



FACT SHEET

Commerce Finds Subsidization of Lightweight Thermal Paper from the People's Republic of China

- On March 10, the Department of Commerce (Commerce) announced its affirmative preliminary determination in the countervailing duty (CVD) investigation on imports of lightweight thermal paper (LWTP) from the People's Republic of China (China).
- Commerce preliminarily determined that Chinese producers/exporters received net countervailable subsidies ranging from 0.57 percent to 59.50 percent. As a result of this preliminary determination, Commerce will instruct U.S. Customs and Border Protection to collect a cash deposit or bond based on these preliminary rates.
- The margins for Shenzhen Yuanming Industrial Development Co., Ltd. and MDCN Technology Co., Ltd. are based on adverse facts available as these respondents failed to fully cooperate.
- The petitioner for this investigation is Appleton Papers, Inc. (WI).
- The merchandise covered by this investigation is a type of paper coated with chemicals that will react to form images when exposed to heat. LWTP is typically, but not exclusively, used for point-of-sale applications, such as printing receipts and coupons.
- LWTP is currently classifiable under the Harmonized Tariff Schedule of the United States (HTSUS) subheadings 4811.90.8040 and 4811.90.9090. These HTSUS item numbers are basket categories, covering not only LWTP, but also other types of thermal paper and non-thermal paper. While HTSUS subheadings are provided for convenience and customs purposes. Commerce's written description of the scope of these investigations is dispositive.
- In 2007, imports of LWTP from China were valued at an estimated \$53.3 million.

NEXT STEPS

- Commerce is currently scheduled to make its final determination on or about July 21.
- If Commerce makes an affirmative final determination, and the U.S. International Trade Commission (ITC) makes an affirmative final determination that imports from China materially injure, or threaten material injury to, the domestic industry, Commerce will issue a CVD order.

Preliminary Countervailable Subsidy Rate:

PRODUCER/EXPORTER	SUBSIDY RATE
Guangdong Guanhao High-Tech Co., Ltd./Zhanjiang Guanlong Paper Industrial Co., Ltd.	5.68%
Shanghai Hanhong Paper Co., Ltd.	0.57% (<i>de minimis</i>)
MDCN Technology Co., Ltd.	59.50%
Shenzhen Yuanming Industrial Development Co., Ltd.	59.50%
All Others	5.68%

* *de minimis* = less than 1% for developed countries; less than 2% for developing countries.

Case Calendar:

DATE	DEADLINE
Petitions Filed	September 19, 2007
DOC Initiation Date	October 29, 2007
ITC Preliminary Determination	November 27, 2007
DOC Preliminary Determination	March 7, 2008
DOC Final Determination	July 21, 2008
ITC Final Determination*	September 4, 2008
Issuance of Orders**	September 11, 2008

* This will take place only in the event of a final affirmative determination from the Department of Commerce.

** This will take place only in the event of final affirmative determinations by both the Department and the ITC.

Import Statistics:

CHINA	2005	2006	2007
Volume (kg)	73,310,696	22,620,979	20,078,099
Value (\$US)	84,236,534	54,521,699	53,302,092

Source: ITC DataWeb (which uses data issued by the U.S. Bureau of the Census). The following HTSUS subheadings were used: 4811.90.80.00, 4811.90.90.90, 4811.90.80.40 and 4811.90.90.00.

Note: The HTSUS subheading 4811.90.80.40 did not exist until January 2007. Before January 2007, the appropriate HTSUS subheading was 4811.90.80.00. Also, subheading 4811.90.90.90 did not exist until July 2005. Before July 2005, the appropriate subheading was 4811.90.90.00. These HTSUS subheadings are basket categories, covering not only subject merchandise, but also other types of thermal paper and non-thermal paper.