

Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC 20230; telephone: (202) 482-3586 and (202) 482-1395, respectively.

SUPPLEMENTARY INFORMATION:

Background

In accordance with section 705(d) of the Tariff Act of 1930, as amended (the Act), on September 27, 2010, the Department published its final determination in the countervailing duty investigation of certain coated paper from Indonesia. *See Certain Coated Paper Suitable for High-Quality Print Graphics Using Sheet-Fed Presses from Indonesia: Final Affirmative Countervailing Duty Determination*, 75 FR 59209 (September 27, 2010), and accompanying Issues and Decision Memorandum (Decision Memorandum).

On November 10, 2010, the Department placed on the record of this investigation a memorandum,¹ which identifies an unintentional misstatement regarding our discount rate calculation for allocable subsidies received by the mandatory company respondents, PT Pabrik Kertas Tjiwi Kimia Tbk., PT Pindo Deli Pulp and Paper Mills, and PT Indah Kiat Pulp and Paper, Tbk. Specifically, in the Decision Memorandum, we stated that “{t}he discount rate is intended to calculate a present value of a future stream of benefits based on a company’s own internal rate of return or cost of borrowing (or approximation thereof) and is based on lending rates in the respondent’s home market currency. * * *”² However, we should have stated that the discount rate in this investigation is based on lending rates in U.S. dollars.

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 Act, that a U.S. industry is threatened with material injury by reason of subsidized imports of subject merchandise from Indonesia. *See Certain Coated Paper Suitable for High-Quality Print Graphics Using Sheet-Fed Presses from China and Indonesia*, USITC Publication 4192, Investigation Nos. 701-TA-470-471 and 731-TA-1169-1170 (Final) (November 2010). Pursuant to section 706(a) of the

DEPARTMENT OF COMMERCE

International Trade Administration

[C-560-824]

Certain Coated Paper Suitable for High-Quality Print Graphics Using Sheet-Fed Presses From Indonesia: 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 U.S. International Trade Commission (ITC), the Department is issuing a countervailing duty order on certain coated paper suitable for high-quality print graphics using sheet-fed presses (certain coated paper) from Indonesia.

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

FOR FURTHER INFORMATION CONTACT: Gene Calvert or Nicholas Czajkowski, AD/CVD Operations, Office 6, Import

¹ See the memorandum to Barbara E. Tillman, Director, AD/CVD Operations, Office 6, “Ministerial Error Allegation and Identification of Misstatement in the Issues and Decision Memorandum in the Instant Investigation,” dated November 10, 2010. This public document is available in the Central Records Unit, Room 7046, of the main Department of Commerce building.

² See *Decision Memorandum* at 59.

Act, the Department is publishing a countervailing duty order on the subject merchandise.

Scope of the Order

The scope of this order includes certain coated paper and paperboard³ 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; ⁴ weighing not more than 340 grams per square meter; whether gloss grade, satin grade, matte grade, dull grade, or any other grade of finish; whether or not surface-colored, surface-decorated, printed (except as described below), embossed, or perforated; and irrespective of dimensions (Certain Coated Paper).

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

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

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

As of 2009, imports of the subject merchandise are provided for under the following categories of the 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,

³ “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.’”

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

4810.39 and 4810.92. While HTSUS subheadings are provided for convenience and customs purposes, the written description of the scope of the order is dispositive.

Countervailing Duty Order

In accordance with section 706(a)(1) of the Act, the Department will direct U.S. Customs and Border Protection (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 certain coated paper from Indonesia.

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 the ITC’s notice of final determination if that determination is based upon threat of material injury. Section 706(b)(1) of the Act states, “If 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 CBP to refund any cash deposits or bonds of estimated countervailing duties posted since the Department’s preliminary countervailing duty determination, if the ITC’s final determination is threat-based. 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* was published in the **Federal Register**,⁵ section 706(b)(2) of the Act is applicable.

Therefore, the Department will direct CBP to reinstitute suspension of liquidation,⁶ and to assess, upon further

⁵ See *Certain Coated Paper from Indonesia: Preliminary Affirmative Countervailing Duty Determination and Alignment of Final Countervailing Duty Determination with Final Antidumping Duty Determination*, 75 FR 10761 (March 9, 2010) (*Preliminary Determination*).

⁶ 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 suspension of liquidation pursuant to a preliminary determination may not remain in effect for more than four months. Entries

instruction from the Department, countervailing duties on all unliquidated entries of certain coated paper from Indonesia entered, or withdrawn from warehouse, for consumption on or after the date of publication of the ITC’s notice of final determination of threat of injury in the **Federal Register**.

Cash Deposit Requirements

Pursuant to section 706(a)(3) of the Act, effective on the date of publication of the ITC’s notice of final determination in the **Federal Register**, CBP will require, at the same time as importers would normally deposit estimated duties, cash deposits for the subject merchandise equal to the net subsidy rates listed below. The all-others rate applies to all producers and exporters of subject merchandise not specifically listed.

Producer/exporter	Net subsidy rate (percent)
PT Pabrik Kertas Tjiwi Kimia, Tbk, PT Pindo Deli Pulp and Paper Mills, PT Indah Kiat Pulp and Paper, Tbk. (i.e., APP/SMG)	17.94
All Others	17.94

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 also instruct CBP to refund any cash deposits made, and to release any bonds posted between March 9, 2010 (i.e., the date of publication of the Department’s *Preliminary Determination*) and on or before July 7, 2010, the date on which the Department discontinued the suspension of liquidation pursuant to section 703(d) of the Act.

This notice constitutes the countervailing duty order with respect to certain coated paper from Indonesia, 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.

of certain coated paper from Indonesia made on or after July 7, 2010, and prior to the date of publication of the ITC’s final determination in the **Federal Register** are not liable for the assessment of countervailing duties because of the Department’s discontinuation of the suspension of liquidation, effective July 7, 2010.

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

Dated: November 12, 2010.

Carole A. Showers,

Acting Deputy Assistant Secretary for Import Administration.

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