	37.3
All sources of sheeter rolls:							
Quantity.....	55.2	12.3	39.8	9.2	3.1	(12.1)	(1.3)
Value.....	76.9	19.9	44.3	9.0	(0.7)	(5.6)	2.6
Unit value.....	14.0	6.8	3.2	(0.1)	(3.7)	7.4	4.0
Ending inventory quantity.....	***	***	***	***	***	***	***
All nonsubject sources:							
Quantity.....	3.7	6.0	(0.9)	2.4	(2.8)	(0.8)	(9.4)
Value.....	0.6	11.3	(4.0)	0.6	(3.8)	(2.7)	(11.5)
Unit value.....	(3.0)	5.0	(3.1)	(1.7)	(1.0)	(1.9)	(2.4)
Ending inventory quantity.....	***	***	***	***	***	***	***
Total imports:							
Quantity.....	(3.5)	(1.4)	(0.9)	2.4	(2.8)	(0.8)	(9.4)
Value.....	(5.9)	4.1	(4.0)	0.6	(3.8)	(2.7)	(11.5)
Unit value.....	(2.5)	5.5	(3.1)	(1.7)	(1.0)	(1.9)	(2.4)
Ending inventory quantity.....	***	***	***	***	***	***	***
U.S. producers:							
Average capacity quantity.....	0.9	1.7	1.2	4.6	(6.5)	0.2	4.6
Production quantity.....	(12.0)	(3.5)	0.4	(4.1)	(0.7)	(4.6)	5.0
Capacity utilization (fn1).....	(11.6)	(4.6)	(0.7)	(7.2)	4.9	(4.0)	0.3
U.S. shipments:							
Quantity.....	(9.3)	(0.1)	(0.1)	(4.9)	3.4	(7.7)	10.7
Value.....	(4.3)	4.1	(1.1)	(3.6)	2.6	(6.0)	11.0
Unit value.....	5.6	4.2	(1.0)	1.3	(0.8)	1.8	0.2
Export shipments:							
Quantity.....	***	***	***	***	***	***	***
Value.....	***	***	***	***	***	***	***
Unit value.....	***	***	***	***	***	***	***
Ending inventory quantity.....	11.1	12.8	3.8	(6.9)	2.6	(0.7)	10.3
Inventories/total shipments (fn1).....	***	***	***	***	***	***	***
Production workers.....	(7.6)	(0.1)	0.0	(2.5)	(6.6)	1.6	1.2
Hours worked (1,000s).....	(7.1)	0.3	0.4	(3.3)	(6.0)	1.5	1.5
Wages paid (\$1,000).....	(2.0)	1.7	1.6	(2.4)	(5.0)	2.2	2.5
Hourly wages.....	5.4	1.3	1.2	0.9	1.1	0.8	0.9
Productivity (short tons per hour).....	(5.3)	(3.8)	(0.1)	(0.9)	5.6	(5.9)	3.4
Unit labor costs.....	11.3	5.3	1.2	1.8	(4.3)	7.1	(2.4)
Net Sales:							
Quantity.....	(8.8)	0.3	(1.2)	(3.8)	(0.9)	(3.4)	5.0
Value.....	(3.3)	5.1	(1.9)	(3.0)	(0.6)	(2.8)	4.2
Unit value.....	6.0	4.9	(0.7)	0.9	0.3	0.6	(0.8)
Cost of goods sold (COGS).....	(3.3)	4.0	2.7	(3.5)	(1.0)	(5.1)	4.4
Gross profit or (loss).....	(3.8)	12.3	(27.8)	1.6	2.3	14.1	2.8
SG&A expenses.....	(2.0)	(2.3)	(0.4)	(3.3)	(6.8)	11.7	2.9
Operating income or (loss).....	(5.2)	23.6	(44.7)	7.1	11.4	16.2	2.7
Capital expenditures.....	***	***	***	***	***	***	***
Unit COGS.....	6.1	3.7	4.0	0.3	(0.1)	(1.8)	(0.6)
Unit SG&A expenses.....	7.5	(2.5)	0.8	0.6	(6.0)	15.7	(2.0)
Unit operating income or (loss).....	3.9	23.3	(44.0)	11.3	12.4	20.3	(2.2)
COGS/sales (fn1).....	0.1	(1.0)	4.0	(0.5)	(0.3)	(2.1)	0.2
Operating income or (loss)/sales (fn1).....	(0.2)	1.4	(4.1)	0.6	0.7	1.3	(0.1)

Notes:
fn1.--Reported data are in percent and period changes are in percentage points.
fn2.--Undefined.

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 domestic interested parties and it named the following nine firms as top purchasers of certain coated paper suitable for high quality print graphics using sheet-fed presses: ***. Purchaser questionnaires were sent to these nine firms and three firms (***) provided responses, which are presented below.

1. Have there been any significant changes in the supply and demand conditions for certain coated paper suitable for high quality print graphics using sheet-fed presses that have occurred in the United States or in the market for certain coated paper suitable for high quality print graphics using sheet-fed presses in China and/or Indonesia since January 1, 2016?

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2. Do you anticipate any significant changes in the supply and demand conditions for certain coated paper suitable for high quality print graphics using sheet-fed presses in the United States or in the market for certain coated paper suitable for high quality print graphics using sheet-fed presses in China and/or Indonesia within a reasonably foreseeable time?

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