

countervailing duty order on certain coated paper suitable for high-quality print graphics using sheet-fed presses ("coated paper") from the People's Republic of China ("PRC"). Also, as explained in this notice, the Department is amending its final determination to correct certain ministerial errors.

DATES: *Effective Date:* November 17, 2010.

FOR FURTHER INFORMATION CONTACT:

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Background

On September 27, 2010, the Department published its final determination that countervailable subsidies are being provided to producers and exporters of coated paper from the PRC. *See Certain Coated Paper Suitable for High-Quality Print Graphics Using Sheet-Fed Presses From the People's Republic of China: Final Affirmative Countervailing Duty Determination*, 75 FR 59212 (September 27, 2010) ("*Final Determination*").

On November 10, 2010, the ITC notified the Department of its final determination pursuant to sections 705(b)(1)(A)(ii) and 705(d) of the Tariff Act of 1930, as amended ("the Act"), that an industry in the United States is threatened with material injury by reason of subsidized imports of subject merchandise from the PRC. *See Certain Coated Paper Suitable for High-Quality Print Graphics Using Sheet-Fed Presses From China and Indonesia*, USITC Investigation Nos. 701-TA-470-471 and 731-TA-1169-1170 (Final), Inv., USITC Publication 4192 (November 2010).

Scope of the Order

The merchandise covered by this order includes coated paper and paperboard¹ 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;²

¹ "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 coated paper, paperboard typically is referred to as "cover", to distinguish it from "text."

² One of the key measurements of any grade of paper is brightness. Generally speaking, the brighter

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DEPARTMENT OF COMMERCE

International Trade Administration
[C-570-959]

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

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

SUMMARY: Based on affirmative final determinations by the Department of Commerce ("the Department") and the International Trade Commission ("ITC"), the Department is issuing a

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.

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 that meets this scope definition; and (c) any other coated paper and paperboard that meets this scope definition.

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

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

As of 2009, imports of the subject merchandise are provided for under the following categories of the 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 this order is dispositive.

Amendment to the Final Determination

On October 6, 2010, Appleton Coated LLC, NewPage Corporation, S.D. Warren Company d/b/a Sappi Fine Paper North America, and United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union (collectively, "Petitioners") filed timely allegations that the Department made ministerial errors in its *Final Determination*. In summary, Petitioners alleged that the Department made certain errors in the calculations of the preferential lending to the coated paper industry program and the adjusted consolidated sales denominator for

respondent Gold East (Jiangsu) Co., Ltd. ("GE"). No interested party filed a rebuttal to Petitioners' allegations.

After analyzing the allegations, we have determined, in accordance with 19 CFR 351.224(e), that we made certain ministerial errors that Petitioners alleged in the calculations. See Memorandum to Susan H. Kuhbach, Acting Deputy Assistant Secretary, AD/CVD Operations, from The Team, Office 1, AD/CVD Operations, "Countervailing Duty Investigation: Certain Coated Paper Suitable for High-Quality Print Graphics Using Sheet-Fed Presses From the People's Republic of China: Ministerial Errors for Final Determination" (November 12, 2010) ("Ministerial Error Memo"). Parties can find a complete discussion of all issues raised by Petitioners and the corresponding recommendations in this memorandum, a public version of which is on file in the Central Records Unit, Room 7046 of the main Commerce building.

After correcting the ministerial errors above, we determine the *ad valorem* subsidy rates for the relevant programs are: (1) 10.54 percent under "Preferential Lending to the Coated Paper Industry;" (2) 1.11 percent under "Two Free, Three Half;" (3) 1.38 percent under "Income Tax Subsidies for FIEs Based on Geographic Location;" (4) 0.35 percent under "Exemption from Maintenance and Construction Taxes and Education Surcharges for FIEs;" and (5) 3.51 percent under the "Value Added-Tax and Tariff Exemptions on Imported Equipment." See Attachments 4–5 of the Ministerial Error Memo.

As a result of these corrections, the countervailing duty rate for GE, Gold Huasheng Paper Co., Ltd., and its reported affiliated cross-owned companies (collectively, "Gold companies") changed from 17.64 percent to 19.46 percent. The countervailing duty rate for the other respondent in the coated paper investigation, Shandong Sun Paper Industry Co., Ltd. and Yanzhou Tianzhang Paper Industry Co., Ltd. (collectively, "Sun companies"), also changed because the Gold companies' rates for certain programs, which are included in the calculation of Sun companies' adverse facts available rate, were revised based on the Ministerial Error Memo. The Sun companies' rate changed from 178.03 percent to 202.84 percent. Because the all-others rate is based on the Gold companies' rate, the countervailing duty rate for all-others changed from 17.64 percent to 19.46 percent. In accordance with 19 CFR 351.224(e), we are amending the *Final Determination* to reflect these changes.

Countervailing Duty Order

According to section 706(b)(2) of the Act, duties shall be assessed on subject merchandise entered, or withdrawn from warehouse, for consumption on or after the date of publication of the ITC's notice of final determination if that determination is based upon the threat of material injury. Section 706(b)(1) of the Act states, "{l}f the Commission, in its final determination under section 705(b), finds material injury or threat of material injury which, but for the suspension of liquidation under section 703(d)(2), would have led to a finding of material injury, then entries of the merchandise subject to the countervailing duty order, the liquidation of which has been suspended under section 703(d)(2), shall be subject to the imposition of countervailing duties under section 701(a)." In addition, section 706(b)(2) of the Act requires U.S. Customs and Border Protection ("CBP") to refund any cash deposits or bonds of estimated countervailing duties posted before the date of publication of the ITC's final affirmative determination, if the ITC's final determination is based on threat other than the threat described in section 706(b)(1) of the Act. Because the ITC's final determination in this case is based on the threat of material injury and is not accompanied by a finding that injury would have resulted but for the imposition of suspension of liquidation of entries since the Department's *Preliminary Determination*³ was published in the **Federal Register**, section 706(b)(2) of the Act is applicable.

As a result of the ITC's determination and in accordance with section 706(a)(1) of the Act, the Department will direct CBP to assess, upon further instruction by the Department, countervailing duties equal to the amount of the net countervailable subsidy for all relevant entries of coated paper from the PRC. In accordance with section 706 of the Act, the Department will direct CBP to reinstitute suspension of liquidation,⁴

³ See *Certain Coated Paper Suitable For High-Quality Print Graphics Using Sheet-Fed Presses from the People's Republic of China: Preliminary Affirmative Countervailing Duty Determination and Alignment of Final Countervailing Duty Determination with Final Antidumping Duty Determination*, 75 FR 10774 (March 9, 2010) ("Preliminary Determination").

⁴ The Department instructed CBP to discontinue the suspension of liquidation on July 7, 2010, in accordance with section 703(d) of the Act. Section 703(d) states that the suspension of liquidation pursuant to a preliminary determination may not remain in effect for more than four months. Entries of coated paper from the PRC made on or after July 7, 2010, and prior to the date of publication of the ITC's final determination in the **Federal Register**

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.

effective on the date of publication of the ITC's notice of final determination in the **Federal Register**, and to require a cash deposit for each entry of subject

merchandise in an amount equal to the net countervailable subsidy rates listed below. *See* section 706(a)(3) of the Act. The all-others rate applies to all

producers and exporters of subject merchandise not specifically listed.

Exporter/manufacturer	Net subsidy rate
Gold East Paper (Jiangsu) Co., Ltd, Gold Huasheng Paper Co., Ltd., Gold East Trading (Hong Kong) Company Ltd., Ningbo Zhonghua Paper Co., Ltd., and Ningbo Asia Pulp & Paper Co., Ltd.	19.46
Shandong Sun Paper Industry Joint Stock Co., Ltd. and Yanzhou Tianzhang Paper Industry Co., Ltd.	202.84
All Others	19.46

Termination of the Suspension of Liquidation

The Department will instruct CBP to terminate the suspension of liquidation for entries of coated paper from the PRC entered, or withdrawn from warehouse, for consumption prior to the publication of the ITC's notice of final determination. The Department will instruct CBP to refund any cash deposits made and release any bonds posted with respect to entries of coated paper entered or withdrawn from warehouse for consumption on or after March 9, 2010 (*i.e.*, the date of publication of the Department's *Preliminary Determination*), but before the date of publication of the ITC's final determination in the **Federal Register**.

This notice constitutes the countervailing duty order with respect to coated paper from the PRC, pursuant to section 706(a) of the Act. Interested parties may contact the Department's Central Records Unit, Room 7046 of the main Commerce Building, for copies of an updated list of countervailing duty orders currently in effect.

This order is issued and published in accordance with section 706(a) of the Act, 19 CFR 351.224(e), and 19 CFR 351.211(b).

Dated: November 12, 2010.

Carole A. Showers,

Acting Deputy Assistant Secretary for Import Administration.

[FR Doc. 2010-29118 Filed 11-16-10; 8:45 am]

BILLING CODE 3510-DS-P

are not liable for the assessment of countervailing duties because of the Department's discontinuation, effective July 7, 2010, of the suspension of liquidation.