

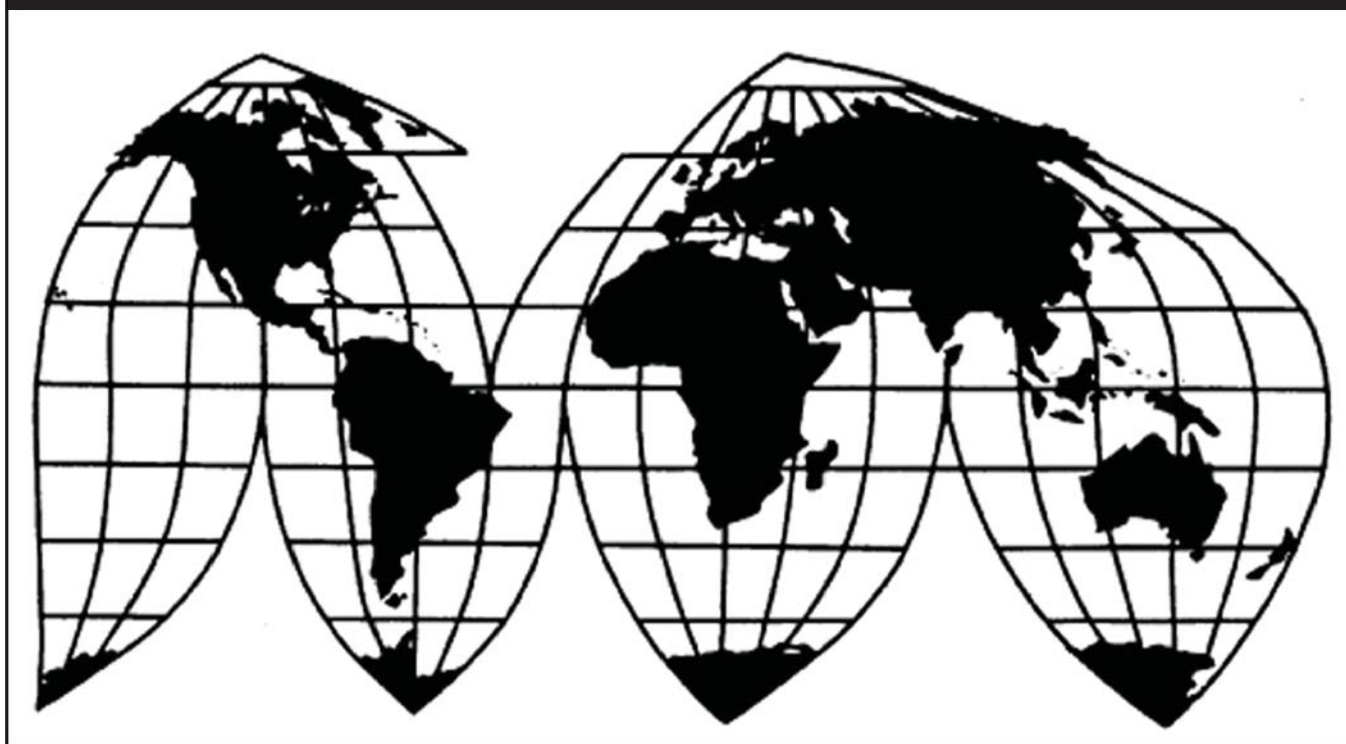
Artists' Canvas from China

Investigation No. 731-TA-1091 (Review)

Publication 4273

October 2011

U.S. International Trade Commission



Washington, DC 20436

U.S. International Trade Commission

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UNITED STATES INTERNATIONAL TRADE COMMISSION

Investigation No. 731-TA-1091 (Review)

ARTISTS' CANVAS FROM CHINA

DETERMINATION

On the basis of the record¹ developed in the subject five-year review, the United States International Trade Commission (Commission) determines, pursuant to section 751(c) of the Tariff Act of 1930 (19 U.S.C. § 1675(c)), that revocation of the antidumping duty order on artists' canvas from China would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.²

BACKGROUND

The Commission instituted this review on May 2, 2011 (76 F.R. 24516) and determined on August 5, 2011 that it would conduct an expedited review (76 F.R. 54789, September 2, 2011).

The Commission transmitted its determination in this review to the Secretary of Commerce on October 25, 2011. The views of the Commission are contained in USITC Publication 4273 (October 2011), entitled *Artists' Canvas from China: Investigation No. 731-TA-1091 (Review)*.

¹ The record is defined in sec. 207.2(f) of the Commission's Rules of Practice and Procedure (19 CFR § 207.2(f)).

² Commissioner Daniel R. Pearson dissenting.

VIEWS OF THE COMMISSION

Based on the record in this five-year review, we determine under section 751(c) of the Tariff Act of 1930, as amended (the Act), that revocation of the antidumping duty order on artists' canvas from China is likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.¹

I. BACKGROUND

In April 2006, the Commission determined that an industry in the United States was being materially injured by reason of less than fair value ("LTFV") imports of artists' canvas from China.² Commerce issued an antidumping duty order with respect to artists' canvas from China in June 2006.³

On May 2, 2011, the Commission instituted this five-year review to determine whether revocation of the antidumping order on artists' canvas from China would be likely to lead to continuation or recurrence of material injury.⁴ On June 1, 2011, the Commission received a joint response to the notice of institution from Tara Materials, Inc. ("Tara Materials"), Arkwright Advanced Coating, Inc. ("Arkwright"), BF Inkjet Media, Inc. ("BF Inkjet"), Duro Art Industries, Inc. ("Duro"), and Intelicoat Technologies ("Intelicoat") (collectively, the "Domestic Parties"). No respondent interested party responded to the notice of institution.

On August 5, 2011, the Commission determined that the domestic interested party group's response to its notice of institution was adequate and that the respondent interested party group's response was inadequate. In the absence of an adequate respondent interested party group response and any other circumstances that would warrant the conduct of a full review, the Commission decided to conduct an expedited review of the antidumping duty order.⁵

On September 27, 2011, domestic interested parties filed comments, pursuant to 19 C.F.R. § 207.62(d), arguing that revocation of the antidumping duty order on artists' canvas from China would likely lead to continuation or recurrence of material injury to the domestic industry within a reasonably foreseeable time.⁶ No respondent interested party has provided any information or argument to the Commission in this five-year review.

¹ Commissioner Pearson dissenting. See Additional and Dissenting Views of Commissioner Daniel R. Pearson.

² Artists' Canvas from China, Inv. No. 731-TA-1091 (Final), USITC Pub. 3853, May 2006 ("Original Determination"). The Original Determination includes the Views of the Commission (pages 3-25), Views of Chairman Stephen Koplman and Commissioner Shara L. Aranoff (pages 27-48) and Additional and Dissenting Views by Commissioner Daniel R. Pearson (pages 49-59).

³ 71 Fed. Reg. 31154 (June 1, 2006).

⁴ 76 Fed. Reg. 24516 (May 2, 2011).

⁵ See Confidential Staff Report, INV-JJ-090 (September 22, 2011), as amended by INV-JJ-099 (October 7, 2011) ("CR") at Appendix B (Commission Statement on Adequacy); Public Staff Report ("PR") at Appendix B.

⁶ See generally Domestic Parties' Final Comments (September 27, 2011).

II. DOMESTIC LIKE PRODUCT AND INDUSTRY

In making its determination under section 751(c), the Commission defines the “domestic like product” and the “industry.”⁷ The Act defines the “domestic like product” as “a product which is like, or in the absence of like, most similar in characteristics and uses with, the article subject to an investigation under this subtitle.”⁸ The Commission’s practice in five-year reviews is to look to the like product definition from the original determination and any previous reviews and consider whether the record indicates any reason to revisit that definition.⁹

A. Domestic Like Product

Commerce has defined the scope of the review as follows:

artist canvases regardless of dimension and/or size, whether assembled or unassembled (i.e., kits that include artist canvas and other items, such as a wood frame), that have been primed/coated, whether or not made from cotton, whether or not archival, whether bleached or unbleached, and whether or not containing an ink receptive top coat. . . . artist canvases (i.e., pre-stretched canvases, canvas panels, canvas pads, canvas rolls . . . printable canvases, floor cloths, and placemats) are tightly woven prepared painting and/or printing surfaces.¹⁰

Specifically excluded from the scope are “tracing cloths, ‘paint-by-number’ or ‘paint-it-yourself’ artist canvases with a copyrighted preprinted outline, pattern, or design,” as well as “stretcher strips . . . so long as they are not incorporated into artist canvases or sold as part of an artist canvas kit or set.”¹¹

The scope is unchanged from the original investigation, and no new information regarding the definition of artists’ canvas is available in the record of this expedited review.¹² Artists’ canvas is a surface for the graphic presentation of painted or printed images. It is made from woven fabric that is primed and coated (“gessoed”) to accept paints or inks and is sold in a variety of shapes, sizes, textures, and formats.¹³ The raw canvas receives two to four coats of gesso depending upon the use of the final product. Once coated, the canvas may be sold in bulk rolls of various sizes or it may be converted into a finished canvas product. The most common forms of finished artists’ canvas are “assembled,” “splined” and “stretched” canvas. In these forms, the canvas is stretched around and affixed to wooden frames by a staple or tucked into a slat in the frame.¹⁴

⁷ 19 U.S.C. § 1677(4)(A).

⁸ 19 U.S.C. § 1677(10). See Nippon Steel Corp. v. United States, 19 CIT 450, 455 (1995); Timken Co. v. United States, 913 F. Supp. 580, 584 (Ct. Int’l Trade 1996); Torrington Co. v. United States, 747 F. Supp. 744, 748-49 (Ct. Int’l Trade 1990), aff’d, 938 F.2d 1278 (Fed. Cir. 1991). See also S. Rep. No. 249, 96th Cong., 1st Sess. 90-91 (1979).

⁹ See Stainless Steel Sheet and Strip from France, Germany, Italy, Japan, Korea, Mexico, Taiwan and the United Kingdom, Inv. No. 701-TA-380-382 and 731-TA-797-804 (Review), USITC Pub. 3788 (July 2005) at 6; Crawfish Tail Meat from China, Inv. No. 731-TA-752 (Review), USITC Pub. 3614 (July 2003) at 4; Steel Concrete Reinforcing Bar from Turkey, Inv. No. 731-TA-745 (Review), USITC Pub. 3577 (Feb. 2003) at 4.

¹⁰ 76 Fed. Reg. at 55351.

¹¹ Id. (footnote omitted).

¹² CR at I-7 to I-8, PR at I-6.

¹³ CR at I-7 to I-8, PR at I-7.

¹⁴ CR at I-7 to I-8, PR at I-8. Some artists stretch their own canvas, so rolled artists’ canvas may also be

(continued...)

In the original investigation, the Commission found a single domestic like product that is co-extensive with the subject merchandise.¹⁵ The parties agreed that the definition should correspond to Commerce's scope definition. The Commission analyzed the issue under its traditional six factor test as well as, alternatively, a semifinished products analysis to determine whether unfinished bulk rolls of artists' canvas and finished artists' canvas products should be separate like products.¹⁶ The Commission concluded that a single like product definition corresponding to the scope of Commerce's investigation was appropriate.¹⁷

In the current five-year review, there is no new information or argument suggesting a reason to depart from the Commission's prior definition of the domestic like product. The Domestic Parties urge us to retain the like product definition from the original investigation.¹⁸ We therefore continue to define the domestic like product as artists' canvas, a definition that is coextensive with Commerce's scope.

B. Domestic Industry

Section 771(4)(A) of the Act defines the relevant domestic industry as the "producers as a whole of a domestic like product, or those producers whose collective output of a domestic like product constitutes a major proportion of the total domestic production of the product."¹⁹

¹⁴ (...continued)
considered a finished product. Id.

¹⁵ Original Determination at 5-6.

¹⁶ The Commission's analysis of domestic like product typically focuses on the following factors: (1) physical characteristics and uses; (2) interchangeability; (3) channels of distribution; (4) common manufacturing facilities, production processes and production employees; (5) customer or producer perceptions; and, when appropriate, (6) price. No single factor is dispositive, and the Commission may consider other factors relevant to a particular investigation. See, e.g., NEC Corp. v. United States, 36 F. Supp. 2d 380, 383 (Ct. Int'l Trade 1998); Nippon Steel Corp. v. United States, 19 CIT 450, 455 (1995); Torrington Co. v. United States, 747 F. Supp. 744, 749 n.3 (Ct. Int'l Trade 1990), aff'd, 938 F.2d 1278 (Fed. Cir. 1991) ("every like product determination 'must be made on the particular record at issue' and the 'unique facts of each case'").

In its semifinished products analysis, the Commission examines: (1) whether the upstream article is dedicated to the production of the downstream article or has independent uses; (2) whether there are perceived to be separate markets for the upstream and downstream articles; (3) differences in the physical characteristics and functions of the upstream and downstream articles; (4) differences in the costs or value of the vertically differentiated articles; and (5) significance and extent of the processes used to transform the upstream into the downstream articles. E.g., Woven Electric Blankets from China, Inv. No. 731-TA-1163 (Final), USITC Pub. 4177 (August 2010) at 6; Glycine from India, Japan, and Korea, Inv. Nos. 731-TA-1111-1113 (Preliminary), USITC Pub. 3921 (May 2007) at 7; Live Swine from Canada, Inv. No. 731-TA-1076 (Final), USITC Pub. 3766 (April 2005) at 8, n. 40; Certain Frozen Fish Fillets from Vietnam, Inv. No. 731-TA-1012 (Preliminary), USITC Pub. 3533 (August 2002) at 7; Low Enriched Uranium from France, Germany, the Netherlands, and the United Kingdom, Inv. Nos. 701-TA-409-412 (Preliminary) and 731-TA-909-912 (Preliminary), USITC Pub. 3388 (January 2001) at 5-6; Uranium from Kazakhstan, Inv. No. 731-TA-539-A (Final), USITC Pub. 3213 (July 1999) at 6, n.23.

¹⁷ Original Determination at 7-8.

¹⁸ Domestic Parties' Comments at 4.

¹⁹ 19 U.S.C. § 1677(4)(A). In defining the domestic industry, the Commission's general practice has been to include in the industry producers of all domestic production of the like product, whether toll-produced, captively consumed, or sold in the domestic merchant market, provided that adequate production-related activity is conducted in the United States. See United States Steel Group v. United States, 873 F. Supp. 673, 682-83 (Ct. Int'l Trade 1994), aff'd, 96 F.3d 1352 (Fed. Cir. 1996).

In the original investigation, the Commission considered whether certain firms engaged in sufficient production-related activities to be considered domestic producers.²⁰ In making this determination, the Commission analyzed the overall nature of each firm's production-related activities in the United States.²¹

The Commission considered three types of firms according to their production-related activities. The “coaters” produced bulk rolls of canvas, the “non-print converters” produced finished canvas products such as stretched canvas, canvas panels, and canvas pads, and “print converters” produced canvas suitable for use with digital printers.²² Each Commissioner found that producers of bulk rolls and the non-print converters engaged in sufficient production-related activity to merit inclusion in the domestic industry.²³ However, a majority of the Commissioners making an affirmative determination found that print converters were not engaged in sufficient production-related activity to be deemed domestic producers.²⁴ Accordingly, they defined the domestic industry as limited to coaters and non-print converters.²⁵

In the current review, the Commission has received no new information or significant argument from the Domestic Parties concerning how it should define the domestic industry.²⁶ Thus, following the reasoning from the original investigation, we do not include print converters in the definition of the

²⁰ See Original Determination at 8-14, 27-34, and 49-50. Chairman Koplan and Commissioners Pearson and Aranoff only joined the Commission’s views through domestic like product. See Original Determination at 8 n.45.

²¹ The Commission generally considers six factors in determining whether activity constitutes production:

- (1) source and extent of the firm's capital investment;
- (2) technical expertise involved in U.S. production activities;
- (3) value added to the product in the United States;
- (4) employment levels;
- (5) quantity and type of parts sourced in the United States; and
- (6) any other costs and activities in the United States directly leading to production of the like product.

See, e.g., Frozen Warmwater Shrimp from Brazil, China, India, Thailand, and Vietnam, Inv. Nos. 731-TA-1063-64 and 1066-68 (Review), USITC Pub. 4221 (March 2011) at 8; Saccharin from China, Inv. No. 731-TA-1013 (Review), USITC Pub. 4077 (May 2009) at 5-6; Brake Rotors from China, Inv. No. 731-TA-744 (Second Review), USITC Pub. 4009 (June 2008) at 8, n. 39.

²² Original Determination at 12. Print converters coated the canvas with an additional ink receptive coating for use in inkjet printers, but they were not engaged in stretching and other activities to produce assembled canvas products suitable for use by end-user artists. Original Determination at 12.

²³ See Original Determination at 14, 34, and 50.

²⁴ Original Determination at 12. Three Commissioners (Commissioners Okun, Lane and Hillman) determined not to include print converters, defining the domestic industry as all U.S. producers of bulk canvas and non-print converters. *Id.* Chairman Koplan and Commissioner Aranoff disagreed and included the print converters in the definition of the domestic industry along with producers of bulk canvas and non-print converters. Original Determination at 27-34. In his dissenting views, Commissioner Pearson also included the print converters in the domestic industry. Original Determination at 49-50.

²⁵ Original Determination at 14 (Views of the Commission (Vice Chairman Okun and Commissioners Hillman and Lane)). In the final phase of the original investigation, the Commission defined the domestic industry as all U.S. producers of the domestic like product and no producer was considered for exclusion from the domestic industry as a related party. Original Determination at 14 n.90.

²⁶ The Domestic Parties ask that the Commission decline to include print converters in the definition of the domestic industry. Domestic Parties’ Comments at 4.

domestic industry and treat only Tara and Duro Art as domestic producers.^{27 28 29} The record indicates that these two producers constitute the great majority of domestic production, accounting for *** percent of domestic production in 2005.³⁰

III. LIKELIHOOD OF CONTINUATION OR RECURRENCE OF MATERIAL INJURY IF THE ANTIDUMPING DUTY ORDER IS REVOKED

A. Legal Standard in a Five-Year Review

In a five-year review conducted under section 751(c) of the Act, Commerce will revoke an antidumping duty order unless (1) it makes a determination that dumping or subsidization is likely to continue or recur, and (2) the Commission makes a determination that revocation of the antidumping duty order “would be likely to lead to continuation or recurrence of material injury within a reasonably foreseeable time.”³¹ The SAA states that “under the likelihood standard, the Commission will engage in a counter-factual analysis; it must decide the likely impact in the reasonably foreseeable future of an important change in the status quo – the revocation or termination of a proceeding and the elimination of its restraining effects on volumes and prices of imports.”³² Thus, the likelihood standard is prospective in nature.³³ The U.S. Court of International Trade has found that “likely,” as used in the sunset review

²⁷ See CR/PR at Table I-2.

²⁸ In the absence of new information in this review, Commissioner Aranoff again finds that print converters engage in sufficient production-related activity to merit inclusion in the domestic industry. Based on his review of the entire available record, Vice Chairman Irving A. Williamson joins in her analysis. See Original Determination at 28-34 (Views of Chairman Stephen Koplán and Commissioner Shara L. Aranoff). The decision to include the print converters in the domestic industry affects much of the data cited in the balance of these views, including figures on apparent U.S. consumption, market shares held by the domestic industry, subject imports, and non-subject imports, and the domestic industry’s trade and financial data. While Vice Chairman Williamson and Commissioner Aranoff join in the plurality’s findings as to the likely conditions of competition, likely volume, likely price effects, and likely impact of subject imports, they rely on data provided in the staff report calculated according to their finding that the print converters constitute members of the domestic industry. E.g., CR/PR at Tables I-2, I-4, and C-1. When considering the period encompassed by the original investigations, they rely on the findings, analysis, and data cited in the Views of Chairman Stephen Koplán and Commissioner Shara L. Aranoff.

²⁹ On the basis of the record, which consists exclusively of information from the original investigation, Commissioner Pearson again determines that print converters should be included in the domestic industry. See Original Determination at 49-50 (Additional and Dissenting Views of Commissioner Daniel R. Pearson).

³⁰ See CR at I-11, PR at I-9.

³¹ 19 U.S.C. § 1675a(a).

³² SAA, H.R. Rep. No. 103-316, vol. I, at 883-84 (1994). The SAA states that “[t]he likelihood of injury standard applies regardless of the nature of the Commission’s original determination (material injury, threat of material injury, or material retardation of an industry). Likewise, the standard applies to suspended investigations that were never completed.” SAA at 883.

³³ While the SAA states that “a separate determination regarding current material injury is not necessary,” it indicates that “the Commission may consider relevant factors such as current and likely continued depressed shipment levels and current and likely continued [sic] prices for the domestic like product in the U.S. market in making its determination of the likelihood of continuation or recurrence of material injury if the order is revoked.” SAA at 884.

provisions of the Act, means “probable,” and the Commission applies that standard in five-year reviews.³⁴

The statute states that “the Commission shall consider that the effects of revocation or termination may not be imminent, but may manifest themselves only over a longer period of time.”³⁷ According to the SAA, a “‘reasonably foreseeable time’ will vary from case-to-case, but normally will exceed the ‘imminent’ timeframe applicable in a threat of injury analysis in original investigations.”³⁸

Although the standard in a five-year review is not the same as the standard applied in an original antidumping duty investigation, it contains some of the same fundamental elements. The statute provides that the Commission is to “consider the likely volume, price effect, and impact of imports of the subject merchandise on the industry if the orders are revoked or the suspended investigation is terminated.”³⁹ It directs the Commission to take into account its prior injury determination, whether any improvement in the state of the industry is related to the order or the suspension agreement under review, whether the industry is vulnerable to material injury if the order is revoked or the suspension agreement is terminated, and any findings by Commerce regarding duty absorption pursuant to 19 U.S.C. § 1675(a)(4).⁴⁰

No respondent interested parties participated in this expedited review. The record, therefore, contains no new information with respect to the artists’ canvas industry in China, and only limited information on the domestic market for artists’ canvas during the period of review. We rely as

³⁴ See NMB Singapore Ltd. v. United States, 288 F. Supp. 2d 1306, 1352 (Ct. Int’l Trade 2003) (“‘likely’ means probable within the context of 19 U.S.C. § 1675(c) and 19 U.S.C. § 1675a(a)”, aff’d mem., 140 Fed. Appx. 268 (Fed. Cir. 2005); Nippon Steel Corp. v. United States, 26 CIT 1416, 1419 (2002) (same); Usinor Industeel, S.A. v. United States, 26 CIT 1402, 1404 nn.3, 6 (2002) (“more likely than not” standard is “consistent with the court’s opinion”; “the court has not interpreted ‘likely’ to imply any particular degree of ‘certainty’”); Indorama Chemicals (Thailand) Ltd. v. United States, Slip Op. 02-105 at 20 (Ct. Int’l Trade Sept. 4, 2002) (“standard is based on a likelihood of continuation or recurrence of injury, not a certainty”); Usinor v. United States, 26 CIT 767, 794 (2002) (“‘likely’ is tantamount to ‘probable,’ not merely ‘possible’”).

³⁵ For a complete statement of Chairman Okun’s interpretation of the likely standard, see Additional Views of Vice Chairman Deanna Tanner Okun Concerning the “Likely” Standard in Certain Seamless Carbon and Alloy Steel Standard, Line and Pressure Pipe From Argentina, Brazil, Germany, and Italy, Invs. Nos. 701-TA-362 (Review) and 731-TA-707 to 710 (Review) (Remand), USITC Pub. 3754 (Feb. 2005).

³⁶ Commissioner Lane notes that, consistent with her views in Pressure Sensitive Plastic Tape From Italy, Inv. No. AA1921-167 (Second Review), USITC Pub. 3698 (June 2004), she does not concur with the U.S. Court of International Trade’s interpretation of “likely,” but she will apply the Court’s standard in these reviews and all subsequent reviews until either Congress clarifies the meaning or the U.S. Court of Appeals for the Federal Circuit addresses this issue.

³⁷ 19 U.S.C. § 1675a(a)(5).

³⁸ SAA at 887. Among the factors that the Commission should consider in this regard are “the fungibility or differentiation within the product in question, the level of substitutability between the imported and domestic products, the channels of distribution used, the methods of contracting (such as spot sales or long-term contracts), and lead times for delivery of goods, as well as other factors that may only manifest themselves in the longer term, such as planned investment and the shifting of production facilities.” Id.

³⁹ 19 U.S.C. § 1675a(a)(1).

⁴⁰ 19 U.S.C. § 1675a(a)(1). There have been no duty absorption findings by Commerce with respect to the order under review. CR at I-5, PR at I-5. The statute further provides that the presence or absence of any factor that the Commission is required to consider shall not necessarily give decisive guidance with respect to the Commission’s determination. 19 U.S.C. § 1675a(a)(5). While the Commission must consider all factors, no one factor is necessarily dispositive. SAA at 886.

appropriate on the facts available from the original investigation and the limited new information on the record in this review.^{41 42}

B. Conditions of Competition

In evaluating the likely impact of the subject imports on the domestic industry, the statute directs the Commission to consider all relevant economic factors “within the context of the business cycle and conditions of competition that are distinctive to the affected industry.”⁴³

1. The Original Investigation

The Commission noted that demand for artists’ canvas was ultimately driven by consumers who use the product for graphic presentation of painted or printed images. Demand for assembled or finished artists’ canvas tended to be seasonal, peaking in the spring and summer months as retailers stocked up for back-to-school promotions.⁴⁴ The Commission noted that responding domestic producers and all of the responding importers reported that demand had increased. This increase in demand was most commonly attributed to the rapid growth of the home decor market. The Commission found that apparent U.S. consumption had increased *** percent between 2002 and 2005, from *** square meters to *** square meters.⁴⁵

At the time of the original investigation, the domestic industry was the largest supplier to the domestic market. The domestic industry’s share of consumption by quantity *** declined over the period examined from *** percent in 2002 to *** percent in 2005. The industry’s capacity to produce bulk artists’ canvas increased *** percent over the same period.⁴⁶

The Commission noted that Tara was the largest producer of artists’ canvas, with over *** percent of reported U.S. production of bulk canvas in 2005 and *** percent of reported production of

⁴¹ 19 U.S.C. § 1677e(a) authorizes the Commission to “use the facts otherwise available” in reaching a determination when (1) necessary information is not available on the record or (2) an interested party or other person withholds information requested by the agency, fails to provide such information in the time, form, or manner requested, significantly impedes a proceeding, or provides information that cannot be verified pursuant to section 782(i) of the Act. 19 U.S.C. § 1677e(a). The verification requirements in section 782(i) are applicable only to Commerce. 19 U.S.C. § 1677m(i). See *Titanium Metals Corp. v. United States*, 155 F. Supp. 2d 750, 765 (Ct. Int’l Trade 2001) (“[T]he ITC correctly responds that Congress has not required the Commission to conduct verification procedures for the evidence before it, or provided a minimum standard by which to measure the thoroughness of a Commission investigation.”).

⁴² Chairman Okun notes that the statute authorizes the Commission to take adverse inferences in five-year reviews, but such authorization does not relieve the Commission of its obligation to consider the record evidence as a whole in making its determination. See 19 U.S.C. § 1677e. She generally gives credence to the facts supplied by the participating parties and certified by them as true, but bases her decision on the evidence as a whole, and does not automatically accept participating parties’ suggested interpretations of the record evidence. Regardless of the level of participation, the Commission is obligated to consider all evidence relating to each of the statutory factors and may not draw adverse inferences that render such analysis superfluous. “In general, the Commission makes determinations by weighing all of the available evidence regarding a multiplicity of factors relating to the domestic industry as a whole and by drawing reasonable inferences from the evidence it finds most persuasive.” SAA at 869.

⁴³ 19 U.S.C. § 1675a(a)(4).

⁴⁴ Original Determination at 15.

⁴⁵ Original Determination at 16.

⁴⁶ Original Determination at 16.

finished canvas.⁴⁷ *** was the second largest producer of artists' canvas, accounting for *** percent of reported production of bulk canvas in 2005, and *** percent of reported production of finished canvas. The Commission also noted that Tara had moved a large portion of its U.S. production of assembled canvas during the period examined to its Mexican subsidiary, Decoracion Colonial (Decoracion).⁴⁸

The Commission found that nonsubject imports increased from *** percent of apparent U.S. consumption by quantity in 2002 to *** percent in 2005. Tara was responsible for almost all of the imports of artists' canvas from Mexico, the largest source of nonsubject imports.⁴⁹

The Commission also observed that subject imports from China included about *** percent finished artists' canvas, which was more labor intensive to produce than bulk canvas. Subject imports from China were ***. Most domestically produced finished canvas was sold to retailers.⁵⁰

The Commission found that subject imports and domestically produced artists' canvas were generally substitutable. The majority of importers and purchasers that compared Chinese and U.S. bulk canvas reported that they were always or frequently interchangeable. Further, the Commission noted that price was identified as a very important factor in purchasing decisions by 22 of 27 purchasers.⁵¹

2. The Current Review

The conditions of competition found in the original investigation generally continued during the current period of review. Demand for artists' canvas has increased from the time of the original investigation. Apparent U.S. consumption increased *** percent from *** square meters in 2005 to *** square meters in 2010.⁵² When measured by value, apparent U.S. consumption registered a smaller increase of 12.2 percent, from \$*** million in 2005 to \$*** million in 2010.⁵³ The record also indicates that print canvas is a growing segment of the artists' canvas market.⁵⁴

The domestic industry's share of apparent U.S. consumption has continued to decline and is now below the level found in the original investigation. It fell from *** percent in 2002 to *** percent in 2005 and *** percent in 2010 when measured by quantity.⁵⁵ Imports of artists' canvas from China maintained a significant presence in the U.S. market during the period examined, notwithstanding the antidumping duty order. The market share held by imports of artists' canvas from China has declined since the original investigation, dropping from *** percent of apparent U.S. consumption in 2005 to *** percent in 2010.⁵⁶

With the fall in imports of artists' canvas from China, the market share held by nonsubject imports has increased since the original investigation to its highest level in 2010, *** percent of apparent

⁴⁷ Original Determination at 16.

⁴⁸ Original Determination at 16.

⁴⁹ Original Determination at 16.

⁵⁰ Original Determination at 16.

⁵¹ Original Determination at 17.

⁵² See CR/PR at Table C-4 and Supplemental Table 2.

⁵³ See CR/PR at Table C-4 and Supplemental Table 2.

⁵⁴ Domestic Parties' Response to the Notice of Institution at 8.

⁵⁵ See CR/PR at Table C-4 and Supplemental Table 2. When measured by value the domestic industry's market share declined from *** percent in 2002 to *** percent in 2005 and *** percent in 2010

⁵⁶ See CR/PR at Table C-4 and Supplemental Table 2. When measured by value, subject imports fell from *** percent of the market in 2005 to *** percent in 2010. Id.

U.S. consumption by quantity and *** percent by value.⁵⁷ Vietnam, Mexico, and India were the predominant sources of nonsubject imports by volume in 2010, with Vietnam being the most prominent among the three.⁵⁸

Commerce has indicated that only artists' canvas primed or gessoed in China is considered to have originated in China. Therefore, artists' canvas finished in China but not gessoed or primed in China is not considered subject merchandise.⁵⁹ As a result, artists' canvas from nonsubject countries such as Vietnam and India is being sent to China for finishing and then shipped to the United States as nonsubject merchandise.⁶⁰ Tara indicated that, for this reason, it believes that the majority of the reported imports of artists' canvas from China are in fact nonsubject merchandise.⁶¹ Moreover, since the original investigation ***,⁶² As previously noted by the Commission, in 2003 Tara decided to move some of its production of stretched canvas to Mexico in order to compete with subject imports.⁶³

The domestic industry is also facing increasing raw material costs. The Domestic Parties indicated that there has been a "tremendous" increase in the commodity costs of cotton, a major component of cotton canvas, and to a lesser extent polyester/cotton fabric blends.⁶⁴ Additionally, the domestic industry's increased costs cannot easily be passed along as price continues to be important in purchasing decisions with purchasers seeking the lowest possible price for artists' canvas.⁶⁵

Based on the limited record evidence, we find that the conditions of competition in the artists' canvas market are not likely to change significantly in the reasonably foreseeable future. We find that these conditions of competition provide us with a reasonable basis on which to assess the likely effects of revocation of the antidumping duty order.

C. Likely Volume of Subject Imports

In evaluating the likely volume of imports of subject merchandise if an antidumping duty order is revoked, the Commission is directed to consider whether the likely volume of imports would be significant either in absolute terms or relative to production or consumption in the United States.⁶⁶ In doing so, the Commission must consider "all relevant economic factors," including four enumerated factors: (1) any likely increase in production capacity or existing unused production capacity in the exporting country; (2) existing inventories of the subject merchandise, or likely increases in inventories; (3) the existence of barriers to the importation of the subject merchandise into countries other than the United States; and (4) the potential for product shifting if production facilities in the foreign country,

⁵⁷ CR/PR at Supplemental Table 2.

⁵⁸ CR/PR at Table I-3.

⁵⁹ CR at I-14 n.42, PR at I-12 n.42. Commerce in its final determination in 2006 found that the country of origin for artists' canvas is where the canvas was primed, and it confirmed this position in a series of scope rulings beginning in 2008. See *Id.*; Final Determination of Sales at Less Than Fair Value: Certain Artist Canvas from the People's Republic of China, 71 Fed. Reg. 16116 (March 30, 2006).

⁶⁰ Domestic Parties' Response to Notice of Institution at Exhibit A ("***").

⁶¹ Domestic Parties' Response to the Notice of Institution at 8.

⁶² CR at I-14 n.42, PR at I-12 n.42; Domestic Parties' Response to Notice of Institution at Exhibit A.

⁶³ Original Determination at 24.

⁶⁴ Domestic Parties' Response to Notice of Institution at Exhibit A.

⁶⁵ Domestic Parties' Response to the Notice of Institution at 8.

⁶⁶ 19 U.S.C. § 1675a(a)(2).

which can be used to produce the subject merchandise, are currently being used to produce other products.⁶⁷

1. The Original Investigation

The Commission found that subject import volume increased steadily and sharply throughout the period of investigation. The volume rose from 202,000 square meters in 2002 to 2.29 million square meters in 2005, an increase overall of over 1,000 percent. Subject imports' share of U.S. consumption also increased steadily and sharply, in quantity and value terms.⁶⁸

The Commission indicated that the increase in subject imports' share of apparent U.S. consumption came at the expense of the domestic industry. The domestic industry's share of apparent consumption decreased from *** percent in 2002 to *** percent in 2005.⁶⁹ The Commission noted that the domestic industry's share of apparent consumption by value showed an even greater decline. The Commission found that the steeper decline in value reflected the shift domestic producers had to make in response to the increasing presence of subject imports from China; specifically, the domestic industry moved from selling higher value finished canvas to selling more of the lower value bulk canvas.⁷⁰ As a result, the Commission found that the quantity of subject imports, while significant, understated the harmful impact of subject imports on U.S. producers. The Commission also observed that the domestic industry's share of U.S. consumption was displaced to a far lesser degree by nonsubject imports.⁷¹

2. The Current Review

Subject import volume is likely to be significant if the order is revoked. Despite the antidumping duty order, imports of artists' canvas from China continue to enter the U.S. market in substantial quantities and increased substantially in 2010 relative to 2009. Although volume initially declined with the imposition of the antidumping duty order, imports of artists' canvas from China rose from 571,000 square meters in 2009 to 1.9 million square meters in 2010.⁷² By value, they increased from \$3.8 million in 2009 to \$14.3 million in 2010.⁷³

In 2010, the market shares of imports of artists' canvas from China are only somewhat below their peak during the original investigation. The domestic industry's share of the market was *** percent by quantity and *** percent by value in 2010, compared with *** percent by quantity and *** percent by value in 2005.⁷⁴ The domestic industry's market share fell to levels below those in the original

⁶⁷ 19 U.S.C. § 1675a(a)(2)(A-D).

⁶⁸ Original Determination at 17

⁶⁹ Original Determination at 18

⁷⁰ Original Determination at 18

⁷¹ Original Determination at 18

⁷² CR/PR at Table C-4, Supplemental Table 2. Imports of artists' canvas from China totaled 507,000 square meters in 2006, 65,000 square meters in 2007, 328,000 square meters in 2008, 571,000 square meters in 2009, and 1.9 million short tons in 2010. CR/PR at Table I-3.

⁷³ CR/PR at Table C-4, Supplemental Table 2. By value, imports of artists' canvas were \$2.9 million in 2006, \$504,000 in 2007, \$2.9 million in 2008, \$3.8 million in 2009, and \$14.3 million in 2010. CR/PR at Table I-3.

⁷⁴ CR/PR at Table I-9.

investigation. Their share was *** percent by quantity and *** percent by value in 2010, down from *** percent by quantity and *** percent by value in 2005.⁷⁵

As described above, the data available reflects an increase in imports of subject merchandise from China. We recognize that subject import volume is likely overstated due to imports of artists' canvas primed in third countries and finished in China that are considered nonsubject merchandise under Commerce's scope ruling. Nevertheless, we find that the increase in subject import volume reflected in these data, which are the best data available, is a strong indicator of continued Chinese interest in the U.S. market.⁷⁶

The Commission has limited information on the foreign industry in this review due to the lack of participation by Chinese producers and importers of subject merchandise. During the original investigation, the record indicated that the Chinese industry producing finished artists' canvas had capacity of *** million square meters and produced *** million square meters of artists' canvas.⁷⁷ As noted above, apparent U.S. consumption was *** million square meters in 2010. Consequently, Chinese capacity and production, even at the levels of the original investigation, are large relative to the size of the U.S. market. Moreover, the current record indicates that the Chinese industry has expanded since the original investigation. At that time, there were only five producers of artists' canvas in China, four of which provided information to the Commission, but the current record reflects that there are 12 producers of artists' canvas in China.⁷⁸

Chinese producers have also been heavily export-oriented, exporting the *** of the artists' canvas produced. In 2005, approximately *** percent of China's production of finished artists' canvas was exported.⁷⁹ Absent contrary information, it is likely that the Chinese industry's increased capacity and production will continue to be directed to export markets such as the United States.

Based on the increasing presence of imports of artists' canvas from China in the U.S. market, the large size of the industry in China, its export-orientation and its continued interest and focus on the United States market, we find that Chinese producers would likely increase their exports to the United States if the antidumping duty order was revoked. Thus, we find that the likely volume of subject imports, both in absolute terms and as a share of the U.S. market, would be significant if the order was revoked.⁸⁰

D. Likely Price Effects of Subject Imports

In evaluating the likely price effects of subject imports if the antidumping duty order is revoked, the Commission is directed to consider whether there is likely to be significant underselling by the subject imports as compared to the domestic like product and whether the subject imports are likely to enter the United States at prices that otherwise would have a significant depressing or suppressing effect on the price of the domestic like product.⁸¹

⁷⁵ CR/PR at Supplemental Table 2.

⁷⁶ See Response to Notice of Institution at Exhibit A.

⁷⁷ INV-DD-047 (April 13, 2006) at VII-2

⁷⁸ CR at I-17, PR at I-15.

⁷⁹ Memorandum INV-DD-047 (April 13, 2006) at VII-2.

⁸⁰ The record does not indicate that there are any barriers to the importation of artists' canvas from China in third-country markets. CR at I-17, PR at I-15. We have no current information concerning inventories of the subject merchandise held by importers or Chinese producers.

⁸¹ 19 U.S.C. § 1675a(a)(3). The SAA states that "[c]onsistent with its practice in investigations, in considering the likely price effects of imports in the event of revocation and termination, the Commission may rely on

(continued...)

1. The Original Investigation

The Commission found that domestically produced artists' canvas and subject imports from China were substitutable and price was an important factor in purchasing decisions. Quality of the subject imports was deemed comparable to that of domestic artists' canvas.⁸²

The Commission's pricing information indicated that prices of imports from China were lower than the U.S. producer prices in 78 out of 83 quarterly comparisons, by margins ranging from 0.7 percent to 72.1 percent. Further, prices for five of the six products for which price comparisons were available declined by varying degrees during the period of investigation. The Commission found that the data showed evidence of significant price depression by the subject imports.⁸³

In addition, the Commission found that underselling prevented U.S. producers from raising their prices to cover increased material and production costs. The domestic industry's average cost of goods sold as a ratio of net sales increased *** percentage points from *** percent in 2002 to *** in 2005.⁸⁴ Domestic producers faced a cost-price squeeze in which they were unable to increase prices notwithstanding increased costs. Accordingly, the Commission concluded that lower-priced subject imports had significant price depressing effects and that there was some evidence of price suppression in the record.⁸⁵

Based on the significant and rising volume of subject imports, the general substitutability of the products, the importance of price in purchasing decisions, the consistent pattern of significant underselling by subject imports, generally declining U.S. prices, the cost-price squeeze that subject imports placed on the domestic industry, and confirmed lost sales allegations, the Commission concluded that subject imports had significant adverse price effects on the U.S. industry.⁸⁶

2. The Current Review

The degree of substitutability between imports of artists' canvas from China and domestically produced artists' canvas has not changed since the original investigation. Price also remains important in purchasing decisions.⁸⁷ Although there is no new product-specific pricing information on the record of this review,⁸⁸ the limited data on current prices indicate that imports of artists' canvas from China remain lower in price than the domestic product despite the antidumping duty order.⁸⁹ These data indicate that importers would be able to undersell the domestic industry's product by significant margins if the imports were not subject to the antidumping duty order. Given the apparent attractiveness of the U.S. market, we

⁸¹ (...continued)

circumstantial, as well as direct, evidence of the adverse effects of unfairly traded imports on domestic prices." SAA at 886.

⁸² Original Determination at 19.

⁸³ Original Determination at 20.

⁸⁴ Original Determination at 20.

⁸⁵ Original Determination at 20-21.

⁸⁶ Original Determination at 22.

⁸⁷ Response to Notice of Institution at 8.

⁸⁸ As imports and domestic product differ in their relative proportions of bulk and finished artists' canvas, *i.e.* product mix, average unit values (AUVs) are not indicative of their relative price levels. See Original Determination at 6; Domestic Parties Comments at 8.

⁸⁹ Response to Notice of Institution at 6, Exhibit A (imports of artists' canvas from China priced 25 to 60 percent below domestic product prices).

find that importers would intensify their underselling in order to gain market share as occurred during the original investigation.

In response to increased underselling, domestic producers would be forced to either reduce their prices or relinquish market share. Accordingly, we find that, if the order were revoked, the likely significant increase in subject import volume at prices that would likely undersell the domestic like product would likely have significant adverse price effects on the domestic industry.

E. Likely Impact of Subject Imports⁹⁰

In evaluating the likely impact of imports of subject merchandise if the antidumping duty order under review were revoked, the Commission is directed to consider all relevant economic factors that are likely to have a bearing on the state of the industry in the United States, including, but not limited, to the following: (1) likely declines in output, sales, market share, profits, productivity, return on investments, and utilization of capacity; (2) likely negative effects on cash flow, inventories, employment, wages, growth, ability to raise capital, and investment; and (3) likely negative effects on the existing development and production efforts of the industry, including efforts to develop a derivative or more advanced version of the domestic like product.⁹¹ All relevant economic factors are to be considered within the context of the business cycle and the conditions of competition that are distinctive to the industry.⁹² As instructed by the statute, we have considered the extent to which any improvement in the state of the domestic industry is related to the order at issue and whether the industry is vulnerable to material injury if the order were revoked.

1. The Original Investigation

The Commission found that despite a steadily growing U.S. market for artists' canvas, the domestic industry's condition worsened over the period of investigation across a number of indicators. Most striking was the domestic industry's lost market share, from *** percent in 2002 to *** percent in 2005 in terms of quantity, and from *** percent in 2002 to *** percent in terms of value.⁹³

The Commission also found that the increasing presence of Chinese finished products relegated domestic producers to selling more of the lower-value bulk canvas. While the volume of U.S. shipments increased, the values of those shipments declined, reflecting the shift from finished to bulk canvas. Further, as the U.S. market for artists' canvas grew over the period of investigation, the domestic industry increased its capacity and production for bulk canvas, although its capacity for production of finished canvas remained flat and its production of finished canvas declined.⁹⁴

⁹⁰ Section 752(a)(6) of the Act states that “the Commission may consider the magnitude of the margin of dumping” in making its determination in a five-year review. 19 U.S.C. § 1675a(a)(6). The statute defines the “magnitude of the margin of dumping” to be used by the Commission in five-year reviews as “the dumping margin or margins determined by the administering authority under section 1675a(c)(3) of this title.” 19 U.S.C. § 1677(35)(C)(iv). See also SAA at 887. In the final results of its expedited review of the antidumping duty order on artists' canvas from China, Commerce found likely dumping margins of 77.90 percent *ad valorem* for eight specific producer/exporters, and a China-wide rate of 264.09 percent *ad valorem*, applicable to all other producer/exporters. Artist Canvas from the People's Republic of China; Final Results of the Expedited Review of the Antidumping Duty Order, 76 Fed. Reg. 55351, 55352 (September 7, 2011).

⁹¹ 19 U.S.C. § 1675a(a)(4).

⁹² 19 U.S.C. § 1675a(a)(4).

⁹³ Original Determination at 22.

⁹⁴ Original Determination at 22.

The Commission also found that the domestic industry's financial indicators worsened over the period of investigation. Operating income declined from \$*** in 2002 to \$*** in 2005. Operating margins declined from *** percent in 2002 to *** percent in 2005.⁹⁵

The Commission attributed the domestic industry's declines in performance over the period of investigation in significant part to the rapid increases in subject import volume and market share which had significant adverse price effects. It found that subject producers had used their price advantage to gain a significant share of the U.S. market, allowing them to become the market leader in finished artists' canvas products.⁹⁶

The respondents argued that the impact on the domestic industry of Tara's shift of certain production to Mexico should not be attributed to subject imports in the U.S. market. The Commission, however, found that Tara's decision to move its production capacity to Mexico was at least in part due to competition from subject imports.⁹⁷ The Commission also indicated that the declines in U.S. finished canvas production and shipments could not be explained by the increase in imports of finished product from Mexico. In fact, nonsubject imports' share of apparent U.S. consumption of finished canvas (including Tara's imports from Mexico) declined *** percentage points during the period.⁹⁸

The Commission noted that despite the market growth of more than *** percent from 2002 to 2005, the condition of the domestic industry worsened. The declines corresponded with consistent underselling and a significant gain in market share by the subject imports. This led to significantly depressed U.S. prices and some evidence of price suppression.⁹⁹ Accordingly, the Commission found that subject imports had a significant adverse impact on the domestic industry during the period of investigation.

2. The Current Review

In this expedited review, information concerning the domestic industry's condition is limited. We collected 2010 data for several performance indicators, but no data from 2006 to 2009. The evidence is insufficient for us to make a finding on whether the domestic industry is vulnerable to the continuation or recurrence of material injury if the order is revoked.¹⁰⁰

The data show that, compared to the original investigation, the domestic industry has become smaller. In 2010, the domestic industry's capacity was *** square meters, its production was *** square meters, and its rate of capacity utilization was *** percent.¹⁰¹ The domestic industry's U.S. shipments

⁹⁵ Original Determination at 23.

⁹⁶ Original Determination at 23.

⁹⁷ Original Determination at 24.

⁹⁸ Original Determination at 25.

⁹⁹ Original Determination at 25.

¹⁰⁰ Commissioner Lane and Commissioner Pinkert find based on the limited available data that the domestic industry appears to be vulnerable. The domestic industry's market share was much lower in 2010 than in 2005 measured both by quantity and value. Compare Supplemental Table 2 with CR/PR Table C-4. Further, net sales measured by value were much lower in 2010 (***) than in 2005 (***), and the industry experienced an operating *** (***) in 2010. Compare Supplemental Table 1 with CR/PR Table C-4.

¹⁰¹ CR/PR at Supplemental Table 1. In the original investigation, capacity, production and shipments for bulk and finished artists' canvas were reported separately making direct comparison difficult. However, the industry's capacity and production was clearly greater at the end of the original investigation as bulk canvas capacity and production alone exceeded 2010 levels. The industry's bulk artists' canvas capacity was *** square meters and its finished artists' canvas capacity was *** square meters in 2005. Memorandum INV-DD-057 (Apr. 21, 2006) at (continued...)

were *** square meters, accounting for *** percent of apparent U.S. consumption by quantity and *** percent by value.¹⁰² These indicators are lower than those reported in the original investigation, with the exception of ***.¹⁰³

The domestic industry's market share is also lower than it was during the original investigation. Its share was *** percent by quantity and *** percent by value in 2010, down from *** percent by quantity and *** percent by value in 2005.¹⁰⁴

The data from 2010 also show that the domestic industry ***.¹⁰⁵ The domestic industry's operating ***, and operating margins of *** percent, both reflect poorer financial performance than in the original investigation when the industry was profitable.¹⁰⁶ Reduced net sales coupled with rising raw material costs have led to a higher cost of goods sold to net sales ratio for the domestic industry, resulting in the industry's sizable operating loss for 2010.¹⁰⁷

We have also considered the role of factors other than the subject imports so as not to attribute injury from such factors to subject imports. The share of the U.S. market held by nonsubject imports was greater in 2010 than during the original investigation; nonsubject import share was *** percent by quantity and *** percent by value in 2010, compared to *** percent by quantity and *** percent by value in 2005.¹⁰⁸ Despite their increased presence, we find that nonsubject imports are not likely to sever the causal nexus between subject imports and their likely significant adverse impact on the domestic industry if the order were revoked. A significant portion of the expected increase in subject imports would continue to be at the expense of the domestic industry given the likelihood of subject import underselling and adverse price effects.

We also recognize that the United States was in a weak economic recovery in 2010. Apparent U.S. consumption for artists' canvas, however, increased by *** percent by quantity and *** percent by value from 2005 to 2010, indicating that demand for artists' canvas did not deteriorate significantly in the economic downturn.¹⁰⁹

Based on the record of this review, we find that the likely volume and price effects of the subject imports, should the order be revoked, would likely have a significant adverse impact on the production, shipments, sales, market share, and revenues of the domestic industry. Declines in these indicators of industry performance would have a direct adverse impact on the industry's profitability and employment, as well as its ability to raise capital, to make and maintain capital investments, and to fund research and development.

¹⁰¹ (...continued)

Table C-5. Bulk artists' canvas production was *** square meters, and finished artists' canvas production was *** square meters in 2005. Id. In 2005, capacity utilization for bulk artists' canvas was *** percent and *** percent for finished artists' canvas. Id.

¹⁰² CR/PR at Supplemental Table 2.

¹⁰³ Capacity utilization was reported separately for bulk artists' canvas and finished artists' canvas during the original investigation, so it is unclear whether or not the combined figure reported for 2010 represents an increase or decrease in utilization rates.

¹⁰⁴ CR/PR at Table C-4 and Supplemental Table 2.

¹⁰⁵ CR/PR at Supplemental Table 1.

¹⁰⁶ CR/PR at Table C-4; Supplemental Table 1.

¹⁰⁷ Cost of goods sold were \$*** and net sales were \$*** in 2005. By 2010, both had fallen and cost of goods sold were \$*** and net sales were \$***. As a result of the greater drop in net sales, the industry's ratio of cost of goods sold to net sales increased from *** percent in 2005 to *** percent in 2010. CR/PR at Table C-4 and Supplemental Table 1.

¹⁰⁸ CR/PR at Table C-4 and Supplemental Table 2.

¹⁰⁹ CR/PR at Table C-4; Supplemental Table 2.

Accordingly, we conclude that, if the antidumping duty order were revoked, subject imports from China would likely have a significant adverse impact on the domestic industry within a reasonably foreseeable time.

CONCLUSION

For the foregoing reasons, we determine that revocation of the antidumping duty order on artists' canvas from China would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.

ADDITIONAL AND DISSENTING VIEWS OF COMMISSIONER DANIEL R. PEARSON

Section 751(d)(2) of the Tariff Act of 1930, as amended (“the Act”), requires that the U.S. Department of Commerce (“Commerce”) revoke a countervailing duty or an antidumping duty order in a five-year (“sunset”) review unless Commerce determines that dumping or a countervailable subsidy would be likely to continue or recur and the U.S. International Trade Commission (“Commission”) determines that material injury to a U.S. industry would be likely to continue or recur within a reasonably foreseeable time.¹ Based on the record in this first five-year review, I determine that material injury is not likely to continue or recur within a reasonably foreseeable time if the antidumping duty order on artists’ canvas from China is revoked.

I join my colleagues’ discussion regarding domestic like product. Further, I concur with the determinations of Vice Chairman Williamson and Commissioner Aranoff to include digital print converters in the domestic industry. I write separately to discuss the legal standard governing sunset reviews, conditions of competition, and to provide my analysis of the statutory factors.

I. REVOCATION OF THE ANTIDUMPING DUTY ORDER ON ARTISTS’ CANVAS FROM CHINA IS NOT LIKELY TO LEAD TO CONTINUATION OR RECURRENCE OF MATERIAL INJURY WITHIN A REASONABLY FORESEEABLE TIME

A. Legal Standard

In a five-year review conducted under section 751(c) of the Act, Commerce will revoke a countervailing or antidumping duty order or terminate a suspended investigation unless: (1) it makes a determination that dumping is likely to continue or recur, and (2) the Commission makes a determination that revocation of an order or termination of a suspended investigation “would be likely to lead to continuation or recurrence of material injury within a reasonably foreseeable time.”² The Statement of Administrative Action (“SAA”) states that “under the likelihood standard, the Commission will engage in a counter-factual analysis; it must decide the likely impact in the reasonably foreseeable future of an important change in the status quo – the revocation or termination of a proceeding and the elimination of its restraining effects on volumes and prices of imports.”³ Thus, the likelihood standard is prospective in nature.⁴ The U.S. Court of International Trade has found that “likely,” as used in the five-year review provisions of the Act, means “probable,” and the Commission applies that standard in five-year

¹ 19 U.S.C. § 1675(d)(2).

² 19 U.S.C. § 1675a(a).

³ SAA, H.R. Rep. No. 103-316, vol. I, at 883-84 (1994). The SAA states that “[t]he likelihood of injury standard applies regardless of the nature of the Commission’s original determination (material injury, threat of material injury, or material retardation of an industry). Likewise, the standard applies to suspended investigations that were never completed.” SAA at 883.

⁴ While the SAA states that “a separate determination regarding current material injury is not necessary,” it indicates that “the Commission may consider relevant factors such as current and likely continued depressed shipment levels and current and likely continued [sic] prices for the domestic like product in the U.S. market in making its determination of the likelihood of continuation or recurrence of material injury if the order is revoked.” SAA at 884.

reviews.⁵ The statute states that “the Commission shall consider that the effects of revocation or termination may not be imminent, but may manifest themselves only over a longer period of time.”⁶ According to the SAA, a “‘reasonably foreseeable time’ will vary from case-to-case, but normally will exceed the ‘imminent’ time frame applicable in a threat of injury analysis in antidumping and countervailing duty investigations.”⁷

Although the standard in five-year reviews is not the same as the standard applied in original antidumping or countervailing duty investigations, it contains some of the same fundamental elements. The statute provides that the Commission is to “consider the likely volume, price effect, and impact of imports of the subject merchandise on the industry if the order is revoked or the suspended investigation is terminated.”⁸ It directs the Commission to take into account its prior injury determination, whether any improvement in the state of the industry is related to the order or the suspension agreement under review, whether the industry is vulnerable to material injury if the order is revoked or the suspension agreement is terminated, and any findings by Commerce regarding duty absorption pursuant to 19 U.S.C. § 1675(a)(4).⁹

B. Information Available in this Expedited Review

As an initial matter, I note that in this review, I am basing my decision on a very limited record. Although the Commission does not issue questionnaires in expedited reviews, the Commission’s Notice of Institution affords interested parties the opportunity to provide information that is relevant to this review. In this review, very little information was provided by interested parties that would inform the Commission’s determination. In particular, with regard to the statutory factors the Commission is directed to consider under 19 U.S.C. § 1675a(a)(2), I lack information on the Chinese industry’s capacity to produce artists’ canvas, its capacity utilization, its existing inventories of subject merchandise, and whether there is any potential for product shifting in the event of revocation of the order. Similarly, with regard to the statutory factors the Commission is directed to consider under 19 U.S.C. § 1675a(a)(3) and (4), I lack information on current price levels in the domestic artists’ canvas market, along with information on the domestic artists’ canvas industry’s employment and inventory levels. Accordingly, I have relied on the facts available in this review, which consist primarily of the staff report and views in

⁵ See NMB Singapore Ltd. v. United States, 288 F. Supp. 2d 1306, 1352 (Ct. Int’l Trade 2003) (“‘likely’ means probable within the context of 19 U.S.C. § 1675(c) and 19 U.S.C. § 1675a(a)”, aff’d mem., 140 Fed. Appx. 268 (Fed. Cir. 2005); Nippon Steel Corp. v. United States, 26 CIT 1416, 1419 (2002) (same); Usinor Industeel, S.A. v. United States, 26 CIT 1402, 1404 nn.3, 6 (2002) (“more likely than not” standard is “consistent with the cmyt’s opinion”; “the cmyt has not interpreted ‘likely’ to imply any particular degree of ‘certainty’”); Indorama Chemicals (Thailand) Ltd. v. United States, Slip Op. 02-105 at 20 (Ct. Int’l Trade Sept. 4, 2002) (“standard is based on a likelihood of continuation or recurrence of injury, not a certainty”); Usinor v. United States, 26 CIT 767, 794 (2002) (“‘likely’ is tantamount to ‘probable,’ not merely ‘possible’”).

⁶ 19 U.S.C. § 1675a(a)(5).

⁷ SAA at 887. Among the factors that the Commission should consider in this regard are “the fungibility or differentiation within the product in question, the level of substitutability between the imported and domestic products, the channels of distribution used, the methods of contracting (such as spot sales or long-term contracts), and lead times for delivery of goods, as well as other factors that may only manifest themselves in the longer term, such as planned investment and the shifting of production facilities.” Id.

⁸ 19 U.S.C. § 1675a(a)(1).

⁹ 19 U.S.C. § 1675a(a)(1). The statute further provides that the presence or absence of any factor that the Commission is required to consider shall not necessarily give decisive guidance with respect to the Commission’s determination. 19 U.S.C. § 1675a(a)(5). While the Commission must consider all factors, no one factor is necessarily dispositive. SAA at 886. I note that no duty absorption findings have been made by Commerce.

the original investigation, information collected by the Commission since the institution of this five-year review, and information submitted by domestic interested parties in this review.

C. Conditions of Competition

In evaluating the impact of subject imports on the domestic industry upon revocation of the order, the statute directs the Commission to evaluate all the relevant economic factors “within the context of the business cycle and conditions of competition that are distinctive to the affected industry.”¹⁰ For the most part, I join the majority’s views concerning the pertinent current conditions of competition in the artists’ canvas industry. In the original investigation, however, I noted an additional condition of competition that was particularly important to my analysis. Specifically, I observed that during the period examined in the original investigation, U.S. production of finished canvas increased markedly, and a significant component of that increase consisted of shipments of digital print canvas.¹¹ That increase was substantial enough so that by the end of the period, digital print canvas made up *** of the industry’s shipments of finished canvas. Accordingly, I concluded that U.S. producers were increasingly turning to production of digital print canvas and away from stretched canvas, while at the same time managing to increase their total production and shipments of the domestic like product. More important, the industry had moved into a segment of the artists’ canvas market that up to that point had not experienced significant import competition, and none at all from China. Thus, I observed that competition in the artists’ canvas market between subject imports and the domestic like product was significantly attenuated.

In this review, the Commission has received no information that would indicate that this situation has changed. Although at least two of the domestic interested parties (***) are print converters, in the original investigation the Commission obtained information from many more print converters, and updated information from these firms is not currently available.¹² Nor does the Commission have data that indicates increased imports from China of digital print canvas. Hence, I conclude that competition in the artists’ canvas market between subject imports and the domestic like product remains significantly attenuated.

D. Likely Volume of Subject Imports

The Commission is to consider whether the likely volume of subject imports would be significant either in absolute terms or relative to production or consumption in the United States if the order under review were revoked. In so doing, the Commission shall consider “all relevant economic factors,” including four enumerated in the statute: (1) any likely increase in production capacity or existing unused production capacity in the exporting country; (2) existing inventories of the subject merchandise, or likely increases in inventories; (3) the existence of barriers to the importation of the subject merchandise in countries other than the United States; and (4) the potential for product shifting if the production facilities in the foreign country, which can be used to produce the subject merchandise, are currently being used to produce other products.¹³

¹⁰ 19 U.S.C. § 1675a(a)(4).

¹¹ Artists’ Canvas from China, Inv. No. 731-TA-1091 (Final), USITC Pub. 3853 (May 2006) (Dissenting Views), at 51.

¹² Confidential Staff Report (“CR”) at I-11, Public Staff Report (“PR”) at I-10; USITC Pub. 3853 (May 2006), at III-1.

¹³ 19 U.S.C. § 1675a(a)(2)(A-D).

My focus in this review is whether subject import volume is likely to be significant in the reasonably foreseeable future if the antidumping duty order is revoked.¹⁴ In performing my analysis, I have taken into account my previous volume findings with respect to the subject imports from China. In my original determination, I found that the volume of subject imports from China increased substantially from 202,000 square meters in 2002 to 2.3 million square meters in 2005, representing approximately a 1,000-percent increase.¹⁵ I further found that, as a share of domestic consumption, subject imports increased from *** percent of the market in 2002 to *** percent in 2005.¹⁶

Because current data are limited in this expedited review, my analysis of the statutory factors focuses on the data and market at the time of the original investigation and also attempts to compare any data available for the current market. There is no new information on the record concerning China's capacity utilization or inventories of artists' canvas, or any new information concerning its capacity to produce artists' canvas. Domestic interested parties claim that China continues to have substantial capacity for production of stretched canvas, but provide no estimate, and give no indication of whether that capacity would enable increased production of digital print canvas.¹⁷ Nor did domestic interested parties report the existence of any barriers facing Chinese exporters in third-country markets.¹⁸

In the original investigation, China's production capacity to produce finished canvas reportedly increased substantially from *** square meters in 2002 to *** square meters in 2005 and its capacity utilization rose from a low of *** in 2002 to a high of *** in 2005.¹⁹ Trends in these indicators for bulk canvas were similar. Moreover, the Chinese industry gradually became increasingly export-oriented (to the U.S. market and all other markets) from 2002 to 2005, and these increases were at the expense of shipments to the home market.²⁰

It is not possible to tell from the current record whether the Chinese industry is significantly different in size from the original investigation. In any event, for the same reasons outlined in my dissenting views in the original investigation, I cannot conclude that subject import volume is likely to increase to a significant level in the event the order is revoked. In those views, although I acknowledged the rapid increase in subject import volume and market share during the period examined, I did not consider those increases to be significant when viewed in the context of the dramatic changes in the market for artists' canvas that had occurred during the period.²¹ Specifically, I noted that throughout the period examined, the vast majority of subject imports were in the finished canvas segment of the market and, in that segment, there were no subject import shipments of digital print canvas. In turn, the domestic industry's product focus had changed to favor production of bulk and digital print canvas, so much so that by 2005, only *** percent of domestic producers' shipments were of non-print finished canvas. As a result, by the end of the period examined, nearly *** percent of the subject imports were competing against only *** percent of total domestic shipments. In view of this marked attenuation of competition between subject imports and the domestic like product, I concluded that the volume of subject imports and the increase in that volume were insufficient to demonstrate that the subject imports themselves contributed materially to any injury to the domestic industry.

¹⁴ 19 U.S.C. § 1675a(a)(2).

¹⁵ USITC Pub. 3853 (Dissenting Views) at 52.

¹⁶ Id.

¹⁷ Comments of domestic interested parties, Sept. 27, 2011, at 7.

¹⁸ CR at I-17, PR at I-15.

¹⁹ Original Confidential Staff Report (INV-DD-047) ("OCR") at table VII-2.

²⁰ OCR at table VII-3.

²¹ USITC Pub. 3853 at 52 (Dissenting Views).

The record in this current review does not contain any information that would lead me to a conclusion that the competitive environment in the U.S. market for artists' canvas has changed. Therefore, I determine that revocation of the antidumping duty order is not likely to lead to an increase in the volume of subject imports such that the likely volume of subject imports would be significant.

E. Likely Price Effects of Subject Imports

In evaluating the likely price effects of subject imports if the antidumping duty order is revoked, the Commission considers whether there is likely to be significant underselling by the subject imports as compared to the domestic like product, and if the subject imports are likely to enter the United States at prices that otherwise would have a significant depressing or suppressing effect on the price of domestic like products.²²

In performing my analysis, I have taken into account my previous price findings. The Commission did not collect specific pricing data in this expedited review, nor did domestic interested parties provide such data. In the original investigation, however, I found that, although there was predominant underselling by subject imports, there was at best minimal evidence that subject imports depressed domestic prices during the period examined.²³ Further, I found that there was little evidence that prices had been suppressed during the period examined, as there were no confirmed lost revenue allegations and the ratio of cost of goods sold (COGS) to sales was essentially flat over the period examined.²⁴

Because current pricing data are unavailable on the record in this review, I have no information that would enable me to evaluate whether subject imports, in the event of revocation of the order, would be likely to enter the United States at prices that would undersell the domestic like product. I acknowledge Commerce's determination that dumping is likely to continue or recur if the antidumping duty order is revoked as well as the fact that artists' canvas, to some extent, is a commodity product that is sensitive to price.²⁵ My conclusions, however, regarding the likely price effects if the antidumping duty order is revoked are drawn largely from my conclusions on the likely volume of subject imports. As discussed above, subject imports are not likely to rise to a significant level if the antidumping duty order is revoked due to the fact that competition between subject imports and the domestic like product is substantially attenuated. Consequently, I find that revocation of the antidumping duty order would not likely lead to significant underselling by the subject imports as compared to the domestic like product, or to significant price depression or suppression, within a reasonably foreseeable time. Therefore, I find that revocation of the order is not likely to lead to any significant adverse price effects.

²² 19 U.S.C. § 1675(a)(3).

²³ USITC Pub. 3853 at 54 (Dissenting Views).

²⁴ *Id.*

²⁵ OCR at table II-1; 76 Fed. Reg. 55,351 (Sept. 7, 2011). I note, however, that the level of dumping margins, *per se*, tells us nothing about whether there is likely to be significant price underselling by subject imports or whether subject imports are likely to be sold at prices that depress or suppress U.S. prices for artists' canvas.

F. Likely Impact of Subject Imports

In evaluating the likely impact of imports of subject merchandise if the antidumping duty order is revoked, the Commission considers all relevant economic factors that are likely to have a bearing on the state of the industry in the United States, including, but not limited to: (1) likely declines in output, sales, market share, profits, productivity, return on investments, and utilization of capacity; (2) likely negative effects on cash flow, inventories, employment, wages, growth, ability to raise capital, and investment; and (3) likely negative effects on the existing development and production efforts of the industry, including efforts to develop a derivative or more advanced version of the domestic like product.²⁶

During the original investigation, I found that the impact of subject imports was not significant. I based my conclusion on the fact that, when the entire artists' canvas industry was examined (including producers of digital print canvas), the industry's performance was generally good over the period examined.²⁷ The industry experienced steady increases in capacity, production, shipment volume, and was profitable in all periods. Although there were some negative trends, including a drop in profitability and declines in the unit value of shipments between 2003 and 2004, I could not discern a link between the increasing volume of subject imports and those trends, primarily because there was no evidence of either price depression or price suppression in 2004. More important, I stressed that, despite some evidence of a causal link between subject imports and the condition of the finished canvas segment of the industry, the condition of the industry had to be assessed as a whole, and that because of the significant attenuation of competition in this industry, I could not find that subject imports had a materially adverse impact on the artists' canvas industry as a whole.

Because the Commission elected not to conduct a full review, I have limited new information on the current condition of the domestic industry.²⁸ Capacity, production, capacity utilization, and shipment levels in 2010 appear to be comparable to those experienced during the original investigation, although it is difficult to draw firm conclusions because domestic interested parties did not distinguish between bulk and finished canvas in their presentation of the data.²⁹ Aggregate profitability seems to be worse currently, however, as the industry appears to be suffering losses. On balance, the economic health of the artists' canvas industry could well be *** than it was at the time of the original investigation. The limited evidence in this expedited review, however, is insufficient for me to make a finding on whether the domestic industry is vulnerable to the continuation or recurrence of material injury in the event of revocation of the order.

Nevertheless, even were I to draw such a conclusion, because I have concluded that, in the event of revocation, the volume of subject imports and their effect on U.S. prices would not likely be significant, I would not conclude that such imports would be likely to have a significant impact on domestic artists' canvas producers' cash flow, inventories, employment, wages, growth, ability to raise capital, or investment within a reasonably foreseeable time in the event the order is revoked. I therefore find that revocation of the order is not likely to lead to the continuation or recurrence of material injury to the domestic artists' canvas industry within a reasonably foreseeable time.

²⁶ 19 U.S.C. § 1675(a)(4).

²⁷ USITC Pub. 3853 at 56.

²⁸ Domestic interested parties only provided 2010 data on capacity, production, volume and value of shipments, net sales, cost of goods sold, SG&A expenses, and operating income. CR, PR at table I-2.

²⁹ CR, PR at table I-2; domestic interested parties' response to Notice of Institution, Jun. 1, 2011.

II. CONCLUSION

In light of the substantially attenuated competition between subject imports and U.S. production in the current market for artists' canvas, subject imports are not likely to have significant adverse volume or price effects in the event of revocation of the antidumping duty order, and are therefore not likely to have a negative impact on the domestic industry. Thus, I find that material injury to the U.S. artists' canvas industry is not likely to continue or recur within a reasonably foreseeable time if the antidumping duty order on artists' canvas from China is revoked.

INFORMATION OBTAINED IN THE REVIEW

INTRODUCTION

On May 2, 2011, in accordance with section 751(c) of the Tariff Act of 1930 (“the Act”),¹ as amended, the U.S. International Trade Commission (“Commission”) gave notice that it had instituted a five-year review to determine whether revocation of the antidumping duty order on artists’ canvas from China would be likely to lead to a continuation or recurrence of material injury within a reasonably foreseeable time.^{2 3} On August 5, 2011, the Commission determined that the domestic interested party group response to its notice of institution was adequate.⁴ The Commission also determined that the respondent interested party group response was inadequate.⁵ The Commission found no other circumstances that would warrant conducting a full review.⁶ Accordingly, the Commission determined that it would conduct an expedited review pursuant to section 751(c)(3) of the Act of 1930.⁷ The Commission is tentatively scheduled to vote on these reviews on October 13, 2011, and to notify Commerce of its determination on October 25, 2011. Information relating to the background of the review is presented in the tabulation on the following page.

¹ 19 U.S.C. §1675(c).

² All interested parties were requested to respond to the notice by submitting information requested by the Commission. 76 FR 24516, May 2, 2011. Copies of the Commission’s *Federal Register* notices are presented in app. A.

³ In accordance with section 751(c) of the Act, the U.S. Department of Commerce (“Commerce”) published a notice of initiation of the five-year review of the subject antidumping duty order concurrently with the Commission’s notice of institution. 76 FR 24459, May 2, 2011.

⁴ The Commission received one submission in response to its notice of institution in the subject review. It was filed on behalf of the following five domestic producers of artists' canvas: Tara Materials, Inc. ("Tara"); Arkwright Advanced Coating, Inc. ("Arkwright"); BF Inkjet Media, Inc. ("BF Inkjet"); Duro Art Industries, Inc. ("Duro Art"); and Intelicoat Technologies ("Intelicoat"), also (“collectively domestic interested parties”). The domestic interested parties reported that firms responding to the Commission's notice of institution were not able to provide an estimate of their share of total U.S. production of the domestic like product and that there is no publicly known source of data concerning total U.S. production of artists' canvas in 2010. In addition to five firms above that responded to the Commission’s notice of institution, the domestic interested parties reported that nine additional firms (Aurora Specialty Textiles Group, Inc.; Sun Process Converting, Inc.; Kilborn, Inc.; National Graphics; ICG Holliston, LLC; Permalite, Inc.; Sunbelt Manufacturing Co.; Worthen Industries; and Quality Art, Inc.) may also be producers of the subject product in the United States. *Domestic interested parties' response to the Notice of Institution*, June 1, 2011, pp. 6 and 7.

⁵ The Commission received no responses to its notice of institution from respondent interested parties.

⁶ A copy of the *Explanation of Commission Determination on Adequacy* is presented in app. B.

⁷ 19 U.S.C. § 1675(c)(3). See the Commission’s web site (<http://www.usitc.gov>) for Commissioner votes on whether to conduct expedited or full reviews.

Effective date	Action
June 1, 2006	Commerce's original antidumping duty order issued (71 FR 31154)
May 2, 2011	Commission's institution of five-year review (76 FR 24516)
May 2, 2011	Commerce's initiation of five-year review (76 FR 24459)
September 7, 2011	Commerce's final determination in its expedited five-year review (76 FR 55351)
August 5, 2011	Commission's decision to conduct an expedited five-year review (76 FR 54789, September 2, 2011)
October 13, 2011	Commission's vote
October 25, 2011	Commission's determination to Commerce
Source: Cited <i>Federal Register</i> notices.	

The Original Investigation

On April 1, 2005, a petition was filed with Commerce and the Commission alleging that an industry in the United States was materially injured by reason of less-than-fair-value (LTFV) imports of artists' canvas from China.⁸ The Commission completed the original investigation in April 2006, and determined that an industry in the United States was materially injured by reason of imports of artists' canvas from China that are sold in the United States at less than fair value (LTFV).^{9 10} Subsequently, Commerce issued antidumping duty order on imports of artists' canvas from China.¹¹ Table I-1 presents the results of Commerce's final determination¹² and antidumping duty margins on artists' canvas from China. As indicated, Commerce determined a weighted-average dumping margin of 78 percent *ad valorem* for eight specific producer-exporter combinations, and a China-wide rate of 264 percent *ad valorem*, applicable to all other producer-exporter combinations.

⁸ The petition was filed by Tara Materials, Inc. of Lawrenceville, GA.

⁹ Commissioner Pearson dissented. See Additional and Dissenting Views of Commissioner Daniel R. Pearson, *Artists' Canvas from China, Invs. No. 731-TA-1091 (Final)*, USITC Publication 3853, May 2006, pp. 49-59.

¹⁰ The issues of whether the establishment of an industry is materially retarded, or the existence of critical circumstances under 19 U.S.C. § 1673d(b)(4)(A)(I) were not raised in the original investigation.

¹¹ *Notice of Antidumping Duty Order: Certain Artist Canvas from the People's Republic of China*, 71 FR 31154, June 1, 2006.

¹² *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.

Commerce's Final Result of Expedited Five-Year Review

Commerce published the result of its review based on the facts available on September 7, 2011. Commerce concluded that revocation of the antidumping duty order on artists' canvas from China would be likely to lead to continuation or recurrence of dumping at the same weighted-average margins as the original investigation in table I-1.¹³

Table I-1
Artists' canvas: Commerce's weighted-average dumping margins for the original investigation

Exporter	Producer(s)	Weighted average dumping margin (<i>percent ad valorem</i>)
Ningbo Conda	Jinhua Universal	264.09
	Wuxi Silver Eagle Cultural Goods	264.09
Conda Painting	Wuxi Pegasus Cultural Goods	264.09
Jinhua Universal	Jinhua Universal	264.09
Phoenix Materials	Phoenix Materials	77.90
	Phoenix Stationary	77.90
	Shuyang Phoenix	77.90
Phoenix Stationary	Phoenix Materials	77.90
	Phoenix Stationary	77.90
	Shuyang Phoenix	77.90
Jiangsu By-products	Wuxi Yinying Stationery and Sports Products	77.90
	Su Yang Yinying Stationery and Sports Products	77.90
China-wide rate		264.09
Source: Commerce's final determination (71 FR 16119, March 30, 2006).		

Commerce's Administrative Reviews

Commerce has not had any administrative reviews, changed circumstance determination, or duty absorption findings on artists' canvas from China.

Related Commission Investigations and Reviews

The Commission has conducted no other investigations or reviews concerning artists' canvas.

¹³ 76 FR 55351, September 7, 2011.

THE SUBJECT PRODUCT

Commerce's Scope

In the result of its expedited five-year review, Commerce defined the subject merchandise as:

The products covered by the order are artist canvases regardless of dimension and/or size, whether assembled or unassembled, that have been primed/ coated, whether or not made from cotton, whether or not archival, whether bleached or unbleached, and whether or not containing an ink receptive top coat. Priming/coating includes the application of a solution, designed to promote the adherence of artist materials, such as paint or ink, to the fabric. Artist canvases (i.e., pre-stretched canvases, canvas panels, canvas pads, canvas rolls (including bulk rolls that have been primed), printable canvases, floor cloths, and placemats) are tightly woven prepared painting and/or printing surfaces. Artist canvas and stretcher strips (whether or not made of wood and whether or not assembled) included within a kit or set are covered by the order. Artist canvases subject to the order are currently classifiable under subheadings 5901.90.20.00 and 5901.90.40.00 of the Harmonized Tariff Schedule of the United States ("HTSUS"). Specifically excluded from the scope of the order are tracing cloths, "paint-by-number" or "paint-it-yourself" artist canvases with a copyrighted preprinted outline, pattern, or design, whether or not included in a painting set or kit. Also excluded are stretcher strips, whether or not made from wood, so long as they are not incorporated into artist canvases or sold as part of an artist canvas kit or set.^{14 15 16}

Tariff Treatment

During the period covered by this review, subject merchandise was classified in Harmonized Tariff Schedule of the United States ("HTS") subheadings 5901.90.20 and 5901.90.40, covering "prepared painting canvas" and other products.¹⁷

¹⁴ 76 FR 55351, September 7, 2011.

¹⁵ In the original investigation on artists' canvas from China, the Commerce department included this statement in its scope of the subject product: "Additionally, we have determined that canvas woven and primed in India but cut and stretched in China and exported from China is not subject to the investigations covering artists' canvas from China." 71 FR 16117, March 30, 2006.

¹⁶ Although the HTS subheading is provided for convenience and customs purposes, the written description of the scope is dispositive.

¹⁷ By virtue of the scope of heading 5901, the applicable HTS provisions also include certain nonsubject merchandise, "tracing paper and buckram and similar stiffened textile fabrics used for hat foundations."

Description and Uses¹⁸

Artists' canvas is used as a medium for the graphic expression of art, particularly involving paints, inks, or another graphic medium. Artists' canvas is made of a canvas fabric that, once coated with a specific chemical product, known as gesso or primer, will allow paint to be placed upon it without penetrating the original fabric.¹⁹ The coating provides the artist with the surface upon which to produce a graphic presentation, while the canvas provides the material which best supports the coated surface. The range of woven materials that may be used to produce artists' canvas include cotton, linen, muslin, jute, and polyester.²⁰ Raw uncoated canvas may be used in a variety of applications, such as in sails for sailboats, tents, awnings, book covers, and in various industrial products; but once primed, it is used exclusively for artists' canvas.²¹

Artists' canvas can be sold in a variety of physical formats. The most common format is stretched (or assembled) canvas, in which coated canvas is wrapped around (and attached to) wooden frames.²² Stretched canvas is produced and sold in a variety of shapes and sizes. Artists' canvas may also be sold in bulk rolls, which are often used by converters - or by artists themselves - to produce stretched canvas products. Other common formats of artists' canvas include panels and archival boards, in which canvas pieces are glued to either a chipboard or hard board surface; print canvas, in which artists' canvas is treated with an additional ink receptive coating for use in inkjet printers; and canvas pads, in which loose artists' canvas sheets are bound together.²³ Less common formats of artists' canvas include floor cloths, or heavy-weight canvas coated on one side and used as decorative floor covering, and placemats, in which artists' canvas is cut into oval or rectangular shapes and coated on both sides.²⁴

¹⁸ Unless indicated otherwise, the discussion in this section is based on information contained in *Artists' Canvas from China, Invs. No. 731-TA-1091 (Final)*, USITC Publication 3853, May 2006, p. I-4 and I-5.

¹⁹ Petition, p. 5.

²⁰ *Ibid.*

²¹ Conference transcript, p. 23 (Straquadine).

²² Petition, p. 5.

²³ Petition, pp. 5-6.

²⁴ On the basis of questionnaire data received in the original investigation, floor cloths and placemats accounted for *** percent of U.S. producers' total U.S. shipments of artists' canvas products in 2005 (*see* table IV-4 in Part IV).

Manufacturing Processes²⁵

The production process for artists' canvas proceeds as follows: raw canvas is purchased by a producer and coated (or primed) with a latex paint known as a gesso (or primer) that is mixed using various chemical compounds, based on the application for which it is intended.²⁶ This paint-receptive coating provides the surface upon which art can be produced, and provides a barrier that prevents paint from penetrating into the woven fibers of the canvas.²⁷ Raw canvas will receive two to four coats of gesso, depending upon the application of the final product. Coated canvas may be sold as-is, in bulk rolls, or it may be converted into a finished canvas product, the most common of which is stretched canvas.²⁸

The production of stretched canvas begins with the production of "stretcher strips," around which canvas is stretched and fixed. Raw lumber is machine-ripped and fed into a chop saw that "defects"²⁹ the wood and cuts it to the appropriate size, producing a "blank." Blanks are then fed into a moulder that creates a rounded edge over which canvas can be smoothly stretched. Once moulded, blanks are fed into tenoners that cut a 45-degree interlocking corner that allows blanks to be joined together. The resulting product is called a stretcher strip.³⁰ Four stretcher strips are joined to form a frame, and a piece of cut canvas is stretched over the frame to produce a stretched canvas product. Stretched canvas is either stapled to the side or rear of the frame, or tucked into a groove in the frame to produce what is known as a "splined" canvas.³¹

Evidence submitted by petitioner in the preliminary phase of the Commission's original investigation suggests that the production process for artists' canvas employed by at least one major producer in China is broadly similar to the process described above.³²

²⁵ Unless indicated otherwise, the discussion in this section is based on information contained in *Artists' Canvas from China, Invs. No. 731-TA-1091 (Final)*, USITC Publication 3853, May 2006, p. I-6.

²⁶ Petitioner Tara, for instance, utilizes *** different types of primer in its production of bulk canvas, though *** such compounds account for the majority of its production. Staff fieldwork report, February 24, 2006, p. 4.

²⁷ The exception to this principle is watercolor canvas, which, by definition, must allow paint to soak into its fibers. During the original investigation, Tara was the only known U.S. producer of watercolor canvas, and had a patent pending on the product. Staff fieldwork report, February 24, 2006, p. 3; hearing transcript, p. 33 (Straquadine).

²⁸ Throughout this report, the term "bulk" refers to artists' canvas that has been coated with a primer; canvas products that have undergone further processing from this bulk stage are referred to as "finished" artists' canvas.

²⁹ "Defecting" refers to the process by which knots and other imperfections are removed from wood. This process is necessary as imperfections may weaken the frame of a finished artists' canvas product. ***.

³⁰ Stretcher strips are sold by Tara independently of its artists' canvas products. See Tara product catalogue, included at att. A, staff fieldwork report, February 24, 2006.

³¹ The production process for canvas panels and archival boards is ***. Staff fieldwork report, February 24, 2006, p. 4.

³² Petition, p. 10 and exh. 7. Petitioner acknowledges, however, that the production process employed in China "is less automated and hence involves a greater reliance on labor" than that employed by U.S. producers. *Ibid.*, p. 10.

Domestic Like Product Issues

The Commission's decision regarding the appropriate domestic products that are "like" the subject imported products is based on a number of factors including (1) physical characteristics and uses; (2) common manufacturing facilities and production employees; (3) interchangeability; (4) customer and producer perceptions; (5) channels of distribution; and, where appropriate, (6) price.³³

In its original determination, the Commission found a single domestic like product, all artists' canvas, co-extensive with the scope of the investigation.³⁴ Two types of firms produced artists' canvas subject to the original investigation: "coaters"- firms that produced bulk canvas, and "converters"- firms that produce finished canvas products. Converters were then further divided between firms that produced assembled canvas products (such as stretched canvas, canvas panels, and canvas pads) and those that produced canvas suitable for use with digital printers ("print converters"). *** U.S. firms (***) were identified in the original investigation as integrated producers, or firms that produced both bulk and finished canvas products. Tara was identified during the original investigation as the largest U.S. producer of bulk artists' canvas, accounting for *** percent of reported U.S. production of that product in 2005. *** was identified as the second largest domestic producer of bulk canvas, accounting for *** percent of reported production of that product during 2005. *** was identified during the original investigation as the largest U.S. producer of finished artists' canvas, accounting for *** percent of reported production of that product in 2005, with Tara accounting for *** percent of reported 2005 production of the finished canvas, and *** and *** accounting respectively for *** and *** percent.³⁵ The Commission defined the domestic industry in its original determination as all U.S. producers of artists' canvas, that is, the producers of bulk canvas and non-print converters.³⁶

Domestic interested parties did not comment on their positions as to the Commission's definitions of the domestic like product and domestic industry in its response to the Commission's notice of institution in this five-year review.

³³ If the subject product is an intermediate product, the Commission may employ its five-factor "semifinished/finished products" test consisting of (1) uses (whether the upstream product is dedicated to the production of the downstream product); (2) markets (whether there are separate markets for the upstream and downstream products); (3) characteristics and functions (whether there are differences in the physical characteristics and functions of the upstream and downstream products); (4) value (whether there are differences in the production costs and/or sales values (transfer values or market prices as appropriate) of the upstream and downstream products); and (5) transformation processes (the significance and extent of the processes used to transform the upstream product into the downstream product).

³⁴ In the original investigation, the definition of the domestic like product was not in dispute. Petitioner and Respondents concurred with the Commission's treatment of the issue. Petitioner also contended that application of a semi-finished products analysis, which it claims is not required because bulk canvas is not necessarily a "semi-finished" product, leads to the same finding of a single domestic like product. *Artists' Canvas from China, Invs. No. 731-TA-1091 (Final)*, USITC Publication 3853, May 2006, p. 5.

³⁵ *Recommendation on Adequacy of Responses to the Notice of Institution*, INV-JJ-076, July 26, 2011, pp. 2 and 3. Staff Report on *Artists' Canvas from China, Inv. No. 731-TA-1091 (Final)*, April 19, 2006, INV-DD-056, p. I-4 and table III-1.

³⁶ Certain Commissioners defined the domestic industry differently than the Commission majority in the original investigation. Chairman Koplan and Commissioner Aranoff defined the domestic industry as all U.S. producers of artists' canvas, including the producers of bulk canvas, non-print converters, and print converters. Commissioner Pearson also defined the domestic industry to include converters of digital print canvas.

THE INDUSTRY IN THE UNITED STATES

U.S. Producers

The original investigation resulted from a petition filed on behalf of Tara on April 1, 2005. At that time, there were ten known U.S. producers of artists' canvas (including both bulk artists' canvas and finished artists' canvas). For U.S. production of bulk artists' canvas, the petitioning firm, Tara, was the dominant U.S. producer, accounting for *** percent of reported U.S. production in 2005 and Duro Art was the next largest U.S. producer of bulk canvas, accounting for *** percent of reported 2005 production, with *** other firms, (***), each accounting for less than *** percent. For U.S. production of finished artists' canvas, the petitioning firm, Tara, accounted for *** percent of reported 2005 production, and *** and ***, two producers of digital print canvas, accounted for *** and *** percent, respectively. In tandem, *** producers of digital print canvas accounted for *** percent of reported U.S. production of finished artists' canvas products in 2005, while *** producers of non-print finished artists' canvas products accounted for the remaining *** percent.³⁷

During this expedited review, five firms (Tara, Arkwright, BF Inkjet, Duro Art, Intelicoat) provided the Commission with a response to its notice of institution. Tara, the largest domestic producer, has *** in the United States, but still produces the subject bulk artists' canvas and coats or primes artists' canvas in its Lawrenceville, GA plant.³⁸

U.S. Producer's Trade and Financial Data

Domestic interested parties were requested by the Commission to present certain data in their response to the notice of institution.³⁹ There is no publicly known source of data concerning total U.S. production of artists' canvas and the firms responding to the Commission's notice of institution were not able to provide an estimate of their share of total U.S. production of the domestic like product. The domestic interested parties participating in the adequacy phase of this review indicated that there are currently as many as 14 possible producers of the domestic like product. The responding domestic producers in this current review were found by the Commission during the final investigation to be among the largest domestic producers of bulk canvas (Tara and Duro Art) and finished canvas (Tara, BF Inkjet, Intelicoat, and Duro Art). In the aggregate, these producers accounted for *** percent of domestic bulk canvas production and *** percent of finished canvas production during 2005. Arkwright did not produce artists' canvas during 2005, but began limited domestic production of digital print canvas for internal evaluation and limited sales during 2010. The company reported that it expects open market commercial sales of the domestically-produced canvas by the third quarter of 2011. Table I-2 presents U.S. producers' 2010 data on their operations of artists' canvas.

³⁷ Staff Report on *Artists' Canvas from China, Inv. No. 731-TA-1091 (Final)*, April 19, 2006, INV-DD-056, p. I-4 and table III-1.

³⁸ *Domestic interested parties' response to notice of institution*, June 1, 2011, p. 3. "****." *Domestic interested parties' response to the Notice of Institution*, as amended by supplemental information, June 2, 2011, exh. A.

³⁹ Total U.S. industry data for 2010, the only year for which data were collected, is compiled from Tara, Arkwright, BF Inkjet, Duro Art, and Intelicoat's responses to the Commission's notice of institution.

Table I-2

Artists' canvas: U.S. producers' trade and financial data, 2010

Item	Tara	Arkwright ¹	BF Inkjet	Duro Art	Intelicoat ²	Total
Capacity (1,000 sq. meters)	***	***	***	***	***	***
Production:						
Quantity (1,000 sq. meters)	***	***	***	***	***	***
Commercial shipments:						
Quantity (1,000 sq. meters)	***	***	***	***	***	***
Value (\$1,000)	***	***	***	***	***	***
Unit Value (\$/sq. meter)	3.03	9.00	2.68	3.00	4.88	3.29
Internal consumption:						
Quantity (1,000 sq. meters)	***	***	***	***	***	***
Value (\$1,000)	***	***	***	***	***	***
Net sales (\$1,000)	***	***	***	***	***	***
COGS (\$1,000)	***	***	***	***	***	***
Gross profit or (loss) (\$1,000)	***	***	***	***	***	***
SG&A expenses (\$1,000)	***	***	***	***	***	***
Operating income or (loss) (\$1,000)	***	***	***	***	***	***
¹ Arkwright Advanced Coating, Inc.'s ***. ² Intelicoat Technologies ***. ³ ***. ⁴ ****.						
Note.--The production, capacity and shipment data presented are for calendar year 2010. ***.						
Source: Domestic interested parties' response to the Notice of Institution, June 1, 2011 as amended by supplemental information, June 2, 2011.						

U.S. IMPORTS AND APPARENT U.S. CONSUMPTION

U.S. Imports

During the original investigation, 20 U.S. importers provided data in response to the Commission's questionnaires, with two firms (MacPherson's and Tara) accounting for the majority of both subject and nonsubject imports of artists' canvas in 2005.⁴⁰

The domestic interested parties indicated in their response to the notice of institution in this current review that the following firms are believed to be importers of the subject artists' canvas from China: A.C. Moore; Art Supply Enterprises, Inc. (also know as MacPherson's Art Supply); Breathing Color; ColArt International Holdings, Ltd.; Dick Blick Holdings, Inc.; Jerry's Artarama; Jo-Ann Stores, Inc.; Michael's Stores, Inc.; Permalite, Inc.; Premier Imaging Products, Inc.; and Utrecht Art Supplies.⁴¹ Imports of artists' canvas are currently classified under HTS subheadings 5901.90.20 and 5901.90.40.⁴² Imports from China varied during the period, but grew rapidly in 2010 when compared with 2006 to 2009 while total imports stayed relatively steady from 2006 to 2010 (at a range of 6.0 to 6.9 million square meters).⁴³ Table I-3 presents the quantity, value, and unit value of U.S. imports of artists' canvas from 2005 to 2010.

⁴⁰ U.S. importer *** was found to be the largest U.S. importer of artists' canvas, accounting for *** percent of reported subject imports, and *** percent of total reported imports from all sources in 2005. *** was identified as the second largest U.S. importer, accounting for *** percent of total reported imports in 2005, and *** percent of reported nonsubject imports in 2005.

⁴¹ Domestic interested parties noted that other firms may also import the subject merchandise from China, but such information is not publically available. *Domestic interested parties' response to the Notice of Institution*, June 1, 2011, p. 7 and as amended by supplemental information, June 2, 2011, exh. A.

⁴² U.S. producer Tara notes that "beginning in 2008, the Commerce Department in a series of scope rulings concluded that artist canvas primed in a third country and stretched in China was a product of the country where the canvas was primed. These rulings were premised on the Department's finding that the country in which the canvas was primed conferred origin under the order. *Final Determination of Sales at Less Than Fair Value: Certain Artist Canvas from the People's Republic of China*, 71 Fed. Reg. 16116 (March 30, 2006)." *Domestic interested parties' response to the Notice of Institution*, June 1, 2011, p. 5.

⁴³ Tara reported that similar to its own business activity of shipping artists canvas coated in its Lawrenceville, Georgia factory to China for assembly into stretched canvas and canvas panels, it is aware of many U.S. importers of artists' canvas coated in Vietnam and India also being sent to China and assembling the canvas into stretched canvas, canvas panels, pads, and rolls. *Domestic interested parties' response to the Notice of Institution*, as amended by supplemental information, June 2, 2011, exh. A. According to the Commerce's scope ruling (*see footnote 41*), Tara's imports of the assembled and stretched canvas being imported back from China are nonsubject, as long as the canvas is not made, "coated" or "primed" in China.

Table I-3

Artists' canvas: U.S. imports, by source, 2006-10

Item	2006	2007	2008	2009	2010
Quantity (1,000 square meters)					
China	507	65	328	571	1,918
Vietnam	2,568	2,953	3,489	1,784	1,796
Mexico	1,127	1,297	710	1,165	921
India	1,460	1,851	1,633	1,196	903
All others	1,000	692	474	1,527	478
Total imports	6,663	6,858	6,633	6,244	6,016
Value (\$1,000)					
China	2,898	504	2,865	3,759	14,292
Vietnam	2,264	9,209	13,100	14,661	11,248
Mexico	6,522	8,523	5,006	8,131	6,722
India	5,071	8,247	8,451	8,352	5,788
All others	5,381	4,974	3,392	2,779	2,956
Total imports	22,136	31,457	32,812	37,681	41,005
Unit value (\$/square meter)					
China	\$5.71	\$7.80	\$8.73	\$6.58	\$7.45
Vietnam	\$0.88	\$3.12	\$3.75	\$8.22	\$6.26
Mexico	\$5.79	\$6.57	\$7.05	\$6.98	\$7.30
India	\$3.47	\$4.46	\$5.18	\$6.98	\$6.41
All others	\$5.38	\$7.18	\$7.16	\$1.82	\$6.18
Average	\$3.32	\$4.59	\$4.95	\$6.03	\$6.82
<p>Note.--The applicable HTS provisions may also include a nonsubject merchandise, such as "tracing paper and buckram and similar stiffened textile fabrics used in hat foundations." The domestic interested parties indicated in their response that they believe that the majority of U.S. imports reported under HTS subheadings 5901.90.20 and 5901.90.40 may be nonsubject merchandise. <i>Domestic interested parties' response to the Notice of Institution</i>, June 1, 2011, p. 5.</p> <p>Source: Official Commerce statistics, HTS subheadings 5901.90.20 and 5901.90.40.</p>					

Apparent U.S. Consumption and Market Shares

Apparent consumption, based upon U.S. shipments and imports, in 2010 was *** million square meters (valued at \$*** million). Domestic production accounted for *** percent of apparent U.S. consumption (by quantity), while imports from China accounted for *** percent. Table I-4 presents data for apparent U.S. consumption and U.S. market shares of artists' canvas in 2010.

Table I-4

Artists' Canvas: U.S. producers' U.S. shipments, U.S. shipments of imports, apparent U.S. consumption, and U.S. market shares, 2010

Source	2010
Quantity (1,000 square meters)	
U.S. producers' U.S. shipments	***
U.S. imports from--	
China	1,918
Other sources	4,098
Total U.S. imports	6,016
Apparent U.S. consumption	***
Share of quantity (percent)	
U.S. producers' U.S. shipments	***
U.S. imports from--	
China	***
Other sources	***
Total U.S. imports	***
Value (\$1,000 dollars)	
U.S. producers' U.S. shipments	***
U.S. imports from--	
China	14,292
Other sources	26,713
Total U.S. imports	41,005
Apparent U.S. consumption	***
Share of value (percent)	
U.S. producers' U.S. shipments	***
U.S. imports from--	
China	***
Other sources	***
Total U.S. imports	***
Source: Compiled from <i>Domestic interested parties' response to the Notice of Institution</i> , June 1, 2011 as amended by supplemental information, June 2, 2011 and official Commerce statistics.	

SUMMARY DATA

Appendix C presents selected data from the original investigation regarding artists' canvas.

ANTIDUMPING ACTIONS OUTSIDE THE UNITED STATES

Based on available information, artists' canvas from China has not been subject to any import relief investigations in other countries.

THE INDUSTRY IN CHINA

There are no public sources, either domestic or foreign, that compile specific data for the total capacity or production of artists' canvas in China. During the original investigation, questionnaire responses were received from four firms in China: Hangzhou Hail Electronic Equipment Co., Ltd. ("Hangzhou");⁴⁴ Ningbo Conda Import & Export Co., Ltd. ("Ningbo Conda"); Wuxi Phoenix Artist Material Co., Ltd. ("Wuxi"); and Yiwu Kaibo Painting Materials Co., Ltd. ("Yiwu Kaibo"). Ningbo Conda was solely an exporter of subject merchandise; the remaining three firms both produced and exported artists' canvas at that time.⁴⁵

The domestic interested parties participating in this five-year review reported in their response to the Commission's notice of institution that the following firms in China are producers and exporters of artist canvas: Ningbo Conda; Conda Painting; Phoenix Materials; Phoenix Stationery; Jiangsu By-Products; Jinhua Universal; Wuxi Silver Eagle Cultural Goods Co. Ltd.; Wuxi Pegasus Cultural Goods Co. Ltd.; Shuyang Phoenix; Wuxi Yinying Stationery and Sports Products Co. Ltd. Corp.; and Yinying Stationery and Sports Products Co. Ltd.

⁴⁴ Hangzhou reportedly only produces and exports assembled canvas using bulk canvas primed in India. The Department of Commerce has determined that the country of origin for such exports is India, and are therefore not subject to the instant investigation (*see Commerce's final determination*, 71 FR 16116, March 30, 2006). *See also*, fn. 9, below.

⁴⁵ During the original investigation, petitioner noted that, as a result of questionnaire responses not received from potential producers of subject merchandise, the Commission's record regarding the Chinese industry "appears to be incomplete." Petitioner's prehearing brief, p. 42. According to respondents in the original investigation, the Chinese firm ***, for which data were received, is the "dominant exporter" of subject merchandise from China. Respondents' posthearing brief, p. 14. (***) accounted for two-thirds of 2005 reported exports to the United States.)

APPENDIX A
***FEDERAL REGISTER* NOTICES**

before, during, or up to 30 days after the meeting either in person or by mail. To the extent that time permits, the Council chairman will allow public presentation of oral comments at the meeting. To allow full consideration of information by Council members, written notice must be provided at least 5 days prior to the meeting. Any written comments received prior to the meeting will be provided to Council members at the meeting.

ADDRESSES: The meeting will be held in the Glenwood Springs Community Center, 100 Wulfsohn Road, Glenwood Springs, Colorado. Please send written comments to Mr. Kib Jacobson, Bureau of Reclamation, Upper Colorado Regional Office, 125 South State Street, Room 6107, Salt Lake City, Utah 84138-1147; telephone (801) 524-3753; facsimile (801) 524-3826; e-mail at: kjacobson@usbr.gov.

FOR FURTHER INFORMATION CONTACT: Kib Jacobson, telephone (801) 524-3753; facsimile (801) 524-3826; e-mail at: kjacobson@usbr.gov.

SUPPLEMENTARY INFORMATION: The Colorado River Basin Salinity Control Advisory Council was established by the Colorado River Basin Salinity Control Act of 1974 (Pub. L. 93-320) (Act) to receive reports and advise Federal agencies on implementing the Act. The purpose of the meeting will be to discuss and take appropriate actions regarding the following: (1) The Basin States Program created by Public Law 110-246, which amended the Act; (2) responses to the Advisory Council Report; and (3) other items within the jurisdiction of the Council.

Public Disclosure

Before including your name, address, telephone number, e-mail address, or other personal identifying information in your comment, you should be aware that your entire comment—including your personal identifying information—may be made publicly available at any time. While you can ask us in your comment to withhold your personal identifying information from public review, we cannot guarantee that we will be able to do so.

Dated: April 7, 2011.

Brent Rhees,

Deputy Regional Director, Upper Colorado Region.

[FR Doc. 2011-10545 Filed 4-29-11; 8:45 am]

BILLING CODE 4310-MN-P

DEPARTMENT OF THE INTERIOR

Bureau of Reclamation

Glen Canyon Dam Adaptive Management Work Group

AGENCY: Bureau of Reclamation, Interior.

ACTION: Notice of public meeting.

SUMMARY: The Glen Canyon Dam Adaptive Management Work Group (AMWG) makes recommendations to the Secretary of the Interior concerning Glen Canyon Dam operations and other management actions to protect resources downstream of Glen Canyon Dam, consistent with the Grand Canyon Protection Act. The AMWG meets two to three times a year.

DATES: The meeting will be held on Wednesday, May 18, 2011, from 8:30 a.m. to approximately 5 p.m.

ADDRESSES: The meeting will be held at the Fiesta Resort Conference Center, 2100 S. Priest Drive, Tempe, Arizona.

FOR FURTHER INFORMATION CONTACT: Glen Knowles, Bureau of Reclamation, telephone (801) 524-3781; facsimile (801) 524-3858; e-mail at gknowles@usbr.gov.

SUPPLEMENTARY INFORMATION: The Glen Canyon Dam Adaptive Management Program (AMP) was implemented as a result of the Record of Decision on the Operation of Glen Canyon Dam Final Environmental Impact Statement to comply with consultation requirements of the Grand Canyon Protection Act (Pub. L. 102-575) of 1992. The AMP includes a Federal advisory committee, the AMWG, a technical work group (TWG), a Grand Canyon Monitoring and Research Center, and independent review panels. The TWG is a subcommittee of the AMWG and provides technical advice and recommendations to the AMWG.

Agenda: The primary purpose of the meeting will be for the AMWG to discuss development of the Fiscal Year 2012 budget and hydrograph, as well as to receive updates on the two environmental assessments being prepared by the Bureau of Reclamation, the Long Term Experiment and Management Plan environmental impact statement, current basin hydrology and Glen Canyon Dam operational changes, and project updates from the Grand Canyon Monitoring and Research Center. The AMWG will also address other administrative and resource issues pertaining to the AMP.

To view a copy of the agenda and documents related to the above meeting, please visit Reclamation's Web site at

<http://www.usbr.gov/uc/rm/amp/amwg/mtgs/11may18.html>. Time will be allowed at the meeting for any individual or organization wishing to make formal oral comments. To allow for full consideration of information by the AMWG members, written notice must be provided to Glen Knowles, Bureau of Reclamation, Upper Colorado Regional Office, 125 South State Street, Room 6107, Salt Lake City, Utah 84138; telephone 801-524-3781; facsimile 801-524-3858; e-mail at gknowles@usbr.gov at least five (5) days prior to the meeting. Any written comments received will be provided to the AMWG members.

Public Disclosure of Comments

Before including your name, address, phone number, e-mail address, or other personal identifying information in your comment, you should be aware that your entire comment—including your personal identifying information—may be made publicly available at any time. While you can ask us in your comment to withhold your personal identifying information from public review, we cannot guarantee that we will be able to do so.

Dated: April 26, 2011.

Glen Knowles,

Chief, Adaptive Management Group, Environmental Resources Division, Upper Colorado Regional Office, Salt Lake City, Utah.

[FR Doc. 2011-10533 Filed 4-29-11; 8:45 am]

BILLING CODE 4310-MN-P

INTERNATIONAL TRADE COMMISSION

[Investigation No. 731-TA-1091 (Review)]

Artists' Canvas From China; Institution of a Five-Year Review Concerning the Antidumping Duty Order on Artists' Canvas From China

AGENCY: United States International Trade Commission.

ACTION: Notice

SUMMARY: The Commission hereby gives notice that it has instituted a review pursuant to section 751(c) of the Tariff Act of 1930 (19 U.S.C. 1675(c)) (the Act) to determine whether revocation of the antidumping duty order on artists' canvas from China would be likely to lead to continuation or recurrence of material injury. Pursuant to section 751(c)(2) of the Act, interested parties are requested to respond to this notice by submitting the information specified

below to the Commission;¹ to be assured of consideration, the deadline for responses is June 1, 2011. Comments on the adequacy of responses may be filed with the Commission by July 15, 2011. For further information concerning the conduct of this review and rules of general application, consult the Commission's Rules of Practice and Procedure, part 201, subparts A through E (19 CFR part 201), and part 207, subparts A, D, E, and F (19 CFR part 207), as most recently amended at 74 FR 2847 (January 16, 2009).

DATES: *Effective Date:* May 2, 2011.

FOR FURTHER INFORMATION CONTACT: Mary Messer (202–205–3193), Office of Investigations, U.S. International Trade Commission, 500 E Street, SW., Washington, DC 20436. Hearing-impaired persons can obtain information on this matter by contacting the Commission's TDD terminal on 202–205–1810. Persons with mobility impairments who will need special assistance in gaining access to the Commission should contact the Office of the Secretary at 202–205–2000. General information concerning the Commission may also be obtained by accessing its Internet server (<http://www.usitc.gov>). The public record for this review may be viewed on the Commission's electronic docket (EDIS) at <http://edis.usitc.gov>.

SUPPLEMENTARY INFORMATION:

Background.—On June 1, 2006, the Department of Commerce issued an antidumping duty order on imports of artists' canvases from China (71 FR 31154). The Commission is conducting a review to determine whether revocation of the order would be likely to lead to continuation or recurrence of material injury to the domestic industry within a reasonably foreseeable time. It will assess the adequacy of interested party responses to this notice of institution to determine whether to conduct a full review or an expedited review. The Commission's determination in any expedited review will be based on the facts available, which may include information provided in response to this notice.

Definitions.—The following definitions apply to this review:

(1) *Subject Merchandise* is the class or kind of merchandise that is within the scope of the five-year review, as defined by the Department of Commerce.

(2) The *Subject Country* in this review is China.

(3) The *Domestic Like Product* is the domestically produced product or products which are like, or in the absence of like, most similar in characteristics and uses with, the *Subject Merchandise*. In its original determination, the Commission found a single *Domestic Like Product*, all artists' canvases, co-extensive with the scope of the investigation.

(4) The *Domestic Industry* is the U.S. producers as a whole of the *Domestic Like Product*, or those producers whose collective output of the *Domestic Like Product* constitutes a major proportion of the total domestic production of the product. In its original determination, the Commission defined the *Domestic Industry* as all U.S. producers of artists' canvases, that is, the producers of bulk canvases and non-print converters. Certain Commissioners defined the *Domestic Industry* differently.

(5) The *Order Date* is the date that the antidumping duty order under review became effective. In this review, the *Order Date* is June 1, 2006.

(6) An *Importer* is any person or firm engaged, either directly or through a parent company or subsidiary, in importing the *Subject Merchandise* into the United States from a foreign manufacturer or through its selling agent.

Participation in the review and public service list.—Persons, including industrial users of the *Subject Merchandise* and, if the merchandise is sold at the retail level, representative consumer organizations, wishing to participate in the review as parties must file an entry of appearance with the Secretary to the Commission, as provided in section 201.11(b)(4) of the Commission's rules, no later than 21 days after publication of this notice in the **Federal Register**. The Secretary will maintain a public service list containing the names and addresses of all persons, or their representatives, who are parties to the review.

Former Commission employees who are seeking to appear in Commission five-year reviews are advised that they may appear in a review even if they participated personally and substantially in the corresponding underlying original investigation. The Commission's designated agency ethics official has advised that a five-year review is not considered the "same particular matter" as the corresponding underlying original investigation for

purposes of 18 U.S.C. 207, the post employment statute for Federal employees, and Commission rule 201.15(b) (19 CFR 201.15(b)), 73 FR 24609 (May 5, 2008). This advice was developed in consultation with the Office of Government Ethics. Consequently, former employees are not required to seek Commission approval to appear in a review under Commission rule 19 CFR 201.15, even if the corresponding underlying original investigation was pending when they were Commission employees. For further ethics advice on this matter, contact Carol McCue Verratti, Deputy Agency Ethics Official, at 202–205–3088.

Limited disclosure of business proprietary information (BPI) under an administrative protective order (APO) and APO service list.—Pursuant to section 207.7(a) of the Commission's rules, the Secretary will make BPI submitted in this review available to authorized applicants under the APO issued in the review, provided that the application is made no later than 21 days after publication of this notice in the **Federal Register**. Authorized applicants must represent interested parties, as defined in 19 U.S.C. 1677(9), who are parties to the review. A separate service list will be maintained by the Secretary for those parties authorized to receive BPI under the APO.

Certification.—Pursuant to section 207.3 of the Commission's rules, any person submitting information to the Commission in connection with this review must certify that the information is accurate and complete to the best of the submitter's knowledge. In making the certification, the submitter will be deemed to consent, unless otherwise specified, for the Commission, its employees, and contract personnel to use the information provided in any other reviews or investigations of the same or comparable products which the Commission conducts under Title VII of the Act, or in internal audits and investigations relating to the programs and operations of the Commission pursuant to 5 U.S.C. Appendix 3.

Written submissions.—Pursuant to section 207.61 of the Commission's rules, each interested party response to this notice must provide the information specified below. The deadline for filing such responses is June 1, 2011. Pursuant to section 207.62(b) of the Commission's rules, eligible parties (as specified in Commission rule 207.62(b)(1)) may also file comments concerning the adequacy of responses to the notice of institution and whether the Commission should conduct an expedited or full review.

¹ No response to this request for information is required if a currently valid Office of Management and Budget (OMB) number is not displayed; the OMB number is 3117–0016/USITC No. 11–5–244, expiration date June 30, 2011. Public reporting burden for the request is estimated to average 15 hours per response. Please send comments regarding the accuracy of this burden estimate to the Office of Investigations, U.S. International Trade Commission, 500 E Street, SW., Washington, DC 20436.

The deadline for filing such comments is July 15, 2011. All written submissions must conform with the provisions of sections 201.8 and 207.3 of the Commission's rules and any submissions that contain BPI must also conform with the requirements of sections 201.6 and 207.7 of the Commission's rules. The Commission's rules do not authorize filing of submissions with the Secretary by facsimile or electronic means, except to the extent permitted by section 201.8 of the Commission's rules, as amended, 67 FR 68036 (November 8, 2002). Also, in accordance with sections 201.16(c) and 207.3 of the Commission's rules, each document filed by a party to the review must be served on all other parties to the review (as identified by either the public or APO service list as appropriate), and a certificate of service must accompany the document (if you are not a party to the review you do not need to serve your response).

Inability to provide requested information.—Pursuant to section 207.61(c) of the Commission's rules, any interested party that cannot furnish the information requested by this notice in the requested form and manner shall notify the Commission at the earliest possible time, provide a full explanation of why it cannot provide the requested information, and indicate alternative forms in which it can provide equivalent information. If an interested party does not provide this notification (or the Commission finds the explanation provided in the notification inadequate) and fails to provide a complete response to this notice, the Commission may take an adverse inference against the party pursuant to section 776(b) of the Act in making its determination in the review.

Information To Be Provided in Response to This Notice of Institution: As used below, the term "firm" includes any related firms.

(1) The name and address of your firm or entity (including World Wide Web address) and name, telephone number, fax number, and E-mail address of the certifying official.

(2) A statement indicating whether your firm/entity is a U.S. producer of the *Domestic Like Product*, a U.S. union or worker group, a U.S. importer of the *Subject Merchandise*, a foreign producer or exporter of the *Subject Merchandise*, a U.S. or foreign trade or business association, or another interested party (including an explanation). If you are a union/worker group or trade/business association, identify the firms in which your workers are employed or which are members of your association.

(3) A statement indicating whether your firm/entity is willing to participate in this review by providing information requested by the Commission.

(4) A statement of the likely effects of the revocation of the antidumping duty order on the *Domestic Industry* in general and/or your firm/entity specifically. In your response, please discuss the various factors specified in section 752(a) of the Act (19 U.S.C. § 1675a(a)) including the likely volume of subject imports, likely price effects of subject imports, and likely impact of imports of *Subject Merchandise* on the *Domestic Industry*.

(5) A list of all known and currently operating U.S. producers of the *Domestic Like Product*. Identify any known related parties and the nature of the relationship as defined in section 771(4)(B) of the Act (19 U.S.C. 1677(4)(B)).

(6) A list of all known and currently operating U.S. importers of the *Subject Merchandise* and producers of the *Subject Merchandise* in the *Subject Country* that currently export or have exported *Subject Merchandise* to the United States or other countries since the *Order Date*.

(7) A list of 3–5 leading purchasers in the U.S. market for the *Domestic Like Product* and the *Subject Merchandise* (including street address, World Wide Web address, and the name, telephone number, fax number, and E-mail address of a responsible official at each firm).

(8) A list of known sources of information on national or regional prices for the *Domestic Like Product* or the *Subject Merchandise* in the U.S. or other markets.

(9) If you are a U.S. producer of the *Domestic Like Product*, provide the following information on your firm's operations on that product during calendar year 2010, except as noted (report quantity data in square meters and value data in U.S. dollars, f.o.b. plant). If you are a union/worker group or trade/business association, provide the information, on an aggregate basis, for the firms in which your workers are employed/which are members of your association.

(a) Production (quantity) and, if known, an estimate of the percentage of total U.S. production of the *Domestic Like Product* accounted for by your firm's(s') production;

(b) Capacity (quantity) of your firm to produce the *Domestic Like Product* (i.e., the level of production that your establishment(s) could reasonably have expected to attain during the year, assuming normal operating conditions (using equipment and machinery in place and ready to operate), normal

operating levels (hours per week/weeks per year), time for downtime, maintenance, repair, and cleanup, and a typical or representative product mix);

(c) The quantity and value of U.S. commercial shipments of the *Domestic Like Product* produced in your U.S. plant(s);

(d) The quantity and value of U.S. internal consumption/company transfers of the *Domestic Like Product* produced in your U.S. plant(s); and

(e) The value of (i) net sales, (ii) cost of goods sold (COGS), (iii) gross profit, (iv) selling, general and administrative (SG&A) expenses, and (v) operating income of the *Domestic Like Product* produced in your U.S. plant(s) (include both U.S. and export commercial sales, internal consumption, and company transfers) for your most recently completed fiscal year (identify the date on which your fiscal year ends).

(10) If you are a U.S. importer or a trade/business association of U.S. importers of the *Subject Merchandise* from the *Subject Country*, provide the following information on your firm's(s') operations on that product during calendar year 2010 (report quantity data in square meters and value data in U.S. dollars). If you are a trade/business association, provide the information, on an aggregate basis, for the firms which are members of your association.

(a) The quantity and value (landed, duty-paid but not including antidumping duties) of U.S. imports and, if known, an estimate of the percentage of total U.S. imports of *Subject Merchandise* from the *Subject Country* accounted for by your firm's(s') imports;

(b) the quantity and value (f.o.b. U.S. port, including antidumping duties) of U.S. commercial shipments of *Subject Merchandise* imported from the *Subject Country*; and

(c) The quantity and value (f.o.b. U.S. port, including antidumping duties) of U.S. internal consumption/company transfers of *Subject Merchandise* imported from the *Subject Country*.

(11) If you are a producer, an exporter, or a trade/business association of producers or exporters of the *Subject Merchandise* in the *Subject Country*, provide the following information on your firm's(s') operations on that product during calendar year 2010 (report quantity data in square meters and value data in U.S. dollars, landed and duty-paid at the U.S. port but not including antidumping duties). If you are a trade/business association, provide the information, on an aggregate basis, for the firms which are members of your association.

(a) Production (quantity) and, if known, an estimate of the percentage of total production of *Subject Merchandise* in the *Subject Country* accounted for by your firm's(s') production;

(b) Capacity (quantity) of your firm to produce the *Subject Merchandise* in the *Subject Country* (i.e., the level of production that your establishment(s) could reasonably have expected to attain during the year, assuming normal operating conditions (using equipment and machinery in place and ready to operate), normal operating levels (hours per week/weeks per year), time for downtime, maintenance, repair, and cleanup, and a typical or representative product mix); and

(c) The quantity and value of your firm's(s') exports to the United States of *Subject Merchandise* and, if known, an estimate of the percentage of total exports to the United States of *Subject Merchandise* from the *Subject Country* accounted for by your firm's(s') exports.

(12) Identify significant changes, if any, in the supply and demand conditions or business cycle for the *Domestic Like Product* that have occurred in the United States or in the market for the *Subject Merchandise* in the *Subject Country* since the *Order Date*, and significant changes, if any, that are likely to occur within a reasonably foreseeable time. Supply conditions to consider include technology; production methods; development efforts; ability to increase production (including the shift of production facilities used for other products and the use, cost, or availability of major inputs into production); and factors related to the ability to shift supply among different national markets (including barriers to importation in foreign markets or changes in market demand abroad). Demand conditions to consider include end uses and applications; the existence and availability of substitute products; and the level of competition among the *Domestic Like Product* produced in the United States, *Subject Merchandise* produced in the *Subject Country*, and such merchandise from other countries.

(13) (OPTIONAL) A statement of whether you agree with the above definitions of the *Domestic Like Product* and *Domestic Industry*; if you disagree with either or both of these definitions, please explain why and provide alternative definitions.

Authority: This review is being conducted under authority of title VII of the Tariff Act of 1930; this notice is published pursuant to section 207.61 of the Commission's rules.

Issued: April 25, 2011.

By order of the Commission.

William R. Bishop,

Acting Secretary to the Commission.

[FR Doc. 2011-10277 Filed 4-27-11; 8:45 am]

BILLING CODE P

INTERNATIONAL TRADE COMMISSION

[Investigation No. 731-TA-461 (Third Review)]

Gray Portland Cement and Cement Clinker From Japan; Institution of a Five-Year Review Concerning the Antidumping Duty Order on Gray Portland Cement and Cement Clinker From Japan

AGENCY: United States International Trade Commission.

ACTION: Notice.

SUMMARY: The Commission hereby gives notice that it has instituted a review pursuant to section 751(c) of the Tariff Act of 1930 (19 U.S.C. 1675(c)) (the Act) to determine whether revocation of the antidumping duty order on gray portland cement and cement clinker from Japan would be likely to lead to continuation or recurrence of material injury. Pursuant to section 751(c)(2) of the Act, interested parties are requested to respond to this notice by submitting the information specified below to the Commission;¹ to be assured of consideration, the deadline for responses is June 1, 2011. Comments on the adequacy of responses may be filed with the Commission by July 15, 2011. For further information concerning the conduct of this review and rules of general application, consult the Commission's Rules of Practice and Procedure, part 201, subparts A through E (19 CFR part 201), and part 207, subparts A, D, E, and F (19 CFR part 207), as most recently amended at 74 FR 2847 (January 16, 2009).

DATES: *Effective Date:* May 2, 2011.

FOR FURTHER INFORMATION CONTACT: Mary Messer (202-205-3193), Office of Investigations, U.S. International Trade Commission, 500 E Street SW., Washington, DC 20436. Hearing-impaired persons can obtain information on this matter by contacting

¹ No response to this request for information is required if a currently valid Office of Management and Budget (OMB) number is not displayed; the OMB number is 3117-0016/USITC No. 11-5-245, expiration date June 30, 2011. Public reporting burden for the request is estimated to average 15 hours per response. Please send comments regarding the accuracy of this burden estimate to the Office of Investigations, U.S. International Trade Commission, 500 E Street, SW., Washington, DC 20436.

the Commission's TDD terminal on 202-205-1810. Persons with mobility impairments who will need special assistance in gaining access to the Commission should contact the Office of the Secretary at 202-205-2000. General information concerning the Commission may also be obtained by accessing its Internet server (<http://www.usitc.gov>). The public record for this review may be viewed on the Commission's electronic docket (EDIS) at <http://edis.usitc.gov>.

SUPPLEMENTARY INFORMATION:

Background.—On May 10, 1991, the Department of Commerce issued an antidumping duty order on imports of gray portland cement and cement clinker from Japan (56 FR 21658). Following first five-year reviews by Commerce and the Commission, effective November 15, 2000, Commerce issued a continuation of the antidumping duty order on imports of gray portland cement and cement clinker from Japan (65 FR 68979). Following second five-year reviews by Commerce and the Commission, effective June 16, 2006, Commerce issued a continuation of the antidumping duty order on imports of gray portland cement and cement clinker from Japan (71 FR 34892). The Commission is now conducting a third review to determine whether revocation of the order would be likely to lead to continuation or recurrence of material injury to the domestic industry within a reasonably foreseeable time. It will assess the adequacy of interested party responses to this notice of institution to determine whether to conduct a full review or an expedited review. The Commission's determination in any expedited review will be based on the facts available, which may include information provided in response to this notice.

Definitions.—The following definitions apply to this review:

(1) *Subject Merchandise* is the class or kind of merchandise that is within the scope of the five-year review, as defined by the Department of Commerce.

(2) The *Subject Country* in this review is Japan.

(3) The *Domestic Like Product* is the domestically produced product or products which are like, or in the absence of like, most similar in characteristics and uses with, the *Subject Merchandise*. In its original determination, its full first five-year review determination, and its expedited second five-year review determination, the Commission defined a single *Domestic Like Product* consisting of gray portland cement and cement clinker coextensive with Commerce's scope.

its intention to request approval for the collection of information for its Subsidence insurance program grants. This collection request has been forwarded to the Office of Management and Budget (OMB) for review and comment. The information collection request describes the nature of the information collection and the expected burden and cost.

DATES: OMB has up to 60 days to approve or disapprove the information collections but may respond after 30 days. Therefore, public comments should be submitted to OMB by October 3, 2011, in order to be assured of consideration.

ADDRESSES: Submit comments to the Office of Information and Regulatory Affairs, Office of Management and Budget, *Attention:* Department of Interior Desk Officer, by telefax at (202) 395-5806 or via e-mail to OIRA_Docket@omb.eop.gov. Also, please send a copy of your comments to John Trelease, Office of Surface Mining Reclamation and Enforcement, 1951 Constitution Ave., NW., Room 203—SIB, Washington, DC 20240, or electronically to jtrelease@osmre.gov.

FOR FURTHER INFORMATION CONTACT: To receive a copy of the information collection request contact John Trelease at (202) 208-2783, or electronically at jtrelease@osmre.gov. You may also review this collection by going to <http://www.reginfo.gov> (Information Collection Review, Currently Under Review, Agency is Department of the Interior, DOI-OSMRE).

SUPPLEMENTARY INFORMATION: The Office of Management and Budget (OMB) regulations at 5 CFR 1320, which implement provisions of the Paperwork Reduction Act of 1995 (Pub. L. 104-13), require that interested members of the public and affected agencies have an opportunity to comment on information collection and recordkeeping activities [see 5 CFR 1320.8(d)]. OSM has submitted a request to OMB to renew its approval of the collection of information contained in 30 CFR 887—Subsidence insurance program grants. OSM is requesting a 3-year term of approval for each information collection activity.

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid OMB control number. The OMB control number for this collection is 1029-0107. Regulatory authorities are required to respond to this collection to obtain a benefit.

As required under 5 CFR 1320.8(d), a **Federal Register** notice soliciting comments on this collection of

information was published on June 22, 2011 (76 FR 36574). One comment was received, but was not pertinent to this collection. This notice provides the public with an additional 30 days in which to comment on the following information collection activity:

Title: 30 CFR 887—Subsidence insurance program grants.

OMB Control Number: 1029-0107.

SUMMARY: States and Indian tribes having an approved reclamation plan may establish, administer and operate self-sustaining State and Indian Tribe-administered programs to insure private property against damages caused by land subsidence resulting from underground mining. States and Indian tribes interested in requesting monies for their insurance programs would apply to the Director of OSM.

Bureau Form Number: None.

Frequency of Collection: Once.

Description of Respondents: States and Indian tribes with approved coal reclamation plans.

Total Annual Responses: 1.

Total Annual Burden Hours: 8.

Total Annual Non-Wage Costs: \$0.

Send comments on the need for the collection of information for the performance of the functions of the agency; the accuracy of the agency's burden estimates; ways to enhance the quality, utility and clarity of the information collection; and ways to minimize the information collection burden on respondents, such as use of automated means of collection of the information, to the addresses listed under **ADDRESSES**. Please refer to the appropriate OMB control number 1029-0107 in your correspondence.

Before including your address, phone number, e-mail address, or other personal identifying information in your comment, you should be aware that your entire comment, including your personal identifying information, may be made publicly available at any time. While you can ask us in your comment to withhold your personal identifying information from public review, we cannot guarantee that we will be able to do so.

Dated: August 26, 2011.

Stephen M. Sheffield,

Acting Chief, Division of Regulatory Support.

[FR Doc. 2011-22406 Filed 9-1-11; 8:45 am]

BILLING CODE 4310-05-M

INTERNATIONAL TRADE COMMISSION

[Investigation No. 731-TA-1091 (Review)]

Artists' Canvas From China; Scheduling of an Expedited Five-Year Review Concerning the Antidumping Duty Order Investigation on Artists' Canvas From China

AGENCY: United States International Trade Commission.

ACTION: Notice.

SUMMARY: The Commission hereby gives notice of the scheduling of an expedited review pursuant to section 751(c)(3) of the Tariff Act of 1930 (19 U.S.C. 1675(c)(3)) (the Act) to determine whether revocation of the antidumping duty order on artists' canvas from China would be likely to lead to continuation or recurrence of material injury within a reasonably foreseeable time. For further information concerning the conduct of this review and rules of general application, consult the Commission's Rules of Practice and Procedure, part 201, subparts A through E (19 CFR part 201), and part 207, subparts A, D, E, and F (19 CFR part 207).

DATES: *Effective Date:* August 5, 2011.

FOR FURTHER INFORMATION CONTACT: Joanna Lo (202-205-1888), Office of Investigations, U.S. International Trade Commission, 500 E Street, SW., Washington, DC 20436. Hearing-impaired persons can obtain information on this matter by contacting the Commission's TDD terminal on 202-205-1810. Persons with mobility impairments who will need special assistance in gaining access to the Commission should contact the Office of the Secretary at 202-205-2000. General information concerning the Commission may also be obtained by accessing its internet server (<http://www.usitc.gov>). The public record for this review may be viewed on the Commission's electronic docket (EDIS) at <http://edis.usitc.gov>.

SUPPLEMENTARY INFORMATION:

Background.—On August 5, 2011, the Commission determined that the domestic interested party group response to its notice of institution (76 FR 24516, May 2, 2011) of the subject five-year review was adequate and that the respondent interested party group response was inadequate. The Commission did not find any other circumstances that would warrant conducting a full review.¹ Accordingly,

¹ A record of the Commissioners' votes, the Commission's statement on adequacy, and any

the Commission determined that it would conduct an expedited review pursuant to section 751(c)(3) of the Act.

Staff report.—A staff report containing information concerning the subject matter of the review will be placed in the nonpublic record on September 22, and made available to persons on the Administrative Protective Order service list for this review. A public version will be issued thereafter, pursuant to section 207.62(d)(4) of the Commission's rules.

Written submissions.—As provided in section 207.62(d) of the Commission's rules, interested parties that are parties to the review and that have provided individually adequate responses to the notice of institution,² and any party other than an interested party to the review may file written comments with the Secretary on what determination the Commission should reach in the review. Comments are due on or before

September 27 and may not contain new factual information. Any person that is neither a party to the five-year review nor an interested party may submit a brief written statement (which shall not contain any new factual information) pertinent to the review by September 27. However, should the Department of Commerce extend the time limit for its completion of the final results of its review, the deadline for comments (which may not contain new factual information) on Commerce's final results is three business days after the issuance of Commerce's results. If comments contain business proprietary information (BPI), they must conform with the requirements of sections 201.6, 207.3, and 207.7 of the Commission's rules. The Commission's rules do not authorize filing of submissions with the Secretary by facsimile or electronic means, except to the extent permitted by section 201.8 of the Commission's rules, as amended, 67 Fed. Reg. 68036 (November 8, 2002). Even where electronic filing of a document is permitted, certain documents must also be filed in paper form, as specified in II (C) of the Commission's Handbook on Electronic Filing Procedures, 67 FR 68168, 68173 (November 8, 2002).

In accordance with sections 201.16(c) and 207.3 of the rules, each document filed by a party to the review must be

individual Commissioner's statements will be available from the Office of the Secretary and at the Commission's Web site.

² The Commission has found the responses submitted by Tara Materials, Inc., Arkwright Advanced Coating, Inc., BF Inkjet Media, Inc., Duro Art Industries, Inc., and Intelicoat Technologies to be individually adequate. Comments from other interested parties will not be accepted (*see* 19 CFR 207.62(d)(2)).

served on all other parties to the review (as identified by either the public or BPI service list), and a certificate of service must be timely filed. The Secretary will not accept a document for filing without a certificate of service.

Determination.—The Commission has determined to exercise its authority to extend the review period by up to 90 days pursuant to 19 U.S.C. 1675(c)(5)(B).

Authority: This review is being conducted under authority of title VII of the Tariff Act of 1930; this notice is published pursuant to section 207.62 of the Commission's rules.

By order of the Commission.

Issued: August 30, 2011.

James R. Holbein,

Secretary to the Commission.

[FR Doc. 2011–22526 Filed 9–1–11; 8:45 am]

BILLING CODE 7020–02–P

INTERNATIONAL TRADE COMMISSION

[Investigation No. 731–TA–1189 Preliminary]

Large Power Transformers From Korea Determination

On the basis of the record¹ developed in the subject investigation, the United States International Trade Commission (Commission) determines, pursuant to section 733(a) of the Tariff Act of 1930 (19 U.S.C. 1673b(a)) (the Act), that there is a reasonable indication that an industry in the United States is materially injured by reason of imports from Korea of large power transformers, provided for in subheadings 8504.23.00 and 8504.90.95 of the Harmonized Tariff Schedule of the United States, that are alleged to be sold in the United States at less than fair value (LTFV).²

Commencement of Final Phase Investigation

Pursuant to section 207.18 of the Commission's rules, the Commission also gives notice of the commencement of the final phase of its investigation. The Commission will issue a final phase notice of scheduling, which will be published in the **Federal Register** as provided in section 207.21 of the Commission's rules, upon notice from the Department of Commerce (Commerce) of an affirmative preliminary determination in the investigation under section 733(b) of the Act, or, if the preliminary determination

¹ The record is defined in sec. 207.2(f) of the Commission's Rules of Practice and Procedure (19 CFR 207.2(f)).

² Commissioner Daniel R. Pearson did not participate in this investigation.

is negative, upon notice of an affirmative final determination in that investigation under section 735(a) of the Act. Parties that filed entries of appearance in the preliminary phase of the investigation need not enter a separate appearance for the final phase of the investigation. Industrial users, and, if the merchandise under investigation is sold at the retail level, representative consumer organizations have the right to appear as parties in Commission antidumping and countervailing duty investigations. The Secretary will prepare a public service list containing the names and addresses of all persons, or their representatives, who are parties to the investigation.

Background

On July 14, 2011, a petition was filed with the Commission and Commerce by ABB Inc., Cary, NC; Delta Star Inc., Lynchburg, VA; and Pennsylvania Transformer Technology Inc., Canonsburg, PA, alleging that an industry in the United States is materially injured or threatened with material injury by reason of LTFV imports of large power transformers from Korea. Accordingly, effective July 14, 2011, the Commission instituted antidumping duty investigation No. 731–TA–1189 (Preliminary).

Notice of the institution of the Commission's investigation and of a public conference to be held in connection therewith was given by posting copies of the notice in the Office of the Secretary, U.S. International Trade Commission, Washington, DC, and by publishing the notice in the **Federal Register** of July 20, 2011 (76 FR 43343). The conference was held in Washington, DC, on August 4, 2011, and all persons who requested the opportunity were permitted to appear in person or by counsel.

The Commission transmitted its determination in this investigation to the Secretary of Commerce on August 29, 2011. The views of the Commission are contained in USITC Publication 4526 (September 2011), entitled *Large Power Transformers from Korea: Investigation No. 731–TA–1189 (Preliminary)*.

By order of the Commission.

Issued: August 29, 2011.

James R. Holbein,

Secretary to the Commission.

[FR Doc. 2011–22486 Filed 9–1–11; 8:45 am]

BILLING CODE 7020–02–P

merchandise upon which the request was based. The notice initiating the NSR was published on March 23, 2011.² The preliminary results are currently due no later than September 10, 2011.

Statutory Time Limits

Section 751(a)(2)(B)(iv) of the Tariff Act of 1930, as amended (the "Act"), provides that the Department will issue the preliminary results of a new shipper review of an antidumping duty order within 180 days after the day on which the review was initiated. *See also* 19 CFR 351.214(i)(1). The Act further provides that the Department may extend that 180-day period to 300 days if it determines that the case is extraordinarily complicated. *See also* 19 CFR 351.214(i)(2).

Extension of Time Limit of Preliminary Results

The Department determines that this new shipper review involves extraordinarily complicated methodological issues, including Thong Thuan's multiple production stages for subject merchandise and the need to evaluate the *bona fide* nature of Thong Thuan's sales. The Department finds that these extraordinarily complicated issues require additional time to evaluate. Therefore, in accordance with section 751(a)(2)(B)(iv) of the Act and 19 CFR 351.214(i)(2), the Department is extending the time limit for the preliminary results by 60 days, until no later than November 9, 2011. The final results continue to be due 90 days after the publication of the preliminary results.

We are issuing and publishing this notice in accordance with sections 751(a)(2)(B)(iv) and 777(i) of the Act.

Dated: August 31, 2011.

Susan H. Kuhbach,

Acting Deputy Assistant Secretary of Antidumping and Countervailing Duty Operations.

[FR Doc. 2011-22852 Filed 9-6-11; 8:45 am]

BILLING CODE 3510-DS-P

DEPARTMENT OF COMMERCE

International Trade Administration

[A-570-899]

Artist Canvas from the People's Republic of China: Final Results of the Expedited First Sunset Review of the Antidumping Duty Order

AGENCY: Import Administration, International Trade Administration, Department of Commerce.
SUMMARY: On May 2, 2011, the Department of Commerce ("Department") initiated the first sunset review of the antidumping duty order on artist canvas from the People's Republic of China ("PRC") pursuant to section 751(c) of the Tariff Act of 1930, as amended ("Act"). *See Initiation of Five-Year ("Sunset") Review*, 76 FR 24459 (May 2, 2011) ("*Sunset Initiation*"); *see also Notice of Antidumping Duty Order: Certain Artist Canvas from the People's Republic of China*, 71 FR 31154 (June 1, 2006) ("*Order*"). On May 17, 2011, Tara Materials, Inc. ("Tara Materials"), the petitioner in the artist canvas investigation, notified the Department that it intended to participate in the sunset review. The Department did not receive a substantive response from any respondent party. Based on the notice of intent to participate and adequate response filed by the domestic interested party, and the lack of response from any respondent interested party, the Department conducted an expedited sunset review of the *Order* pursuant to section 751(c)(3)(B) of the Act and 19 CFR 351.218(e)(1)(ii)(C)(2). As a result of this sunset review, the Department finds that revocation of the *Order* would likely lead to continuation or recurrence of dumping, at the levels indicated in the "Final Results of Sunset Review" section of this notice, *infra*.

DATES: *Effective Date:* September 7, 2011.

FOR FURTHER INFORMATION CONTACT: Brooke Kennedy; AD/CVD Operations, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC 20230; *telephone:* 202-482-3818.

SUPPLEMENTARY INFORMATION:

Background

On May 2, 2011, the Department initiated a sunset review of the order on artist canvas pursuant to section 751(c) of the Act. *See Sunset Initiation*. On May 17, 2011, the Department received a timely notice of intent to participate

in the sunset review from Tara Materials, pursuant to 19 CFR 351.218(d)(1)(i). In accordance with 19 CFR 351.218(d)(1)(ii)(A), Tara Materials claimed interested party status under section 771(9)(C) of the Act as a producer of domestic like product.

On June 1, 2011, Tara Materials filed an adequate substantive response in the sunset review, within the 30-day deadline as specified in 19 CFR 351.218(d)(3)(i). The Department did not receive a substantive response from any respondent interested party in the sunset review. As a result, pursuant to section 751(c)(3)(B) of the Act and 19 CFR 351.218(e)(1)(ii)(C)(2), the Department conducted an expedited sunset review of the *Order*.

Scope of the Order

The products covered by the order are artist canvases regardless of dimension and/or size, whether assembled or unassembled, that have been primed/coated, whether or not made from cotton, whether or not archival, whether bleached or unbleached, and whether or not containing an ink receptive top coat. Priming/coating includes the application of a solution, designed to promote the adherence of artist materials, such as paint or ink, to the fabric. Artist canvases (*i.e.*, pre-stretched canvases, canvas panels, canvas pads, canvas rolls (including bulk rolls that have been primed), printable canvases, floor cloths, and placemats) are tightly woven prepared painting and/or printing surfaces. Artist canvas and stretcher strips (whether or not made of wood and whether or not assembled) included within a kit or set are covered by the order.

Artist canvases subject to the order are currently classifiable under subheadings 5901.90.20.00 and 5901.90.40.00 of the Harmonized Tariff Schedule of the United States ("HTSUS"). Specifically excluded from the scope of the order are tracing cloths, "paint-by-number" or "paint-it-yourself" artist canvases with a copyrighted preprinted outline, pattern, or design, whether or not included in a painting set or kit.¹ Also excluded are stretcher strips, whether or not made from wood, so long as they are not incorporated into artist canvases or sold as part of an artist canvas kit or set. While the HTSUS subheadings are provided for convenience and customs purposes, our written description of the scope of the order is dispositive.

¹ Artist canvases with a non-copyrighted preprinted outline, pattern, or design are included in the scope, whether or not included in a painting set or kit.

² *See Certain Frozen Warmwater Shrimp from the Socialist Republic of Vietnam: Initiation of Antidumping Duty New Shipper Review*, 76 FR 16384 (March 23, 2011).

Analysis of Comments Received

A complete discussion of all issues raised in this sunset review is addressed in the accompanying Issues and Decision Memorandum, which is hereby adopted by this notice. See the Department's memorandum entitled, "Issues and Decision Memorandum for the Final Results of the Expedited First Sunset Review of the Antidumping Duty Order on Certain Artist Canvas from the People's Republic of China," dated August 31, 2011 ("I&D Memo"). The issues discussed in the accompanying I&D Memo include the likelihood of continuation or recurrence of dumping and the magnitude of the dumping margin likely to prevail if the Order is revoked. Parties can obtain a public copy of the I&D Memo on file in the Central Records Unit, room 7046, of the main Commerce building. In addition, a complete public copy of the I&D Memo can be accessed directly on the Web at <http://ia.ita.doc.gov/frn>. The paper copy and electronic version of the I&D Memo are identical in content.

Final Results of Sunset Review

Pursuant to section 751(c) of the Act, the Department determines that revocation of the Order on artist canvas would likely lead to continuation or recurrence of dumping. The Department also determines that the dumping margins likely to prevail if the Order was revoked are as follows:

Exporters/producers	Weighted-average margin (percent)
Ningbo Conda/Jinhua Universal	264.09
Ningbo Conda/Wuxi Silver Eagle Cultural Goods Co. Ltd.	264.09
Conda Painting/Wuxi Pegasus Cultural Goods Co. Ltd.	264.09
Jinhua Universal/Jinhua Universal	264.09
Phoenix Materials/Phoenix Materials	77.90
Phoenix Materials/Phoenix Stationary	77.90
Phoenix Materials/Shuyang Phoenix	77.90
Phoenix Stationary/Phoenix Materials	77.90
Phoenix Stationary/Phoenix Stationary	77.90
Phoenix Stationary/Shuyang Phoenix	77.90
Jiangsu By-products/Wuxi Yinying Stationery and Sports Products Co. Ltd. Corp.	77.90

Exporters/producers	Weighted-average margin (percent)
Jiangsu By-products/Su Yang Yinying Stationery and Sports Products Co. Ltd. Corp.	77.90
PRC-Wide Entity	264.09

Notification Regarding Administrative Protective Order

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

We are issuing and publishing these results and notice in accordance with sections 751(c), 752, and 777(i)(1) of the Act.

Dated: August 30, 2011.
Ronald K. Lorentzen,
Deputy Assistant Secretary for Import Administration.

[FR Doc. 2011-22864 Filed 9-6-11; 8:45 am]

BILLING CODE 3510-DS-P

DEPARTMENT OF COMMERCE

International Trade Administration

[A-201-836]

Light-Walled Rectangular Pipe and Tube From Mexico: Preliminary Results and Partial Rescission of Antidumping Duty Administrative Review

AGENCY: Import Administration, International Trade Administration, Department of Commerce.
SUMMARY: In response to requests for an administrative review, the Department of Commerce (the Department) is conducting an administrative review of the antidumping duty order on light-walled rectangular pipe and tube (LWR pipe and tube) from Mexico. The review covers imports of subject merchandise of two respondent companies during the period August 1, 2009, through July 31, 2010. For these preliminary results, we have found that both respondents made sales of subject merchandise at less than normal value during the period of review. In addition, we have rescinded

the review with respect to two additional companies.

DATES: *Effective Date:* September 7, 2011.

FOR FURTHER INFORMATION CONTACT: Dena Crossland (Maquilacero), Brian Davis (Regiopytsa), or Edythe Artman, AD/CVD Operations, Office 7, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC 20230; *telephone:* (202) 482-3362, (202) 482-7924, or (202) 482-3931, respectively.

SUPPLEMENTARY INFORMATION:

Period of Review

The period of review (POR) is August 1, 2009, through July 31, 2010.

Scope of the Order

The merchandise that is the subject of this order is certain welded carbon-quality light-walled steel pipe and tube, of rectangular (including square) cross section, having a wall thickness of less than 4 mm.

The term carbon-quality steel includes both carbon steel and alloy steel which contains only small amounts of alloying elements. Specifically, the term carbon-quality includes products in which none of the elements listed below exceeds the quantity by weight respectively indicated: 1.80 percent of manganese, or 2.25 percent of silicon, or 1.00 percent of copper, or 0.50 percent of aluminum, or 1.25 percent of chromium, or 0.30 percent of cobalt, or 0.40 percent of lead, or 1.25 percent of nickel, or 0.30 percent of tungsten, or 0.10 percent of molybdenum, or 0.10 percent of niobium, or 0.15 percent vanadium, or 0.15 percent of zirconium. The description of carbon-quality is intended to identify carbon-quality products within the scope. The welded carbon-quality rectangular pipe and tube subject to this order is currently classified under the Harmonized Tariff Schedule of the United States (HTSUS) subheadings 7306.61.50.00 and 7306.61.70.60. While HTSUS subheadings are provided for convenience and Customs purposes, our written description of the scope of this order is dispositive.

Background

On August 5, 2008, the Department published the antidumping duty order on LWR pipe and tube from Mexico in the **Federal Register**. See *Light-Walled Rectangular Pipe and Tube from Mexico, the People's Republic of China, and the Republic of Korea: Antidumping Duty Orders; Light-Walled Rectangular*

APPENDIX B
STATEMENT ON ADEQUACY

EXPLANATION OF COMMISSION DETERMINATION ON ADEQUACY

in

Artists' Canvas from China
Inv. No. 731-TA-1091 (Review)

On August 5, 2011, the Commission determined to expedite the subject five-year review pursuant to section 751(c)(3)(b) of the Tariff Act of 1930, as amended, 19 U.S.C. § 1675(c)(3)(b).

The Commission received a joint response to the Commission's notice of institution filed on behalf of Tara Materials, Inc.; Duro Art Industries, Inc.; Arkwright Advanced Coating, Inc.; BF Inkjet Media, Inc.; and Intelicoat Technologies, which identified themselves as domestic producers of artists' canvas ("domestic interested parties"). The Commission found this joint response to its notice of institution to be individually adequate for each of the responding firms. The Commission further determined that the domestic interested party group response was adequate under the circumstances of this particular industry.

The Commission did not receive a response from any respondent interested party in the review and, therefore, determined that the respondent interested party group response was inadequate for the review.

The Commission did not find any circumstances that would warrant conducting a full review of the order. Therefore, the Commission determined to conduct an expedited review.

A record of the Commissioners' votes is available from the Office of the Secretary and the Commission's web site (<http://www.usitc.gov>).

APPENDIX C

SUMMARY DATA FROM THE ORIGINAL INVESTIGATION

Table C-1
Artists' canvas: Summary data concerning the U.S. market, 2002-2005

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Table C-2
Bulk artists' canvas: Summary data concerning the U.S. market, 2002-2005

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Table C-3
Finished artists' canvas: Summary data concerning the U.S. market, 2002-2005

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Table C-4
Artists' canvas: Summary data concerning the U.S. market (excluding print converters), 2002-2005

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