DEPARTMENT OF COMMERCE

International Trade Administration

[A–560–823]

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

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

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

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

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

SUPPLEMENTARY INFORMATION:

Background

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

On May 10, 2010, the respondents[1] in this investigation alleged a ministerial error in the Department's preliminary margin calculation.

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

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

change from the high to the low quarter). *See Certain Welded Stainless Steel Pipes From the Republic of Korea: Final Results of Antidumping Duty Administrative Review,* 74 FR 31242 (June 30, 2009) and accompanying Issues and Decision Memorandum at Comment 1. Therefore, we determined that no change to our normal POI-average cost methodology was warranted in this case.[2]

On May 11, 2010, we issued the cost verification agenda to PD/TK/IK.

On May 19, 2010, we determined that the error alleged by PD/TK/IK in its May 10, 2010, submission was a ministerial error, but not a significant ministerial error as defined by 19 CFR 351.224(g), and stated that we would correct this error for purposes of the final determination. *See* Memorandum from The Team to James Maeder, Director, AD/CVD Operations Office 2, entitled "Respondent's Allegation of Ministerial Error in the Preliminary Determination," dated May 19, 2010.

On June 1, 2010, we issued a sales supplemental questionnaire to PD/TK/IK and received PD/TK/IK's response to this questionnaire on June 16, 2010.

On June 4, 2010, we issued the sales verification agenda to PD/TK/IK.

During May and June 2010, we verified the sales and cost of production (COP) questionnaire responses of PD/TK/IK. During June and July 2010, we issued the COP and sales verification reports. *See* Memorandum to The File entitled "Verification of the Cost Response of PT Pabrik Kertas Tjiwi Kimia Tbk., PT Pindo Deli Pulp and Paper Mills, and PT Indah Kiat Pulp and Paper Tbk. in the Antidumping Investigation of Certain Coated Paper Suitable for High-Quality Print Graphics Using Sheet-Fed Presses From Indonesia," dated June 29, 2010; Memorandum to The File entitled "Verification of the Sales Response of (Affiliated Company) in the Antidumping Duty Investigation of Certain Coated Paper Suitable for High-Quality Print Graphics Using Sheet-Fed Presses (Coated Paper) From Indonesia," dated July 26, 2010; Memorandum to The File entitled "Verification of the Sales Response of PT Pindo Deli Pulp & Paper Mills and PT Pabrik Kertas Tjiwi Kimia, Tbk in the Antidumping Duty Investigation of Certain Coated Paper Suitable for High-Quality Print Graphics Using Sheet-Fed Presses (Coated Paper) From Indonesia," dated July 26, 2010; Memorandum to The File entitled "Verification of the Sales Response of PT Indah Kiat Pulp & Paper Tbk. and (Affiliated Company) in the Antidumping Duty Investigation of Certain Coated Paper Suitable for High-Quality Print Graphics Using Sheet-Fed Presses (Coated Paper) From Indonesia," dated July 30, 2010; and Memorandum to The File entitled "Verification of the Sales Response of (Affiliated Company) in the Antidumping Duty Investigation of Certain Coated Paper Suitable for High-Quality Print Graphics Using Sheet-Fed Presses (Coated Paper) From Indonesia," dated July 30, 2010.

On August 3, 2010, we issued a memorandum addressing certain scope issues in this investigation. *See* Memorandum to Ronald K. Lorentzen, Deputy Assistant Secretary for Import Administration, from Susan Kuhbach, Director, Office 1, entitled "Scope" (August 3, 2010 Scope Memorandum).

On August 10 and 16, 2010, respectively, the petitioners[3] in this investigation and PD/TK/IK each submitted case and rebuttal briefs on all issues excluding scope. On August 18 and 25, 2010, the Department met with the petitioners' and PD/TK/IK's counsels, respectively, to discuss the issues raised in these case and rebuttal briefs. *See* the Department's memoranda to the file entitled, "Meeting With Petitioner's Counsel," dated August 18, 2010, and "Meeting With the Respondent Counsel," dated August 25, 2010.

On August 20, 2010, PD/TK/TK filed its case brief on scope issues, and on August 24, 2010, the petitioners filed their rebuttal brief on scope issues.

Period of Investigation

The POI is July 1, 2008, to June 30, 2009. This period corresponds to the four most recent fiscal quarters prior to the month of the filing of the petition. *See* 19 CFR 351.204(b)(1).

Scope of Investigation

The merchandise under investigation includes certain coated paper and paperboard[4] 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;[5] weighing not more than 340 grams per square meter; whether gloss grade, satin grade, matte grade, dull grade, or any other grade of finish; whether or not surface-colored, surface-decorated, printed (except as described below), embossed, or perforated; and irrespective of dimensions ("Certain Coated Paper").

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

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

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

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

Scope Comments

Following the *Preliminary Determination,* on August 3, 2010, the Department issued a decision memorandum addressing three scope issues in this and the concurrent antidumping and countervailing duty investigations on certain coated paper

[2] No party commented on the Department's post-preliminary quarterly cost analysis and we found nothing at verification that warrants the reversal of this determination. Therefore, we have continued to apply our normal POI-average cost methodology in the final determination.

[3] The petitioners include the following companies: Appleton Coated LLC, NewPage Corporation, S.D. Warren Company d/b/a/Sappi Fine Paper North America, and the United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union.

[4] "'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.'"

[5] 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.

from Indonesia and the People's Republic of China: (1) Whether to clarify the scope of these investigations to exclude multi-ply coated paper and paperboard; (2) whether to modify the scope language by striking the phrase "suitable for high-quality print graphics;" and (3) whether to add three HTSUS numbers which may include in-scope merchandise (*i.e.,* HTSUS 4810.32, 4810.39 and 4810.92). *See* August 3, 2010 Scope Memorandum. For the reasons explained in the August 3, 2010, Scope Memorandum, the Department determined that: (1) Multi-ply products that otherwise meet the description of the scope of the investigations are not excluded from the scope; (2) the "suitable for high-quality print graphics" language should not be deleted from the scope; and (3) the three HTSUS numbers at issue should be added to the scope.

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

Analysis of Comments Received

All issues (except scope issues) raised in the case and rebuttal briefs submitted by the parties to this investigation are addressed in the "Issues and Decision Memorandum for the Final Determination in the Less-Than-Fair-Value Investigation of Certain Coated Paper Suitable for High-Quality Print Graphics Using Sheet-Fed Presses from Indonesia" from Susan H. Kuhbach, Acting Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations, to Ronald K. Lorentzen, Deputy Assistant Secretary for Import Administration (Decision Memo), dated concurrently with this notice, which is hereby adopted by this notice. A list of the issues that parties have raised and to which we have responded, all of which are in the Decision Memo, is attached to this notice as an appendix. Parties can find a complete discussion of all issues raised in this investigation and the corresponding recommendations in the Decision Memo, which is on file in the Central Records Unit, Room 1117 of the Commerce Department. In addition, a complete version of the Decision Memo can be accessed directly on the Web at *http://ia.ita.doc.gov/frn.* The paper copy and electronic version of the Decision Memo are identical in content.

Verification

As provided in section 782(i) of the Act, we verified the sales and COP information submitted by PD/TK/IK for use in our final determination. We used standard verification procedures including an examination of relevant accounting and production records, and original source documents provided by the respondent. Our sales and cost verification results are outlined in separate verification reports. *See* "Background" section above for a list of verification reports the Department has issued in this investigation. The verification reports are on file and available in the Central Records Unit, Room 1117 of the Commerce Department.

Changes Since the Preliminary Determination

Based on our analysis of the comments received and our findings at verification, we have made certain changes to the margin calculations for PD/TK/IK. For a discussion of these changes, *see* the "Margin Calculations" section of the Decision Memo.

Targeted Dumping

The statute allows the Department to employ the average-to-transaction margin calculation methodology under the following circumstances: (1) There is a pattern of export prices that differ significantly among purchasers, regions or periods of time; and (2) the Department explains why such differences cannot be taken into account using the average-to-average or transaction-to-transaction methodology. *See* section 777A(d)(1)(B) of the Act.

In the *Preliminary Determination,* we conducted customer, regional, and time-period targeted dumping analyses based on timely allegations of targeted dumping filed by the petitioners, using the methodology adopted in *Certain Steel Nails from the United Arab Emirates: Notice of Final Determination of Sales at Not Less Than Fair Value,* 73 FR 33985 (June 16, 2008), and *Certain Steel Nails from the People's Republic of China: Final Determination of Sales at Less Than Fair Value and Partial Affirmative Determination of Critical Circumstances,* 73 FR 33977 (June 16, 2008), and applied in more recent investigations.[6] As a result, we preliminarily determined that, with respect to sales by PD/TK/IK for certain customers, regions and time periods, there was a pattern of prices that differed significantly. However, we also found that these differences could be taken into account using the average-to-average methodology because the average-to-average methodology did not conceal differences in the patterns of prices between the targeted and non-targeted groups by averaging low-priced sales to the targeted group with high-priced sales to the non-targeted group. We stated further that the standard average-to-average methodology took into account the price difference because the alternative average-to-transaction methodology yielded no difference in the margin or yielded a difference in the margin that was so insignificant relative to the size of the resulting margin as to be immaterial. Therefore, for the preliminary determination, we applied the standard average-to-average methodology to all of PD/TK/IK's U.S. sales. *See Preliminary Determination* at 75 FR 24887–24888.

For the final determination, we performed our targeted-dumping analysis following the methodology employed in the *Preliminary Determination,* after making certain revisions to PD/TK/IK's reported data based on verification findings and the comments submitted by the parties, as enumerated in the "Margin Calculations" section of the Decision Memo. Because the results of our final targeted-dumping analysis were consistent with those of our preliminary targeted-dumping analysis, we have continued to apply the standard average-to-average methodology to all of PD/TK/IK's U.S. sales in the final

[6] These investigations include *Notice of Final Determination of Sales at Less Than Fair Value: Polyethylene Retail Carrier Bags from Taiwan,* 75 FR 14569 (March 26, 2010), *Polyethylene Retail Carrier Bags from Indonesia: Final Determination of Sales at Less Than Fair Value,* 75 FR 16431 (April 1, 2010), and accompanying Issues and Decision Memorandum at Comment 1; and *Certain Oil Country Tubular Goods from the People's Republic of China: Final Determination of Sales at Less Than Fair Value, Affirmative Final Determination of Critical Circumstances and Final Determination of Targeted Dumping,* 75 FR 20335 (April 19, 2010) and accompanying Issues and Decision Memorandum at Comment 2.

determination. For further discussion, see the Decision Memo at Comment 1.

Continuation of Suspension of Liquidation

In accordance with section 735(c)(1)(B) of the Act, we are directing U.S. Customs and Border Protection (CBP) to continue to suspend liquidation of all imports of subject merchandise that are entered or withdrawn from warehouse, for consumption on or after May 6, 2010, the date of publication of the preliminary determination in the **Federal Register**. We will instruct CBP to continue to require a cash deposit or the posting of a bond for all companies based on the estimated weighted-average dumping margins shown below. The suspension of liquidation instructions will remain in effect until further notice.

Final Determination Margins

We determine that the weighted-average dumping margins are as follows:

Manufacturer/Exporter	Weighted-Average margin (percent)
PT. Pabrik Kertas Tjiwi Kimia Tbk./PT. Pindo Deli Pulp and Paper/PT. Indah Kiat Pulp and Paper Tbk	20.13
All Others	20.13

All-Others Rate

Section 735(c)(5)(A) of the Act provides that the estimated "All Others" rate shall be an amount equal to the weighted average of the estimated weighted-average dumping margins established for exporters and producers individually investigated, excluding any zero and *de minimis* margins, and any margins determined entirely under section 776 of the Act. PD/TK/IK is the only respondent in this investigation for which the Department calculated a company-specific rate. Therefore, for purposes of determining the all-others rate and pursuant to section 735(c)(5)(A) of the Act, we are using the weighted-average dumping margin calculated for PD/TK/IK, as referenced above. *See, e.g., Notice of Final Determination of Sales at Less Than Fair Value: Stainless Steel Sheet and Strip in Coils From Italy,* 64 FR 30750, 30755 (June 8, 1999); *Coated Free Sheet Paper from Indonesia: Notice of Preliminary Determination of Sales at Less Than Fair Value and Postponement of Final Determination,* 72 FR 30753, 30757 (June 4, 2007), unchanged in *Notice of Final Determination of Sales at Less Than Fair Value: Coated Free Sheet Paper from Indonesia,* 72 FR 60636 (October 25, 2007); and *Certain Magnesia Carbon Bricks from Mexico: Notice of Final Determination of Sales at Less Than Fair Value,* 75 FR 45097 (August 2, 2010).

Disclosure

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

International Trade Commission Notification

In accordance with section 735(d) of the Act, we have notified the International Trade Commission (ITC) of our final determination. As our final determination is affirmative, the ITC will determine within 45 days whether imports of the subject merchandise are causing material injury, or threat of material injury, to an industry in the United States. If the ITC determines that material injury or threat of injury does not exist, the proceeding will be terminated and all securities posted will be refunded or canceled. If the ITC determines that such injury does exist, the Department will issue an antidumping duty order directing CBP to assess antidumping duties on all imports of the subject merchandise entered, or withdrawn from warehouse, for consumption on or after the effective date of the suspension of liquidation.

Return or Destruction of Proprietary Information

This notice will serve as the only reminder to parties subject to administrative protective order (APO) of their responsibility concerning the destruction of proprietary information disclosed under APO in accordance with 19 CFR 351.305(a)(3). Timely written notification of return/destruction of APO materials or conversion to judicial protective order is hereby requested. Failure to comply with the regulations and the terms of an APO is a sanctionable violation.

We are issuing and publishing this determination and notice in accordance with sections 735(d) and 777(i) of the Act.

Dated: September 20, 2010.

Ronald K. Lorentzen,

Deputy Assistant Secretary for Import Administration.

Appendix—Issues in Decision Memo

Comments

[FR Doc. 2010–24160 Filed 9–24–10; 8:45 am]

BILLING CODE 3510–DS–P