

**IV. Request for Comments**

Comments are invited on: (a) Whether the proposed collection of information is necessary for the proper performance of the functions of the agency, including whether the information shall have practical utility; (b) the accuracy of the agency's estimate of the burden (including hours and cost) of the proposed collection of information; (c) ways to enhance the quality, utility, and clarity of the information to be collected; and (d) ways to minimize the burden of the collection of information on respondents, including through the use of automated collection techniques or other forms of information technology. In addition, the public is encouraged to provide suggestions on how to reduce and/or consolidate the current frequency of reporting.

Comments submitted in response to this notice will be summarized and/or included in the request for OMB approval of this information collection; they will also become a matter of public record.

Dated: April 11, 2006.

**Madeleine Clayton,**

*Management Analyst, Office of the Chief Information Officer.*

[FR Doc. E6-5634 Filed 4-14-06; 8:45 am]

BILLING CODE 3510-DT-P

**DEPARTMENT OF COMMERCE****Bureau of Industry and Security****BIS Program Evaluation**

**ACTION:** Proposed collection; request for comments

**SUMMARY:** The Department of Commerce, as part of its continuing effort to reduce paperwork and respondent burden, invites the general public and other Federal agencies to take this opportunity to comment on proposed and/or continuing information collections, as required by the Paperwork Reduction Act of 1995, Public Law 104-13 (44 U.S.C. 3506(c)(2)(A)).

**DATES:** Written comments must be submitted on or before June 16, 2006.

**ADDRESSES:** Direct all written comments to Diana Hynek, Departmental Paperwork Clearance Officer, Department of Commerce, Room 6625, 14th and Constitution Avenue, NW., Washington, DC 20230 (or via the Internet at [Dhynek@doc.gov](mailto:Dhynek@doc.gov)).

**FOR FURTHER INFORMATION CONTACT:** Requests for additional information or copies of the information collection instrument(s) and instructions should

be directed to Larry Hall, BIS ICB Liaison, Department of Commerce, Room 6703, 14th and Constitution Avenue, NW., Washington, DC 20230.

**SUPPLEMENTARY INFORMATION:****I. Abstract**

This collection of information is necessary to obtain feedback from seminar participants. This information helps BIS determine the effectiveness of its programs and identifies areas for improvement. The gathering of performance measures on the BIS seminar program is also essential in meeting the agency's responsibilities under the Government Performance and Results Act (GPRA).

**II. Method of Collection**

Surveys.

**III. Data**

*OMB Number:* 0694-0125.

*Form Number:* N/A.

*Type of Review:* Extension of a currently approved collection.

*Affected Public:* Individuals, businesses or other for-profit and not-for-profit institutions.

*Estimated Number of Respondents:* 4,050.

*Estimated Time per Response:* 10 minutes per response.

*Estimated Total Annual Burden Hours:* 675 hours.

*Estimated Total Annual Cost:* No start-up capital expenditures.

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Comments submitted in response to this notice will be summarized and/or included in the request for OMB approval of this information collection; they will also become a matter of public record.

Dated: April 11, 2006.

**Madeleine Clayton,**

*Management Analyst, Office of the Chief Information Officer.*

[FR Doc. E6-5635 Filed 4-14-06; 8:45 am]

BILLING CODE 3510-DT-P

**DEPARTMENT OF COMMERCE****International Trade Administration**

**A-570-901**

**Preliminary Determination of Sales at Less Than Fair Value, Affirmative Critical Circumstances, In Part, and Postponement of Final Determination: Certain Lined Paper Products from the People's Republic of China**

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

**EFFECTIVE DATE:** April 17, 2006.

**SUMMARY:** We preliminarily determine that certain lined paper products ("CLPP") from the People's Republic of China ("PRC") are being, or are likely to be, sold in the United States at less than fair value ("LTFV"), as provided in section 733 of the Tariff Act of 1930, as amended ("the Act"). The estimated margins of sales at LTFV are shown in the "Preliminary Determination" section of this notice. Pursuant to requests from interested parties, we are postponing the final determination and extending the provisional measure from a four-month period to not more than six months. Accordingly, we will make our final determination not later than 135 days after publication of the preliminary determination.

**FOR FURTHER INFORMATION CONTACT:** Marin Weaver or Frances Veith, AD/CVD Operations, Office 8, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC, 20230; telephone: (202) 482-2336 or 482-4295, respectively.

**SUPPLEMENTARY INFORMATION:****Case History**

On September 9, 2005, the Association of American School Paper Suppliers and its individual members (MeadWestvaco Corporation; Norcom, Inc.; and Top Flight, Inc.) ("Petitioner") filed, in proper form on behalf of the domestic industry and workers producing CLPP, petitions concerning imports of CLPP from India, Indonesia, and the PRC ("Petition").

In accordance with section 732(b) of the Act, Petitioner alleged that imports of CLPP from India, Indonesia and the

PRC are being, or are likely to be, sold in the United States at LTFV within the meaning of section 731 of the Act, and that such imports are materially injuring and threaten to injure an industry in the United States.

The Department of Commerce ("the Department") initiated this investigation on September 29, 2005. See *Initiation of Antidumping Duty Investigations: Certain Lined Paper Products from India, Indonesia, and the People's Republic of China*, 70 FR 58374 (October 6, 2005) ("Notice of Initiation"). In the Notice of Initiation, the Department applied a modified process by which exporters and producers may obtain separate-rate status in non-market economy ("NME") investigations. The new process requires exporters and producers to submit a separate-rate status application. See *Policy Bulletin 05.1: Separate-Rates Practice and Application of Combination Rates in Antidumping Investigations Involving Non-Market Economy Countries* (April 5, 2005), (*Policy Bulletin 05.1*) available at <http://ia.ita.doc.gov/policy/bull05-1.pdf>. However, the standard for eligibility for a separate rate (which is whether a firm can demonstrate an absence of both *de jure* and *de facto* government control over its export activities) has not changed. The separate-rate application for this investigation was posted on the Department's website <http://ia.ita.doc.gov/ia-highlights-and-news.html> on October 6, 2005. The due date listed on the application was December 5, 2005.

On October 19, 2005, the Department provided interested parties to this proceeding the opportunity to comment on the Department's proposed product characteristic reporting criteria and matching hierarchy. On October 20, 2005, the Department requested the assistance of the government of the PRC (through the Ministry of Commerce) in transmitting the Department's Quantity and Value questionnaire ("Q&V questionnaire") to all companies that manufacture and export subject merchandise to the United States, as well as to manufacturers that produce the subject merchandise for companies that were engaged in exporting subject merchandise to the United States during the period of investigation ("POI"). Also on October 20 and October 21, 2005, the Department issued Q&V questionnaires to 45 companies.

On October 24, 2005, the United States International Trade Commission ("ITC") issued its affirmative preliminary determination that there is a reasonable indication that an industry in the United States is materially

injured by reason of imports of CLPP from the PRC. The ITC's determination was published in the **Federal Register** on October 31, 2005. See *Investigation Nos. 701-TA-442-443 and 731-TA-1095-1097* ("ITC Preliminary"), *Certain Lined Paper School Supplies from China, India and Indonesia*, 70 FR 62329 (October 31, 2005).

On October 27, 2005, Petitioner submitted information concerning the identities of Chinese foreign producers to consider as mandatory respondents in the investigation.

On October 28, 2005, the Department received comments on the proposed product characteristics criteria and matching hierarchy from CPP International; Watanabe Paper Product (Shanghai) Co., Ltd. ("Watanabe Shanghai"); Hotrock Stationery (Shenzhen) Co., ("Watanabe Shenzhen"); and Watanabe Paper Product (Linqing) Co., Ltd. ("Watanabe Linqing"), collectively (the "Watanabe Group"). On October 31, 2005, the Department received comments from Petitioner.

From November 1, 2005 through November 4, 2005, the Department received affirmative Q&V responses from 28 producers/exporters of Chinese CLPP.<sup>1</sup>

On November 1, 2005, Shenzhen Comix Stationery Co., Ltd. reported that it did not export subject merchandise during the POI. On November 7, 2005, Excel Sheen Limited ("Excel") submitted an entry of appearance. On November 9, 2005, the Department issued a Q&V questionnaire to Excel. Excel submitted its response on

<sup>1</sup> The Watanabe Group companies; Yalong Paper Products (Kunshan) Co., Ltd. ("Yalong"); Changshu Changjiang Printing Co., Ltd. ("Changjiang"); Shanghai Lian Li Paper Products Co., Ltd. ("Lian Li"); Ningbo Guangbo Imports and Exports Co., Ltd. ("Ningbo"); Suzhou Industrial Park Asia Pacific Paper Converting Co., Ltd. ("Suzhou"); Sunshine International Group (HK) Ltd. ("Sunshine"); Shanghai Foreign Trade Enterprise Co., Ltd. ("SFTE"); Shanghai Lansheng Stationery & Sporting Goods Import & Export Co., Ltd. ("Lansheng"); Jiaying Te Gao Te Paper Products Co., Ltd. ("Te Gao Te"); Chinapack Ningbo Paper Products Co., Ltd. ("Chinapack"); Planet International Company, Ltd. ("Planet"); Planet (Hong Kong) International Company, Ltd. ("Planet HK"); Linqing Silver Star Paper Products Co., Ltd. ("Linqing Silver"); You-You Paper Products (Suzhou) Co., Ltd. ("You-You"); Suzhou Industrial Park You-You Trading Co., Ltd. ("You-You Trading"); Yantai Licence Printing & Making Co., Ltd. ("Yantai"); Fujian Hengda Group Co., Ltd. ("Hengda"); Wah Kin Stationery and Paper Product Limited ("Wah Kin"); Haijing Stationery (Shanghai) Co., Ltd. ("Haijing"); Orient International Holding Shanghai Foreign Trade Co., Ltd. ("Orient"); Anhui Light Industries International Co., Ltd. ("Anhui Light"); and Shanghai Pudong Wenbao Paper Products Factory ("Wenbao Paper"), Shanghai Glistar Paper Products Co., Ltd. ("Shanghai Glistar"), Linqing Glistar Paper Products Co., Ltd. ("Linqing Glistar"), and Paperline Limited ("Paperline").

November 14, 2005. On November 17, 2005, Maxleaf Stationery Ltd. (Maxleaf) submitted an entry of appearance and a Q&V questionnaire response. On November 17, 2005, the Department issued a Q&V questionnaire to Atico International (HK) & Atico Overseas Ltd., ("Atico"). Atico responded on November 18, 2005. Also, on November 18, 2005, Changjiang submitted a revised Q&V response. On November 22, 2005, the Department sent a revised Q&V questionnaire to all parties that had submitted a Q&V response, asking that companies report separately their direct export price sales and their indirect export price sales.

The PRC government did not respond to the Department's October 20, 2005, letter requesting assistance in transmitting the Q&V questionnaire to producers and exporters of the subject merchandise in the PRC.

On November 7, 8, and 9, 2005, the Department received separate-rate applications from 26 producers/exporters of Chinese CLPP: Atico, the Watanabe Group,<sup>2</sup> Yalong, Changjiang, Lian Li, Ningbo, Suzhou, Sunshine, SFTE, Lansheng, Te Gao Te, Chinapack, Planet, Planet HK, Linqing Silver, You-You, You-You Trading, Yantai, Hengda, Wah Kin, Haijing, Orient, Anhui Light, and Excel. The Department issued supplemental questionnaires to these separate-rate applicants and received a timely response from each of them.

On November 29, 2005, Petitioner requested that the Department make an expedited finding that critical circumstances exist with respect to imports of CLPP from the PRC, India, and Indonesia. On December 1, 2005, Target Corporation and the Watanabe Group submitted comments on Petitioner's request with respect to critical circumstances.

On December 5, 2005, the following companies submitted supplements to their separate-rate applications: Planet HK, Chinapack, and SFTE. Also on December 5, 2005, the following companies submitted separate-rate applications: Essential Industries Limited ("Essential"), Dongguan Yizhi Gao Paper Products Ltd ("Yizhi Gao"), Paperline, MGA Entertainment (H.K.) Limited ("MGA"), Wenbao Paper, and Maxleaf.

On December 13, 2005, the Department issued its respondent-selection memorandum, selecting the following companies as mandatory respondents in this investigation: the Watanabe Group, Atico, and Lian Li.

<sup>2</sup> The Watanabe Group is comprised of three companies, as noted above. Each company filed a separate-rate application.

See "Selection of Respondents" section, below.

On December 13, 2005, the Department issued its antidumping questionnaire to the Watanabe Group, Atico, and Lian Li. The Watanabe Group and Lian Li submitted timely responses to the questionnaire. On January 26, 2006, Atico submitted a letter informing the Department that it was unable to participate further in this investigation. See "Use of Total Adverse Facts Available" section, below.

On December 20, 2005, the Department determined that India, Sri Lanka, Indonesia, the Philippines, and Egypt are countries comparable to the PRC in terms of economic development. See Memorandum from Ron Lorentzen, Director, Office of Policy to Wendy Frankel, Director, China/NME Group, Office 8: Antidumping Duty Investigation of Certain Lined Paper Products from the People's Republic of China (PRC): Request for a List of Surrogate Countries, dated December 20, 2005 (Office of Policy Surrogate Countries Memorandum).

On January 31, 2006, the Department found that Petitioner's critical circumstances allegation did not in itself provide a sufficient factual basis for making an affirmative finding. See Memorandum for Stephen J. Claeys, Deputy Assistant Secretary for Import Administration from Susan H. Kuhbach, Director, Office 1, Melissa Skinner, Director, Office 3 and Wendy J. Frankel, Director, Office 8, Import Administration: Antidumping Duty Investigations of Certain Lined Paper Products from India, Indonesia, and the People's Republic of China and Countervailing Duty Investigations of Certain Lined Paper Products from India and Indonesia: Whether Critical Circumstances Exist with Respect to Imports of Certain Lined Paper Products. However, the Department stated that it would monitor imports of merchandise covered by the scope of these investigations in order to determine whether the criteria for a finding of critical circumstances are met. In order to make a critical circumstances determination, we requested on February 8 and March 1, 2006, respectively, that the Watanabe Group and Lian Li report the monthly quantity and value of shipments of subject merchandise to the United States covering the period from September 2002 through April 2006. On March 15, 2006, we requested the same information from all separate-rate status applicants.

On January 23, 2006, the Department received a request from Petitioner requesting that the Department

postpone the preliminary determination by 30 days, *i.e.*, until March 18, 2006. We did so on February 10, 2006. See *Notice of Postponement of Preliminary Determination of Antidumping Duty Investigation: Certain Lined Paper Products from the People's Republic of China, India, and Indonesia*, 71 FR 7015 (February 10, 2006). On February 21, 2006, the Department received a request that the Department postpone the preliminary determination by an additional 20 days. On March 14, 2006, the Department published a postponement of the preliminary determination on CLPP from the PRC until April 7, 2006. See *Notice of Postponement of Preliminary Determinations of Antidumping Duty Investigation: Certain Lined Paper Products from the People's Republic of China and India*, 71 FR 13090 (March 14, 2006).

On February 21, 2006, Petitioner, the Watanabe Group, and Lian Li submitted surrogate value data. Petitioner argued that India is the appropriate surrogate country and provided only Indian surrogate value data. The Watanabe Group and Lian Li likewise submitted only Indian surrogate value data.

On February 25, 2006, we requested additional information from Orient, Ningbo, Planet, Planet HK, Haijing, Suzhou and Sunshine regarding their separate-rate applications, and received a timely response from each company.

#### Postponement of Final Determination

Section 735(a) of the Act provides that a final determination may be postponed until no later than 135 days after the date of the publication of the preliminary determination if, in the event of an affirmative preliminary determination, a request for such postponement is made by exporters who account for a significant proportion of exports of the subject merchandise or, in the event of a negative preliminary determination, a request for such postponement is made by the petitioner. Section 351.210(e)(2) of the Department's regulations requires that requests by respondents for postponement of a final determination be accompanied by a request for an extension of the provisional measures from a four-month period to not more than six months. On April 6, 2006, Lian Li requested that, in the event of an affirmative preliminary determination in this investigation, the Department postpone its final determination by 60 days until 135 days after the publication of the preliminary determination. Additionally, Lian Li requested that the Department extend the provisional measures under section 733(d) of the

Act. On April 7, 2006, the Watanabe Group requested that, in the event of an affirmative preliminary determination in this investigation, the Department postpone its final determination by 30 days until 105 days after the publication of the preliminary determination. Additionally, the Watanabe Group and Lian Li requested that the Department extend the provisional measures under Section 733(d) of the Act. Accordingly, because we have made an affirmative preliminary determination and the requesting parties account for a significant proportion of the exports of the subject merchandise, pursuant to 735(a)(2) of the Act, we have postponed the final determination until no later than 135 days after the date of publication of the preliminary determination and are extending the provisional measures accordingly.

#### Period of Investigation

The POI is January 1, 2005, through June 30, 2005. This period corresponds to the two most recent fiscal quarters prior to the month of the filing of the petition (September 2005). See 19 CFR 351.204(b)(1).

#### Scope of Investigation

The scope of this investigation includes certain lined paper products, typically school supplies,<sup>3</sup> composed of or including paper that incorporates straight horizontal and/or vertical lines on ten or more paper sheets,<sup>4</sup> including but not limited to such products as single- and multi-subject notebooks, composition books, wireless notebooks, looseleaf or glued filler paper, graph paper, and laboratory notebooks, and with the smaller dimension of the paper measuring 6 inches to 15 inches (inclusive) and the larger dimension of the paper measuring 8-3/4 inches to 15 inches (inclusive). Page dimensions are measured size (not advertised, stated, or "tear-out" size), and are measured as they appear in the product (*i.e.*, stitched and folded pages in a notebook are measured by the size of the page as it appears in the notebook page, not the size of the unfolded paper). However, for measurement purposes, pages with tapered or rounded edges shall be measured at their longest and widest points. Subject lined paper products may be loose, packaged or bound using any binding method (other than case bound through the inclusion of binders board, a spine strip, and cover wrap).

<sup>3</sup> For purposes of this scope definition, the actual use or labeling of these products as school supplies or non-school supplies is not a defining characteristic.

<sup>4</sup> There shall be no minimum page requirement for looseleaf filler paper.

Subject merchandise may or may not contain any combination of a front cover, a rear cover, and/or backing of any composition, regardless of the inclusion of images or graphics on the cover, backing, or paper. Subject merchandise is within the scope of this petition whether or not the lined paper and/or cover are hole punched, drilled, perforated, and/or reinforced. Subject merchandise may contain accessory or informational items including but not limited to pockets, tabs, dividers, closure devices, index cards, stencils, protractors, writing implements, reference materials such as mathematical tables, or printed items such as sticker sheets or miniature calendars, if such items are physically incorporated, included with, or attached to the product, cover and/or backing thereto.

Specifically excluded from the scope of this investigation are:

- unlined copy machine paper;
- writing pads with a backing (including but not limited to products commonly known as “tablets,” “note pads,” “legal pads,” and “quadrille pads”), provided that they do not have a front cover (whether permanent or removable). This exclusion does not apply to such writing pads if they consist of hole-punched or drilled filler paper;
- three-ring or multiple-ring binders, or notebook organizers incorporating such a ring binder provided that they do not include subject paper;
- index cards;
- printed books and other books that are case bound through the inclusion of binders board, a spine strip, and cover wrap;
- newspapers;
- pictures and photographs;
- desk and wall calendars and organizers (including but not limited to such products generally known as “office planners,” “time books,” and “appointment books”);
- telephone logs;
- address books;
- columnar pads & tablets, with or without covers, primarily suited for the recording of written numerical business data;
- lined business or office forms, including but not limited to: preprinted business forms, lined invoice pads and paper, mailing and address labels, manifests, and shipping log books;
- lined continuous computer paper;
- boxed or packaged writing stationary (including but not limited to products commonly known as “fine business paper,” “parchment paper,” and “letterhead”), whether or not containing a lined header or decorative lines;

- Stenographic pads (“steno pads”), Gregg ruled,<sup>5</sup> measuring 6 inches by 9 inches;

Also excluded from the scope of this investigation are the following trademarked products:

- Fly<sup>TM</sup> lined paper products: A notebook, notebook organizer, loose or glued note paper, with papers that are printed with infrared reflective inks and readable only by a Fly<sup>TM</sup> pen-top computer. The product must bear the valid trademark Fly<sup>TM</sup>.<sup>6</sup>
- Zwipes<sup>TM</sup>: A notebook or notebook organizer made with a blended polyolefin writing surface as the cover and pocket surfaces of the notebook, suitable for writing using a specially-developed permanent marker and erase system (known as a Zwipes<sup>TM</sup> pen). This system allows the marker portion to mark the writing surface with a permanent ink. The eraser portion of the marker dispenses a solvent capable of solubilizing the permanent ink allowing the ink to be removed. The product must bear the valid trademark Zwipes<sup>TM</sup>.<sup>7</sup>
- FiveStar@Advance<sup>TM</sup>: A notebook or notebook organizer bound by a continuous spiral, or helical, wire and with plastic front and rear covers made of a blended polyolefin plastic material joined by 300 denier polyester, coated on the backside with PVC (poly vinyl chloride) coating, and extending the entire length of the spiral or helical wire. The polyolefin plastic covers are of specific thickness; front cover is .019 inches (within normal manufacturing tolerances) and rear cover is .028 inches (within normal manufacturing tolerances). Integral with the stitching that attaches the polyester spine covering, is captured both ends of a 1” wide elastic fabric band. This band is located 2–3/8” from the top of the front plastic cover and provides pen or pencil storage. Both ends of the spiral wire are cut and then bent backwards to overlap with the previous coil but specifically outside the coil diameter but inside the polyester covering. During construction, the polyester covering is sewn to the front and rear covers face to face (outside to outside) so that when the book is closed, the stitching is concealed from the outside. Both free ends (the ends not sewn to the cover

<sup>5</sup> “Gregg ruling” consists of a single- or double-margin vertical ruling line down the center of the page. For a six-inch by nine-inch stenographic pad, the ruling would be located approximately three inches from the left of the book.

<sup>6</sup> Products found to be bearing an invalidly licensed or used trademark are not excluded from the scope.

<sup>7</sup> Products found to be bearing an invalidly licensed or used trademark are not excluded from the scope.

and back) are stitched with a turned edge construction. The flexible polyester material forms a covering over the spiral wire to protect it and provide a comfortable grip on the product. The product must bear the valid trademarks FiveStar@Advance<sup>TM</sup>.<sup>8</sup>

- FiveStar Flex<sup>TM</sup>: A notebook, a notebook organizer, or binder with plastic polyolefin front and rear covers joined by 300 denier polyester spine cover extending the entire length of the spine and bound by a 3-ring plastic fixture. The polyolefin plastic covers are of a specific thickness; front cover is .019 inches (within normal manufacturing tolerances) and rear cover is .028 inches (within normal manufacturing tolerances). During construction, the polyester covering is sewn to the front cover face to face (outside to outside) so that when the book is closed, the stitching is concealed from the outside. During construction, the polyester cover is sewn to the back cover with the outside of the polyester spine cover to the inside back cover. Both free ends (the ends not sewn to the cover and back) are stitched with a turned edge construction. Each ring within the fixture is comprised of a flexible strap portion that snaps into a stationary post which forms a closed binding ring. The ring fixture is riveted with six metal rivets and sewn to the back plastic cover and is specifically positioned on the outside back cover. The product must bear the valid trademark FiveStar Flex<sup>TM</sup>.<sup>9</sup>

Merchandise subject to this proceeding is typically imported under headings 4820.10.2050, 4810.22.5044, 4811.90.9090 of the Harmonized Tariff Schedule of the United States (HTSUS).<sup>10</sup> The tariff classifications are provided for convenience and customs purposes; however, the written description of the scope of the proceeding is dispositive.

#### Scope Comments

In accordance with the preamble to our regulations (*See Antidumping Duties; Countervailing Duties*, 62 FR 27296, 27323 (May 19, 1997)), in our initiation notice we set aside a period of time for parties to raise issues regarding product coverage and encouraged all parties to submit comments within 20 calendar days of publication of the

<sup>8</sup> Products found to be bearing an invalidly licensed or used trademark are not excluded from the scope.

<sup>9</sup> Products found to be bearing an invalidly licensed or used trademark are not excluded from the scope.

<sup>10</sup> During the investigation additional HTS codes may be identified.

initiation notice. *See Notice of Initiation* at 58375.

On October 28, 2005, Continental Accessory Corporation (“Continental”) submitted timely scope comments in which it argued that the Department should issue a ruling that the scope of these investigations does not cover “fashion stationery,” a niche lined paper product. Continental argued that fashion stationery is substantially different from subject commodity-grade lined paper products because of differences in physical appearance, production methods, costs, consumer expectations, and other factors. Continental also argued that none of the domestic petitioners has the capability of manufacturing fashion stationery in the United States.

On November 16, 2005, Petitioner submitted rebuttal comments. Petitioner argued that what Continental refers to as “stationery,” and “fashion goods,” is actually nothing more than notebooks. Contrary to Continental’s allegation, Petitioner claimed these notebooks are “substantially produced” within the United States. Petitioner stated that the language of the scope is clear in describing the products for which relief is sought, “certain lined paper products regardless of the material used for a front or back cover, regardless of the inclusion of material on the front and cover, and regardless of the binding materials.” Petitioner also argued that Continental’s claim that fashion notebooks “are not intended to be included with covered merchandise” is baseless. Petitioner stated that Continental had provided no evidence to demonstrate that the purchaser views fashion notebooks as a higher value product. Lastly, Petitioner noted that the ITC had already rejected Continental’s claims that its fashion books are not within the scope of the domestic like product or should be treated as a separate like product. *See ITC Preliminary Report*.

As further discussed in the memorandum to Stephen J. Claey's, Deputy Assistant Secretary for AD/CVD Operations, Import Administration, through Susan H. Kuhbach, Director, Office 1, AD/CVD Operations, from Damian Felton, case analyst: Antidumping and Countervailing Duty Investigation: Scope Exclusion/Clarification Request: Continental Accessory Corporation, dated March 20, 2006, the Department denied Continental’s request that its fashion notebooks be excluded from the scope of the investigation.

On March 29, 2006, SchoolMax LLC (“SchoolMax”), a U.S. importer of CLPP from the PRC requested that the

Department determine that certain products imported by SchoolMax are outside the scope of these investigations. The Department will consider this request for the final determination in these investigations.

#### Selection of Respondents

Section 777A(c)(1) of the Act directs the Department to calculate individual weighted-average dumping margins for each known exporter and producer of the subject merchandise. Section 777A(c)(2) of the Act gives the Department discretion, when faced with a large number of exporters/producers, to limit its examination to a reasonable number of such companies if it is not practicable to examine all companies. Where it is not practicable to examine all known producers/exporters of subject merchandise, this provision permits the Department to investigate either (1) a sample of exporters, producers, or types of products that is statistically valid based on the information available to the Department at the time of selection or (2) exporters/producers accounting for the largest volume of the merchandise under investigation that can reasonably be examined. After consideration of the complexities expected to arise in this proceeding and the resources available to it, the Department determined that it was not practicable in this investigation to examine all known producers/exporters of subject merchandise. Instead, we limited our examination to the exporters and producers accounting for the largest volume of the subject merchandise pursuant to section 777A(c)(2)(B) of the Act. The Watanabe Group, Atico, and Lian Li, the exporters accounting for the largest volume of exports to the United States, account for a significant percentage of all exports of the subject merchandise from the PRC during the POI and were selected as mandatory respondents. *See Memorandum from Charles Riggle, Program Manager, AD/CVD Enforcement, Office 8, to Wendy J. Frankel, Director, AD/CVD Enforcement, Office 8, Selection of Respondents for the Antidumping Duty Investigation of Certain Lined Paper Products from the People’s Republic of China, dated December 13, 2005 (“Respondent Selection Memo”).*

#### Non-Market Economy Country

For purposes of initiation, Petitioner submitted an LTFV analysis for the PRC as an NME. *See Notice of Initiation*, 70 FR at 58377. In every case conducted by the Department involving the PRC, the PRC has been treated as an NME country. In accordance with section

771(18)(C)(i) of the Act, any determination that a foreign country is an NME country shall remain in effect until revoked by the administering authority. *See, e.g., Final Determination of Sales at Less Than Fair Value: Certain Artist Canvas from the People’s Republic of China*, 71 FR 16116 (March 30, 2006) (“*Artist Canvas*”). Therefore, we have treated the PRC as an NME country for purposes of this preliminary determination.

#### Surrogate Country

When the Department is investigating imports from an NME country or producer, section 773(c)(1) of the Act directs it to base normal value (“NV”), in most circumstances, on the NME producer’s factors of production valued in a surrogate market-economy country or countries considered to be appropriate by the Department. In accordance with section 773(c)(4) of the Act, in valuing the factors of production, the Department shall utilize, to the extent possible, the prices or costs of factors of production in one or more market-economy countries that are at a level of economic development comparable to that of the NME country and are significant producers of comparable merchandise. The sources of the surrogate values we have used in this investigation are discussed under the “Normal Value” section below.

As stated previously, the Department determined that India, Indonesia, Sri Lanka, the Philippines, and Egypt are countries comparable to the PRC in terms of economic development. *See Office of Policy Surrogate Countries Memorandum*. Once the countries that are economically comparable to the PRC have been identified, we select an appropriate surrogate country by determining whether an economically comparable country is a significant producer of comparable merchandise and whether the data for valuing factors of production is both available and reliable.

We have made the following determination about the use of India as a surrogate country pursuant to section 773(c)(4) of the Act: (A) India is at a level of economic development comparable to that of the PRC, and (B) India is a significant producer of comparable merchandise. Furthermore, we have reliable data from India that we can use to value the factors of production. *See Memorandum to Wendy J. Frankel, Director, Office 8, AD/CVD Operations through Charles Riggle, Program Manager, from Hua Lu, Case Analyst: Antidumping Investigation of Certain Lined Paper Products from the People’s Republic of*

China: Selection of a Surrogate Country, dated April 7, 2006. Thus, we have calculated NV using Indian prices when available and appropriate to value the factors of production of the CLPP producers. We have obtained and relied upon publicly available information wherever possible. See Memorandum to the File from Marin Weaver, Paul Stolz, Frances Veith, and William M. Quigley, International Trade Compliance Analysts, through Charles Riggle, Program Manager, and Wendy J. Frankel, Director, Office 8, Import Administration: Certain Lined Paper Products from the People's Republic of China: Factors-of-Production Valuation for Preliminary Determination, dated April 7, 2006 ("Factor-Valuation Memorandum").

In accordance with 19 CFR 351.301(c)(3)(i), for the final determination in an antidumping investigation, interested parties may submit publicly available information to value the factors of production within 40 days after the date of publication of the preliminary determination.

#### Affiliation

Section 771(33) of the Act states that the Department considers the following entities to be affiliated: (A) Members of a family, including brothers and sisters (whether by whole or half blood), spouse, ancestors, and lineal descendants; (B) Any officer or director of an organization and such organization; (C) Partners; (D) Employer and employee; (E) Any person directly or indirectly owning, controlling, or holding with power to vote, 5 percent or more of the outstanding voting stock or shares of any organization and such organization; (F) Two or more persons directly or indirectly controlling, controlled by, or under common control with, any person; and (G) Any person who controls any other person and such other person.

For purposes of affiliation, section 771(33) of the Act states that a person shall be considered to control another person if the person is legally or operationally in a position to exercise restraint or direction over the other person. In order to find affiliation between companies, the Department must find that at least one of the criteria listed above is applicable to the respondents.

To the extent that the affiliation provisions in section 771(33) of the Act do not conflict with the Department's application of separate rates and the statutory NME provisions in section 773(c) of the Act, the Department will determine that exporters and/or producers are affiliated if the facts of the

case support such a finding. See *Certain Preserved Mushrooms From the People's Republic of China: Preliminary Results of Sixth New Shipper Review and Preliminary Results and Partial Rescission of Fourth Antidumping Duty Administrative Review*, 69 FR 10410, 10413 (March 5, 2004), unchanged in *Final Results and Final Rescission, in Part, of Antidumping Duty Administrative Review: Certain Preserved Mushrooms From the People's Republic of China*, 70 FR 54361 (September 14, 2005).

#### Watanabe Group

Following these guidelines, we preliminarily determine that members of the Watanabe Group are affiliated pursuant to section 771(33) of the Act. We are also treating them as a single entity for purposes of this investigation. See Memorandum to Wendy Frankel, Director, from Charles Riggle, Program Manager: Antidumping Duty Investigation of Certain Lined Paper Products from the People's Republic of China: Affiliation and Treatment of the Watanabe Group as a Single Entity, dated April 7, 2006.

#### Separate Rates

In proceedings involving NME countries, the Department begins with a rebuttable presumption that all companies within the country are subject to government control and, thus, should be assigned a single antidumping duty deposit rate. It is the Department's policy to assign all exporters of merchandise subject to investigation in an NME country this single rate unless an exporter can demonstrate that it is sufficiently independent so as to be entitled to a separate rate. The mandatory respondents and several separate rate applicants have provided company-specific information and each has stated that it meets the standards for the assignment of a separate rate.

We have considered whether the mandatory respondents and the separate rate applicants referenced above are eligible for a separate rate. The Department's separate-rate test to determine whether the exporters are independent from government control does not consider, in general, macroeconomic/border-type controls, e.g., export licenses, quotas, and minimum export prices, particularly if these controls are imposed to prevent dumping. The test focuses, rather, on controls over the investment, pricing, and output decision-making process at the individual firm level. See *Certain Cut-to-Length Carbon Steel Plate from Ukraine: Final Determination of Sales at*

*Less than Fair Value*, 62 FR 61754, 61758 (November 19, 1997); and *Tapered Roller Bearings and Parts Thereof, Finished and Unfinished, from the People's Republic of China: Final Results of Antidumping Duty Administrative Review*, 62 FR 61276, 61279 (November 17, 1997).

To establish whether a firm is sufficiently independent from government control of its export activities to be entitled to a separate rate, the Department analyzes each entity exporting the subject merchandise under a test arising from the *Final Determination of Sales at Less Than Fair Value: Sparklers from the People's Republic of China*, 56 FR 20588 (May 6, 1991) ("*Sparklers*"), as amplified by *Final Determination of Sales at Less Than Fair Value: Silicon Carbide from the People's Republic of China*, 59 FR 22585 (May 2, 1994) ("*Silicon Carbide*"). In accordance with the separate-rates criteria, the Department assigns separate rates in NME cases only if respondents can demonstrate the absence of both *de jure* and *de facto* government control over export activities.

#### 1. Absence of *De Jure* Control

The Department considers the following *de jure* criteria in determining whether an individual company may be granted a separate rate: (1) an absence of restrictive stipulations associated with an individual exporter's business and export licenses; (2) any legislative enactments decentralizing control of companies; or (3) other formal measures by the government decentralizing control of companies. See *Sparklers*, 56 FR at 20589.

#### 2. Absence of *De Facto* Control

Typically the Department considers the following four factors in evaluating whether each respondent is subject to *de facto* government control of its export functions: (1) whether the export prices are set by or are subject to the approval of a government agency; (2) whether the respondent has authority to negotiate and sign contracts and other agreements; (3) whether the respondent has autonomy from the government in making decisions regarding the selection of management; and (4) whether the respondent retains the proceeds of its export sales and makes independent decisions regarding disposition of profits or financing of losses. See *Silicon Carbide*, 59 FR at 22586-87; See, also, *Final Determination of Sales at Less Than Fair Value: Furfuryl Alcohol From the People's Republic of China*, 60 FR 22544, 22545 (May 8, 1995). The

Department has determined that an analysis of de facto control is critical in determining whether respondents are, in fact, subject to a degree of government control which would preclude the Department from assigning separate rates.

The evidence placed on the record of this investigation demonstrates an absence of government control, both in law and in fact, in accordance with the criteria identified in *Sparklers* and *Silicon Carbide*, for the Watanabe Group and Lian Li, mandatory respondents in this proceeding, and the following separate-rate status applicants that shipped subject merchandise to the United States during the POI: Anhui Light, Changjiang, Chinapack, Essential, Hengda, Haijing, Te Gao Te, Linqing Silver, MGA, Ningbo, Orient, Paperline, Planet HK, Planet, Wenbao Paper, SFTE, Sunshine, Suzhou, You-You Trading, Wah Kin, and Yalong. As a result, for the purposes of this preliminary determination, we have granted separate-rate status to these companies.

Evidence placed on the record of this investigation fails to demonstrate an absence of government control, both in law and in fact, in accordance with the criteria identified in *Sparklers* and *Silicon Carbide*, for the following companies: Atico, Lansheng, You-You, Excel, Maxleaf, Yantai, and Yizhi Gao. For a full discussion of this issue, please see Memorandum to Wendy Frankel, Director, through Charles Riggle, Program Manager, from Robert Bolling, Program Manager: Certain Lined Paper Products from the People's Republic of China: Separate Rates Memorandum ("Separate Rates Memorandum"), dated April 7, 2006.

#### **Use of Total Adverse Facts Available The PRC Entity – PRC-Wide Rate**

The Department has data that indicate there were more exporters of CLPP from the PRC during the POI than those that responded to the Q&V questionnaire or the full antidumping questionnaire. See Respondent Selection Memorandum at 1. We issued the Q&V questionnaire to 45 known Chinese exporters of the subject merchandise but received responses from only 32, with one reporting that it made no shipments of subject merchandise during the POR. Also, on October 20, 2005, we issued our Q&V questionnaire to the government of the PRC (through the Ministry of Commerce). The government of the PRC did not respond to the Department's questionnaire. In addition, Atico, one of the mandatory respondents, did not respond to sections C, D and E of the Department's

antidumping questionnaire. Therefore, the Department determines preliminarily that there were exports of the merchandise under investigation from PRC producers/exporters that did not respond to the Department's questionnaire, and we are treating these PRC producers/exporters as part of the countrywide entity.

#### **Atico**

Atico withheld or failed to provide information specifically requested by the Department during the course of this investigation. After submission of its separate-rate application and Section A questionnaire response, Atico submitted a letter on January 26, 2006, stating that it was unable to participate further in this investigation. Atico did not submit a response to the remainder of its questionnaire. We find that because Atico ceased participation in the investigation and none of the information submitted can be verified, Atico does not merit a separate rate and will be subject to the PRC-wide rate.

The Department will consider all margins on the record at the time of the final determination for the purpose of determining the most appropriate AFA rate for the PRC-wide entity. See *Preliminary Determination of Sales at Less Than Fair Value: Saccharin from the People's Republic of China*, 67 FR 79049, 79053–54 (December 27, 2002), unchanged in *Final Determination of Sales at Less Than Fair Value: Saccharin From the People's Republic of China*, 68 FR 27530 (May 20, 2003).

Section 776(a)(2) of the Act provides that, if an interested party (A) withholds information that has been requested by the Department, (B) fails to provide such information in a timely manner or in the form or manner requested, subject to subsections 782(c)(1) and (e) of the Act, (C) significantly impedes a proceeding under the antidumping statute, or (D) provides such information but the information cannot be verified, the Department shall, subject to subsection 782(d) of the Act, use facts otherwise available in reaching the applicable determination.

Pursuant to section 782(e) of the Act, the Department shall not decline to consider submitted information if all of the following requirements are met: (1) the information is submitted by the established deadline; (2) the information can be verified; (3) the information is not so incomplete that it cannot serve as a reliable basis for reaching the applicable determination; (4) the interested party has demonstrated that it acted to the best of its ability; and (5) the information can be used without undue difficulties.

Information on the record of this investigation indicates that there are numerous producers/exporters of CLPP in the PRC. Information on the record also indicates that the responding companies did not account for all imports into the United States from the PRC. Therefore, we preliminarily determine that certain PRC exporters of CLPP failed to respond to our questionnaires. Additionally, in this case, the government of the PRC did not respond to the Department's questionnaire, and Atico, a mandatory respondent, stopped cooperating in this investigation. As a result, use of facts available pursuant to section 776(a)(2)(A) of the Act is appropriate for the PRC entity. See, e.g., *Artist Canvas*, 71 FR 16116 (March 30, 2006).

Section 776(b) of the Act provides that if an interested party fails to cooperate by not acting to the best of its ability to comply with requests for information, the Department may employ adverse inferences. See, e.g., *Artist Canvas*, 71 FR 16116 (March 30, 2006). See also Statement of Administrative Action accompanying the URAA, H.R. Rep No. 103–316 ("SAA") at 870. We find that, because the PRC-wide entity did not respond to our request for information, it has failed to cooperate to the best of its ability. Therefore, the Department preliminarily finds that, in selecting from among the facts available, an adverse inference is appropriate.

In selecting from among the facts available, Section 776(b) of the Act authorizes the Department to use adverse-facts-available ("AFA") information derived from the petition, the final determination from the LTFV investigation, a previous administrative review, or any other information placed on the record. In selecting a rate for AFA, the Department selects a rate that is sufficiently adverse "as to effectuate the purpose of the facts available rule to induce respondents to provide the Department with complete and accurate information in a timely manner." See *Final Determination of Sales at Less Than Fair Value: Static Random Access Memory Semiconductors from Taiwan*, 63 FR 8909, 8932 (February 23, 1998). It is the Department's practice to select, as AFA, the higher of the (a) highest margin alleged in the petition, or (b) the highest calculated rate of any respondent in the investigation. See *Final Determination of Sales at Less Than Fair Value: Certain Cold-Rolled Carbon Quality Steel Products from the People's Republic of China*, 65 FR 34660 (May 31, 2000), and accompanying Issues and Decision Memorandum, at "Facts Available." As AFA, we have

assigned to the PRC-wide entity a margin based on information in the petition because the margins derived from the petition are higher than the calculated margins for the selected respondents. In this case, we have applied a rate of 258.21 percent.

Section 776(c) of the Act provides that, when the Department relies on secondary information rather than on information obtained in the course of an investigation as facts available, it must, to the extent practicable, corroborate that information from independent sources reasonably at its disposal. Secondary information is described in the SAA as "information derived from the petition that gave rise to the investigation or review, the final determination concerning subject merchandise, or any previous review under section 751 concerning the subject merchandise." See SAA at 870. The SAA provides that to "corroborate" means simply that the Department will satisfy itself that the secondary information to be used has probative value. See *id.* The SAA also states that independent sources used to corroborate may include, for example, published price lists, official import statistics and customs data, and information obtained from interested parties during the particular investigation. See *id.* As explained in *Tapered Roller Bearings and Parts Thereof, Finished and Unfinished, from Japan, and Tapered Roller Bearings, Four Inches or Less in Outside Diameter, and Components Thereof, from Japan; Preliminary Results of Antidumping Duty Administrative Reviews and Partial Termination of Administrative Reviews*, 61 FR 57391, 57392 (November 6, 1996), unchanged in *Final Results of Antidumping Duty Administrative Reviews and Termination in Part: Tapered Roller Bearings and Parts Thereof, Finished and Unfinished, From Japan, and Tapered Roller Bearings, Four Inches or Less in Outside Diameter, and Components Thereof, From Japan*, 62 FR 11825 (March 13, 1997), to corroborate secondary information, the Department will, to the extent practicable, examine the reliability and relevance of the information used.

Petitioner's methodology for calculating the export price ("EP") and NV in the petition is discussed in the initiation notice. See *Notice of Initiation*, 70 FR at 58377-8. To corroborate the AFA margin we have selected, we compared the net export prices and normal values used to calculate the margin listed in the *Notice of Initiation* with the export prices and normal values calculated for the

mandatory respondents in this investigation.

As discussed in Memorandum to The File from Charles Riggle, Program Manager, China/NME Group, Corroboration for the Preliminary Determination of Certain Lined Paper Products from the People's Republic of China, regarding the corroboration of the AFA rate, we found that the margin of 258.21 percent has probative value. Accordingly, we find that the rate of 258.21 percent is corroborated within the meaning of section 776(c) of the Act.

Consequently, we are applying a single antidumping rate – the PRC-wide rate – to producers/exporters that failed to respond to the Department's antidumping questionnaire, and/or the Q&V questionnaire and/or the separate-rate application, as applicable. This rate will also apply to separate-rate status applicants which did not demonstrate entitlement to a separate rate. See, e.g., *Final Determination of Sales at Less Than Fair Value: Synthetic Indigo from the People's Republic of China*, 65 FR 25706, 25707 (May 3, 2000). The PRC-wide rate applies to all entries of the merchandise under investigation except for entries from mandatory respondents the Watanabe Group and Lian Li and from separate-rate applicants that received separate-rate status. These companies and their corresponding antidumping duty cash deposit rates are listed below in the "Preliminary Determination" section of this notice.

#### Margin for the Separate Rate Applicants

Several exporters of CLPP from the PRC, listed above, were not selected as mandatory respondents in this investigation but have applied for separate-rate status and provided information to the Department for this purpose. We have established a weighted-average margin for all applicants that have established that they are entitled to a separate rate, based on the rates we calculated for the mandatory respondents, excluding any rates that are zero, *de minimis*, or based entirely on AFA. That rate is 135.02 percent. See "Separate Rates Memorandum." The exporters given a separate rate are identified by name in the "Preliminary Determination" section of this notice.

#### Date of Sale

Section 351.401(i) of the Department's regulations states that, in identifying the date of sale of the subject merchandise or foreign like product, the Secretary normally will use the date of invoice, as recorded in the exporter or producer's records kept in the normal course of

business. However, the Department may use a date other than the date of invoice if the Department is satisfied that a different date better reflects the date on which the exporter or producer establishes the material terms of sale. See 19 CFR 351.401(i); See also *Allied Tube and Conduit Corp. v. United States*, 132 F. Supp. 2d 1087, 1090-1093 (CIT 2001).

After examining the questionnaire responses and the sales documentation that the Watanabe Group and Lian Li placed on the record, we preliminarily determine that the invoice date is the most appropriate date of sale except where the shipment date precedes the invoice date for EP sales. We made this determination based on record evidence which demonstrates that the Watanabe Group and Lian Li invoices establish the material terms of sale to the extent required by our regulations. We also determine that for EP sales, the terms of sale cannot be established after the date of shipment. Accordingly, where the shipment date precedes the invoice date, the Department considers the shipping date to be the date of sale.

#### Critical Circumstances

On November 28, 2005, Petitioner requested that the Department make an expedited finding that critical circumstances exist with respect to CLPP from the PRC. Petitioner alleged that there is a reasonable basis to believe or suspect that critical circumstances exist with respect to the subject merchandise. Petitioner based its allegation on evidence of retailers engaging in negotiations that would cause a surge of imports of subject merchandise into the United States from December 2005 through February 2006 (in advance of the preliminary determination date) in order to avoid duties.

In accordance with 19 CFR 351.206(c)(2), since this allegation was filed more than 20 days before the scheduled date of the Department's preliminary determination, we must issue our preliminary critical circumstances determination not later than the preliminary determination. See *Policy Bulletin 98/4 regarding Timing of Issuance of Critical Circumstances Determinations*, 63 FR 55364 (October 15, 1998).

Section 733(e)(1) of the Act provides that the Department will preliminarily determine that critical circumstances exist if there is a reasonable basis to believe or suspect that: (A)(i) there is a history of dumping and material injury by reason of dumped imports in the United States or elsewhere of the subject merchandise; or (ii) the person by



whom, or for whose account, the merchandise was imported knew or should have known that the exporter was selling the subject merchandise at less than its fair value and that there was likely to be material injury by reason of such sales, and (B) there have been massive imports of the subject merchandise over a relatively short period.

Accordingly, we preliminarily find that critical circumstances exist for imports of subject merchandise from Changjiang, Hengda, Linqing Silver, SFTE, Wenbao Paper, Paperline, and Wah Kin. In addition, we preliminarily find that critical circumstances do not exist for Anhui Light, Chinapack, Essential Industries Limited, Excel, Haijing, Te Gao Te, Lian Li, MGA, Ningbo, Orient, Planet HK, Planet, Sunshine, Suzhou, You-You Trading, the Watanabe Group, and Yalong. See Memorandum to Stephen Claeys from Juanita Chen through Robert Bolling and Wendy Frankel: Lined Paper Products from the People's Republic of China: Preliminary Determination of Critical Circumstances.

We also preliminarily find that critical circumstances exist for imports of CLPP for the PRC entity.

#### Fair Value Comparisons

To determine whether sales of CLPP to the United States by the mandatory respondents were made at LTFV, we compared EP to NV, as described in the "U.S. Price" and "Normal Value" sections of this notice.

#### U.S. Price

In accordance with section 772(a) of the Act, we used EP for the Watanabe Group and Lian Li, because the subject merchandise was first sold (or agreed to be sold) before the date of importation by the producer or exporter of the subject merchandise outside the United States to an unaffiliated purchaser in the United States or to an unaffiliated purchaser for exportation to the United States and because the use of constructed export price was not otherwise indicated.

We calculated EP based on the packed F.O.B., C.I.F., or delivered price to unaffiliated purchasers in, or for exportation to, the United States. We made deductions, as appropriate, for any movement expenses (e.g., foreign inland freight from the plant to the port of exportation, domestic brokerage) in accordance with section 772(c)(2)(A) of the Act. For a detailed description of all adjustments, See Memorandum to The File Through Charles Riggle, Program Manager, from Marin Weaver, International Trade Compliance

Analyst, RE: Calculation of Preliminary Margin for Watanabe Paper Product (Shanghai) Co., Ltd., Hotrock Stationery (Shenzhen) Co., Ltd., and Watanabe Paper Product (Linqing) Co., Ltd. ("Watanabe Group Calc Memo") dated April 7, 2006, and Memorandum to The File Through Charles Riggle, Program Manager, from Fran Veith, International Trade Compliance Analyst, RE: Calculation of Preliminary Margin for Shanghai Lian Li Paper Products Co., Ltd., ("Lian Li Calc Memo") dated April 7, 2006.

#### Normal Value

We compared NV to weighted-average EPs in accordance with section 777A(d)(1) of the Act. For a detailed description of all adjustments, See Watanabe Group Calc Memo and Lian Li Calc Memo.

Section 773(c)(1) of the Act provides that the Department shall determine the NV using a factors-of-production methodology if the merchandise is exported from an NME and the information does not permit the calculation of NV using home-market prices, third-country prices, or constructed value under section 773(a) of the Act. The Department bases NV on the factors of production because the presence of government controls on various aspects of these economies renders price comparisons and the calculation of production costs invalid under its normal methodologies.

The Department's questionnaire requires that the respondent provide information regarding the weighted-average factors of production across all of the company's plants that produce the subject merchandise, not just the factors of production from a single plant. This methodology ensures that the Department's calculations are as accurate as possible. See, e.g., *Final Determination of Sales at Less Than Fair Value and Critical Circumstances: Certain Malleable Iron Pipe Fittings From the People's Republic of China*, 68 FR 61395 (October 28, 2003), and the accompanying Issues and Decision Memorandum at Comment 19. The Department calculated the factors of production using the weighted-average factor values for all of the facilities involved in producing the subject merchandise for each exporter. The Department calculated NV for each matching control number (CONNUM) based on the factors of production reported from each of the exporters' suppliers and then averaged the supplier-specific NV together weighted by production quantity to derive a single, weighted-average NV for each CONNUM exported by each exporter.

#### Factor Valuations

In accordance with section 773(c) of the Act, we calculated NV based on factors of production reported by respondents for the POI. To calculate NV, we multiplied the reported per-unit factor-consumption rates by publicly available Indian surrogate values. In selecting the surrogate values, we considered the quality, specificity, and contemporaneity of the data. As appropriate, we adjusted input prices by including freight costs to make them delivered prices. Specifically, we added to Indian import surrogate values a surrogate freight cost using the shorter of the reported distance from the domestic supplier to the factory of production or the distance from the nearest seaport to the factory of production where appropriate. This adjustment is in accordance with the Court of Appeals for the Federal Circuit's decision in *Sigma Corp. v. United States*, 117 F. 3d 1401, 1407-1408 (Fed. Cir. 1997).

For this preliminary determination, in accordance with past practice, we used data from the Indian Import Statistics, from *Indian Printer and Publisher*, and from the Maharashtra Industrial Development Corporation ([www.midcindia.org](http://www.midcindia.org)) to calculate surrogate values for the mandatory respondents' material inputs. In selecting the best available information for valuing factors of production in accordance with section 773(c)(1) of the Act, the Department's practice is to select, to the extent practicable, surrogate values which are non-export average values, most contemporaneous with the POI, product-specific, and tax-exclusive. See, e.g., *Notice of Preliminary Determination of Sales at Less Than Fair Value, Negative Preliminary Determination of Critical Circumstances and Postponement of Final Determination: Certain Frozen and Canned Warmwater Shrimp From the Socialist Republic of Vietnam*, 69 FR 42672, 42682 (July 16, 2004), unchanged in *Final Determination of Sales at Less Than Fair Value: Certain Frozen and Canned Warmwater Shrimp from the Socialist Republic of Vietnam*, 69 FR 71005 (December 8, 2004). In selecting *Indian Printer and Publisher* as the source with which to value paper inputs, we preliminarily found that this source best meets the Department's stated practice of using "prices specific to the input in question"<sup>11</sup> that are

<sup>11</sup> See Import Administration Policy Bulletin Number: 04.1 Topic: Non-Market Economy Surrogate Country Selection Process, dated March 1, 2004.

contemporaneous with the POI. For the final determination, the Department will consider any additional information placed on the record regarding the appropriate surrogate value for paper inputs.

Where we could not obtain publicly available information contemporaneous with the POI with which to value factors, we adjusted the surrogate values using, where appropriate, the Indian Wholesale Price Index as published in the *Handbook on Statistics of Indian Economy* published by the Reserve Bank of India.

Furthermore, with regard to the Indian import-based surrogate values, we have disregarded import prices that we have reason to believe or suspect may be subsidized. We have reason to believe or suspect that prices of inputs from Indonesia, South Korea, and Thailand may have been subsidized. We have found in other proceedings that these countries maintain broadly available, non-industry-specific export subsidies and, therefore, it is reasonable to infer that all exports to all markets from these countries may be subsidized. See *Notice of Final Determination of Sales at Less Than Fair Value and Negative Final Determination of Critical Circumstances: Certain Color Television Receivers From the People's Republic of China*, 69 FR 20594 (April 16, 2004). We are also directed by the legislative history not to conduct a formal investigation to ensure that such prices are not subsidized. See *H.R. Rep.* 100-576 at 590 (1988). Rather, Congress directed the Department to base its decision on information that is available to it at the time it makes its determination. Therefore, we have not used prices from these countries in calculating the Indian import-based surrogate values. In instances where a market-economy input was obtained solely from suppliers located in these countries, we used Indian import-based surrogate values to value the input. In addition, we excluded Indian import data from NME countries from our surrogate value calculations.

For a detailed description of all surrogate values used for respondents, See Factor-Valuation Memorandum.

For direct, indirect, and packing labor, consistent with 19 CFR 351.408(c)(3), we used the PRC regression-based wage rate as reported on Import Administration's home page, Import Library, Expected Wages of Selected NME Countries, revised in November 2005, <http://ia.ita.doc.gov/wages/index.html>. Because this regression-based wage rate does not separate the labor rates into different skill levels or types of labor, we have

applied the same wage rate to all skill levels and types of labor reported by the respondent. See Factor-Valuation Memorandum.

To value electricity, we used data from the International Energy Agency *Key World Energy Statistics* (2003 edition). Because the value was not contemporaneous with the POI, we adjusted the rate for inflation. See Factor-Valuation Memorandum.

The Department valued water using data from the Maharashtra Industrial Development Corporation (<http://www.midcindia.org>) since it includes a wide range of industrial water tariffs. This source provides 386 industrial water rates within the Maharashtra province from June 2003: 193 for the "inside industrial areas" usage category and 193 for the "outside industrial areas" usage category. Because the value was not contemporaneous with the POI, we adjusted the rate for inflation. See Factor-Valuation Memorandum.

We used Indian transport information in order to value the inland freight cost of the raw materials. The Department determined the best available information for valuing truck freight to be from [www.infreight.com](http://www.infreight.com). This source provides daily rates from six major points of origin to five destinations in India during the POI. The Department obtained a price quote on the first day of each month of the POI from each point of origin to each destination and averaged the data accordingly. See Factor-Valuation Memorandum.

The Department used two sources to calculate a surrogate value for domestic brokerage expenses. The Department averaged December 2003–November 2004 data contained in Essar Steel's February 28, 2005, public version response submitted in the antidumping duty administrative review of hot-rolled carbon steel flat products from India with February 2004–January 2005 data contained in Agro Dutch Industries Limited's ("Agro Dutch") May 24, 2005, public version response submitted in the administrative review of the antidumping duty order on certain preserved mushrooms from India. The brokerage expense data reported by Essar Steel and Agro Dutch in their public versions are ranged data. The Department first derived an average per-unit amount from each source. Then the Department adjusted each average rate for inflation. Finally, the Department averaged the two per-unit amounts to derive an overall average rate for the POI. See Factor-Valuation Memorandum.

To value factory overhead, selling, general, and administrative expenses, and profit, we used the 2004–2005

annual report of Kanoi Paper & Industries Ltd., a producer of paper products from India. See Factor-Valuation Memorandum for a full discussion of the calculation of the ratios from this annual report. The Department may consider other publicly available financial statements for the final determination, as appropriate.

#### Currency Conversion

We made currency conversions into U.S. dollars, in accordance with section 773A(a) of the Act, based on the exchange rates in effect on the dates of the U.S. sales as certified by the Federal Reserve Bank.

#### Verification

As provided in section 782(i)(1) of the Act, we intend to verify the information from the Watanabe Group and Lian Li upon which we will rely in making our final determination. Additionally, we may also verify the information on the record submitted by selected separate-rate applicants.

#### Combination Rates

In the *Notice of Initiation*, the Department stated that it would calculate combination rates for certain respondents that are eligible for a separate rate in this investigation. See *Notice of Initiation*, 70 FR at 58379. This change in practice is described in *Policy Bulletin 05.1*, which states:

"[w]hile continuing the practice of assigning separate rates only to exporters, all separate rates that the Department will now assign in its NME investigations will be specific to those producers that supplied the exporter during the period of investigation. Note, however, that one rate is calculated for the exporter and all of the producers which supplied subject merchandise to it during the period of investigation. This practice applies both to mandatory respondents receiving an individually calculated separate rate as well as the pool of non-investigated firms receiving the weighted-average of the individually calculated rates. This practice is referred to as the application of "combination rates" because such rates apply to specific combinations of exporters and one or more producers. The cash-deposit rate assigned to an exporter will apply only to merchandise both exported by the firm in question and produced by a firm that supplied the exporter during the period of investigation."

*Policy Bulletin 05.1*, at page 6.

**Preliminary Determination**

The weighted-average dumping margins are as follows:

Exporter	Producer	Weighted-Average Deposit Rate
Watanabe Paper Product (Linqing) Co., Ltd. ....	Watanabe Paper Product (Linqing) Co., Ltd.	143.49
Watanabe Paper Product (Linqing) Co., Ltd. ....	Hotrock Stationery (Shenzhen) Co., Ltd.	143.49
Watanabe Paper Product (Linqing) Co., Ltd. ....	Watanabe Paper Products (Shanghai) Co., Ltd.	143.49
Hotrock Stationery (Shenzhen) Co., Ltd. ....	Hotrock Stationery (Shenzhen) Co., Ltd.	143.49
Hotrock Stationery (Shenzhen) Co., Ltd. ....	Watanabe Paper Product (Linqing) Co., Ltd.	143.49
Hotrock Stationery (Shenzhen) Co., Ltd. ....	Watanabe Paper Products (Shanghai) Co., Ltd.	143.49
Watanabe Paper Products (Shanghai) Co., Ltd. ....	Watanabe Paper Products (Shanghai) Co., Ltd.	143.49
Watanabe Paper Products (Shanghai) Co., Ltd. ....	Hotrock Stationery (Shenzhen) Co., Ltd.	143.49
Watanabe Paper Products (Shanghai) Co., Ltd. ....	Watanabe Paper Product (Linqing) Co., Ltd.	143.49
Shanghai Lian Li Paper Products Co., Ltd. ....	Shanghai Lian Li Paper Products Co., Ltd.	52.10
Shanghai Lian Li Paper Products Co., Ltd. ....	Sentian Paper Products Co., Ltd.	52.10
Shanghai Lian Li Paper Products Co., Ltd. ....	Shanghai Miaopaofang Paper Products Co., Ltd.	52.10
Shanghai Lian Li Paper Products Co., Ltd. ....	Shanghai Pudong Wenbao Paper Products Co., Ltd.	52.10
Shanghai Lian Li Paper Products Co., Ltd. ....	Changshu Changjiang Printing Co., Ltd.	52.10
Shanghai Lian Li Paper Products Co., Ltd. ....	Shanghai Loutang Stationery Factory	52.10
Shanghai Lian Li Paper Products Co., Ltd. ....	Shanghai Beijia Paper Products Co., Ltd.	52.10
Ningbo Guangbo Imports and Exports Co. Ltd. ....	Ningbo Guangbo Plastic Products Manufacture Co., Ltd.	135.02
Yalong Paper Products (Kunshan) Co., Ltd. ....	Yalong Paper Products (Kunshan) Co., Ltd.	135.02
Suzhou Industrial Park Asia Pacific Paper Converting Co., Ltd. ...	Suzhou Industrial Park Asia Pacific Paper Converting Co., Ltd.	135.02
Sunshine International Group (HK) Ltd. ....	Dongguan Shipai Tonzex Electronics Plastic Stationery Factory;	135.02
Sunshine International Group (HK) Ltd. ....	Dongguan Kwong Wo Stationery Co., Ltd.;	135.02
Sunshine International Group (HK) Ltd. ....	Hua Lian Electronics Plastic Stationery Co., Ltd.	135.02
Suzhou Industrial Park You-You Trading Co., Ltd. ....	Linqing YinXing Paper Co., Ltd.	135.02
Suzhou Industrial Park You-You Trading Co., Ltd. ....	Jiaxing Seagull Paper Products Co., Ltd.	135.02
Suzhou Industrial Park You-You Trading Co., Ltd. ....	Shenda Paper Product Factory	135.02
Suzhou Industrial Park You-You Trading Co., Ltd. ....	Lianyi Paper Product Factory	135.02
Suzhou Industrial Park You-You Trading Co., Ltd. ....	Changhang Paper Product Factory	135.02
Suzhou Industrial Park You-You Trading Co., Ltd. ....	Tianlong Paper Product Factory	135.02
Suzhou Industrial Park You-You Trading Co., Ltd. ....	Rugao Paper Printer Co., Ltd.	135.02
Suzhou Industrial Park You-You Trading Co., Ltd. ....	Yinlong Paper Product Factory	135.02
Planet International Company Ltd. ....	Shanghai Gloves & Headwear I/E Co., Ltd.	135.02
Planet International Company Ltd. ....	Shanghai East Best Arts & Crafts Co., Ltd.	135.02
Planet International Company Ltd. ....	Mengcheng County No. 3 Printing Factory	135.02
Planet International Company Ltd. ....	Shanghai Huhui Paper Product Factory	135.02
Planet (Hong Kong) International Company Ltd. ....	Shanghai Gloves & Headwear I/E Co., Ltd.	135.02
Planet (Hong Kong) International Company Ltd. ....	Shanghai East Best Arts & Crafts Co., Ltd.	135.02
Planet (Hong Kong) International Company Ltd. ....	Zhejiang Arts & Crafts Imp. & Exp. Shanghai Pudong Co., Ltd.	135.02
Planet (Hong Kong) International Company Ltd. ....	Shanghai Xin Zhi Liang Cultural Product Co., Ltd.	135.02
Planet (Hong Kong) International Company Ltd. ....	Mengcheng County No. 3 Printing Factory	135.02
Planet (Hong Kong) International Company Ltd. ....	Shanghai Huhui Paper Product Factory	135.02
Planet (Hong Kong) International Company Ltd. ....	Shanghai Hongxiang Material Sales Co.	135.02
Haijing Stationery (Shanghai) Co., Ltd. ....	Haijing Stationery (Shanghai) Co., Ltd.	135.02
Orient International Holding Shanghai Foreign Trade Co., Ltd. ...	Yalong Paper Products (Kunshan) Co., Ltd.	135.02
Orient International Holding Shanghai Foreign Trade Co., Ltd. ...	Shanghai Comwell Stationery Co., Ltd.	135.02
Orient International Holding Shanghai Foreign Trade Co., Ltd. ...	Yuezhou Paper Co., Ltd.	135.02
Orient International Holding Shanghai Foreign Trade Co., Ltd. ...	Changshu Guangming Stationery Co., Ltd.	135.02
Shanghai Foreign Trade Enterprise Co., Ltd. ....	Shanghai Xin Zhi Liang Culture Products Co., Ltd.;	135.02
Shanghai Foreign Trade Enterprise Co., Ltd. ....	Shangyu Zhongsheng Paper Products Co., Ltd.;	135.02
Shanghai Foreign Trade Enterprise Co., Ltd. ....	Shanghai Miaoxi Paper Products Factory;	135.02
Shanghai Foreign Trade Enterprise Co., Ltd. ....	Shanghai Xueya Stationery Co., Ltd.	135.02
Anhui Light Industries International Co., Ltd. ....	Shanghai Pudong Wenbao Paper Products Factory;	135.02
Anhui Light Industries International Co., Ltd. ....	Foshan City Wenhai Paper Factory	135.02
Fujian Hengda Group Co., Ltd., ....	Fujian Hengda Group Co., Ltd.,	135.02
Changshu Changjiang Printing Co., Ltd. ....	Changshu Changjiang Paper Industry Co., Ltd.	135.02
Jiaxing Te Gao Te Paper Products Co., Ltd. ....	Jiaxing Seagull Paper Products Co., Ltd.	135.02
Jiaxing Te Gao Te Paper Products Co., Ltd. ....	Jiaxing Boshi Paper Products Co., Ltd.	135.02
Chinapack Ningbo Paper Products Co., Ltd. ....	Jiaxing Te Gao Te Paper Products Co., Ltd.	135.02
Linqing Silver Star Paper Products Co., Ltd. ....	Linqing Silver Star Paper Products Co., Ltd.	135.02
Wah Kin Stationery and Paper Product Limited ....	Shenzhen Baoan Waijing Development Company	135.02
Shanghai Pudong Wenbao Paper Products Factory ....	Shanghai Pudong Wenbao Paper Products Factory	135.02
Shanghai Pudong Wenbao Paper Products Factory ....	Linqing Glistar Paper Products Co., Ltd.	135.02
Shanghai Pudong Wenbao Paper Products Factory ....	Changshu Changjiang Printing Co., Ltd.	135.02
Shanghai Pudong Wenbao Paper Products Factory ....	Linqing Silver Star Paper Products Co., Ltd.	135.02
Paperline Limited ....	Shanghai Pudong Wenbao Paper Products Factory	135.02
Paperline Limited ....	Linqing Glistar Paper Products Co., Ltd.	135.02

Exporter	Producer	Weighted-Average Deposit Rate
Paperline Limited .....	Changshu Changjiang Printing Co., Ltd.	135.02
Paperline Limited .....	Linqing Silver Star Paper Products Co., Ltd.	135.02
Paperline Limited .....	Jiaxing Te Gao Te Paper Products Co., Ltd.	135.02
Paperline Limited .....	Yantai License Printing & Making Co., Ltd.	135.02
Paperline Limited .....	Anhui Jinhua Import & Export Co., Ltd.	135.02
Essential Industries Limited .....	Dongguan Yizhi Gao Paper Products Ltd.	135.02
MGA Entertainment (H.K.) Limited .....	Kon Dai (Far East) Packaging Co., Ltd.	135.02
PRC Entity* .....		258.21

\*Including Atico and the companies that did not respond to the Q&V questionnaire.

**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).

**Suspension of Liquidation**

In accordance with section 733(d) of the Act, we will instruct U.S. Customs and Border Protection (“CBP”) to suspend liquidation of all entries of subject merchandise, entered, or withdrawn from warehouse, for consumption on or after the date of publication of this notice in the **Federal Register**. We will instruct CBP to require a cash deposit or the posting of a bond equal to the weighted-average amount by which the normal value exceeds U.S. price, as indicated above. The suspension of liquidation will remain in effect until further notice.

**International Trade Commission Notification**

In accordance with section 733(f) of the Act, we have notified the ITC of our preliminary affirmative determination of sales at LTFV. Because we have postponed the deadline for our final determination to 135 days from the date of publication of this preliminary determination, section 735(b)(2) of the Act requires the ITC to make its final determination as to whether the domestic industry in the United States is materially injured, or threatened with material injury, by reason of imports of CLPP, or sales (or the likelihood of sales) for importation, of the subject merchandise within 45 days of our final determination.

**Public Comment**

Case briefs or other written comments may be submitted to the Assistant Secretary for Import Administration no later than seven days after the date of the final verification report is issued in this proceeding and rebuttal briefs limited to issues raised in case briefs no later than five days after the deadline date for case briefs. A list of authorities used and an executive summary of

issues should accompany any briefs submitted to the Department. This summary should be limited to five pages total, including footnotes.

In accordance with section 774 of the Act, we will hold a public hearing, if requested, to afford interested parties an opportunity to comment on arguments raised in case or rebuttal briefs. If a request for a hearing is made, we intend to hold the hearing three days after the deadline of submission of rebuttal briefs at the U.S. Department of Commerce, 14<sup>th</sup> Street and Constitution Ave, NW, Washington, DC 20230, at a time and location to be determined. Parties should confirm by telephone the date, time, and location of the hearing two days before the scheduled date.

Interested parties who wish to request a hearing, or to participate if one is requested, must submit a written request to the Assistant Secretary for Import Administration, U.S. Department of Commerce, Room 1870, within 30 days after the date of publication of this notice. See 19 CFR 351.310(c). Requests should contain the party’s name, address, and telephone number, the number of participants, and a list of the issues to be discussed.

We will make our final determination no later than 135 days after the date of publication of this preliminary determination, pursuant to section 735(a)(2) of the Act.

This determination is issued and published in accordance with sections 733(f) and 777(i)(1) of the Act.

Dated: April 7, 2006.

**Joseph A. Spetrini,**

*Acting Assistant Secretary for Import Administration.*

[FR Doc. 06-3638 Filed 4-14-06; 8:45 am]

**BILLING CODE 3510-DS-S**

**DEPARTMENT OF COMMERCE**

**International Trade Administration**

[A-533-843]

**Notice of Preliminary Determination of Sales at Less Than Fair Value, Postponement of Final Determination, and Affirmative Preliminary Determination of Critical Circumstances in Part: Certain Lined Paper Products From India**

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

**SUMMARY:** The U.S. Department of Commerce (“the Department”) preliminarily determines that certain lined paper products from India (“CLPP”) are being, or are likely to be, sold in the United States at less than fair value, as provided in section 733(b) of the Tariff Act of 1930, as amended (“the Act”). Interested parties are invited to comment on this preliminary determination. Pursuant to requests from interested parties, we are postponing for 30 days the final determination and extending the provisional measure from a four-month period to not more than six months. Accordingly, we will make our final determination not later than 105 days after publication of the preliminary determination.

**EFFECTIVE DATE:** April 17, 2006.

**FOR FURTHER INFORMATION CONTACT:**

Christopher Hargett, Joy Zhang, or James Terpstra, AD/CVD Operations, Office 3, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC 20230; telephone (202) 482-4161, (202) 482-1168, or (202) 482-3965, respectively.

**SUPPLEMENTARY INFORMATION:**

**Background**

On October 6, 2005, the Department of Commerce (“the Department”) initiated an antidumping duty investigation of certain lined paper products from India. *See Initiation of*