

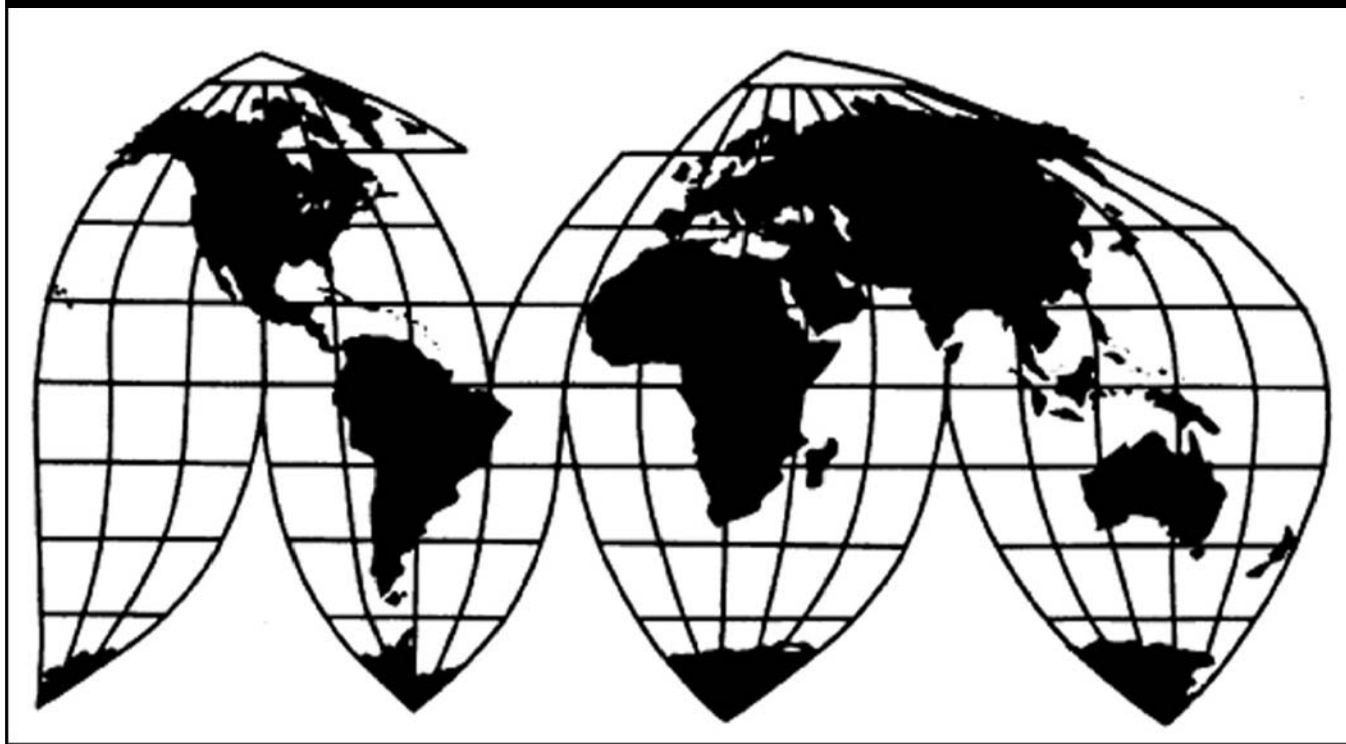
Commodity Matchbooks from India

Investigation Nos. 701-TA-459 and 731-TA-1155 (Final)

Publication 4117

December 2009

U.S. International Trade Commission



Washington, DC 20436

U.S. International Trade Commission

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Address all communications to
Secretary to the Commission
United States International Trade Commission
Washington, DC 20436

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UNITED STATES INTERNATIONAL TRADE COMMISSION

Investigation Nos. 701-TA-459 and 731-TA-1155 (Final)

COMMODITY MATCHBOOKS FROM INDIA

DETERMINATIONS

On the basis of the record¹ developed in the subject investigations, the United States International Trade Commission (Commission) determines, pursuant to section 735(b) of the Tariff Act of 1930 (19 U.S.C. § 1673d(b)) (the Act), that an industry in the United States is materially injured by reason of imports from India of commodity matchbooks, provided for in subheading 3605.00.00 of the Harmonized Tariff Schedule of the United States, that have been found by the Department of Commerce (Commerce) to be subsidized by the Government of India and to be sold in the United States at less than fair value (LTFV).

BACKGROUND

The Commission instituted these investigations effective October 29, 2008, following receipt of a petition filed with the Commission and Commerce by D.D. Bean & Sons, Co., Jaffrey, NH. The final phase of the investigations was scheduled by the Commission following notification of preliminary determinations by Commerce that imports of commodity matchbooks from India were being subsidized within the meaning of section 703(b) of the Act (19 U.S.C. § 1671b(b)) and that imports of commodity matchbooks from India were being sold at LTFV within the meaning of section 733(b) of the Act (19 U.S.C. § 1673b(b)). Notice of the scheduling of the final phase of the Commission's investigations and of a public hearing 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 17, 2009 (74 FR 34783). The hearing was held in Washington, DC, on October 20, 2009, and all persons who requested the opportunity were permitted to appear in person or by counsel.

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

IEWS OF THE COMMISSION

Based on the record in the final phase of these investigations, we find that an industry in the United States is materially injured by reason of imports of commodity matchbooks imported from India that are subsidized and sold in the United States at less than fair value.

I. BACKGROUND

The antidumping and countervailing duty petitions in these investigations were filed on October 29, 2008, by D.D. Bean & Sons Co. (“D.D. Bean” or “Petitioner”). Petitioner and Atlas Match LLC (“Atlas”) are the only two domestic producers of commodity matchbooks.¹ They participated at the public hearing. Petitioner filed prehearing and posthearing briefs. No respondent interested parties appeared at the hearing or submitted briefs.² The Commission received questionnaire responses from three importers representing all U.S. imports of commodity matchbooks from India.³ One Indian producer/exporter accounting for an estimated *** percent of Indian production of commodity matchbooks responded to the Commission’s foreign producer questionnaire.⁴

II. DOMESTIC LIKE PRODUCT AND DOMESTIC INDUSTRY

A. In General

In determining whether an industry in the United States is materially injured or threatened with material injury by reason of imports of the subject merchandise, the Commission first defines the “domestic like product” and the “industry.”⁵ Section 771(4)(A) of the Tariff Act of 1930, as amended (“the Tariff 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.”⁶ In turn, the Tariff Act defines “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”⁷

The decision regarding the appropriate domestic like product(s) in an investigation is a factual determination, and the Commission has applied the statutory standard of “like” or “most similar in characteristics and uses” on a case-by-case basis.⁸ No single factor is dispositive, and the Commission

¹ Confidential Staff Report, INV-GG-107 (Nov. 5, 2009) (“CR”) at III-2, Public Staff Report (“PR”) at III-1. A former producer, Bradley Industries (“Bradley”), became part of Atlas Match LLC in September 2007.

² The Government of India filed a postconference brief in the preliminary phase of these investigations.

³ CR/PR at IV-1.

⁴ CR/PR at VII-1.

⁵ 19 U.S.C. § 1677(4)(A).

⁶ 19 U.S.C. § 1677(4)(A).

⁷ 19 U.S.C. § 1677(10).

⁸ See, e.g., Cleo, Inc. v. United States, 501 F.3d 1291, 1299 (Fed. Cir. 2007); NEC Corp. v. Department of Commerce, 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’”). The Commission generally considers a number of factors including the following: (1) physical characteristics and uses; (2) interchangeability; (3) channels of distribution; (4) customer and producer perceptions (continued...)

may consider other factors it deems relevant based on the facts of a particular investigation.⁹ The Commission looks for clear dividing lines among possible like products and disregards minor variations.¹⁰ Although the Commission must accept Commerce's determination as to the scope of the imported merchandise subsidized or sold at LTFV,¹¹ the Commission determines what domestic product is like the imported articles Commerce has identified.¹²

B. Product Description

The U.S. Department of Commerce ("Commerce") has defined the imported merchandise as follows:

The scope of this investigation covers commodity matchbooks, also known as commodity book matches, paper matches or booklet matches.¹³ Commodity matchbooks typically, but do not necessarily, consist of twenty match stems which are usually made from paperboard or similar material tipped with a match head composed of any chemical formula. The match stems may be stitched, stapled or otherwise fastened into a matchbook cover of any material, on which a striking strip composed of any chemical formula has been applied to assist in the ignition process. Commodity matchbooks included in the scope of this investigation may or may not contain printing. For example, they may have no printing other than the identification of the manufacturer or importer. Commodity matchbooks may also be printed with a generic message such as "Thank You" or a generic image such as the American Flag, with store brands (e.g., *Kroger, 7-Eleven, Shurfine or Giant*); product brands for national or regional advertisers such as cigarettes or alcoholic beverages; or with corporate brands for national or regional distributors (e.g., *Penley Corp. or Diamond Brands*). They all enter retail distribution channels. Regardless of the materials used for the stems of the matches and regardless of the way the match stems are fastened to the matchbook cover, all commodity matchbooks

⁸ (...continued)

of the products; (5) common manufacturing facilities, production processes, and production employees; and, where appropriate, (6) price. See Nippon, 19 CIT at 455 n.4; Timken Co. v. United States, 913 F. Supp. 580, 584 (Ct. Int'l Trade 1996).

⁹ See, e.g., S. Rep. No. 96-249 at 90-91 (1979).

¹⁰ Nippon, 19 CIT at 455; Torrington, 747 F. Supp. at 748-49; see also S. Rep. No. 96-249 at 90-91 (1979) (Congress has indicated that the like product standard should not be interpreted in "such a narrow fashion as to permit minor differences in physical characteristics or uses to lead to the conclusion that the product and article are not 'like' each other, nor should the definition of 'like product' be interpreted in such a fashion as to prevent consideration of an industry adversely affected by the imports under consideration.").

¹¹ See, e.g., USEC, Inc. v. United States, 34 Fed. Appx. 725, 730 (Fed. Cir. 2002) ("The ITC may not modify the class or kind of imported merchandise examined by Commerce."); Algoma Steel Corp. v. United States, 688 F. Supp. 639, 644 (Ct. Int'l Trade 1988), aff'd, 865 F.3d 240 (Fed. Cir.), cert. denied, 492 U.S. 919 (1989).

¹² Hosiden Corp. v. Advanced Display Mfrs., 85 F.3d 1561, 1568 (Fed. Cir. 1996) (Commission may find a single like product corresponding to several different classes or kinds defined by Commerce); Cleo, 501 F.3d at 1298 n.1 ("Commerce's {scope} finding does not control the Commission's {like product} determination."); Torrington, 747 F. Supp. at 748-52 (affirming Commission determination of six like products in investigations where Commerce found five classes or kinds).

¹³ Commerce stated that "[s]uch commodity matchbooks are also referred to as 'for resale' because they always enter into retail channels, meaning businesses that sell a general variety of tangible merchandise, e.g., convenience stores, supermarkets, dollar stores, drug stores and mass merchandisers."

are included in the scope of this investigation. All matchbooks, including commodity matchbooks, typically comply with the United States Consumer Product Safety Commission (CPSC) Safety Standard for Matchbooks, codified at 16 CFR 1202.1 *et. seq.* The scope of this investigation excludes promotional matchbooks, often referred to as “not for resale,” or “specialty advertising” matchbooks, as they do not enter into retail channels and are sold to businesses that provide hospitality, dining, drinking or entertainment services to their customers, and are given away by these businesses as promotional items. Such promotional matchbooks are distinguished by the physical characteristic of having the name and/or logo of a bar, restaurant, resort, hotel, club, cafe/coffee shop, grill, pub, eatery, lounge, casino, barbecue or individual establishment printed prominently on the matchbook cover. Promotional matchbook cover printing also typically includes the address and the phone number of the business or establishment being promoted.¹⁴ Also excluded are all other matches that are not fastened into a matchbook cover such as wooden matches, stick matches, box matches, kitchen matches, pocket matches, penny matches, household matches, strike anywhere matches (aka “SAW” matches), strike-on-box matches (aka “SOB” matches), fireplace matches, barbecue/grill matches, fire starters, and wax matches. The merchandise subject to this investigation is properly classified under subheading 3605.00.0060 of the Harmonized Tariff Schedule of the United States (HTSUS). Subject merchandise may also enter under subheading 3605.00.0030 of the HTSUS. Although the HTSUS subheadings are provided for convenience and customs purposes, the written description of the merchandise under investigation is dispositive.¹⁵

Commodity matchbooks consist of paper match stems fastened into a matchbook cover. The cover is usually made of plain white paperboard, which is sometimes printed with a simple generic message or image (such as “Thank You” or an American Flag) or printed with a chain store logo.¹⁶ A composition of red phosphorus, polyvinyl acetate, and ground glass is applied to the cover for use as a striking surface for the match head. The match stem is made from paperboard and is tipped with a match head composed of a chemical mixture (usually potassium chlorate, ground glass, gelatin, sulfur, diatomaceous earth, and carboxymethylcellulose), which ignites as the result of a chemical reaction when struck on the striking surface.¹⁷ Commodity matchbooks contain 20 matches, equaling the quantity of cigarettes in a pack.¹⁸ All commodity matchbooks, whether imported or made in the United States, are required to meet U.S. Consumer Product Safety Standards.¹⁹

¹⁴ Commerce explained that “{t}he gross distinctions between commodity matchbooks and promotional matchbooks may be summarized as follows: (1) If it has no printing, or is printed with a generic message such as “Thank You” or a generic image such as the American Flag, or printed with national or regional store brands or corporate brands, it is commodity; (2) if it has printing, and the printing includes the name of a bar, restaurant, resort, hotel, club, cafe/coffee shop, grill, pub, eatery, lounge, casino, barbecue, or individual establishment prominently displayed on the matchbook cover, it is promotional.”

¹⁵ Notice of Final Determination of Sales at Less than Fair Value, 74 Fed. Reg. 54536 (Oct. 22, 2009); Notice of Final Affirmative Countervailing Duty Determination, 74 Fed. Reg. 54547 (Oct. 22, 2009).

¹⁶ CR at I-7, PR at I-6.

¹⁷ CR at I-8, PR at I-6.

¹⁸ CR at I-8, PR at I-6.

¹⁹ CR at I-8, PR at I-7.

C. Domestic Like Product

In its preliminary determinations, the Commission defined a single domestic like product comprised of commodity matchbooks coextensive with the scope of the investigations defined by Commerce, as advocated by D.D. Bean. It determined not to include promotional matchbooks in the definition of the domestic like product.²⁰ The Commission indicated that it would revisit the issue of whether promotional matchbooks should be included in the definition of the domestic like product in any final phase investigations.²¹

In these final phase investigations, D.D. Bean again argues that the Commission should define a single domestic like product encompassing commodity matchbooks, coextensive with the scope of the investigations, and that promotional matchbooks should not be included in the same domestic like product with commodity matchbooks.²² We find that the information from producers, importers, and purchasers collected in the final phase of these investigations continues to indicate that promotional matchbooks should not be included in the definition of the domestic like product.

Commodity and promotional matchbooks share some physical characteristics and uses. Both consist of match stems attached to a cover with a striking face, and both are used as a portable ignition source.²³ The physical characteristics, however, often differ in terms of the number of stems, the color of the stems and match heads, the material of the matchbook covers, and especially the nature of the printed advertising (if any, in the case of commodity matchbooks) on the covers.²⁴

The stems and match heads of commodity matchbooks are in standardized colors, whereas those of promotional matchbooks come in a wide variety of colors.²⁵ The covers of promotional matchbooks are often much more elaborate than the plain paperboard covers of commodity matchbooks, and the quality of the cover board, finish, match stems, and printing is typically of a much higher caliber than that of commodity matchbooks.²⁶

There are also differences in the uses for the two types of matchbooks, particularly at the first level of trade among customers who buy the matchbooks from the producers. The customers for promotional matchbooks use them for promotional purposes, whereas the customers for commodity matchbooks generally intend them to be used as an ignition source.²⁷ End users tend to keep promotional matchbooks as souvenirs, adding them to match cover collections or storing them for future reference for addresses or telephone numbers.²⁸

Although both can be used as an ignition source (*e.g.* to light cigarettes) and are thus interchangeable to certain end users, commodity and promotional matchbooks are not generally viewed as interchangeable by purchasers due to their different physical characteristics and uses.

²⁰ Commodity Matchbooks from India, 701-TA-459 and 731-TA-1155 (Preliminary), USITC Pub. 4054 (Dec. 2008) (“Preliminary Determination”) at 9.

²¹ The Commission also determined not to include wooden matches in boxes in the definition of the domestic like product due to differences in physical characteristics and uses; limited interchangeability; different channels of distribution at the end-user level of trade; different manufacturing facilities, processes, and employees; and differences in producer and customer perceptions. Preliminary Determination at 7.

²² See Prehearing Brief at 6-12.

²³ CR at I-9, PR at I-6.

²⁴ CR at I-12, PR at I-9 to I-10.

²⁵ CR at I-12 to I-13, PR at I-9 to I-10.

²⁶ CR at I-13, PR at I-10.

²⁷ CR at I-13, PR at I-10.

²⁸ CR at I-13, PR at I-10. The record is mixed as to the extent promotional matchbooks are collected and kept as souvenirs rather than used as a portable ignition source and discarded. See CR at I-13, PR at I-10.

Purchasers' perceptions of commodity and promotional matchbooks also differ based on their different uses. Purchasers of commodity matchbooks perceive them as an accessory to facilitate cigarette sales.²⁹ Purchasers of promotional matchbooks, on the other hand, perceive promotional matchbooks as an advertising medium.³⁰ Furthermore, there can be significant differences in the prices of the two kinds of matchbooks; the average unit values of promotional matchbooks are *** the average unit values of commodity matchbooks.³¹

Commodity and promotional matchbooks also are sold through different channels of distribution. Commodity matchbooks are bought by wholesalers and distributors for resale to retailers, or are purchased directly by large retail chains. Promotional matchbooks typically are sold directly to the establishments that have commissioned their production.³²

There are also some differences in the production processes and machinery used to make the two kinds of matchbooks.³³ Commodity matchbooks are produced on high-speed, roll-to-roll presses, while promotional matchbooks are made on slower, sheet-fed presses. Commodity matchbooks are made in a continuing production process using an assembly line of machines specifically designed for high speed long runs. Promotional matchbooks, on the other hand, are made in a discrete production process using machines best suited for short runs and a high degree of customization.³⁴

Given that the differences between commodity matchbooks and promotional matchbooks outweigh the similarities, and in the absence of argument to the contrary in these final phase investigations, we decline to include promotional matchbooks in the definition of the domestic like product. Thus, we define a single domestic like product that is coextensive with the scope of the investigations.

D. Domestic Industry

The domestic industry is defined as the domestic "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."³⁵ 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. Based on our finding that the domestic like product is commodity matchbooks, we define a single domestic industry consisting of all producers of commodity matchbooks.³⁶

²⁹ Petition at 8.

³⁰ Public Hearing of October 20, 2009 ("Tr.") at 11-12 (C. Bean); CR at I-16, PR at I-11.

³¹ CR/PR at Table I-6.

³² CR at I-15, PR at I-11.

³³ CR at I-14, PR at I-10.

³⁴ CR at I-14, PR at I-10.

³⁵ 19 U.S.C. § 1677(4)(A).

³⁶ No domestic producer is related to an exporter or importer of the subject merchandise or imported the subject merchandise during the period examined, or is otherwise a related party as defined by the statute in 19 U.S.C. § 1677(4)(B).

III. MATERIAL INJURY BY REASON OF SUBJECT IMPORTS ³⁷

A. Legal Standards

In the final phase of antidumping and countervailing duty investigations, the Commission determines whether an industry in the United States is materially injured or threatened with material injury by reason of the imports under investigation.³⁸ In making this determination, the Commission must consider the volume of subject imports, their effect on prices for the domestic like product, and their impact on domestic producers of the domestic like product, but only in the context of U.S. production operations.³⁹ The statute defines “material injury” as “harm which is not inconsequential, immaterial, or unimportant.”⁴⁰ In assessing whether the domestic industry is materially injured by reason of subject imports, we consider all relevant economic factors that bear on the state of the industry in the United States.⁴¹ No single factor is dispositive, and all relevant factors are considered “within the context of the business cycle and conditions of competition that are distinctive to the affected industry.”⁴²

Although the statute requires the Commission to determine whether the domestic industry is “materially injured by reason of” unfairly traded imports,⁴³ it does not define the phrase “by reason of,” indicating that this aspect of the injury analysis is left to the Commission’s reasonable exercise of its discretion.⁴⁴ In identifying a causal link, if any, between subject imports and material injury to the domestic industry, the Commission examines the facts of record that relate to the significance of the volume and price effects of the subject imports and any impact of those imports on the condition of the domestic industry. This evaluation under the “by reason of” standard must ensure that subject imports are more than a minimal or tangential cause of injury and that there is a sufficient causal, not merely a temporal, nexus between subject imports and material injury.⁴⁵

In many investigations, there are other economic factors at work, some or all of which may also be having adverse effects on the domestic industry. Such economic factors might include nonsubject

³⁷ Negligibility is not an issue in these investigations under 19 U.S.C. § 1677(24). Although data are not available for the 12-month period preceding the filing of the petition, subject imports from India accounted for *** percent of total imports of the merchandise in 2008. CR at IV-5, PR at IV-2.

³⁸ 19 U.S.C. §§ 1671d(b), 1673d(b).

³⁹ 19 U.S.C. § 1677(7)(B)(i). The Commission “may consider such other economic factors as are relevant to the determination” but shall “identify each {such} factor ... and explain in full its relevance to the determination.” 19 U.S.C. § 1677(7)(B).

⁴⁰ 19 U.S.C. § 1677(7)(A).

⁴¹ 19 U.S.C. § 1677(7)(C)(iii).

⁴² 19 U.S.C. § 1677(7)(C)(iii).

⁴³ 19 U.S.C. §§ 1671d(a), 1673d(a).

⁴⁴ Angus Chemical Co. v. United States, 140 F.3d 1478, 1484-85 (Fed. Cir. 1998) (“{T}he statute does not ‘compel the commissioners’ to employ {a particular methodology}.”), aff’d, 944 F. Supp. 943, 951 (Ct. Int’l Trade 1996).

⁴⁵ The Federal Circuit, in addressing the causation standard of the statute, observed that “{a}s long as its effects are not merely incidental, tangential, or trivial, the foreign product sold at less than fair value meets the causation requirement.” Nippon Steel Corp. v. USITC, 345 F.3d 1379, 1384 (Fed. Cir. 2003). This was further ratified in Mittal Steel Point Lisas Ltd. v. United States, 542 F.3d 867, 873 (Fed. Cir. 2008), where the Federal Circuit, quoting Gerald Metals, Inc. v. United States, 132 F.3d 716, 722 (Fed. Cir. 1997), stated that “this court requires evidence in the record ‘to show that the harm occurred “by reason of” the LTFV imports, not by reason of a minimal or tangential contribution to material harm caused by LTFV goods.’” See also Nippon Steel Corp. v. United States, 458 F.3d 1345, 1357 (Fed. Cir. 2006); Taiwan Semiconductor Industry Ass’n v. USITC, 266 F.3d 1339, 1345 (Fed. Cir. 2001).

imports; changes in technology, demand, or consumer tastes; competition among domestic producers; or management decisions by domestic producers. The legislative history explains that the Commission must examine factors other than subject imports to ensure that it is not attributing injury from other factors to the subject imports, thereby inflating an otherwise tangential cause of injury into one that satisfies the statutory material injury threshold.⁴⁶ In performing its examination, however, the Commission need not isolate the injury caused by other factors from injury caused by unfairly traded imports.⁴⁷ Nor does the “by reason of” standard require that unfairly traded imports be the “principal” cause of injury or contemplate that injury from unfairly traded imports be weighed against other factors, such as nonsubject imports, which may be contributing to overall injury to an industry.⁴⁸ It is clear that the existence of injury caused by other factors does not compel a negative determination.⁴⁹

Assessment of whether material injury to the domestic industry is “by reason of” subject imports “does not require the Commission to address the causation issue in any particular way” as long as “the injury to the domestic industry can reasonably be attributed to the subject imports” and the Commission “ensure{s} that it is not attributing injury from other sources to the subject imports.”^{50 51} Indeed, the

⁴⁶ Statement of Administrative Action (“SAA”) on Uruguay Round Agreements Act (“URAA”), H.R. Rep. 103-316, Vol. I at 851-52 (1994) (“{T}he Commission must examine other factors to ensure that it is not attributing injury from other sources to the subject imports.”); S. Rep. 96-249 at 75 (1979) (the Commission “will consider information which indicates that harm is caused by factors other than less-than-fair-value imports.”); H.R. Rep. 96-317 at 47 (1979) (“in examining the overall injury being experienced by a domestic industry, the ITC will take into account evidence presented to it which demonstrates that the harm attributed by the petitioner to the subsidized or dumped imports is attributable to such other factors;” those factors include “the volume and prices of nonsubsidized imports or imports sold at fair value, contraction in demand or changes in patterns of consumption, trade restrictive practices of and competition between the foreign and domestic producers, developments in technology and the export performance and productivity of the domestic industry”); accord Mittal Steel, 542 F.3d at 877.

⁴⁷ SAA at 851-52 (“{T}he Commission need not isolate the injury caused by other factors from injury caused by unfair imports.”); Taiwan Semiconductor Industry Ass’n v. USITC, 266 F.3d 1339, 1345 (Fed. Cir. 2001) (“{T}he Commission need not isolate the injury caused by other factors from injury caused by unfair imports Rather, the Commission must examine other factors to ensure that it is not attributing injury from other sources to the subject imports.” (emphasis in original)); Asociacion de Productores de Salmon y Trucha de Chile AG v. United States, 180 F. Supp. 2d 1360, 1375 (Ct. Int’l Trade 2002) (“{t}he Commission is not required to isolate the effects of subject imports from other factors contributing to injury” or make “bright-line distinctions” between the effects of subject imports and other causes.); see also Softwood Lumber from Canada, Invs. Nos. 701-TA-414 and 731-TA-928 (Remand), USITC Pub. 3658 at 100-01 (Dec. 2003) (Commission recognized that “{i}f an alleged other factor is found not to have or threaten to have injurious effects to the domestic industry, i.e., it is not an ‘other causal factor,’ then there is nothing to further examine regarding attribution to injury”), citing Gerald Metals, Inc. v. United States, 132 F.3d 716, 722 (Fed. Cir. 1997) (the statute “does not suggest that an importer of LTFV goods can escape countervailing duties by finding some tangential or minor cause unrelated to the LTFV goods that contributed to the harmful effects on domestic market prices.”).

⁴⁸ S. Rep. 96-249 at 74-75; H.R. Rep. 96-317 at 47.

⁴⁹ See Nippon Steel Corp., 345 F.3d at 1381 (“an affirmative material-injury determination under the statute requires no more than a substantial-factor showing. That is, the ‘dumping’ need not be the sole or principal cause of injury.”).

⁵⁰ Mittal Steel, 542 F.3d at 877-78; see also id. at 873 (“While the Commission may not enter an affirmative determination unless it finds that a domestic industry is materially injured ‘by reason of’ subject imports, the Commission is not required to follow a single methodology for making that determination ... {and has} broad discretion with respect to its choice of methodology.”) citing United States Steel Group v. United States, 96 F.3d 1352, 1362 (Fed. Cir. 1996) and S. Rep. 96-249 at 75.

⁵¹ Commissioner Pinkert does not join this paragraph or the following three paragraphs. He points out that the Federal Circuit, in Bratsk, 444 F.3d 1369, and Mittal, held that the Commission is required, in certain circumstances (continued...)

Federal Circuit has examined and affirmed various Commission methodologies and has disavowed “rigid adherence to a specific formula.”⁵²

The Federal Circuit’s decisions in Gerald Metals, Bratsk, and Mittal Steel all involved cases where the relevant “other factor” was the presence in the market of significant volumes of price-competitive nonsubject imports. The Commission interpreted the Federal Circuit’s guidance in Bratsk as requiring it to apply a particular additional methodology following its finding of material injury in cases involving commodity products and a significant market presence of price-competitive nonsubject imports.⁵³ The additional “replacement/benefit” test looked at whether nonsubject imports might have replaced subject imports without any benefit to the U.S. industry. The Commission applied that specific additional test in subsequent cases, including the Carbon and Certain Alloy Steel Wire Rod from Trinidad and Tobago determination that underlies the Mittal Steel litigation.

Mittal Steel clarifies that the Commission’s interpretation of Bratsk was too rigid and makes clear that the Federal Circuit does not require the Commission to apply an additional test nor any one specific methodology; instead, the court requires the Commission to have “evidence in the record” to “show that the harm occurred ‘by reason of’ the LTFV imports,” and requires that the Commission not attribute injury from nonsubject imports or other factors to subject imports.⁵⁴ Accordingly, we do not consider ourselves required to apply the replacement/benefit test that was included in Commission opinions subsequent to Bratsk.

The progression of Gerald Metals, Bratsk, and Mittal Steel clarifies that, in cases involving commodity products where price-competitive nonsubject imports are a significant factor in the U.S. market, the Court will require the Commission to give full consideration, with adequate explanation, to non-attribution issues when it performs its causation analysis.^{55 56}

⁵¹ (...continued)

when considering present material injury, to undertake a particular kind of analysis of nonsubject imports. Mittal explains as follows:

What Bratsk held is that “where commodity products are at issue and fairly traded, price-competitive, nonsubject imports are in the market,” the Commission would not fulfill its obligation to consider an important aspect of the problem if it failed to consider whether nonsubject or non-LTFV imports would have replaced LTFV subject imports during the period of investigation without a continuing benefit to the domestic industry. 444 F.3d at 1369. Under those circumstances, Bratsk requires the Commission to consider whether replacement of the LTFV subject imports might have occurred during the period of investigation, and it requires the Commission to provide an explanation of its conclusion with respect to that factor.

542 F.3d at 878.

⁵² Nucor Corp. v. United States, 414 F.3d 1331, 1336, 1341 (Fed. Cir. 2005); see also Mittal Steel, 542 F.3d at 879 (“Bratsk did not read into the antidumping statute a Procrustean formula for determining whether a domestic injury was ‘by reason’ of subject imports.”).

⁵³ Mittal Steel, 542 F.3d at 875-79.

⁵⁴ Mittal Steel, 542 F.3d at 873 (quoting from Gerald Metals, 132 F.3d at 722), 875-79 & n.2 (recognizing the Commission’s alternative interpretation of Bratsk as a reminder to conduct a non-attribution analysis).

⁵⁵ Commissioner Lane also refers to her dissenting views in Polyethylene Terephthalate Film, Sheet, and Strip from Brazil, China, Thailand, and the United Arab Emirates, Invs. Nos. 731-TA-1131 to 1134 (Final), USITC Pub. 4040 (Oct. 2008), for further discussion of Mittal Steel.

⁵⁶ To that end, after the Federal Circuit issued its decision in Bratsk, the Commission began to present published information or send out information requests in final phase investigations to producers in nonsubject countries that accounted for substantial shares of U.S. imports of subject merchandise (if, in fact, there were large nonsubject import suppliers). In order to provide a more complete record for the Commission’s causation analysis, these requests typically seek information on capacity, production, and shipments of the product under investigation in the

(continued...)

The question of whether the material injury threshold for subject imports is satisfied notwithstanding any injury from other factors is factual, subject to review under the substantial evidence standard.⁵⁷ Congress has delegated this factual finding to the Commission because of the agency's institutional expertise in resolving injury issues.⁵⁸

B. Conditions of Competition and the Business Cycle

The following conditions of competition inform our analysis of whether there is material injury or threat of material injury by reason of subject imports.

1. Demand Conditions

Because commodity matchbooks are used primarily to light cigarettes, the demand for commodity matchbooks is closely linked to the demand for cigarettes.⁵⁹ As the demand for cigarettes declined over the period of investigation, demand for commodity matchbooks also declined. Apparent U.S. consumption of commodity matchbooks, however, declined over the period of investigation at a greater rate than the decline in demand for cigarettes.⁶⁰ Apparent U.S. consumption was *** cases in 2006, *** cases in 2007, and *** cases in 2008.⁶¹ Apparent U.S. consumption was *** cases during January-June 2008 and *** cases during January-June 2009. Given that the apparent U.S. consumption of commodity matchbooks declined at a greater rate than the consumption of cigarettes, it appears that additional factors, such as the use of lighters in lieu of matches, have had a negative impact on the demand for commodity matchbooks and will continue to do so.⁶² D.D. Bean has taken into account declining demand for commodity matchbooks, as its business plan ***.⁶³

⁵⁶ (...continued)

major source countries that export to the United States. The Commission plans to continue utilizing published or requested information in final phase investigations in which there are substantial levels of nonsubject imports.

⁵⁷ We provide in our respective discussions of volume, price effects, and impact a full analysis of other factors alleged to have caused any material injury experienced by the domestic industry.

⁵⁸ Mittal Steel, 542 F.3d at 873; Nippon Steel Corp., 458 F.3d at 1350, citing U.S. Steel Group, 96 F.3d at 1357; S. Rep. 96-249 at 75 ("The determination of the ITC with respect to causation is ... complex and difficult, and is a matter for the judgment of the ITC.").

⁵⁹ CR at II-6, PR at II-3.

⁶⁰ Cigarette consumption in the United States declined from 372 billion cigarettes in 2006 to 360 billion cigarettes in 2007, or by 3.2 percent, whereas apparent U.S. consumption of commodity matchbooks declined by *** percent from 2006 to 2007. CR at II-7, PR at II-3; CR/PR at Table IV-4.

⁶¹ CR/PR at Table IV-4.

⁶² Four of seven responding purchasers reported that low-priced lighters had reduced demand for commodity matches, and three firms reported that low-priced lighters had influenced demand for commodity matches but that this occurred before 2006. The Consumer Product Safety Commission has reported that substitute products such as disposable lighters, as well as business and economic conditions, have led to the contraction in the matchbook manufacturing industry in recent years. CR at II-6, PR at II-3. The record is unclear regarding the extent to which lighters are preferred as an ignition source over commodity matchbooks, but the U.S. market reportedly became saturated with inexpensive lighters by the mid-1990s. Tr. at 13, 59, 112 (C. Bean, M. Bean).

⁶³ CR at VI-2 n.6, PR at VI-1 n.6.

Although commodity matchbooks are a commonly used product in the United States, consumers in most other countries (with the exceptions of Canada, Egypt, Mexico and Guatemala) use only wooden matches.⁶⁴

2. Supply Conditions

There were three producers of commodity matchbooks in the United States during the period of investigation, D.D. Bean, Atlas, and Bradley.⁶⁵ D.D. Bean is *** of the domestic producers and has operated a manufacturing facility in Jaffrey, NH continuously since 1938.⁶⁶ Bradley, a family business in Illinois, merged with Atlas (a producer of promotional matchbooks) in September 2007.⁶⁷ Atlas closed Bradley's Frankfort, Illinois plant in the second quarter of 2008 and moved its commodity matchbook production to Atlas's plant in Eules, Texas.⁶⁸

The domestic industry's market share, on a quantity basis, increased from *** percent in 2006 to *** percent in 2006 and *** percent in 2008.⁶⁹ The market share of subject imports fell from *** percent in 2006 to *** percent in 2008.⁷⁰ In addition to India, there were two other foreign sources of supply to the U.S. market during the period of investigation, China and Mexico.⁷¹ The market share of nonsubject imports declined from 2006 to 2007, and there were *** nonsubject imports in 2008.⁷² Several factors, including ***, led to the decision by the ***.⁷³

⁶⁴ CR at III-5 and VII-6, PR at III-2, VII-3.

⁶⁵ CR at III-2, PR at III-1.

⁶⁶ CR at III-1, PR at III-1.

⁶⁷ CR at III-2, PR at III-1.

⁶⁸ CR at III-2, PR at III-1.

⁶⁹ CR/PR at Table IV-4. The industry's market share was *** percent in interim 2008 (first half of 2008) and *** percent in interim 2009 (first half of 2009). Id.

⁷⁰ CR/PR at Table IV-4.

⁷¹ CR at VII-6, PR at VII-3.

⁷² See CR/PR at Table IV-4.

⁷³ CR at IV-4, PR at IV-2.

3. Substitutability and Other Factors

There is a high degree of substitutability between the subject imports and the domestic product.⁷⁴ *** and purchasers of commodity matchbooks reported that the U.S. product and the subject imports are always or frequently interchangeable.⁷⁵

*** reported that differences other than price were either sometimes or *** a significant factor in sales of commodity matchbooks. Importers' responses varied, with one reporting that differences other than price were always significant, one reporting that they were sometimes significant, and another reporting that they were never significant.⁷⁶ All nine purchasers responding to questionnaires indicated that price is very important in purchasing decisions.⁷⁷

During 2008, D.D. Bean sold ***, while Atlas sold ***.⁷⁸ In 2008, the leading importer of commodity matches from India, ***.⁷⁹ D.D. Bean reports that typical order sizes are large; a minimum order is a pallet or fifty cases, with each pallet containing 125,000 matchbooks.⁸⁰ Commodity matchbooks are sold on both a contract and a spot basis, with about *** of sales taking place on a spot basis.⁸¹

Raw materials accounted for almost *** of the cost of production of commodity matchbooks.⁸² D.D. Bean reported that energy, paraffin, match stem, and potassium chlorate prices all increased in 2008, increasing the cost of commodity matchbook production.⁸³

C. Volume of the Subject Imports

In evaluating the volume of subject imports, section 771(7)(C)(i) of the Tariff Act provides that the "Commission shall consider whether the volume of imports of the merchandise, or any increase in that volume, either in absolute terms or relative to production or consumption in the United States, is significant."⁸⁴

The volume of subject imports declined from *** cases in 2006 to *** cases in 2007 and *** cases in 2008.⁸⁵ It was *** cases in interim 2008 and *** cases in interim 2009.⁸⁶ The market share of subject imports fell from *** percent in 2006 to *** percent in 2008, and it was *** percent in interim 2008 and *** percent in interim 2009.⁸⁷ The ratio of the quantity of subject imports to U.S. production

⁷⁴ CR at II-8, PR at II-4.

⁷⁵ CR/PR at Table II-5.

⁷⁶ CR/PR at Table II-8.

⁷⁷ CR/PR at Table II-4.

⁷⁸ CR at II-1, PR at II-1.

⁷⁹ CR at II-1, PR at II-1.

⁸⁰ Tr. at 70 (Bartlett).

⁸¹ CR at V-2, PR at V-1; Tr. at 59 (Bartlett).

⁸² CR at V-1, PR at V-1.

⁸³ CR at V-1, PR at V-1.

⁸⁴ 19 U.S.C. § 1677(7)(C)(i).

⁸⁵ CR/PR at Table IV-5; INV-FF-150 (Dec. 8, 2008) at Table IV-2.

⁸⁶ CR/PR at Table IV-2.

⁸⁷ CR/PR at Table IV-4.

fell from *** percent in 2006 to *** percent in 2007 and *** percent in 2008, and was *** percent in interim 2008 and *** percent in interim 2009.⁸⁸

We find that the decline in subject imports throughout the period examined was due in large part to the domestic industry's strategy during 2006-2007 of lowering its prices to meet import competition.⁸⁹ As explained by D.D. Bean, it decided that it would lower prices for its large customers in the Northeast to meet the much lower prices for the subject imports in order to retain market share.⁹⁰ The evidence in the record from the preliminary phase of the investigations demonstrates that D.D. Bean's strategy followed an increase in subject imports from *** cases in 2005 to *** cases in 2006.⁹¹ Absent D.D. Bean's aggressive response to the subject imports, the volume of subject imports likely would have been higher and the domestic industry likely would have lost more sales and market share.

We attribute the further decline in subject imports toward the end of the period examined almost entirely to the filing of the petitions on October 29, 2008, and therefore accord less weight in our analysis to the decline during interim 2009.⁹² Within six months of the filing of the petitions, the Indian producer/exporter ***.⁹³

We also evaluate the volume of the subject imports in the context of a market experiencing declining apparent U.S. consumption. As discussed below with respect to price effects, the subject imports significantly undersold the domestic product, leading to declines in the domestic industry's sales and shipments beyond what would have otherwise occurred in a shrinking market. Additionally, despite the decrease in volume, the subject imports maintained a significant presence in the declining U.S. market, particularly in light of the price effects described below.

Based on the foregoing, we find that the volume of subject imports is significant, both in absolute terms and relative to consumption and production in the United States.

D. Price Effects of the Subject Imports

In evaluating the price effects of the subject imports, section 771(7)(C)(ii) of the Tariff Act provides that the Commission shall consider whether –

(I) there has been significant price underselling by the imported merchandise as compared with the price of domestic like products of the United States, and

⁸⁸ CR/PR at Table IV-5.

⁸⁹ Tr. at 32 (M. Bean).

⁹⁰ Tr. at 40-43 (Bartlett). D.D. Bean explained that it had engaged in large price reductions in some sectors of the market and retained "pricing flexibility" with other customers. Tr. at 42; Posthearing Brief at 5. There is nothing in the record to contradict D.D. Bean's explanation of this action.

⁹¹ The Commission generally considers information from a period of investigation consisting of three years and any available partial year data. In this case, examination of volume data from 2005 is necessary to evaluate petitioner's contention that it responded to rising import volumes by lowering its prices. We note that the import volume data for 2005 and subsequent years obtained in the preliminary phase investigations are compatible with the import data for 2006-2008 obtained in the final phase of these investigations.

⁹² In final phase investigations, the statutory provision governing the Commission's treatment of post-petition information, 19 U.S.C. § 1677(7)(I), states that "the Commission shall consider whether any change in the volume, price effects, or impact of imports of the subject merchandise since the filing of the petition in an investigation . . . is related to the pendency of the investigation and, if so, the Commission may reduce the weight accorded to the data for the period after the filing of the petition in making its determination of material injury"

⁹³ The Indian producer and exporter, Triveni Safety, reported that it ***. CR at VII-2, PR at VII-2. U.S. imports of commodity matchbooks from India were significantly lower in interim 2009 than in interim 2008. CR/PR at Table IV-5.

(II) the effect of imports of such merchandise otherwise depresses prices to a significant degree or prevents price increases, which otherwise would have occurred, to a significant degree.⁹⁴

Subject imports from India and domestic commodity matchbooks are highly substitutable.⁹⁵ Roughly *** of sales of the domestic like product and *** sales of subject imports take place on the spot market.⁹⁶ Purchasers ranked price most frequently as the most important or second most important factor in purchasing decisions.⁹⁷

The Commission collected quarterly pricing data for cases of 2,500 matchbooks of two common types: (1) matchbooks with covers that are plain white or imprinted with the words THANK YOU (Product 1); and (2) matchbooks with covers imprinted with a logo (Product 2).⁹⁸ The two U.S. producers and three importers provided pricing data for commodity matchbooks for the period January 2006-June 2009.⁹⁹ Pricing data for the subject imports were only available for Product 1.

Subject imports undersold the domestic like product in all 14 quarterly pricing comparisons for Product 1 by margins that averaged 16.4 percent.¹⁰⁰ Given the consistency and size of the underselling margins and the high substitutability of the domestic and imported products, we find the underselling by the subject imports to be significant.

Domestic producers' prices for both pricing products followed relatively similar trends, with prices for both Products 1 and 2 declining somewhat during 2006.¹⁰¹ Thereafter, prices for both pricing products fluctuated within a small range from 2007 through the first half of 2009.¹⁰² The decline in domestic prices for commodity matchbooks in 2006 coincided with the largest margin of underselling during the period and is consistent with the testimony noted above that D.D. Bean lowered its prices in order to maintain its market share in response to the 2005-2006 increases in subject imports.¹⁰³ We find that the price decline in 2006 reflects the effects of the subject imports, which depressed prices for domestically produced commodity matchbooks to a significant degree, resulting in prices at depressed levels through 2008.

We also find that the subject imports prevented domestic price increases that otherwise would have occurred to a significant degree. On a per unit basis, the domestic industry's cost of goods sold (COGS) increased from 2006 to 2008 as a result of an increase in per unit raw material costs.¹⁰⁴ The industry was unable to increase the unit value of its net sales sufficiently to offset rising costs. The unit

⁹⁴ 19 U.S.C. § 1677(7)(C)(ii).

⁹⁵ CR at II-8, PR at II-4.

⁹⁶ CR at V-2, PR at V-1; CR/PR at Table II-2.

⁹⁷ CR/PR at Table II-3.

⁹⁸ CR at V-3, PR at V-2.

⁹⁹ The data accounted for *** percent of the quantity of U.S. producers' shipments and *** percent of importers' shipments of the subject imports from India. CR at V-3, PR at V-2.

¹⁰⁰ CR/PR at Table V-5.

¹⁰¹ See CR/PR at Figure V-1.

¹⁰² CR/PR at Tables V-1 and V-2; CR/PR at Figure V-1.

¹⁰³ See CR/PR at Table V-1 (margin of underselling by the subject imports of *** percent in second quarter of 2006 followed by a *** percent decline in prices in the third quarter for the domestic product).

¹⁰⁴ The unit value of average COGS was \$*** per case in 2006, \$*** per case in 2007, and \$*** per case in 2008. CR/PR at Table VI-2. The unit cost of raw materials was \$*** per case in 2006, \$*** per case in 2007, and \$*** per case in 2008. Raw material costs ***. CR at VI-9 n.16, PR at VI-3 n.16. This resulted in a lower unit value of COGS in interim 2009 (\$*** per case) than in interim 2008 (\$*** per case). CR/PR at Table VI-2.

value of net sales was \$*** per case in 2006, \$*** per case in 2007, and \$*** per case in 2008.¹⁰⁵ It was \$*** per case in interim 2008 and \$*** in interim 2009.¹⁰⁶ As a result, the domestic industry's COGS as a ratio to net sales increased overall from 2006 to 2008, resulting in a cost-price squeeze.^{107 108}

Thus, for the majority of the period, the domestic industry was unable to raise its prices to cover increases in costs. In 2009, however, as subject imports declined due to the filing of the petition, the domestic industry was able to increase its prices to cover its elevated costs, which also led to an increase in its profitability.¹⁰⁹ Thus, without the presence of significant volumes of lower priced imports, the industry was able to increase its prices even in the face of the *** decline in apparent U.S. consumption and difficult economic times.¹¹⁰

The amount of confirmed lost sales and revenues in these investigations lends further support to our finding of adverse price effects. Confirmed lost sales totaled \$***, and confirmed lost revenues totaled \$***.¹¹¹ The total amount of confirmed lost sales and lost revenues (\$*** million) is *** relative to a market in which apparent U.S. consumption totaled only \$*** million from January 2006 to June 2009. *** of the ten confirmed lost revenues and two of the six confirmed lost sales occurred in 2008 and interim 2009, indicating that although subject imports were declining, they adversely affected prices throughout the period.¹¹²

In sum, we find that subject imports undersold the domestic like product and depressed and suppressed prices to a significant extent.

E. Impact of the Subject Imports on the Domestic Industry¹¹³

In examining the impact of subject imports, section 771(7)(C)(iii) of the Tariff Act provides that the Commission "shall evaluate all relevant economic factors which have a bearing on the state of the industry."¹¹⁴ These factors include output, sales, inventories, ability to raise capital, research and development, and factors affecting domestic prices. No single factor is dispositive and all relevant factors

¹⁰⁵ CR/PR at Table VI-3.

¹⁰⁶ CR/PR at Table VI-3.

¹⁰⁷ The COGS to net sales ratio was *** percent in 2006, *** percent in 2007, and *** percent in 2008. CR/PR at Table VI-1.

¹⁰⁸ Chairman Aranoff agrees that the domestic industry has experienced a cost-price squeeze. Nevertheless, having found significant price depression, Chairman Aranoff does not reach the issue of whether subject imports prevented price increases, which otherwise would have occurred, to a significant degree.

¹⁰⁹ The industry's COGS to net sales ratio was *** percent in interim 2008 and *** percent in interim 2009. CR/PR at Table VI-1.

¹¹⁰ Apparent U.S. consumption was *** percent lower in interim 2009 at *** cases than in interim 2008 at *** cases. CR/PR at Table IV-4.

¹¹¹ CR/PR at Tables V-6 and V-7.

¹¹² CR/PR at Tables V-6 and V-7.

¹¹³ We have considered the magnitude of the dumping margins found by Commerce. In its final determinations of sales at LTFV, Commerce found a weighted-averaged dumping margin of 66.07 percent for named exporter Triveni Safety Matches Pvt. Ltd. and for all others. CR/PR at Table I-2.

¹¹⁴ 19 U.S.C. § 1677(7)(C)(iii); see also SAA at 851 and 885 ("In material injury determinations, the Commission considers, in addition to imports, other factors that may be contributing to overall injury. While these factors, in some cases, may account for the injury to the domestic industry, they also may demonstrate that an industry is facing difficulties from a variety of sources and is vulnerable to dumped or subsidized imports.").

are considered “within the context of the business cycle and conditions of competition that are distinctive to the affected industry.”¹¹⁵

We have examined the trade and financial data for the domestic industry producing commodity matchbooks. The data show declines in most measures of industry performance over the period of investigation until interim 2009, after the filing of the petitions.

The domestic industry’s production declined by *** percent from 2006 to 2008, while its capacity remained unchanged.¹¹⁶ The decline in production led to declining capacity utilization, which fell from *** percent in 2006 to *** percent in 2007 and *** percent in 2008.¹¹⁷ Domestic producers’ U.S. shipments declined as well during the period examined, as did inventories as a ratio to shipments.¹¹⁸

Despite the declines in production and shipments, the domestic industry regained market share. Its market share increased from *** percent in 2006 to *** percent in 2007 and *** percent in 2008.¹¹⁹

The industry’s employment indicators declined over the period of investigation. The number of production and related workers, hours worked, and wages paid, as well as labor productivity, all declined.¹²⁰ A *** improvement in hourly wages resulted from one-time charges related to severance payments.¹²¹

The domestic industry’s financial indicators, including net sales, operating income, and operating margins, all declined over the period of investigation. The quantity of net sales was *** cases in 2006, *** cases in 2007, and *** cases in 2008. The value of net sales was \$*** in 2005, \$*** in 2007, and \$*** in 2008.¹²² Operating income declined from \$*** in 2006 to *** in 2007, before increasing to \$*** in 2008.¹²³ The industry’s ratio of operating income to net sales fell from *** percent in 2006 to *** percent in 2007 and then increased to *** percent in 2008.¹²⁴

We have also considered whether factors other than the subject imports have had an impact on the domestic industry to ensure that we are not attributing injury from other factors to the subject imports.

¹¹⁵ 19 U.S.C. § 1677(7)(C)(iii); see also SAA at 851, 885; Live Cattle from Canada and Mexico, Inv. Nos. 701-TA-386, 731-TA-812-813 (Preliminary), USITC Pub. 3155 at 25 n.148 (Feb. 1999).

¹¹⁶ The domestic industry’s capacity was *** cases per year in the three years from 2006 through 2008 and was *** cases in both interim 2008 and interim 2009. CR/PR at Table III-2. Production fell from *** cases in 2006 to *** cases in 2007 and *** cases in 2008. It was *** cases in interim 2008 and *** cases in interim 2009. CR/PR at Table III-2.

¹¹⁷ CR/PR at Table III-2.

¹¹⁸ Domestic producers’ U.S. shipments fell from *** cases in 2006 to *** cases in 2007 and *** cases in 2008. Shipments were *** cases in interim 2008 and *** cases in interim 2009. CR/PR at Table III-3. The ratio of inventories to total shipments was *** percent in 2006, *** percent in 2007, *** percent in 2008, *** percent in interim 2008, and *** percent in interim 2009. CR/PR at Table III-4.

¹¹⁹ CR/PR at Table IV-4. The industry’s market share was *** percent in interim 2008 and *** percent in interim 2009. Id.

¹²⁰ The number of production and related workers (PRWs) declined from *** in 2006 to *** in 2007 and *** in 2008. The number of PRWs was *** in interim 2008 and *** in interim 2009. Aggregate hours worked fell from *** in 2006 to *** in 2007 and *** in 2008, and were *** in interim 2008 and *** in interim 2009. Total wages paid were \$*** in 2006, \$*** in 2007, \$*** in 2008, \$*** in interim 2008, and \$*** in interim 2009. Productivity (measured in cases per 1,000 hours) declined from *** in 2006 to *** in 2007 and *** in 2008. It was *** in interim 2008 and *** in interim 2009. CR/PR at Table III-5.

¹²¹ Hourly wages declined from \$*** in 2006 to \$*** in 2007, but rose to \$*** in 2008. They were \$*** in interim 2008 and \$*** in interim 2009. CR/PR at Table III-5. The increase in 2008 was primarily the result of ***. CR at III-8, PR at III-3.

¹²² CR/PR at Table VI-1.

¹²³ CR/PR at Table VI-1.

¹²⁴ CR/PR at Table VI-1.

Declining apparent U.S. consumption of commodity matchbooks from 2006 to 2008 may explain the deterioration of certain aspects of the performance of the U.S. industry, but it does not provide a sufficient explanation for the industry's worsening financial condition.

The domestic industry's reduced profitability in 2007 and 2008 was due in part to lower sales volume, but depressed prices and net sales values were significant factors.¹²⁵ The domestic industry's *** financial performance continued in 2008 despite D.D. Bean's ***.¹²⁶ D.D. Bean, which accounted for the vast majority of the industry's sales and shipments took a number of steps to ***.¹²⁷ We agree with D.D. Bean, however, that some of these cost-cutting measures, such as ***.¹²⁸

Thus, we find that weakening demand, for which D.D. Bean budgets and plans, does not wholly account for the industry's reduced profitability. In interim 2009, after the filing of the petitions, the domestic industry was able to increase its prices despite continued declines in apparent U.S. consumption and reduced shipment levels. The industry's unit value of net sales improved in interim 2009, as it further reduced its SG&A expenses and COGs.¹²⁹ As a result, the industry's operating income margin was higher in interim 2009 (*** percent) than in interim 2008 (*** percent).¹³⁰

We have also considered the role of nonsubject imports in the U.S. market during the period of investigation.¹³¹ Nonsubject imports were not always present in the market during the period of investigation,¹³² and they were priced higher than the subject imports.¹³³ Nonsubject imports *** as a result of a ***.¹³⁴ Thus, we do not find that the injury to the domestic industry described above can be attributed in any significant way to the nonsubject imports. The deterioration in the domestic industry's performance occurred as subject imports entered the U.S. market in significant volumes and undersold the domestic product, adversely affecting domestic prices. When the subject imports left the U.S. market, domestic prices for commodity matchbooks improved.

¹²⁵ See CR/PR at Table VI-4.

¹²⁶ CR at VI-11, PR at VI-4. The domestic industry's ratio of SG&A expenses to net sales was *** percent in 2006, *** percent in 2007, and *** percent in 2008. The ratio was *** percent in interim 2008 and *** percent in interim 2009. CR/PR at Table VI-1.

¹²⁷ CR at VI-12, PR at VI-4.

¹²⁸ CR at VI-9 n.16, VI-11 n.22, PR at VI-3 n.16, VI-4 n.22.

¹²⁹ CR/PR at Table VI-2.

¹³⁰ CR/PR at Table VI-1.

¹³¹ With respect to the considerations required by Bratsk/Mittal, Commissioner Pinkert finds, as he did in the preliminary investigations, that the matchbooks at issue are essentially a commodity product and that price competitive, nonsubject imports were a significant, albeit declining, factor in the U.S. market during the period of investigation. He further finds, however, that non-subject imports would not have replaced the subject imports during the period of investigation without benefit to the domestic industry. Nonsubject imports *** after 2007. CR at IV-4, PR at IV-2; CR/PR at Table C-1. The principal sources of non-subject imports during the period were China and Mexico. CR at VII-6 to VII-7, PR at VII-3. ***, the U.S. importer of commodity matchbooks from *** the subject imports. CR at IV-4 and VII-7, PR at IV-2 and VII-3. Thus, there is no reason to believe that imports from China and Mexico would have replaced the subject imports. Moreover, even if nonsubject imports had replaced the subject imports, the record indicates that antidumping relief would nevertheless have benefitted the domestic industry through higher prices. The average unit values of nonsubject imports were significantly higher than those of subject imports during 2006-2007, the only portion of the period of investigation in which ***. CR/PR at Table IV-2.

¹³² The market share of nonsubject imports on a quantity basis declined from *** percent in 2006 to *** percent in 2007 and *** percent in 2008. CR/PR at Table IV-4.

¹³³ See CR/PR at Table IV-2 (unit values for nonsubject imports higher than those for subject imports).

¹³⁴ CR at IV-4, PR at IV-2.

We conclude that subject imports had a significant adverse impact on the condition of the domestic industry during the period of investigation. As discussed above, although subject imports declined over the period, they maintained significant market share, significantly undersold the domestic like product, and adversely affected domestic prices for commodity matchbooks to a significant degree. The domestic industry's costs increased, and because of the significant volumes of subject imports present in the U.S. market, the domestic industry was caught in a cost-price squeeze. The adverse impact of the subject imports is further indicated by the large quantity of lost sales and revenues that we have confirmed to have been due to the lower prices of the subject imports. The volume and market share of the subject imports, together with their adverse effects on U.S. prices, materially impacted the domestic industry's profitability, market share, and employment over the period of investigation.

Consequently, we conclude that there is a causal nexus between the subject imports and an adverse impact on the domestic industry, which demonstrates that the domestic industry is materially injured by reason of subject imports.

CONCLUSION

For the reasons stated above, we find that an industry in the United States is materially injured by reason of imports of commodity matchbooks from India that have been found by Commerce to be sold in the United States at less than fair value and subsidized by the Government of India.

PART I: INTRODUCTION

BACKGROUND

These investigations result from a petition filed with the U.S. Department of Commerce (“Commerce”) and the U.S. International Trade Commission (“USITC” or “Commission”) by D.D. Bean & Sons Co. (“D.D. Bean”), Jaffrey, NH, on October 29, 2008, alleging that an industry in the United States is materially injured and threatened with further material injury by reason of subsidized and less-than-fair-value (“LTFV”) imports of commodity matchbooks¹ from India. Information relating to the background of the investigations is provided below.²

Effective date	Action
October 29, 2008	Petition filed with Commerce and the Commission; institution of the Commission's investigations (73 FR 65881, November 5, 2008)
November 24, 2008	Commerce's notices of initiation (73 FR 70965)
December 15, 2008	Commission's preliminary determinations (73 FR 77840, December 19, 2008)
April 6, 2009	Commerce's preliminary countervailing duty determination and alignment with final antidumping duty determination (74 FR 15444)
June 2, 2009	Commerce's preliminary antidumping duty determination (74 FR 26366); scheduling of final phase of Commission investigations (74 FR 34783, July 17, 2009)
October 20, 2009	Commission's hearing ¹
October 22, 2009	Commerce's final antidumping and countervailing duty determinations (74 FR 54536 and 54547)
November 17, 2009	Commission's vote
December 4, 2009	Commission's determinations and views transmitted to Commerce

¹ A list of witnesses appearing at the hearing is presented in Appendix B.

STATUTORY CRITERIA AND ORGANIZATION OF THE REPORT

Statutory Criteria

Section 771(7)(B) of the Tariff Act of 1930 (the “Act”) (19 U.S.C. § 1677(7)(B)) provides that in making its determinations of injury to an industry in the United States, the Commission—

shall consider (I) the volume of imports of the subject merchandise, (II) the effect of imports of that merchandise on prices in the United States for domestic like products, and (III) the impact of imports of such merchandise on domestic producers of domestic like products, but only in the context of production operations within the United States; and . . . may consider such other economic factors as are relevant to the

¹ See the section entitled “The Subject Merchandise” in *Part I* of this report for a complete description of the merchandise subject to these investigations.

² *Federal Register* notices cited in the tabulation for the final phase of these investigations are presented in app. A.

determination regarding whether there is material injury by reason of imports.

Section 771(7)(C) of the Act (19 U.S.C. § 1677(7)(C)) further provides that--

In evaluating the volume of imports of merchandise, the Commission shall consider whether the volume of imports of the merchandise, or any increase in that volume, either in absolute terms or relative to production or consumption in the United States is significant.

...

In evaluating the effect of imports of such merchandise on prices, the Commission shall consider whether . . . (I) there has been significant price underselling by the imported merchandise as compared with the price of domestic like products of the United States, and (II) the effect of imports of such merchandise otherwise depresses prices to a significant degree or prevents price increases, which otherwise would have occurred, to a significant degree.

...

In examining the impact required to be considered under subparagraph (B)(i)(III), the Commission shall evaluate (within the context of the business cycle and conditions of competition that are distinctive to the affected industry) all relevant economic factors which have a bearing on the state of the industry in the United States, including, but not limited to

...

(I) actual and potential declines in output, sales, market share, profits, productivity, return on investments, and utilization of capacity, (II) factors affecting domestic prices, (III) actual and potential negative effects on cash flow, inventories, employment, wages, growth, ability to raise capital, and investment, (IV) actual and potential negative effects on the existing development and production efforts of the domestic industry, including efforts to develop a derivative or more advanced version of the domestic like product, and (V) in {an antidumping investigation}, the magnitude of the margin of dumping.

Organization of the Report

Part I of this report presents information on the subject merchandise, subsidy rates and dumping margins, and domestic like product. *Part II* of this report presents information on conditions of competition and other relevant economic factors. *Part III* presents information on the condition of the U.S. industry, including data on capacity, production, shipments, inventories, and employment. *Part IV* presents the volume of imports of the subject merchandise. *Part V* presents the pricing of U.S. and imported subject products. *Part VI* presents information on the financial experience of U.S. producers. *Part VII* presents the statutory requirements and information obtained for use in the Commission's consideration of the question of threat of material injury as well as information regarding nonsubject countries.

U.S. MARKET SUMMARY

Commodity matchbooks generally are used as portable ignition devices, primarily to light cigarettes. The leading U.S. producer of commodity matchbooks is the petitioner, D.D. Bean, while the

leading producer of commodity matchbooks in India is Triveni Safety Matches Pvt. Ltd. (“Triveni Safety”). The leading U.S. importer of commodity matchbooks from India is ***. U.S. purchasers of commodity matchbooks are usually distributors and include ***. The other larger purchasers of commodity matchbooks are ***.

Apparent U.S. consumption of commodity matchbooks totaled *** cases (\$***) in 2008. Two firms, D.D. Bean and Atlas Match LLC (“Atlas”), accounted for all known production of commodity matchbooks in the United States. U.S. producers’ U.S. shipments of commodity matchbooks totaled *** cases (\$***) in 2008, and accounted for *** percent of apparent U.S. consumption by quantity and *** percent by value. U.S. importers’ U.S. shipments from India totaled *** cases (\$***) in 2008 and accounted for *** percent of apparent U.S. consumption by quantity and *** percent by value. U.S. importers did not report any imports from nonsubject sources in 2008.

SUMMARY DATA AND DATA SOURCES

A summary of data collected in the investigations is presented in appendix C, tables C-1 to C-3. U.S. industry data are based on questionnaire responses of two firms that accounted for all known U.S. production of commodity matchbooks during 2008. U.S. import data are based on questionnaire responses of three importers that provided data and are believed to account for almost all U.S. imports of commodity matchbooks from 2006 through 2008. Data on apparent U.S. consumption of commodity matchbooks were compiled using shipment data from questionnaire responses of the two U.S. producers and shipments of imports data from the three responding firms that imported commodity matchbooks.

PREVIOUS AND RELATED INVESTIGATIONS

Commodity matchbooks have not been the subject of any previous import injury investigations in the United States.

NATURE AND EXTENT OF SUBSIDIES AND SALES AT LTFV

Subsidies

On October 22, 2009, Commerce published a notice in the *Federal Register* of its final determination of countervailable subsidies for producers and exporters of commodity matchbooks from India.³ Table I-1 presents Commerce’s findings of subsidization of commodity matchbooks in India.

Table I-1
Commodity matchbooks: Commerce’s final subsidy determination with respect to imports from India

Entity	Final countervailable subsidy rates (percent)
Triveni	9.88
All others	9.88
Source: 74 FR 54547, October 22, 2009.	

³ *Commodity Matchbooks from India: Final Affirmative Countervailing Duty Determination*, 74 FR 54547, October 22, 2009.

Commerce determined the following government programs in India to be countervailable:

- A. Export promotion capital goods scheme (EPCGS)
- B. Duty entitlement passbook scheme (DEPS/DEPB)
- C. Pre-shipment and post-shipment export financing

Sales at LTFV

On October 22, 2009, Commerce published a notice in the *Federal Register* of its final determination of sales at LTFV with respect to imports from India.⁴ Table I-2 presents Commerce's dumping margins with respect to imports of commodity matchbooks from India.

Table I-2

Commodity matchbooks: Commerce's final weighted-average dumping margins with respect to imports from India

Manufacturer/exporter	Final dumping margins (percent)
Triveni	66.07
All others	66.07

Source: 74 FR 54536, October 22, 2009.

THE SUBJECT MERCHANDISE

Commerce's Scope

Commerce has defined the scope of these investigations as follows:

The scope of this investigation covers commodity matchbooks, also known as commodity book matches, paper matches or booklet matches.⁵ Commodity matchbooks typically, but do not necessarily, consist of twenty match stems which are usually made from paperboard or similar material tipped with a match head composed of any chemical formula. The match stems may be stitched, stapled or otherwise fastened into a matchbook cover of any material, on which a striking strip composed of any chemical formula has been applied to assist in the ignition process.

Commodity matchbooks included in the scope of this investigation may or may not contain printing. For example, they may have no printing other than the identification of the manufacturer or importer. Commodity matchbooks may also be printed with a generic message such as "Thank You" or a generic image such as the American Flag, with store brands (e.g., Kroger, 7-Eleven, Shurfine or Giant); product brands for national or regional advertisers such as cigarettes or alcoholic beverages; or with corporate brands for national or regional distributors (e.g., Penley Corp. or Diamond Brands). They all enter retail distribution channels. Regardless of the materials used for the stems of the matches and

⁴ Notice of Final Determination of Sales at Less Than Fair Value: Commodity Matchbooks from India, 74 FR 54536, October 22, 2009.

⁵ Such commodity matchbooks are also referred to as "for resale" because they always enter into retail channels, meaning businesses that sell a general variety of tangible merchandise, e.g., convenience stores, supermarkets, dollar stores, drug stores and mass merchandisers.

regardless of the way the match stems are fastened to the matchbook cover, all commodity matchbooks are included in the scope of this investigation.

All matchbooks, including commodity matchbooks, typically comply with the United States Consumer Product Safety Commission (CPSC) Safety Standard for Matchbooks, codified at 16 CFR 1202.1 *et seq.*

The scope of this investigation excludes promotional matchbooks, often referred to as “not for resale,” or “specialty advertising” matchbooks, as they do not enter into retail channels and are sold to businesses that provide hospitality, dining, drinking or entertainment services to their customers, and are given away by these businesses as promotional items. Such promotional matchbooks are distinguished by the physical characteristic of having the name and/or logo of a bar, restaurant, resort, hotel, club, cafe/coffee shop, grill, pub, eatery, lounge, casino, barbecue or individual establishment printed prominently on the matchbook cover. Promotional matchbook cover printing also typically includes the address and the phone number of the business or establishment being promoted.⁶ Also excluded are all other matches that are not fastened into a matchbook cover such as wooden matches, stick matches, box matches, kitchen matches, pocket matches, penny matches, household matches, strike-anywhere matches (aka “SAW” matches), strike-on-box matches (aka “SOB” matches), fireplace matches, barbeque/grill matches, fire starters, and wax matches.⁷

U.S. Tariff Treatment

Commodity matchbooks are classifiable in the Harmonized Tariff Schedule of the United States (“HTS”) under subheading 3605.00.00 and reported for statistical purposes under statistical reporting number 3605.00.0060. Table I-3 presents current tariff rates for commodity matchbooks.

Table I-3
Commodity matchbooks: Tariff rates, 2009

HTS provision	Article description	General ¹	Special ²	Column 2 ³
		Rates		
3605.00.00	Matches, other than pyrotechnic articles of heading 3604.....	Free		\$.20 per gross of immediate containers
30	Matches with natural wood stems.....			
60	Other.....			

¹ Normal trade relations, formerly known as the most-favored-nation duty rate.

² Special rates not applicable when General rate is free.

³ Applies to imports from a small number of countries that do not enjoy normal trade relations duty status.

Source: Harmonized Tariff Schedule of the United States (2009).

⁶ The gross distinctions between commodity matchbooks and promotional matchbooks may be summarized as follows: (1) if it has no printing, or is printed with a generic message such as “Thank You” or a generic image such as the American Flag, or printed with national or regional store brands or corporate brands, it is commodity; (2) if it has printing, and the printing includes the name of a bar, restaurant, resort, hotel, club, cafe/coffee shop, grill, pub, eatery, lounge, casino, barbecue, or individual establishment prominently displayed on the matchbook cover, it is promotional.

⁷ *Notice of Final Determination of Sales at Less Than Fair Value: Commodity Matchbooks from India*, 74 FR 54536, October 22, 2009 and *Commodity Matchbooks From India: Final Affirmative Countervailing Duty Determination*, 74 FR 54547, October 22, 2009.

THE PRODUCT

Paper matchbooks were first introduced in 1892 when a Philadelphia patent attorney, Joshua Pusey, was granted a patent for what he termed “flexible matches.” The patent was purchased by the Diamond Match Co. (“Diamond”), the leading producer of wooden matches in the United States. A young salesman for Diamond, Henry Traute, realized that matchbook covers were an ideal medium for advertising and convinced a New York tobacconist to give away advertising matchbooks with every purchase of tobacco products by retail customers. Free matchbooks were an immediate success. By the 1920s, matchbooks had become one of the most popular advertising mediums in the United States—the medium was particularly suitable for small businesses because of the low cost and the ability to target particular regions or even localities. During World War II, the Office of Price Administration promulgated a regulation requiring distribution of a free matchbook with the sale of every pack of cigarettes—a custom that is still widespread today. The United States Government also used matchbooks as a method of communication, using them for both wartime and peacetime public service announcements and particularly for messages urging support for World War II efforts.⁸

According to the petition, commodity matchbooks are distinguished by their plain white covers, generic messages such as “Thank You,” generic images such as the American Flag, or national and regional chain store brand logos (such as Kroger, 7-Eleven, Shurfine, or Giant). Commodity matchbooks are characterized by the petitioner as always entering retail channels, where they may be re-sold or given away, typically with the purchase of cigarettes.⁹

Description and Applications

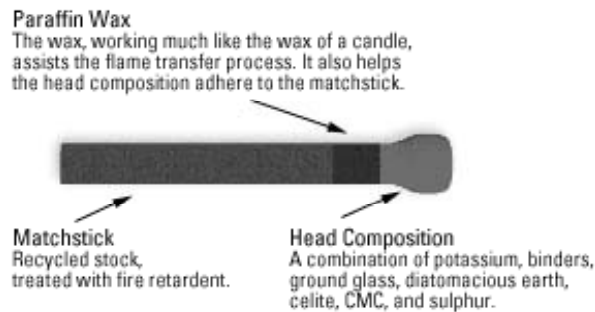
Commodity matchbooks consist of paper match stems fastened into a matchbook cover. The cover is usually made of plain white paperboard, which is sometimes printed with a simple generic message or image (such as “Thank You” or an American Flag) or printed with a chain store logo. A slurry composition containing red phosphorus, polyvinyl acetate, and ground glass is applied to the cover to use as a striker surface for the match head. The match stem is made from paperboard and is tipped with a match head composed of a chemical formula (usually potassium chlorate, ground glass, gelatin, sulfur, diatomaceous earth, and carboxymethylcellulose (“CMC”)), which ignites when struck against the striker surface. Figure I-1 shows the composition of an individual paper match stick. Each matchbook typically consists of 20 matches, mirroring the quantity of cigarettes contained in a pack.¹⁰

⁸ Petition, exh. 4, pp. 2-3.

⁹ Petition, pp. 4-7. Commodity matchbooks are characterized as “for resale,” although a portion will be given away to the end user as single matchbooks with the sale of a pack of cigarettes at convenience stores.

¹⁰ ***, and petition, p. 4.

Figure I-1
Commodity matchbooks: Anatomy of a match



Source: D.D. Bean, http://www.ddbean.com/products/match_facts.html, retrieved September 3, 2009.

The flame is produced as the result of a chemical reaction which takes place on contact between potassium chlorate and red phosphorus. Safety matches separate the principal chemicals by adding the potassium chlorate into the formulation of the match head and the red phosphorous into the formulation of the striker surface. All matchbooks and most wooden matches are safety matches.¹¹ All commodity matchbooks, whether imported or made in the United States, are required to meet U.S. Consumer Product Safety Standards (16 C.F.R. §§ 1202.1 et seq.)¹²

Commodity matchbooks always enter the retail channels of trade and are intended for resale by large supermarkets or similar chains (in boxes of 50 matchbooks each), or as give-aways by convenience store owners with the purchase of a pack of cigarettes. Commodity matchbooks are intended for use as portable ignition devices, and the petitioner estimates that 95 percent of all such ignitions are for cigarettes.¹³ Figure I-2 presents a depiction of a type of commodity matchbook produced by petitioner D.D. Bean.

Manufacturing Process¹⁴

The production process for commodity matchbooks is an automated process involving dedicated machinery. Match stem stock is purchased in large rolls and continuously fed into a punch press with a die that stamps out strips of 120 individual matches. The match strips are inserted into a carrier chain that passes through a paraffin dip followed by immersion into the match head composition. The carrier chain continues through a drying process and the strips are extracted and conveyed directly to the assembly area. The printing of the match cover may be outsourced to a commercial printer or done internally. High speed roll-to-roll printing is commonly used to produce commodity matchbook covers. A slurry composition containing red phosphorous is applied to either a sheet or roll of printed covers using a variety of application methods and then dried. The tray or caddy that contains the 50 matchbooks is die cut from rolls or sheets of recycled chipboard and folded and glued by machine to form the finished

¹¹ Strike-anywhere matches substitute the key component red phosphorus contained in the striker surface with phosphorus sesquisulfide added to the tip of the match head to achieve the strike-anywhere physical characteristic. ***.

¹² Petition, p. 5 and exh. 6.

¹³ Ibid., p. 8.

¹⁴ Petition, exh. 5 and ***, and petition, p. 4.

caddy. The caddies are transported to the assembly machines either manually or typically by conveyor belts.

The finished match stems and the sheets or rolls of match covers are simultaneously loaded into an automatic assembly machine. While in the automatic assembly machine, the match strips are cut into sections containing the appropriate number of individual matches (20 match stems per book) at the same time the cover is cut to individual size. The cover is then folded over the match stems and stitched to complete the finished book. The assembled matchbooks are then accumulated and presented for packaging, either manually or automatically, into caddies of 50 matchbooks. After being packed with 50 matchbooks, the caddies are most commonly paper-wrapped but may also be inserted into a folding carton (made of recycled clay-coated carton stock), with or without shrink-wrap. Finished caddies are accumulated and packaged into cases. Fifty caddies per case is the standard size but variations of 40, 30, and 20 caddies per case are not uncommon. Upon completion of this step, finished cases are palletized and are ready for shipment to the customer.

Figure I-2
Commodity matchbooks: Product forms



Source: D.D. Bean.

DOMESTIC LIKE PRODUCT ISSUES

The Commission's decision regarding the appropriate domestic product(s) that are "like" the subject imported product 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 (6) price. In the preliminary phase of these investigations, the Commission defined a single domestic like product that is coextensive with the scope of the investigations. The Commission did not include wooden matches in boxes or promotional matchbooks in the domestic like product, but stated that in any final phase of these investigations it would revisit the issue of including promotional matchbooks in the domestic like product.^{15 16 17}

¹⁵ The Commission did not find wooden matches in boxes to be properly includable in the domestic like product because of differences in physical characteristics and uses; limited interchangeability; different channels of

(continued...)

The petitioner contends that the Commission should determine that commodity matchbooks are a single domestic like product that does not include promotional matchbooks, wooden stick matches in boxes, or any other kind of ignition device.¹⁸ The Indian Government (“Indian respondent”) contended in the preliminary phase of the investigations that promotional matchbooks should be included in the domestic like product,¹⁹ and did not comment on the issue of domestic like product in the final phase of the investigations.

In its safety standard for matchbooks, the Consumer Product Safety Commission divides matchbooks into two basic categories: resale matchbooks and special reproduction matchbooks. “Resale matchbooks can be subdivided into advertising and nonadvertising matchbooks. Nonadvertising matchbooks are generally sold by large chain stores, and constitute a small portion of the total resale matchbook volume. Resale matchbooks with advertising are generally given away by tobacco shops, drug stores, vending firms, and other mass distribution outlets. Special reproduction matchbooks, characterized by their distinctive and unique cover designs, are purchased and distributed for promotional purposes by hotels, restaurants, financial institutions, and other business enterprises, and are given free to users.”²⁰

Producers and importers were asked to compare commodity and promotional matches on physical characteristics; interchangeability and uses; manufacturing processes; channels of distribution; customer and producer perceptions; and price. They were requested to report if the products were fully, mostly, somewhat, rarely, or never comparable and to explain these answers. Table I-4 summarizes U.S. producers’ and importers’ responses.

Table I-4
Commodity matchbooks: Number of producers and importers reporting commodity and promotional matchbooks as fully, mostly, somewhat, rarely, or never comparable

* * * * *

Physical Characteristics

Producers reported that commodity matches are very homogeneous and typically contain 20 match stems per matchbook. Promotional matchbooks tend to have more match stems, typically 30, in order to provide more space for advertising on the cover. Promotional matchbooks can convey customized messages, use special embossing or die stamping, and use a variety of colors in the match heads, stems, and covers.²¹ One firm also noted that because promotional matchbooks are designed to

¹⁵ (...continued)

distribution at the end-user level of trade; different manufacturing facilities, processes, and employees; and differences in producer and customer perceptions. The Commission did not include promotional matchbooks because the two types of matchbooks are not fully interchangeable; there are differences in the production process and machinery used; producers’ perceptions of commodity and promotional matchbooks differ; and there are significant differences in price between the two types of matchbooks.

¹⁶ *Commodity Matchbooks from India, Investigation Nos. 701-TA-459 and 731-TA-1155 (Preliminary)*, USITC Publication 4054, December 2008, pp. 6-9.

¹⁷ Staff notes that the petitioner, D.D. Bean, ***.

¹⁸ Petition, p. 8.

¹⁹ Indian respondent’s postconference brief, p. 4.

²⁰ Consumer Product Safety Commission Safety Standard for Matchbooks, petition, exh. 6, p. 2.

²¹ ***.

convey the desired image of the advertiser, the quality of the cover board, finish, match stems, and printing tends to be of a much higher caliber than that of commodity matchbooks.²²

Interchangeability and Uses

Most producers and importers reported that commodity and promotional matchbooks are rarely or never interchangeable. Only the *** indicated that the two products are fully interchangeable. Commodity matches are typically given away with the sale of cigarettes, as an inexpensive way of lighting cigarettes. Commodity matchbooks usually contain 20 match stems, corresponding to the number of cigarettes in one pack. Promotional matchbooks primarily serve as a method of advertisement rather than having a utilitarian purpose. D.D. Bean stated that the end user of a commodity matchbook is most likely a smoker and would be unlikely to keep a plain white matchbook or even one printed with a national store's logo for any purpose other than to light cigarettes.²³ End users tend to keep promotional matchbooks as souvenirs, adding them to match cover collections or storing them for future reference to addresses or telephone numbers. Producers, importers, and purchasers were asked to estimate the proportions of promotional matchbooks that are preserved by collectors versus those that are used and discarded. U.S. producers ***²⁴ ***.²⁵ Most importers and purchasers could not provide an estimate; one importer estimated that 70 percent of promotional matchbooks are preserved by collectors and one purchaser estimated that all promotional matchbooks are used and discarded.

Manufacturing Processes

While both commodity and promotional matchbooks have a similar basic manufacturing process, the process for promotional matchbooks tends to be less mechanized, more customized, and more labor intensive than that for commodity matchbooks. Commodity matchbooks are produced on high-speed, roll-to-roll presses, while promotional matchbooks are made on slower, sheet-fed presses.²⁶ Commodity matchbooks are made in a continuing production process using an assembly line of machines specifically designed for high speed long runs; promotional matchbooks, on the other hand, are made in a discrete production process using machines best suited for short runs, rapid changeovers, a high degree of customization, and varying inputs.²⁷

*** reported using the same employees to produce both commodity and promotional matchbooks. However, *** the same equipment and machinery in the production of commodity matchbooks as in the production of promotional matchbooks. D.D. Bean noted that while it is possible to adapt or modify a machine from production of promotional matchbooks to production of commodity matchbooks, and, with much more difficulty, vice versa, it is neither easy nor economical to do so.²⁸

²² ***.

²³ Hearing transcript, p. 22 (M. Bean).

²⁴ ***.

²⁵ D.D. Bean clarified its estimate of promotional matchbooks that are preserved by collectors, stating that matchbook collecting as a hobby is not a large percentage of the total, but that a very large percentage of promotional matchbooks are being collected as a souvenir. Hearing transcript, p. 56 (M. Bean). Atlas agreed that there is a very small percentage of "hard core collectors" and that there is a larger percentage of "casual collectors." Hearing transcript, pp. 57-58 (Bradley).

²⁶ Hearing transcript, p. 51 (Bradley).

²⁷ Petitioner's prehearing brief, p. 11.

²⁸ Ibid., pp. 10-11.

Producers were asked to what extent, if any, commodity matchbooks are transformed by aftermarket printing into promotional matchbooks. *** reported that they do not convert commodity matchbooks to promotional matchbooks. *** also stated that most aftermarket printing is done for weddings in very small quantities, and that un-printed 30 match stem promotional matchbooks would be most commonly used for such transformations.²⁹

Channels of Distribution

All producers and importers reported that commodity and promotional matchbooks rarely or never enter the same channels of distribution. Commodity matches are typically sold through distributors and wholesalers who sell to grocery stores, convenience stores, drug stores, and mass merchandisers; promotional matchbooks are either sold directly to restaurants, bars, casinos, and similar businesses or sold through advertising specialty distributors that also sell other advertising products.

Table I-5 presents the respective channels of distribution for U.S. producers' U.S. shipments of commodity and promotional matchbooks. Additional details regarding the channels of distribution for domestically produced and imported commodity matchbooks are presented in Part II of this report, *Conditions of Competition in the U.S. Market*.

Table I-5
Commodity matchbooks: Channels of distribution for U.S. producers' U.S. shipments of commodity and promotional matchbooks, 2006-08, January-June 2008, and January-June 2009

* * * * *

Customer and Producer Perceptions

Producers and one importer stated that customers typically perceive commodity matches as a tool for lighting cigarettes, while promotional matches are perceived as a souvenir or a reference for the telephone number or address of a particular establishment. D.D. Bean stated that even if the end user were a smoker, it is fairly certain that no one would go into a bar, restaurant, hotel or casino purely with the intention of obtaining a matchbook.³⁰ Producers perceive commodity matchbooks as a high volume production business and promotional matchbooks as an entirely different business model requiring customization and production in smaller quantities.

Price

Commodity matchbooks are much lower priced than promotional matchbooks. D.D. Bean credits the higher price for promotional matchbooks to smaller order quantities having more elaborate and customized design requirements.³¹ Table I-6 presents average unit values for U.S. producers' U.S. shipments of commodity and promotional matchbooks in the United States. Pricing practices and prices reported for domestically produced and imported commodity matchbooks in response to the Commission's questionnaires are presented in Part V of this report, *Pricing and Related Information*.

²⁹ Correspondence with ***, September 23, 2009.

³⁰ Hearing transcript, p. 21 (M. Bean).

³¹ Petitioner's prehearing brief, p. 12.

Table I-6
Commodity matchbooks: Average unit values of U.S. producers' U.S. shipments of commodity and promotional matchbooks, 2006-08, January-June 2008, and January-June 2009

* * * * *

PART II: CONDITIONS OF COMPETITION IN THE U.S. MARKET

MARKET CHARACTERISTICS

Commodity matchbooks are “intended for use as portable ignition devices, and 95 percent of all such ignitions are for cigarettes. They are often purchased from wholesalers by convenience store owners to give away for free with the purchase of a pack of cigarettes.”¹

CHANNELS OF DISTRIBUTION

The quantity of U.S. shipments of domestic and imported commodity matchbooks sold to wholesalers/distributors, convenience/grocery stores, food service companies, membership warehouses, and other channels of distribution is shown in table II-1. In 2008, U.S. producers’ U.S. shipments were divided among three principal categories: D.D. Bean sold ***, and Atlas sold ***. In 2008, *** sold *** and *** sold ***. There were *** reported sales of imported product to food service companies or membership warehouses.

Table II-1

Commodity matchbooks: U.S. producers’ and importers’ shares of reported U.S. shipments, by sources and channels of distribution, 2006-08, January-June 2008, and January-June 2009

* * * * *

Purchasers

Purchaser questionnaires were sent to 25 firms, and 12 purchasers returned completed questionnaires (table II-2). Purchasers include ***, ***, ***.² Of the remaining nine responding purchasers, seven were distributors/wholesalers and two were retailers.

Table II-2

Commodity matchbooks: Purchasers, type of firm, volume purchased, sources, and whether promotional matches were purchased

* * * * *

SUPPLY AND DEMAND CONSIDERATIONS

Supply

U.S. Supply

Based on available information, U.S. commodity matchbooks producers have the ability to respond to changes in demand with *** changes in the quantity of shipments of U.S.-produced

¹ Petition, p. 8.

² In Parts II and V of this report, purchaser responses include the responses of all purchasers including those which are also U.S. producers and/or importers except when the same questions are also asked in the U.S. producer and/or importer questionnaires.

commodity matchbooks to the U.S. market. The main contributing factor to the *** degree of responsiveness of supply is the low capacity utilization rate.³

Industry capacity

U.S. producers' capacity utilization decreased from *** percent in 2006 to *** percent in 2008, and was *** percent during January-June 2009.

Alternative markets

Exports, as a share of total shipments, decreased from *** percent in 2006 to *** percent in 2008, and were *** percent during January-June 2009.

Inventory levels

The ratio of U.S. producers' end-of-period inventories to their total shipments tended to be ***, fluctuating between a high of *** percent in *** and a low of *** percent in ***.

Production alternatives

*** on the same equipment as commodity matchbooks, while *** on the same equipment as it produced commodity matchbooks. *** reported that workers used to produce commodity matchbooks also produced promotional matchbooks.

Supply of Subject Imports to the U.S. Market

Based on available information, the responding Indian producer has the ability to respond to changes in demand with *** changes in the quantity of shipments of commodity matchbooks to the U.S. market. The main contributing factor to the *** degree of responsiveness of supply is the availability of unused capacity.

Industry capacity

The capacity utilization rate for the only responding producer of commodity matchbooks in India, Triveni Safety, was *** percent in 2006, then decreased to *** percent by 2008; capacity utilization is projected to *** to *** percent in 2009 and 2010 ***.

Alternative markets

Triveni Safety reported that *** percent of its sales were to the Indian home market. Exports to non-U.S. markets were a *** share of its shipments, increasing from *** percent in 2006 to *** percent in 2008.⁴

³ Hearing transcript, p. 98 (Bartlett).

⁴ Table VII-1.

Inventory levels

Triveni Safety's inventories, as a ratio to total shipments, fluctuated between *** percent in 2006 and *** percent in 2007.

Production alternatives

Triveni Safety reported that *** produced on the same equipment as commodity matchbooks.

Nonsubject Imports

Commodity matchbooks were reported to be imported from China and Mexico while promotional matchbooks were reported to be imported from India and Japan.⁵

Demand

Demand Characteristics

Since commodity matchbooks are mainly used to light cigarettes, the overall demand for commodity matchbooks is closely linked to the demand for cigarettes. The price elasticity of demand for commodity matchbooks is likely to be inelastic mainly because cigarette smoking tends to be relatively insensitive to the price of matches, which accounts for a very small share of the total cost of smoking. The availability of good substitutes, however, somewhat increases the elasticity of demand for commodity matchbooks.

U.S. demand for commodity matchbooks decreased over the period for which data were collected as demand for cigarettes decreased. D.D. Bean, ***, and five of the nine responding purchasers reported that U.S. demand had declined since January 2006.⁶ Three purchasers reported that demand for commodity matchbooks was unchanged and one reported that demand had fluctuated. D.D. Bean, *** attributed the decline in demand to reduced smoking rates while *** also attributed the decline in demand to the availability of inexpensive lighters. When asked if declining demand for commodity matchbooks could be attributed to the use of lighters rather than the decline in smoking, four of seven responding purchasers reported that low-priced lighters reduced demand for commodity matches⁷ and three firms reported that low-priced lighters had influenced demand for commodity matches but that this occurred before 2006. The Consumer Product Safety Commission reported that substitute products such as disposable lighters as well as business and economic conditions have led to the contraction in the matchbook manufacturing industry in recent years.⁸ Cigarette consumption in the United States is estimated to have decreased from 372 billion in 2006 to an estimated 360 billion in 2007.⁹

⁵ *** reported that commodity matchbooks were also produced in Egypt and Guatemala, and that Guatemalan commodity matchbooks did not meet U.S. safety standards.

⁶ Hearing transcript, p. 92 (M. Bean). ***.

⁷ Two of these firms attributed the reduced demand for commodity matchbooks to both lighters and reduced smoking.

⁸ Petition, exhibit 6. The Consumer Product Safety Commission's regulations (16 U.S.C. § 1202.2(d)2)), as of July 30, 2008.

⁹ *Cigarette Consumption, United States, 1900-2007* - Tobacco Outlook Report, Economic Research Service, U.S. Department of Agriculture. Accessed on December 1, 2008. <http://www.infoplease.com/ipa/A0908700.html>. This (continued...)

Apparent U.S. consumption of commodity matchbooks decreased from *** cases in 2006 to *** cases in 2008. During January-June 2008, apparent U.S. consumption was *** cases as compared to *** cases during January-June 2009.

Business Cycles

Eleven of the 12 responding purchasers reported that commodity matchbooks were not subject to any business cycle or unique competitive conditions. One purchaser, ***, reported that the availability of lighters and imports of commodity matchbooks created competitive conditions unique to the commodity matchbook market.

Substitute Products

*** importers, and two of nine responding purchasers reported substitutes for commodity matchbooks including wooden matches, lighters, and promotional matchbooks. *** and the seven remaining purchasers reported no substitutes. *** reported that changes in the price of substitutes affected the price of commodity matchbooks. The Consumer Product Safety Commission¹⁰ indicated that lighters had reduced demand for commodity matchbooks. Purchasers were asked to what extent the declining demand for commodity matchbooks is attributable to the use of lighters instead of a decline in the rate of smoking; all seven responding purchasers reported that the use of lighters had affected demand for commodity matches.

Cost Share

Commodity matchbooks are a consumer product frequently given free with cigarettes and cost retailers less than 1 percent of the cost of a packet of cigarettes.¹¹ The cost of cigarettes is more likely to determine the demand for commodity matchbooks than the cost of commodity matchbooks themselves.

SUBSTITUTABILITY ISSUES

The degree of substitution between domestic and imported commodity matchbooks depends upon such factors as relative prices, quality (e.g., grade standards, reliability of supply, etc.), preference for U.S. sources, and conditions of sale (e.g., price discounts/rebates, lead times between order and delivery dates, payment terms, etc.). Based on available data, staff believes that there is a high degree of substitutability between U.S. and commodity matchbooks imported from India.

⁹ (...continued)

report on cigarette consumption is no longer published and no similar sources were found.

¹⁰ Petition, exhibit 6.

¹¹ Selling prices provided by producers and importers are under two cents per commodity matchbook. Cigarette wholesale prices for premium branded cigarettes increased from \$2.47 per pack (\$2.86 including the federal excise tax) in 2006 to \$2.85 per pack (\$3.85 including the Federal excise tax) in April 2009. The average retail selling price of a pack of cigarettes increased from \$4.14 in 2006 to \$4.60 in 2008. *** estimate, email correspondence from ***.

Factors Affecting Purchasing Decisions

Table II-3 summarizes purchasers' responses concerning the top three factors in their purchase decisions. Price, quality, and traditional supplier/contracts were the most frequently reported number one factor, price was the most frequently reported number two factor, and price and availability were the most frequently reported number three factor.

Table II-3
Commodity matchbooks: Ranking of factors used in purchasing decisions, as reported by U.S. purchasers

Factor	Number of firms reporting		
	Number one factor	Number two factor	Number three factor
Availability	1	1	2
Price	3	3	2
Quality	3	1	1
Traditional supplier/contract	3	1	0
Other ¹	0	3	3
¹ Other factors include terms, service, and product line for the number two factor and delivery time, minimum order size, and U.S.-produced for the number three factor.			
Source: Compiled from data submitted in response to Commission questionnaires.			

Purchasers were asked to rate the importance of 17 factors in their purchasing decisions (table II-4). All nine responding purchasers reported that price, product consistency, and quality meets industry standards were very important. Other factors reported by most purchasers to be very important were availability and reliability of supply (8 purchasers); discounts offered (7 purchasers); delivery terms, delivery time, and packaging (6 purchasers); and U.S. transportation costs and warranties and assurances (5 purchasers).

Purchasers were not asked if they required certification or prequalification; however, *** reported that commodity matchbooks should comply with Consumer Product Safety Commission standards for matchbooks.

Purchasers were asked how frequently they were aware of the country of origin of the commodity matchbooks they purchased, how often they knew the manufacturer, and how often their buyers were interested in the country of origin of the goods they supply; responses are shown below.

Purchaser/customer decision	Always	Usually	Sometimes	Never
Purchaser knows if product is U.S.-produced or imported	5	4	0	2
Purchaser knows producer	7	3	1	1
Purchaser's customers know or are interested in country of origin	5	1	3	3

Table II-4
Commodity matchbooks: Importance of purchasing factors, as reported by U.S. purchasers

Factor	Number of firms reporting		
	Very important	Somewhat important	Not important
Availability	8	1	0
Delivery terms	6	3	0
Delivery time	6	3	0
Discounts offered	7	1	1
Extension of credit	0	8	1
Minimum quantity requirements	4	3	2
Packaging	6	3	0
Price	9	0	0
Product range	0	3	6
Product consistency	9	0	0
Product traceability	4	3	2
Quality meets industry standards	9	0	0
Quality exceeds industry standards	4	5	0
Reliability of supply	8	0	1
Technical support/service	3	4	2
U.S. transportation costs	5	3	1
Warranties and assurances	5	3	1

Source: Compiled from data submitted in response to Commission questionnaires.

Purchasers were also asked if they or their customers ever specifically order commodity matchbooks from one country in particular over other possible sources of supply. Four of 12 purchasers, ***, responded affirmatively. *** reported that some purchasers prefer U.S.-produced product, and *** reported that it supported U.S. manufacturing. None of the purchasers reported that certain grades, forms, or types of commodity matchbooks were only available from a single source.

When asked how often they purchase the lowest priced commodity matchbooks, five of the eleven responding firms responded “usually,” two responded “sometimes,” and four *** responded “never.” Purchasers were also asked if they purchased commodity matchbooks from one source although a comparable product was available at a lower price from another source. *** reported using only a single domestic supplier, *** reported that it purchased only U.S.-produced product in 2008 and 2009 to reduce inventories and lead times, *** reported purchasing U.S. product because it had a good relationship with the U.S. producer and wanted to support a U.S. manufacturer, *** reported that it had a supply contract with its U.S. supplier, and *** reported that some customers prefer U.S. product. In addition, two other purchasers reported that they would purchase higher-priced product for the following reasons: availability, length of time to fill orders, minimum order size, reliability of supply, and time to clear customs.

Comparison of the U.S.-Produced and Imported Commodity Matchbooks

In order to determine whether U.S.-produced commodity matchbooks can generally be used in the same applications as imports, U.S. producers, U.S. importers, and U.S. purchasers were asked whether the products can “always,” “frequently,” “sometimes,” or “never” be used interchangeably. As shown in table II-5, ***, both responding purchasers, and *** responding importers reported that U.S. product could always be used interchangeably with product from India. *** reported that the products from these countries frequently can be used interchangeably.

Table II-5

Commodity matchbooks: Perceived interchangeability between commodity matchbooks produced in the United States and in other countries, by country pairs

Country pair	Number of U.S. producers reporting				Number of U.S. importers reporting				Number of U.S. purchasers reporting			
	A	F	S	N	A	F	S	N	A	F	S	N
U.S. vs. India	***	***	***	0	***	***	0	0	2	0	0	0
U.S. vs. nonsubject countries	***	***	***	0	***	***	0	0	0	0	0	0
India vs. nonsubject countries	***	***	***	0	***	***	0	0	0	0	0	0

Note.--A = Always, F = Frequently, S = Sometimes, N = Never.

Source: Compiled from data submitted in response to Commission questionnaires.

As shown in table II-6, 8 of 11 responding purchasers reported that U.S.-produced commodity matchbooks “always” meet minimum quality specifications and three reported that they “usually” meet minimum quality specifications. Three of seven responding purchasers reported that Indian commodity matchbooks “always” meet minimum quality specifications, three reported “usually,” and one reported “never.” Three purchasers reported that product from nonsubject countries “usually” meet minimum quality specifications, one purchaser reported that *** product “always” meets minimum quality specifications, and one purchaser reported that *** product “never” meets minimum quality specifications.

Table II-6

Commodity matchbooks: Ability to meet minimum quality specifications, by source

Country	Number of firms reporting ¹			
	Always	Usually	Sometimes	Never
United States	8	3	0	0
India	3	3	0	1
Nonsubject countries	1	3	0	1

¹ Purchasers were asked how often domestically produced or imported commodity matchbooks meet minimum quality specifications for their own or their customers' uses.

Source: Compiled from responses to Commission questionnaires.

Purchasers were asked what they would do if they could not obtain commodity matchbooks from India; all 10 responding purchasers reported that they would not reduce the overall volume of their purchases. Six of the 10 reported that they would purchase more U.S. product, but only one of ten

reported that it would purchase more from nonsubject countries. All 12 responding purchasers reported that they had not changed purchase amounts or sources because of the filing of the petition, although one firm reported that it shifted to U.S. product due to Commerce’s preliminary determinations.

Purchasers were asked to compare domestically produced commodity matches and those produced in India and nonsubject countries with respect to 15 different attributes (table II-7). Of the six firms that compared U.S. and Indian product, a majority reported that the products were comparable for all factors except for availability, delivery terms, delivery time, and technical support/service, for which equal numbers reported that the U.S. product was superior and that Indian and U.S. product were comparable; and lowest price, for which the majority reported that the U.S. product was inferior (i.e., higher in price).

Table II-7
Commodity matchbooks: Comparisons between U.S.-produced, subject Indian, and nonsubject-country products, as reported by U.S. purchasers

Factor	Number of firms reporting								
	U.S. vs India			U.S. vs nonsubject			India vs nonsubject		
	S	C	I	S	C	I	S	C	I
Availability	3	3	0	1	1	0	0	3	0
Delivery terms	3	3	0	2	0	0	0	3	0
Delivery time	3	3	0	2	0	0	0	2	1
Discounts offered	0	3	1	0	1	0	0	1	0
Extension of credit	0	3	1	0	1	0	0	2	0
Minimum quantity requirements	1	5	0	1	1	0	0	2	0
Packaging	0	6	0	0	2	0	0	2	0
Lowest price ¹	0	1	5	0	1	1	1	0	1
Product range	0	4	2	0	1	1	0	1	1
Product consistency	0	6	0	1	1	0	0	2	0
Quality meets industry standards	0	6	0	0	2	0	0	2	0
Quality exceeds industry standards	1	5	0	1	1	0	0	2	0
Reliability of supply	2	4	0	1	1	0	0	2	0
Technical support/service	3	3	0	2	0	0	0	0	2
U.S. transportation costs ¹	1	4	0	1	1	0	0	1	1

¹ A rating of superior means that the price or U.S. transportation cost is generally lower. For example, if a firm reports “U.S. superior,” this means that it rates the U.S. price or U.S. transportation costs as generally lower than those of the other country.

Note.—S = Superior, C = Comparable, I = Inferior.

Source: Compiled from data submitted in response to Commission questionnaires.

Two firms compared U.S. and nonsubject-country product; they reported that the U.S. product was superior with respect to delivery terms, delivery time, and technical support. With respect to the

other factors, they generally reported that the U.S. and nonsubject country products were comparable. Three purchasers compared Indian with nonsubject-country product; they generally rated the products as comparable on all factors except for technical support/service, for which the two responding firms both rated the Indian product as inferior; and lowest price, product range, and U.S. transportation costs, for which their responses were mixed.

Producers and importers were asked to compare U.S.-produced products, imports from India, and nonsubject imports in terms of product differences other than price such as quality, availability, product range, and technical support. Firms were asked whether these product differences are always, frequently, sometimes, or never significant (table II-8). *** reported that such differences were sometimes significant for all country pairs and *** reported that such differences were never significant for all country pairs. *** reported that such differences were always significant between products from the United States and India, and *** reported that such differences were never significant.

Table II-8
Commodity matchbooks: Differences other than price between products from different sources

* * * * *

ELASTICITY ESTIMATES

This section discusses elasticity estimates. Parties were asked to comment on these estimates. No comments were received.

U.S. Supply Elasticity¹²

The domestic supply elasticity for commodity matchbooks measures the sensitivity of the quantity supplied by U.S. producers to changes in the U.S. market price of commodity matchbooks. The elasticity of domestic supply depends on several factors including the level of excess capacity, the ease with which producers can alter capacity, producers' ability to shift to production of other products, the existence of inventories, and the availability of alternate markets for U.S.-produced commodity matchbooks. Analysis of these factors earlier indicates that the U.S. industry is likely to be able to greatly increase or decrease shipments to the U.S. market in response to changes in demand; an estimate in the range of 4.0 to 8.0 is suggested.

U.S. Demand Elasticity

The U.S. demand elasticity for commodity matchbooks measures the sensitivity of the overall quantity demanded to a change in the U.S. market price of commodity matchbooks. This estimate depends on factors discussed earlier such as the existence, availability, and commercial viability of substitute products, as well as the component share of the commodity matchbooks in the production of any downstream products. Based on the available information, the aggregate demand for commodity matchbooks is likely to be inelastic; a range of -0.5 to -1.0 is suggested.

¹² A supply function is not defined in the case of a non-competitive market.

Substitution Elasticity

The elasticity of substitution depends upon the extent of product differentiation between the domestic and imported products.¹³ Product differentiation, in turn, depends upon such factors as quality (e.g., appearance, safety standards, etc.) and conditions of sale (availability, sales terms/discounts/promotions, etc.). Based on available information, the elasticity of substitution between U.S.-produced commodity matchbooks and imported Indian commodity matchbooks is likely to be in the range of 3.0 to 6.0.

¹³ The substitution elasticity measures the responsiveness of the relative U.S. consumption levels of the subject imports and the domestic like products to changes in their relative prices. This reflects how easily purchasers switch from the U.S. product to the subject products (or vice versa) when prices change.

PART III: U.S. PRODUCERS' PRODUCTION, SHIPMENTS, AND EMPLOYMENT

The Commission analyzes a number of factors in making injury determinations (see 19 U.S.C. §§ 1677(7)(B) and 1677(7)(C)). Information on the margin of dumping was presented earlier in this report and information on the volume and pricing of imports of the subject merchandise is presented in Parts IV and V. Information on the other factors specified is presented in this section and/or Part VI and (except as noted) is based on the questionnaire responses of two firms that account for all known U.S. production of commodity matchbooks during the period examined.

U.S. PRODUCERS

U.S. producer questionnaires were sent to both firms identified in the petition. The current domestic producers of commodity matchbooks and each company's position on the petition, production location, and share of reported production of commodity matchbooks in 2008 are presented in table III-1.

Table III-1
Commodity matchbooks: U.S. producers, positions on the petition, U.S. production locations, and shares of 2008 reported U.S. production

Firm	Position on petition	U.S. production location	Share of production (percent)
D.D. Bean	Petitioner	Jaffrey, NH	***
Atlas	***	Frankfort, IL (closed in 2008) Eules, TX	***

Source: Compiled from data submitted in response to Commission questionnaires.

D.D. Bean, the petitioner, is *** producer of commodity matchbooks in the United States. The company is a family-owned business that was founded in 1938. It has operated continuously since that time at its manufacturing facility in Jaffrey, NH.¹ The manufacturing facility is a converted textile mill built in the 1800s and produces its own hydroelectricity to generate approximately 15 percent of its total energy consumption.² Much of the machinery was custom-built by D.D. Bean and is original from its startup in 1938. D.D. Bean concentrates its production on commodity matchbooks, but did report producing *** promotional matchbooks *** in 2008. D.D. Bean does not import commodity or promotional matchbooks, but does export to ***.

Atlas was founded in 1960 as a small customer-service-oriented business looking to meet the needs of match advertisers.³ In September 2007, Atlas merged with Bradley Industries ("Bradley"), a family business that began production in 1969. As a result of the merger, Bradley's facility in Frankfort, IL, which produced commodity matchbooks, closed in the second quarter of 2008. Bradley cited the decline of the commodity matchbook business and its inability to raise prices to offset rising costs as the reasons it decided to close the Frankfort factory. All production is now contained in the Atlas facility in Eules, TX. In addition to commodity matchbooks, Atlas also makes and distributes promotional

¹ Petition, p. 3 and exh. 4.

² Hearing transcript, p. 118 (M. Bean).

³ About Atlas Match, <http://www.atlasmatch.com/about.html>, retrieved September 8, 2009.

matchbooks and boxes, coasters, tissue packs, and other items. Atlas did report ***. It did not export commodity matchbooks during the period of investigation, but did report exports of promotional matchbooks to ***.

U.S. CAPACITY, PRODUCTION, AND CAPACITY UTILIZATION

Both D.D. Bean and Atlas reported that they have experienced changes to their operations and production of matchbooks since January 1, 2006. D.D. Bean stated that ***. It has also ***. As a result of the September 2007 merger between Atlas and Bradley, production moved to the Atlas factory in Euless, TX. The Frankfort, IL factory is now closed. Atlas stated that the decision to close the Frankfort factory ***.

U.S. producers' capacity, production, and capacity utilization data for commodity matchbooks are presented in table III-2.

Table III-2
Commodity matchbooks: U.S. capacity, production, and capacity utilization, 2006-08, January-June 2008, and January-June 2009

* * * * *

Capacity in the United States remained steady throughout the period for which data were collected, but was *** apparent U.S. consumption in each year and period for which data were collected. Production decreased in both 2007 and 2008, and was lower in January-June 2009 than in January-June 2008. Accordingly, capacity utilization declined throughout the period for which the data were collected. Capacity utilization for Atlas declined *** in 2008 and in the first half of 2009 after it closed the Bradley plant in Frankfort, IL and moved all production to the Atlas plant in Euless, TX.

D.D. Bean cited *** as the principal factor affecting its capacity utilization. D.D. Bean stated in its questionnaire response that it has ***. Atlas reported that its primary constraint on production is ***. Atlas also stated, “***.”

Atlas *** other products on the same equipment and machinery used in the production of commodity matchbooks. D.D. Bean reported that ***. D.D. Bean produces ***. While the ***.⁴ D.D. Bean reported producing *** percent promotional matchbooks. D.D. Bean also ***⁵ ***.⁶ D.D. Bean and Atlas ***.

U.S. PRODUCERS' SHIPMENTS

Data on U.S. producers' shipments of commodity matchbooks are presented in table III-3. The unit value of U.S. shipments decreased in each year from 2006 to 2008, but was higher in the January-June 2009 period than in the January-June 2008 period. As a share of the quantity of total shipments, exports declined from 2006 to 2008; however, the share of total shipments accounted for by exports was higher in January-June 2009 than in January-June 2008. *** export shipments were made by ***. Exports were destined for ***. The only known countries with historical and current resale distribution of commodity matchbooks outside the United States are Canada, Egypt, and Guatemala.⁷ There were no internal consumption shipments or transfers to related firms.

⁴ ***. Correspondence with ***, September 23, 2009.

⁵ ***. Correspondence with ***, September 23, 2009.

⁶ ***.

⁷ ***.

Table III-3
Commodity matchbooks: U.S. producers' shipments, by types, 2006-08, January-June 2008, and January-June 2009

* * * * *

D.D. Bean reported that in 2008 ***. Atlas reported that in 2008 ***.

U.S. PRODUCERS' INVENTORIES

Table III-4, which presents end-of-period inventories for commodity matchbooks, shows that inventories decreased in 2007 and increased in 2008, although they were *** lower than 2006 levels. The ratios of end-of-period inventories to production, U.S. shipments, and total shipments all were below *** percent in all three years.

Table III-4
Commodity matchbooks: U.S. producers' end-of-period inventories, 2006-08, January-June 2008, and January-June 2009

* * * * *

U.S. PRODUCERS' IMPORTS AND PURCHASES

Neither U.S. producer reported importing commodity matchbooks. ***. Both D.D. Bean and Atlas reported purchases ***. Atlas indicated that up until fairly recently it had sold commodity matchbooks to D.D. Bean.⁸ D.D. Bean explained ***.⁹ *** Atlas' (Bradley's) Frankfort, IL location, which closed in September 2008 after Bradley decided to exit the commodity matchbook segment. With the plant closing, ***.¹⁰ Atlas reported purchases from ***.¹¹

U.S. EMPLOYMENT, WAGES, AND PRODUCTIVITY

The U.S. producers' aggregate employment data for commodity matchbooks are presented in table III-5. Overall, the industry experienced a decrease in employment from 2006 to 2008. Employment was also lower in January-June 2009 than in January-June 2008. ***. Atlas reduced its workforce by *** percent in 2008, and reported *** in the January-June 2009 period, corresponding with the company's closure of the Frankfort, IL facility. Hourly wages decreased in 2007 and then increased in 2008 ***.¹² Hourly wages were also less in January-June 2009 than in January-June 2008. ***.¹³ At D.D. Bean, ***. Productivity at Atlas *** throughout the period for which data were collected.

⁸ Hearing transcript, p. 77 (Bradley).

⁹ ***.

¹⁰ *** and ***.

¹¹ ***.

¹² Correspondence with ***, November 21, 2008.

¹³ ***. Correspondence with ***, September 23, 2009 and e-mail with attachment from Atlas to USITC auditor, September 10, 2009.

Table III-5
Commodity matchbooks: U.S. producers' employment-related data, 2006-08, January-June 2008,
and January-June 2009

* * * * *

PART IV: U.S. IMPORTS, APPARENT U.S. CONSUMPTION, AND MARKET SHARES

U.S. IMPORTERS

Importer questionnaires were sent to 20 firms believed to be importers of commodity matchbooks, as well as to two U.S. producers of commodity matchbooks.¹ Usable questionnaire responses were received from five companies, two of which reported importing promotional matchbooks only.² The three importers of commodity matchbooks are believed to represent almost all U.S. imports of commodity matchbooks from India between 2006 and 2008. Table IV-1 lists all responding U.S. importers of commodity matchbooks from India and other sources, their locations, and their shares of U.S. imports from India in 2008.

***, which began importing commodity matchbooks from India in ***, accounted for the majority of subject imports, importing *** percent of subject imports during the period for which data were collected. *** indicated in its questionnaire response that it is ***. *** was the second largest importer, importing *** percent of subject imports during the period for which data were gathered. *** only reported importing the commodity matchbooks from India ***, representing *** percent of all imports during the period. ***.

Table IV-1

Commodity matchbooks: Reporting U.S. importers, U.S. headquarters, sources of imports, and shares of imports in 2008

* * * * *

U.S. IMPORTS

The petition alleges that imports of commodity matchbooks, although properly imported under HTS statistical subheading 3605.00.0060, covering paper matches, may have also entered under statistical reporting number 3605.00.0030, which covers wooden matches.³ Promotional paper matchbooks may also enter under statistical reporting number 3605.00.0060. Accordingly, subject imports are based on questionnaire responses.

Imports of commodity matchbooks from nonsubject countries reported in questionnaire responses were valued at far less than those reported in the appropriate HTS statistical reporting number, indicating a large degree of imports of other items (as evidenced by the large number of importers reporting no imports of commodity or promotional matchbooks since January 1, 2006). The value of reported imports was as little as *** of imports entering under HTS statistical reporting number 3605.00.0060 during the

¹ The Commission sent questionnaires to those firms identified in the petition, along with firms that, based on a review of data provided by U.S. Customs and Border Protection (“Customs”), may have imported commodity matchbooks under HTS subheading 3605.00.00 in any one year since 2006. According to the petitioner, commodity matchbooks may enter under both HTS statistical reporting numbers 3605.00.0060 (matches, not with natural wood stems) and 3605.00.0030 (matches with natural wood stems).

² Negative questionnaire responses were received from 12 firms that certified that they did not import commodity matchbooks since 2006. One importer stated that the company dissolved in November 2007 and did not import matchbooks from India. One firm was identified as a freight forwarder and does not import. Three firms, identified as small non-subject-country importers according to Customs’ records, did not respond to the importer questionnaire.

³ Petition, p. 6.

period for which data were examined.⁴ Accordingly, nonsubject imports are based on questionnaire responses. Table IV-2 presents data for U.S. imports of commodity matchbooks from India and all other sources.

Table IV-2
Commodity matchbooks: U.S. imports, by sources, 2006-08, January-June 2008, and January-June 2009

* * * * *

The quantity of subject imports decreased in each year from 2006 to 2008. The quantity of subject imports was also lower, ***, in January-June 2009 than in January-June 2008. According to the petitioner, imports continued to decline as a result of the domestic industry's strategy to recapture the volume lost to Indian imports. The domestic industry primarily worked to block Indian imports at the first tier of distributors, or those distributors large enough to buy in container load quantities. Triveni International in turn allegedly attempted to sell to second tier distributors who sold primarily to smaller wholesalers and retailers.⁵

Nonsubject imports also decreased from 2006 to 2007 and ***. ***, the *** importer of nonsubject imports from ***, reported importing until June 2007 and since then has only ***. The reasons for discontinuing nonsubject imports include several factors: ***.⁶

The average unit value of the subject imports declined from \$*** per case in 2006 to \$*** in 2008. The average unit value of subject imports was lower in January-June 2009 at \$*** per case than in January-June 2008 when it was \$*** per case. The average unit value of nonsubject imports declined from \$*** in 2006 to \$*** in 2007. There were *** nonsubject imports during 2008 or the first half of 2009.

As a share of the total quantity of imports, subject imports increased from *** percent to *** percent between 2006 and 2007, then comprised *** percent in 2008 after nonsubject imports ***. U.S. importers were not asked to report monthly import data; however, the value of monthly imports under HTS statistical reporting number 3605.00.0060 fluctuated during the period for which data were collected. There were no imports from India in both June and July 2009.⁷

NEGLIGIBILITY

The statute requires that an investigation be terminated without an injury determination if imports of the subject merchandise are found to be negligible.⁸ Negligible imports are generally defined in the Tariff Act of 1930, as amended, as imports from a country of merchandise corresponding to a domestic like product where such imports account for less than 3 percent of the volume of all such merchandise imported into the United States in the most recent 12-month period for which data are available that precedes the filing of the petition or the initiation of the investigation.⁹ Imports from India accounted for *** percent of total imports of commodity matchbooks by quantity during 2008.

⁴ The landed, duty-paid value of imports from sources other than India under HTS statistical reporting number 3605.00.0060 was the following: 2006: \$1,887,604; 2007: \$824,846; and 2008: \$590,534.

⁵ Petitioner's posthearing brief, exh. 1, p. 5.

⁶ Interview with ***, November 12, 2008.

⁷ ***.

⁸ Sections 703(a)(1), 705(b)(1), 733(a)(1), and 735(b)(1) of the Act (19 U.S.C. §§ 1671b(a)(1), 1671d(b)(1), 1673b(a)(1), and 1673d(b)(1)).

⁹ Section 771(24) of the Act (19 U.S.C. § 1677(24)).

APPARENT U.S. CONSUMPTION

Data concerning apparent U.S. consumption of commodity matchbooks during the period of investigation are shown in table IV-3 and figure IV-1. In calculating apparent U.S. consumption, data on U.S. importers' U.S. shipments were used, based on questionnaire responses.

Apparent consumption, measured in both quantity and value, decreased from 2006 to 2008, and was lower in January-June 2009 than in January-June 2008. The decline in apparent consumption may be attributed in part to the decline in sales of cigarettes; the petitioner estimates that more than 95 percent of all commodity matchbooks are used to light cigarettes.¹⁰ The petitioner ***,¹¹

U.S. producers and importers were asked to comment on the extent to which declining demand is attributable to the use of lighters instead of a decline in the rate of smoking. A few importers did not know and could not comment. Other importers indicated that lighters had the biggest effect on demand when they entered the market in the 1970s and were relatively cheaper and easy to use. *** indicated that while lighters did have an effect on demand, lower demand for cigarettes has had a larger effect.

Table IV-3

Commodity matchbooks: U.S. shipments of domestic product, U.S. shipments of imports, and apparent U.S. consumption, 2006-08, January-June 2008, and January-June 2009

* * * * *

Figure IV-1

Commodity matchbooks: Apparent U.S. consumption, by sources, 2006-08, January-June 2008, and January-June 2009

* * * * *

U.S. MARKET SHARES

U.S. market share data are presented in table IV-4. Subject imports accounted for a decreasing share of the quantity of the U.S. market between from 2006 to 2008. The market share measured on a quantity basis held by subject imports was *** lower in January-June 2009 than in January-June 2008. The market share of nonsubject imports also decreased from 2006 to 2007, and declined to *** in 2008 and the first half of 2009 when there were *** nonsubject imports. The U.S. producers' market share increased in each year from 2006 to 2008; U.S. producers' market share was *** higher in the first half of 2009 than in the first half of 2008.

Table IV-4

Commodity matchbooks: U.S. consumption and market shares, 2006-08, January-June 2008, and January-June 2009

* * * * *

RATIOS OF IMPORTS TO U.S. PRODUCTION

Information concerning the ratios of imports to U.S. production of commodity matchbooks is presented in table IV-5.

¹⁰ Petition, p. 11.

¹¹ Correspondence with ***, November 24, 2008.

Table IV-5
Commodity matchbooks: U.S. production, U.S. imports, and ratios of imports to U.S. production, 2006-08, January-June 2008, and January-June 2009

* * * * *

PART V: PRICING AND RELATED INFORMATION

FACTORS AFFECTING PRICES

Raw Material Costs

Raw materials, labor, and other factory costs accounted for ***, ***, and *** percent, respectively, of the cost of commodity matchbooks, and ***, ***, and *** percent, respectively, of the cost of promotional matchbooks, during January 2006-June 2009. D.D. Bean reported that energy, paraffin, match stem, and potassium chlorate prices all increased in 2008, increasing the cost of commodity matchbook production.¹ Promotional matchbooks may be produced using more costly materials such as elaborate matchbook cover designs, higher quality paper, larger numbers of colors, special inks, match tip colors, different sized books, and other variations; also, promotional matchbooks' shorter runs increase the costs of labor and overhead.

U.S. Inland Transportation Costs

U.S. inland transportation costs generally account for a small-to-moderate share of the delivered price of commodity matchbooks. *** reported transportation costs of *** percent, respectively, while the two responding importers reported costs of *** percent.

*** responding U.S. producers and two of three responding importers of commodity matchbooks from India reported selling nationwide. The other importer reported selling in the *** United States. *** reported arranging transportation to their customers, while *** reported that its customers arranged transportation.

Both U.S. producers reported that *** their commodity matchbooks were sold within distances of *** miles from their facilities. Two of the three responding importers reported selling most of their commodity matchbooks *** from their storage facilities or the port of entry; the other importer sold *** miles of its storage facilities or the port of entry.

*** reported selling all their commodity matchbooks from inventories, while *** commodity matchbooks from inventories. Reported delivery lead times from inventories ranged from 1 to 15 days. *** reported lead times ranging from 1 to 15 days. U.S. producer ***.

PRICING PRACTICES

Firms reported that prices of commodity matchbooks are determined in a variety of ways. *** has ***. *** reported that it sold most promotional matches at *** prices while the price of commodity matches is ***. *** responding importers reported using ***. Discounts for commodity matchbooks were reported by *** of the three responding importers ***. *** and one importer reportedly include quantity discounts in their price lists and the other importer reported that it offers both quantity discounts and promotional allowances.

*** quote prices on a delivered basis. *** reportedly quote prices on an f.o.b. basis.

Commodity matchbooks are sold on both a contract and on a spot basis. *** responding importers reported selling all of their product on a spot basis. In contrast, *** sold *** of its product using contracts, with *** percent sold in long-term contracts. D.D. Bean sold *** percent in long-term contracts, *** percent in short-term contracts, and *** percent on a spot basis.²

¹ Hearing transcript, pp. 42-43 (Bartlett).

² Hearing transcript, p. 59 (Bartlett).

PRICE DATA

U.S. producers and importers of commodity matchbooks were asked to provide quarterly data for the total quantity and f.o.b. (U.S. point of shipment) value of selected products that were shipped to unrelated customers in the U.S. market from January 2006-June 2009. The products for which pricing data were requested were as follows:

Product 1. — Paper matchbooks with 20 match stems, secured into a plain white cover (referred to as “plain white”) or imprinted with THANK YOU packed into trays of 50 books each, wrapped in a paper sleeve and packed 50 trays to a carton/case containing 2,500 matchbooks.

Product 2. — Paper matchbooks with 20 match stems, secured into a cover imprinted with a logo, packed into trays of 50 books each, wrapped in a paper sleeve and packed 50 trays to a carton/case containing 2,500 matchbooks.

Product 3. — Promotional paper matchbooks (“not for resale” or “specialty advertising”) with 20 match stems, secured into a cover imprinted with specialty advertising. Price should be reported by piece. (Firms were contacted to request quantities on a carton/case basis equivalent to that for commodity matchbooks.)

Two U.S. producers and five importers provided price data; three of the importers reported price data for commodity matchbooks from India and two provided price data only for promotional matchbooks.³ For product 1, U.S. and Indian pricing data were reported. For product 2, U.S. and Mexican pricing data were reported. For product 3, U.S., Indian, and Japanese pricing data were reported. Reported pricing data for commodity matches accounted for *** percent of the quantity of U.S. producers’ U.S. shipments during January 2006-June 2009 and *** percent of U.S. imports from India. Reported pricing data for promotional matches accounted for *** percent of U.S. producers’ U.S. shipments during January 2006-June 2009 and all U.S. imports from India. Quarterly weighted-average sales prices for the above products are shown in tables V-1 through V-3 and figures V-1 and V-2.

Table V-1
Commodity matchbooks: Weighted-average f.o.b. selling prices and quantities for product 1, and margins of underselling/(overselling), January 2006-June 2009

* * * * * * *

Table V-2
Commodity matchbooks: Weighted-average f.o.b. selling prices and quantities for product 2, and margins of underselling/(overselling), January 2006-June 2009

* * * * * * *

³ D.D. Bean and Atlas provided data for U.S.-produced product. *** provided price data for imported commodity matchbooks, and *** provided price data for promotional matchbooks.

Table V-3

Promotional matchbooks: Weighted-average f.o.b. selling prices and quantities for product 3, and margins of underselling/(overselling), January 2006-June 2009

* * * * *

Figure V-1

Commodity matchbooks: Weighted-average f.o.b. selling prices for products 1 and 2, January 2006-June 2009

* * * * *

Figure V-2

Promotional matchbooks: Weighted-average f.o.b. selling prices for product 3, January 2006-June 2009

* * * * *

Price Trends

A summary of price trends is shown in table V-4. Weighted-average prices for U.S.-produced commodity matchbooks, products 1 and 2, fluctuated throughout the period with no apparent trend, and were lower at the end of the period than at the beginning. D.D. Bean reported that its prices were higher prior to 2006 when it began its strategy of reducing prices to compete with Indian commodity matchbooks.⁴ Prices for products 1 in 2005 were presented in the staff report for the preliminary phase of these investigations. In 2005, product 1 prices ***.⁵

Table V-4

Commodity matchbooks: Summary of weighted-average f.o.b. prices for products 1 and 2 from the United States and India¹

Item	Number of quarters	Low price (per case)	High price (per case)	Change in price (percent)
Product 1				
United States	14	\$***	\$***	***
India	14	***	***	***
Product 2				
United States	14	***	***	***
¹ No pricing data for imports from India were reported for product 2.				
Source: Compiled from data submitted in response to Commission questionnaires.				

Over the 2006 through June 2009 period, prices for imports from India also fluctuated, although they were lower at the end of the period than they were at the beginning. Product 3 prices reflect the wide range of types of promotional matches sold and differences between domestic and imported promotional matches. For example, ***.

⁴ Hearing transcript, pp. 74-75 (Bartlett and M. Bean).

⁵ ***. Staff telephone interview with ***, October 23, 2009.

Price Comparisons

Prices for imported commodity matchbooks from India were lower than those for U.S.-produced commodity matchbooks in all comparisons.⁶ A summary of margins of underselling is presented in table V-5.

Table V-5
Commodity matchbooks: Summary of underselling/(overselling) by product from India

Source	Underselling			Overselling		
	Number of instances	Range (percent)	Average margin (percent)	Number of instances	Range (percent)	Average margin (percent)
India	14	3.2 to 28.3	16.4	0	-	-

Source: Compiled from data submitted in response to Commission questionnaires.

LOST SALES AND LOST REVENUES

The Commission requested U.S. producers of commodity matchbooks to report any instances of lost sales or revenues they experienced due to competition from imports from India since January 2006. *** provided lost sales allegations involving *** firms and lost revenue allegations involving *** firms. The *** lost sales allegations totaled \$*** and the *** lost revenue allegations totaled \$***. Staff contacted the 13 purchasers cited in the allegations; 10 firms, accounting for \$*** of the lost sales allegations and \$*** of the lost revenue allegations, responded. Four purchasers agreed with the lost sales allegations and two disagreed. Four purchasers agreed with the lost revenue allegations and one disagreed. Tables V-6 and V-7 summarize the allegations and purchaser responses, and additional purchaser comments are included below.

Table V-6
Commodity matchbooks: U.S. producers' lost sales allegations due to imports from India

* * * * *

Table V-7
Commodity matchbooks: U.S. producers' lost revenue allegations due to imports from India

* * * * *

***.
 *** disagreed with the lost revenue allegation. It stated that ***.
 ***.
 ***.
 ***.
 ***.

⁶ Prices of nonsubject Mexican product 2 were below U.S. prices for six of the seven quarters reported. Prices for Indian and Japanese product 3, promotional matchbooks, were above U.S. prices for all 14 quarters, and Japanese product 3 prices were above those of Indian product 3 for all 14 quarters.

PART VI: FINANCIAL EXPERIENCE OF THE U.S. PRODUCERS

BACKGROUND

Two U.S. producers, Atlas and D.D. Bean, reported their commodity matchbook and promotional matchbook financial results on the basis of generally accepted accounting principles (“GAAP”) and on a calendar-year basis. All revenue represents commercial shipments, with the majority reflecting domestic sales. A verification of D.D. Bean’s U.S. producer questionnaire response was conducted on October 14-15, 2009.¹ Changes resulting from verification are reflected in this and other affected sections of this report.

As noted in a previous section of this report, *** of D.D. Bean’s overall establishment activity is focused on commodity matchbooks, while Atlas’ overall establishment operations primarily reflect

***.^{2 3 4}

OPERATIONS ON COMMODITY MATCHBOOKS

Income-and-loss data for operations on commodity matchbooks are presented in table VI-1 and on an average unit basis in table VI-2. Table VI-3 presents selected company-specific financial information. A variance analysis of the overall financial results on commodity matchbooks is presented in table VI-4.⁵ (Note: ***)

Revenue

During 2006-08, overall commodity matchbook sales volume declined at an average annual rate of around *** percent.^{6 7} As shown in the revenue section of the variance analysis (see table VI-4), the reduction in absolute revenue during the full-year period was *** due to declining sales volume, while the direct impact of corresponding negative price variances was ***. Table VI-3 shows that between 2006 and 2008 D.D. Bean and Atlas both reported net declines in sales volume and revenue.

¹ October 21, 2009 verification report. USITC auditor posthearing notes (final).

² ***. E-mail from D.D. Bean with attachment to USITC auditor, September 10, 2009.

³ ***. Atlas’ U.S. producer questionnaire response, III-5. With respect to commodity matchbooks, ***. E-mail with attachment from Atlas to auditor, November 18, 2008. ***.

⁴ ***. November 13, 2008 investigator phone notes. E-mail from Atlas with attachment to USITC auditor, September 10, 2009.

⁵ ***.

⁶ ***. Petitioner’s postconference brief, exh. A. At the Commission’s hearing a D.D. Bean company official stated that “. . . we budget for {a} five percent {decline} but we’ve created an environment and a business model that we are trying to adapt to a declining market, whatever the declines in the market are, and in an orderly fashion where we have some ability to charge fair pricing and . . . get a fair return on investment, to be able to make capital improvements, to invest in new projects and other things.” Hearing transcript, p. 92 (M. Bean). Further testimony indicated that the budgeted 5-percent annual decline does not mean that the company believes the entire market for commodity matchbooks will effectively disappear at some point in the future. Hearing transcript, p. 112 (M. Bean).

⁷ ***. E-mail with attachment from Atlas to USITC auditor, September 10, 2009.

Table VI-1
Commodity matchbooks: Results of operations, 2006-08, January-June 2008, and January-June 2009

* * * * *

Table VI-2
Commodity matchbooks: Results of operations (per case), 2006-08, January-June 2008, and January-June 2009

* * * * *

Table VI-3
Commodity matchbooks: Results of operations, by firm, 2006-08, January-June 2008, and January-June 2009

* * * * *

Table VI-4
Commodity matchbooks: Variance analysis of financial results, 2006-08, January-June 2008, and January-June 2009

* * * * *

Given the ***. When asked to comment on factors influencing the pattern of lower average sales value throughout most of the period (e.g., declining prices, changes in product mix, and/or changes in primary input costs), D.D. Bean indicated that the decline was due ***.^{8 9}

Cost of Goods Sold

Although higher average per-case cost of goods sold (“COGS”) during the full-year periods contributed to the decline in commodity matchbook gross profitability, table VI-2 shows that the overall increase in COGS was *** and that increases in average raw material costs between 2006 and 2008 were *** alternating declines in overall average direct labor and other factory costs. In contrast, the *** declines in both average direct labor and other factory costs in interim 2009 compared to interim 2008, as discussed below, *** the corresponding increase in average raw material cost. As a result, interim 2009 average per-case COGS was ***. (See footnote 16 and footnote 22 regarding ***)

⁸ Table VI-3 shows that the average per-case commodity matchbook sales value reported by D.D. Bean was *** compared to Atlas’. ***. According to the petition, “{t}he lower end of the price range {of commodity matchbooks} is for the plain white and generic giveaway matchbooks. The higher end represents private label resale matchbooks imprinted with a supermarket or convenience store logo.” Petition, p. 22.

⁹ According to D.D. Bean, ***. E-mail with attachment from D.D. Bean to USITC auditor, September 10, 2009. ***. E-mail from D.D. Bean to USITC auditor, September 25, 2009.

Raw Material Costs

The cost of raw materials is *** component of commodity matchbook COGS, representing *** percent on a cumulative basis. Detailed information submitted by D.D. Bean in its petition indicates that *** are the two most significant raw material components, representing on average *** percent and *** percent, respectively, of total raw material costs.¹⁰ ***, Atlas identified *** as primary components of its raw material costs.¹¹

With respect to the pattern of its higher average per-case raw material costs, D.D. Bean stated that ***.^{12 13}

Direct Labor

Direct labor is *** component of commodity matchbooks COGS on a cumulative basis, representing *** percent. Notwithstanding a high level of automation, both Atlas and D.D. Bean provided descriptions of their operations which indicate that labor is an important component in commodity matchbook production.^{14 15} As noted above, the relative stability of average per-case COGS was due in part to generally ***. According to D.D. Bean, this pattern was due to ***.¹⁶ Table VI-3 shows that, in contrast with the general pattern of declining average per-case direct labor cost, Atlas reported an *** increase in its average direct labor cost in 2008 (interim and full year). According to Atlas, this pattern is due primarily to the ***.¹⁷

Other Factory Costs

At *** percent of COGS on a cumulative basis, other factory costs is *** cost component of commodity matchbooks.¹⁸ According to Atlas, the pattern of higher average other factory costs during the first part of the period was in part due to ***.¹⁹ With regard to the *** decline in its average other factory costs in 2008 (interim and full-year period), Atlas stated that this was likely due to ***.²⁰

¹⁰ USITC auditor preliminary notes. Percentage calculations based on exh. 49 of the petition. ***.

¹¹ E-mail with attachment from Atlas to USITC auditor, November 18, 2008.

¹² E-mail with attachment from D.D. Bean to USITC auditor, September 10, 2009.

¹³ At the Commission's hearing a D.D. Bean company official stated that "{o}ur raw material costs, in 2008 particularly, started rising . . . because we inventory, we average the cost, so a lot of those increases we felt {at} the end of 2008, and then well into 2009 they were in full force." Hearing transcript pp. 79-80 (Bartlett).

¹⁴ E-mail from Atlas to USITC auditor, November 19, 2008.

¹⁵ With respect to its direct labor component, D.D. Bean stated that ***. E-mail from D.D. Bean to USITC auditor, November 20, 2008. Verification report, pp. 4-5.

¹⁶ D.D. Bean stated that ***. E-mail with attachment from D.D. Bean to USITC auditor, September 10, 2009.

¹⁷ With regard to the unusual pattern of its 2008 average direct labor cost (see table VI-3), Atlas stated that ***. E-mail with attachment from Atlas to USITC auditor, September 10, 2009.

¹⁸ ***. E-mail with attachment from Atlas to USITC auditor, November 18, 2008. ***. E-mail (second) with attachment from D.D. Bean to USITC auditor, November 20, 2008.

¹⁹ E-mail with attachment from Atlas to USITC auditor, November 18, 2008.

²⁰ According to Atlas, ***. E-mail with attachment from Atlas to USITC auditor, September 10, 2009. ***. Ibid.

D.D. Bean attributed its generally higher average other factory costs throughout most of the period to ***.²¹ In contrast, D.D. Bean's average other factory costs were lower in interim 2009 compared to interim 2008 largely because of reductions in expenses related to ***.²²

Profitability

While lower absolute gross profitability on commodity matchbooks during the full-year period is consistent with the decline in overall sales volume noted above, the reduction in gross profit between 2006 and 2008 also reflects lower gross profit margins resulting from negative price variances and marginally higher average per-case COGS.²³ As shown in table VI-3, Atlas and D.D. Bean's gross profit margins on commodity matchbooks were generally ***. The *** of company-specific gross profit margins in interim 2008 is largely due to changes in ***. In interim 2009, D.D. Bean reported its ***.

While Atlas and D.D. Bean reported *** in terms of *** SG&A expense ratios, D.D. Bean's SG&A expenses ratios were ***.²⁴ According to D.D. Bean, ***.²⁵

Table VI-1 shows that overall declines in SG&A expenses as a ratio to net sales partially offset the decline in gross profit margin in 2007 and then enhanced the relative improvement in gross profit margin in full-year 2008 and interim 2009, respectively.

OPERATIONS ON PROMOTIONAL MATCHBOOKS

Income-and-loss data for operations on promotional matchbooks are presented in table VI-5 and on an average unit basis in table VI-6. Table VI-7 presents selected company-specific financial information. A variance analysis of the overall financial results on promotional matchbooks is not presented because, as noted below, changes in promotional matchbook average per-case sales values were attributed to changes in both product mix and sales discounts. (Note: ***)

Revenue

The overall decline in promotional matchbook sales volume (at an annual rate of *** percent between 2006 and 2008) was *** the decline in commodity matchbook sales volume noted previously (***) percent). In addition to different trends in sales volume, changes in average per-case promotional matchbook sales value were *** compared to commodity matchbooks. With regard to the *** decline in the average per-case sales value in interim 2009 compared to interim 2008, Atlas stated that ***.²⁶

Cost of Goods Sold

Unlike commodity matchbooks, the average per-case COGS of promotional matchbooks increased throughout the period. Also in contrast with commodity matchbooks and consistent with a

²¹ E-mail (second) with attachment from D.D. Bean to auditor, November 20, 2008.

²² Specifically, D.D. Bean stated that other factory costs were lower in interim 2009 due to ***. E-mail with attachment from D.D. Bean to USITC auditor, September 10, 2009.

²³ ***.

²⁴ As indicated previously, Atlas' sales of the commodity matchbooks that it produces are ***.

²⁵ E-mail (second) with attachment from D.D. Bean to USITC auditor, November 20, 2008. ***. Ibid. ***. E-mail with attachment from Atlas to auditor, November 18, 2008.

²⁶ E-mail with attachment from Atlas to USITC auditor, September 10, 2009.

Table VI-5

Promotional matchbooks: Results of operations, 2006-08, January-June 2008, and January-June 2009

* * * * *

Table VI-6

Promotional matchbooks: Results of operations (per case), 2006-08, January-June 2008, and January-June 2009

* * * * *

Table VI-7

Promotional matchbooks: Results of operations, by firm, 2006-08, January-June 2008, and January-June 2009

* * * * *

more specialized product, *** represented the largest share of promotional matchbooks COGS (*** percent), followed *** (*** percent), and then *** (*** percent).

With regard to the direct labor component, several factors appear generally to explain *** of COGS reflected in promotional matchbooks compared to commodity matchbooks. According to Atlas, ***.²⁷

Profitability

While promotional matchbook profitability declined due to a combination of lower sales volume and reduced gross profit margins, similar to commodity matchbooks, promotional matchbooks were *** on both an absolute basis and as a percent of sales (see table VI-1 and table VI-5).

With regard to the ***, Atlas stated that ***.²⁸ In contrast, D.D. Bean's commodity matchbook SG&A expense ratios are *** its promotional matchbook SG&A expense ratios. D.D. Bean's description of its operations indicates that the difference in SG&A expense ratios is at least in part due to ***.²⁹

While the combination of lower gross profitability and higher relative SG&A expense ratios resulted in declining operating income (on an absolute basis and as a percent of sales), promotional matchbooks, unlike commodity matchbook operations, *** throughout the period examined.

CAPITAL EXPENDITURES, RESEARCH AND DEVELOPMENT EXPENSES, ASSETS, AND RETURN ON INVESTMENT

Data on capital expenditures, research and development ("R&D") expenses, assets, and return on investment related to commodity matchbooks and promotional matchbooks are presented in table VI-8 and table VI-9, respectively.

²⁷ E-mail from Atlas to USITC auditor, November 19, 2008.

²⁸ E-mail with attachment from D.D. Bean to USITC auditor, September 10, 2009.

²⁹ In response to a question regarding how the marketing of its commodity matchbooks differs from promotional matchbooks, D.D. Bean stated that ***. E-mail with attachment from D.D. Bean to USITC auditor, September 10, 2009.

Table VI-8

Commodity matchbooks: Capital expenditures, R&D expenses, total assets, and return on investment, by firms, 2006-08, January-June 2008, and January-June 2009

* * * * *

Table VI-9

Promotional matchbooks: Capital expenditures, R&D expenses, total assets, and return on investment, by firms, 2006-08, January-June 2008, and January-June 2009

* * * * *

According to D.D. Bean, ***.³⁰ Atlas ***.

CAPITAL AND INVESTMENT

The Commission requested U.S. producers to describe any actual or anticipated negative effects of imports of commodity matchbooks from India on their firms’ growth, investment, ability to raise capital, existing development and production efforts (including efforts to develop a derivative or more advanced version of the product), or the scale of capital investments.

Actual Negative Effects

Atlas: ***.
D.D. Bean: ***.

Anticipated Negative Effects

Atlas: ***.
D.D. Bean: ***.

³⁰ E-mail (second) with attachment from D.D. Bean to USITC auditor, November 20, 2008. In response to a question at the Commission’s hearing regarding anticipated capital expenditures if final orders are imposed in this case, a D.D. Bean company official stated that “. . . there are some capital programs that we . . . had sort of on the drawing boards as far as being able to offer different kinds of packaging and some . . . value added type features to the product that we would like to have the resources to be able to complete . . . we had other plans to be able to expand our product line that we would like to be able to have. Our equipment, other than the continuing kind of overall deferred maintenance . . . that we’ve put off and some fine . . . tuning of some things, then there wouldn’t be an extensive capital investment.” Hearing transcript, p. 104 (M. Bean).

PART VII: THREAT CONSIDERATIONS AND INFORMATION ON NONSUBJECT COUNTRIES

The Commission analyzes a number of factors in making threat determinations (see 19 U.S.C. § 1677(7)(F)(i)). Information on the nature of the subsidies was presented earlier in this report; information on the volume and pricing of imports of the subject merchandise is presented in Parts IV and V; and information on the effects of imports of the subject merchandise on U.S. producers' existing development and production efforts is presented in Part VI. Information on inventories of the subject merchandise; foreign producers' operations, including the potential for "product-shifting;" any other threat indicators, if applicable; and any dumping in third-country markets, follows. Also presented in this section of the report is information obtained for consideration by the Commission on nonsubject countries and the global market.

THE INDUSTRY IN INDIA

Overview

The petition alleged that there are two producers/exporters of commodity matchbooks in India, Triveni Safety and Hind Matches Pvt. Ltd ("Hind"). Foreign producer questionnaires were issued to both producers in the petition, one additional Indian producer identified by Commission staff, as well as one producer in Mexico and one producer in China. Triveni Safety was the only foreign producer that provided a questionnaire response. In its questionnaire response, Triveni Safety indicated that ***. Triveni Safety did, however, estimate in its questionnaire during the preliminary phase of the investigations that it accounted for *** percent of production of commodity matchbooks in India in 2007, and *** percent of exports of commodity matchbooks to the United States in that year.

*** stated in an interview with Commission staff that it imported *** of commodity matchbooks from Hind during the period for which data was gathered, but it believed that Hind ***.¹ The petitioner likewise stated that it believed that ***.²

Triveni International *** does have a related firm, namely Triveni Safety, engaged in both the production and exporting of commodity matchbooks from India to the United States. Triveni International stated that ***.

Commodity Matchbook Operations

Table VII-1 presents data for reported production and shipment of commodity matchbooks in India by Triveni Safety. Capacity remained steady during the period for which data were gathered. Production decreased in each year between 2006 and 2008; however, it increased in the six-month period October 2008-March 2009 from the previous six-month period April 2008-September 2008.³

¹ Interview with ***, November 12, 2008.

² *** and conference transcript, p. 46 (M. Bean).

³ Triveni Safety could only provide data based on its fiscal year ending March 31. As such, it did not provide data for the January-June 2008 and January-June 2009 periods.

Table VII-1
Commodity matchbooks: Triveni Safety's reported production capacity, production, shipments, and inventories, 2006-08, April-September 2008, and October-March 2009

* * * * *

Triveni Safety reported that ***.⁴ Triveni Safety stated that ***.⁵ Due to the ***, Triveni Safety did not provide production or capacity projections; ***.

Triveni Safety reports that commodity matchbooks⁶ accounted for *** percent of its total sales at the end of its fiscal year 2008.⁷ Promotional matchbooks, which ***, accounted for the remaining *** percent of total sales. It has *** plans to import commodity matchbooks into the United States and holds *** inventories of the subject product in the United States. Triveni Safety began exporting commodity matches to the United States in ***. Triveni Safety cited *** as its primary motivation to invest in commodity matchbooks despite low home market demand. Triveni Safety's initial business plan called for exporting approximately *** containers a month.⁸ Its website indicates that the company is 100 percent export-oriented.⁹

U.S. INVENTORIES OF COMMODITY MATCHBOOKS FROM INDIA

Reported inventories held by U.S. importers of subject merchandise from India are shown in table VII-2.

Table VII-2
Commodity matchbooks: U.S. importers' end-of-period inventories of subject imports, by source, 2006-08, January-June 2008, and January-June 2009

* * * * *

U.S. IMPORTERS' CURRENT ORDERS

*** importers reported that they had imported or arranged for the importation of commodity matchbooks from India after June 30, 2009.

ANTIDUMPING DUTY INVESTIGATIONS IN THIRD-COUNTRY MARKETS

There were no antidumping duty investigations on commodity matchbooks reported in third-country markets.

⁴ ***.

⁵ ***. Correspondence with ***, October 14, 2009.

⁶ D.D. Bean indicated that Triveni Safety is producing only plain white commodity matchbooks but that Triveni Safety claims to have the capabilities to produce the private label and national brands. Hearing transcript, p. 81 (M. Bean).

⁷ Triveni Safety's fiscal year is from April 1-March 31.

⁸ Petitioner estimates that this translates to *** per year. Triveni Safety also indicated in correspondence to D.D. Bean that it had the capacity to *** in 2003. Petitioner's posthearing brief, p. 9 and exh. 3.

⁹ Triveni Safety, <http://www.trivenimatches.com/about/main.htm>, retrieved September 23, 2009.

INFORMATION ON NONSUBJECT COUNTRIES

In assessing whether the domestic industry is materially injured or threatened with material injury “by reason of subject imports,” the legislative history states “that the Commission must examine all relevant evidence, including any known factors, other than the dumped or subsidized imports, that may be injuring the domestic industry, and that the Commission must examine those other factors (including non-subject imports) ‘to ensure that it is not attributing injury from other sources to the subject imports.’”¹⁰

The Commission sought pricing data from U.S. importers of commodity matchbooks from India and also from all other countries. Those data are presented in Part V of this report. The primary nonsubject suppliers of commodity matchbooks during the period for which data were gathered were Mexico and China. The Commission sought production and export data from Compania Cerillera la Central S.A. de C.V. (“Cerillera”) in Mexico and Qingdao Anshan Wood Products Co. in China. Neither of the firms responded to the Commission questionnaire, and as such, there are no production data available for commodity matchbooks produced in the nonsubject countries of China or Mexico.

Global Market

Official import statistics from Commerce are not useful in these investigations with regard to nonsubject imports, as they contain promotional matchbooks and other items. Also, there is no information available from the World Trade Atlas regarding world exports of commodity matchbooks from China or Mexico. According to the petitioner, there is limited use of commodity matchbooks in international markets. The only known countries with historical and current resale distribution of commodity matchbooks are the United States, Canada, Egypt, and Guatemala. Only the United States, Egypt, Guatemala, Mexico and India have known manufacturing capabilities for commodity matchbooks.¹¹

*** importer, ***, reported importing nonsubject commodity matchbooks from ***, and *** for the following reasons: ***.¹² *** identified the Mexican supplier as ***. It also reported importing a Chinese product from ***. *** submitted a ***.

¹⁰ Mittal Steel Point Lisas Ltd. v. United States, Slip Op. 2007-1552 at 17 (Fed. Cir., Sept. 18, 2008), quoting from Statement of Administrative Action on Uruguay Round Agreements Act, H.R. Rep. 103-316, Vol. I at 851-52; see also Bratsk Aluminum Smelter v. United States, 444 F.3d 1369 (Fed. Cir. 2006).

¹¹ Petition, exh. 32, p. 1.

¹² Interview with ***, November 12, 2008.

APPENDIX A
***FEDERAL REGISTER* NOTICES**

an industry in the United States is materially injured or threatened with material injury, or the establishment of an industry in the United States is materially retarded, by reason of subsidized and less-than-fair-value imports from India of commodity matchbooks, provided for in subheading 3605.00.00 of the Harmonized Tariff Schedule of the United States.

For further information concerning the conduct of this phase of the investigations, hearing procedures, 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 and C (19 CFR part 207).

DATES: *Effective Date:* June 2, 2009.

FOR FURTHER INFORMATION CONTACT:

Amy Sherman (202-205-3289), 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 these investigations may be viewed on the Commission's electronic docket (EDIS) at <http://edis.usitc.gov>.

SUPPLEMENTARY INFORMATION:

Background.—The final phase of these investigations is being scheduled as a result of affirmative preliminary determinations by the Department of Commerce that certain benefits which constitute subsidies within the meaning of section 703 of the Act (19 U.S.C. 1671b) are being provided to manufacturers, producers, or exporters in India of commodity matchbooks, and that such products are being sold in the United States at less than fair value within the meaning of section 733 of the Act (19 U.S.C. 1673b). The investigations were requested in a petition filed on October 29, 2008, by D.D. Bean & Sons Co., Jaffrey, NH.

Participation in the investigations 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 final phase of these investigations as parties must file an entry of appearance with the Secretary to the Commission, as provided in section 201.11 of the Commission's

rules, no later than 21 days prior to the hearing date specified in this notice. A party that filed a notice of appearance during the preliminary phase of the investigations need not file an additional notice of appearance during this final phase. The Secretary will maintain a public service list containing the names and addresses of all persons, or their representatives, who are parties to the investigations.

Limited disclosure of business proprietary information (BPI) under an administrative protective order (APO) and BPI service list.—Pursuant to section 207.7(a) of the Commission's rules, the Secretary will make BPI gathered in the final phase of these investigations available to authorized applicants under the APO issued in the investigations, provided that the application is made no later than 21 days prior to the hearing date specified in this notice. Authorized applicants must represent interested parties, as defined by 19 U.S.C. 1677(9), who are parties to the investigations. A party granted access to BPI in the preliminary phase of the investigations need not reapply for such access. A separate service list will be maintained by the Secretary for those parties authorized to receive BPI under the APO.

Staff report.—The prehearing staff report in the final phase of these investigations will be placed in the nonpublic record on October 2, 2009, and a public version will be issued thereafter, pursuant to section 207.22 of the Commission's rules.

Hearing.—The Commission will hold a hearing in connection with the final phase of these investigations beginning at 9:30 a.m. on October 20, 2009, at the U.S. International Trade Commission Building. Requests to appear at the hearing should be filed in writing with the Secretary to the Commission on or before October 9, 2009. A nonparty who has testimony that may aid the Commission's deliberations may request permission to present a short statement at the hearing. All parties and nonparties desiring to appear at the hearing and make oral presentations should attend a prehearing conference to be held at 9:30 a.m. on October 14, 2009, at the U.S. International Trade Commission Building. Oral testimony and written materials to be submitted at the public hearing are governed by sections 201.6(b)(2), 201.13(f), and 207.24 of the Commission's rules. Parties must submit any request to present a portion of their hearing testimony *in camera* no later than 7 business days prior to the date of the hearing.

INTERNATIONAL TRADE COMMISSION

[Investigation Nos. 701-TA-459 (Final) and 731-TA-1155 (Final)]

Commodity Matchbooks From India

AGENCY: United States International Trade Commission.

ACTION: Scheduling of the final phase of countervailing duty and antidumping investigations.

SUMMARY: The Commission hereby gives notice of the scheduling of the final phase of countervailing duty investigation No. 701-TA-459 (Final) under section 705(b) of the Tariff Act of 1930 (19 U.S.C. 1671d(b)) (the Act) and the final phase of antidumping investigation No. 731-TA-1155 (Final) under section 735(b) of the Act (19 U.S.C. 1673d(b)) to determine whether

Written submissions.—Each party who is an interested party shall submit a prehearing brief to the Commission. Prehearing briefs must conform with the provisions of section 207.23 of the Commission's rules; the deadline for filing is October 9, 2009. Parties may also file written testimony in connection with their presentation at the hearing, as provided in section 207.24 of the Commission's rules, and posthearing briefs, which must conform with the provisions of section 207.25 of the Commission's rules. The deadline for filing posthearing briefs is October 27, 2009; witness testimony must be filed no later than three days before the hearing. In addition, any person who has not entered an appearance as a party to the investigations may submit a written statement of information pertinent to the subject of the investigations, including statements of support or opposition to the petition, on or before October 27, 2009. On November 10, 2009, the Commission will make available to parties all information on which they have not had an opportunity to comment. Parties may submit final comments on this information on or before November 12, 2009, but such final comments must not contain new factual information and must otherwise comply with section 207.30 of the Commission's rules. All written submissions must conform with the provisions of section 201.8 of the Commission's rules; any submissions that contain BPI must also 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 FR 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).

Additional written submissions to the Commission, including requests pursuant to section 201.12 of the Commission's rules, shall not be accepted unless good cause is shown for accepting such submissions, or unless the submission is pursuant to a specific request by a Commissioner or Commission staff.

In accordance with sections 201.16(c) and 207.3 of the Commission's rules, each document filed by a party to the investigations must be served on all other parties to the investigations (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.

Authority: These investigations are being conducted under authority of title VII of the Tariff Act of 1930; this notice is published pursuant to section 207.21 of the Commission's rules.

Issued: July 13, 2009.

By order of the Commission.

Marilyn R. Abbott,

Secretary to the Commission.

[FR Doc. E9-16994 Filed 7-16-09; 8:45 am]

BILLING CODE 7020-02-P

In June 2009, we verified the questionnaire responses of the sole respondent in this case, Triveni Safety Matches Pvt. Ltd. (Triveni), in accordance with section 782(i) of the Act. Although we provided interested parties an opportunity to comment on the *Preliminary Determination* and the Department's verification findings, no interested party submitted a case brief.

Period of Investigation

The period of investigation is October 1, 2007, through September 30, 2008. This period corresponds to the four most recent fiscal quarters prior to the month of the filing of the petition.

Scope of Investigation

The scope of this investigation covers commodity matchbooks, also known as commodity book matches, paper matches or booklet matches.¹ Commodity matchbooks typically, but do not necessarily, consist of twenty match stems which are usually made from paperboard or similar material tipped with a match head composed of any chemical formula. The match stems may be stitched, stapled, or otherwise fastened into a matchbook cover of any material, on which a striking strip composed of any chemical formula has been applied to assist in the ignition process.

Commodity matchbooks included in the scope of this investigation may or may not contain printing. For example, they may have no printing other than the identification of the manufacturer or importer. Commodity matchbooks may also be printed with a generic message such as "Thank You" or a generic image such as the American Flag, with store brands (e.g., Kroger, 7-Eleven, Shurfine or Giant); product brands for national or regional advertisers such as cigarettes or alcoholic beverages; or with corporate brands for national or regional distributors (e.g., Penley Corp. or Diamond Brands). They all enter retail distribution channels. Regardless of the materials used for the stems of the matches and regardless of the way the match stems are fastened to the matchbook cover, all commodity matchbooks are included in the scope of this investigation.

All matchbooks, including commodity matchbooks, typically comply with the United States Consumer Product Safety Commission

¹ Such commodity matchbooks are also referred to as "for resale" because they always enter into retail channels, meaning businesses that sell a general variety of tangible merchandise, e.g., convenience stores, supermarkets, dollar stores, drug stores and mass merchandisers.

(CPSC) Safety Standard for Matchbooks, codified at 16 CFR § 1202.1 *et seq.*

The scope of this investigation excludes promotional matchbooks, often referred to as "not for resale," or "specialty advertising" matchbooks, as they do not enter into retail channels and are sold to businesses that provide hospitality, dining, drinking or entertainment services to their customers, and are given away by these businesses as promotional items. Such promotional matchbooks are distinguished by the physical characteristic of having the name and/or logo of a bar, restaurant, resort, hotel, club, café/coffee shop, grill, pub, eatery, lounge, casino, barbecue or individual establishment printed prominently on the matchbook cover. Promotional matchbook cover printing also typically includes the address and the phone number of the business or establishment being promoted.² Also excluded are all other matches that are not fastened into a matchbook cover such as wooden matches, stick matches, box matches, kitchen matches, pocket matches, penny matches, household matches, strike-anywhere matches (aka "SAW" matches), strike-on-box matches (aka "SOB" matches), fireplace matches, barbecue/grill matches, fire starters, and wax matches.

The merchandise subject to this investigation is properly classified under subheading 3605.00.0060 of the Harmonized Tariff Schedule of the United States (HTSUS). Subject merchandise may also enter under subheading 3605.00.0030 of the HTSUS. Although the HTSUS subheadings are provided for convenience and customs purposes, the written description of the merchandise under investigation is dispositive.

Changes Since the Preliminary Determination

Based on our findings at verification, we have made certain changes to the margin calculations for Triveni. For a discussion of these changes, see the October 15, 2009, memorandum from Holly Phelps, Analyst, to the File, entitled, "Calculations Performed for Triveni Safety Matches Pvt. Ltd. for the Final Determination in the 2007–2008

² The gross distinctions between commodity matchbooks and promotional matchbooks may be summarized as follows: (1) if it has no printing, or is printed with a generic message such as "Thank You" or a generic image such as the American Flag, or printed with national or regional store brands or corporate brands, it is commodity; (2) if it has printing, and the printing includes the name of a bar, restaurant, resort, hotel, club, café/coffee shop, grill, pub, eatery, lounge, casino, barbecue, or individual establishment prominently displayed on the matchbook cover, it is promotional.

DEPARTMENT OF COMMERCE

International Trade Administration

[A–533–848]

Notice of Final Determination of Sales at Less Than Fair Value: Commodity Matchbooks from India

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

SUMMARY: We determine that imports of commodity matchbooks are being, or are likely to be, sold in the United States at less than fair value (LTFV), as provided in section 735 of the Tariff Act of 1930, as amended (the Act). The estimated margins of sales at LTFV are shown in the "Final Determination" section of this notice.

EFFECTIVE DATE: October 22, 2009.

FOR FURTHER INFORMATION CONTACT: Holly Phelps or Elizabeth Eastwood, AD/CVD Operations, Office 2, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482–0656 and (202) 482–3874, respectively.

SUPPLEMENTARY INFORMATION:

Background

On June 2, 2009, the Department published in the *Federal Register* the preliminary determination of sales at LTFV in the antidumping duty investigation of commodity matchbooks from India. See *Commodity Matchbooks from India: Notice of Preliminary Determination of Sales at Less Than Fair Value and Postponement of Final Determination*, 74 FR 26366 (June 2, 2009) (*Preliminary Determination*).

Antidumping Duty Investigation of Commodity Matchbooks from India.” See also the October 15, 2009, memorandum from LaVonne Clark, Senior Accountant, to Neal Halper, Director, Office of Accounting, entitled, “Constructed Value Calculation Adjustments for the Final Determination - Triveni Safety Matches Pvt. Ltd.”

Verification

As provided in section 782(i) of the Act, we verified the sales and cost information submitted by Triveni for use in our final determination. We used standard verification procedures including an examination of relevant accounting and production records, and original source documents provided by Triveni. Our sales and cost verification results are outlined in separate verification reports. See the June 24, 2009, memorandum from Holly Phelps, Analyst, to James P. Maeder, Director, Office 2, entitled, “Verification of the Sales Response of Triveni Safety Matches Pvt. Ltd. (Triveni) in the Less-Than-Fair-Value Investigation on Commodity Matchbooks from India.” See also the July 16, 2009, memorandum from LaVonne Clark, Senior Accountant, to Neal Halper, Director, Office of Accounting, entitled, “Verification of the Cost Response of Triveni Safety Matches Pvt., Ltd. in the Antidumping Duty Investigation of Commodity Matchbooks from India.”

Continuation of Suspension of Liquidation

Pursuant to 735(c)(1)(B) of the Act, we will instruct U.S. Customs and Border Protection (CBP) to continue to suspend liquidation of all entries of subject merchandise from India, entered, or withdrawn from warehouse, for consumption on or after June 2, 2009, the date of publication of the preliminary determination in the **Federal Register**. CBP shall require a cash deposit or the posting of a bond equal to the estimated amount by which the normal value exceeds the U.S. price as shown below, adjusted for export subsidies found in the final determination of the companion countervailing duty investigation of this merchandise. Specifically, consistent with our practice, where the product under investigation is also subject to a concurrent countervailing duty investigation, we instruct CBP to require a cash deposit or posting of a bond equal to the amount by which the normal value exceeds the export price or constructed export price, as indicated below, less the amount of the countervailing duty determined to constitute an export subsidy. See, e.g.,

Notice of Final Determination of Sales at Less Than Fair Value: Carbazole Violet Pigment 23 From India, 69 FR 67306, 67307 (Nov. 17, 2004).

Accordingly, for cash deposit purposes, we are subtracting from the applicable cash deposit rate that portion of the rate attributable to the export subsidies found in the affirmative countervailing duty determination for each respondent (*i.e.*, 9.88 percent for Triveni, and 9.88 percent for “All Others”). After the adjustment for the cash deposit rates attributed to export subsidies, the resulting cash deposit rates will be 56.19 percent for Triveni and 56.19 percent for “All Others.” These instructions suspending liquidation will remain in effect until further notice.

Final Determination Margins

The weighted-average dumping margins are as follows:

Producer/Exporter	Weighted-Average Margin (percent)
Triveni Safety Matches Pvt. Ltd.	66.07
All Others	66.07

“All Others” Rate

Section 735(c)(5)(A) of the Act provides that the estimated “All Others” rate shall be an amount equal to the weighted average of the estimated weighted-average dumping margins established for exporters and producers individually investigated, excluding any zero or *de minimis* margins, and any margins determined entirely under section 776 of the Act. Triveni is the only respondent in this investigation. Therefore, for purposes of determining the “All Others” rate and pursuant to section 735(c)(5)(A) of the Act, we are using the weighted-average dumping margin calculated for Triveni, as referenced above. See, e.g., *Notice of Final Determination of Sales at Less Than Fair Value: Stainless Steel Sheet and Strip in Coils From Italy*, 64 FR 30750, 30755 (June 8, 1999); and *Coated Free Sheet Paper from Indonesia: Notice of Preliminary Determination of Sales at Less Than Fair Value and Postponement of Final Determination*, 72 FR 30753, 30757 (June 4, 2007), unchanged in *Notice of Final Determination of Sales at Less Than Fair Value: Coated Free Sheet Paper from Indonesia*, 72 FR 60636 (Oct. 25, 2007).

Disclosure

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

ITC Notification

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

Return or Destruction of Proprietary Information

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

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

Dated: October 15, 2009.

Ronald K. Lorentzen,

Acting Assistant Secretary for Import Administration.

[FR Doc. E9-25446 Filed 10-21-09; 8:45 am]

BILLING CODE 3510-DS-S

SUMMARY: The Department of Commerce (the Department) determines that countervailable subsidies are being provided to producers and exporters of commodity matchbooks from India. For information on the estimated subsidy rates, see the "Suspension of Liquidation" section of this notice.

EFFECTIVE DATE: October 22, 2009.

FOR FURTHER INFORMATION CONTACT: Sean Carey or Dana Mermelstein, AD/CVD Operations, Office 6, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-3964 and (202) 482-1391, respectively.

SUPPLEMENTARY INFORMATION:

Period of Investigation

The period for which we are measuring subsidies, *i.e.*, the period of investigation (POI), is January 1, 2007 through December 31, 2007.

Case History

The following events have occurred since the publication of the Department's preliminary determination in the **Federal Register**. See *Commodity Matchbooks from India: Preliminary Affirmative Countervailing Duty Determination and Alignment of Final Countervailing Duty Determination with Final Antidumping Duty Determination*, 74 FR 15444 (April 6, 2009). The Department conducted a verification of the Government of India's (GOI) questionnaire responses regarding the administration of the Export Promotion Capital Goods Scheme (EPCGS) on May 4, 2009, in New Delhi, India. See Memorandum to Dana Mermelstein, Program Manager for AD/CVD Operations, Office 6, from Sean Carey, Case Analyst, AD/CVD Operations, Office 6, "Verification of the Questionnaire Responses Submitted by the Government of India," dated August 7, 2009. On May 5 through 8, 2009, the Department verified the information submitted by the sole respondent in this investigation, Triveni Safety Matches Pvt. Ltd. (Triveni), at its corporate headquarters in Mumbai, India. See Memorandum to Dana Mermelstein, Program Manager for AD/CVD Operations, Office 6, from Sean Carey, Case Analyst, AD/CVD Operations, Office 6, "Verification of the Questionnaire Responses Submitted by Triveni Safety Matches Pvt. Ltd.," dated August 7, 2009. The Department released its briefing schedule on August 7, 2009, notifying all parties of the deadlines for submission of case and rebuttal briefs. No case briefs were filed

by any of the interested parties. The memoranda cited above are available at the Department's Central Records Unit (Room 1117 in the HCHB Building) (hereafter referred to as "CRU").

Scope of the Investigation

The scope of this investigation covers commodity matchbooks, also known as commodity book matches, paper matches or booklet matches.¹ Commodity matchbooks typically, but do not necessarily, consist of twenty match stems which are usually made from paperboard or similar material tipped with a match head composed of any chemical formula. The match stems may be stitched, stapled or otherwise fastened into a matchbook cover of any material, on which a striking strip composed of any chemical formula has been applied to assist in the ignition process.

Commodity matchbooks included in the scope of this investigation may or may not contain printing. For example, they may have no printing other than the identification of the manufacturer or importer. Commodity matchbooks may also be printed with a generic message such as "Thank You" or a generic image such as the American Flag, with store brands (e.g., Kroger, 7-Eleven, Shurfine or Giant); product brands for national or regional advertisers such as cigarettes or alcoholic beverages; or with corporate brands for national or regional distributors (e.g., Penley Corp. or Diamond Brands). They all enter retail distribution channels. Regardless of the materials used for the stems of the matches and regardless of the way the match stems are fastened to the matchbook cover, all commodity matchbooks are included in the scope of this investigation. All matchbooks, including commodity matchbooks, typically comply with the United States Consumer Product Safety Commission (CPSC) Safety Standard for Matchbooks, codified at 16 CFR § 1202.1 *et seq.*

The scope of this investigation excludes promotional matchbooks, often referred to as "not for resale," or "specialty advertising" matchbooks, as they do not enter into retail channels and are sold to businesses that provide hospitality, dining, drinking or entertainment services to their customers, and are given away by these businesses as promotional items. Such promotional matchbooks are distinguished by the physical

¹ Such commodity matchbooks are also referred to as "for resale" because they always enter into retail channels, meaning businesses that sell a general variety of tangible merchandise, *e.g.*, convenience stores, supermarkets, dollar stores, drug stores and mass merchandisers.

DEPARTMENT OF COMMERCE

International Trade Administration

[C-533-849]

**Commodity Matchbooks From India:
Final Affirmative Countervailing Duty
Determination**

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

characteristic of having the name and/ or logo of a bar, restaurant, resort, hotel, club, café/coffee shop, grill, pub, eatery, lounge, casino, barbecue or individual establishment printed prominently on the matchbook cover. Promotional matchbook cover printing also typically includes the address and the phone number of the business or establishment being promoted.² Also excluded are all other matches that are not fastened into a matchbook cover such as wooden matches, stick matches, box matches, kitchen matches, pocket matches, penny matches, household matches, strike-anywhere matches (aka "SAW" matches), strike-on-box matches (aka "SOB" matches), fireplace matches, barbecue/grill matches, fire starters, and wax matches.

The merchandise subject to this investigation is properly classified under subheading 3605.00.0060 of the Harmonized Tariff Schedule of the United States (HTSUS). Subject merchandise may also enter under subheading 3605.00.0030 of the HTSUS. Although the HTSUS subheadings are provided for convenience and customs purposes, the written description of the merchandise under investigation is dispositive.

Injury Test

Because India is a "Subsidies Agreement Country" within the meaning of section 701(b) of the Tariff Act of 1930, as amended (the Act), the International Trade Commission (ITC) is required to determine, pursuant to section 701(a)(2) of the Act, whether imports of the subject merchandise from India materially injure, or threaten material injury to, a United States industry. On December 19, 2008, the ITC published its preliminary determination that there is a reasonable indication that an industry in the United States is materially injured by reason of allegedly subsidized imports from the PRC of subject merchandise. See *Commodity Matchbooks from India; Determinations*, 73 FR 77840 (December 19, 2008); and *Commodity Matchbooks from India (Preliminary)*, USITC Pub. 4054, Inv. Nos. 701-TA-459 and 731-TA 1155 (December 2008).

²The gross distinctions between commodity matchbooks and promotional matchbooks may be summarized as follows: (1) if it has no printing, or is printed with a generic message such as "Thank You" or a generic image such as the American Flag, or printed with national or regional store brands or corporate brands, it is commodity; (2) if it has printing, and the printing includes the name of a bar, restaurant, resort, hotel, club, café/coffee shop, grill, pub, eatery, lounge, casino, barbecue, or individual establishment prominently displayed on the matchbook cover, it is promotional.

Analysis of Programs

A complete description and discussion of the programs that the Department investigated are addressed in the Issues and Decision Memorandum for the Final Affirmative Countervailing Duty Determination: Commodity Matchbooks from India, from John M. Andersen, Acting Deputy Assistant Secretary, to Ronald K. Lorentzen, Acting Assistant Secretary, dated October 15, 2009 ("Issues and Decision Memorandum"). Modifications to the calculations based on verification are also discussed in this memorandum. Parties can find this public memorandum in the Department's CRU. In addition, a complete version of the Issues and Decision Memorandum can be accessed directly on the internet at <http://ia.ita.doc.gov/frn/index.html>. The paper copy and electronic version of the Issues and Decision Memorandum are identical in content.

Suspension of Liquidation

In accordance with section 705(c)(1)(B)(i)(I) of the Act, we have calculated an individual subsidy rate for the company under investigation, Triveni, below. Section 705(c)(5)(A)(i) of the Act states that for companies not investigated, we will determine an all others rate equal to the weighted average countervailable subsidy rates established for exporters and producers individually investigated, excluding any zero and *de minimis* countervailable subsidy rates, and any rates determined entirely under section 776 of the Act. As Triveni was the only exporter/ manufacturer under investigation, the all others rate is based on Triveni's total subsidy rate calculated for this final determination.

Exporter/Manufacturer	Net Subsidy Rate
Triveni Safety Matches Pvt. Limited	9.88%
All Others	9.88%

In accordance with section 703(d) of the Act, we instructed U.S. Customs and Border Protection to discontinue the suspension of liquidation for countervailing duty purposes for subject merchandise entered on or after August 4, 2009, but to continue the suspension of liquidation of entries made from April 6, 2009 through August 3, 2009.

We will issue a countervailing duty order and reinstate the suspension of liquidation under section 706(a) of the Act if the ITC issues a final affirmative injury determination, and we will require a cash deposit of estimated countervailing duties for such entries of merchandise in the amounts indicated

above. If the ITC determines that material injury, or threat of material injury, does not exist, this proceeding will be terminated and all estimated duties deposited or securities posted as a result of the suspension of liquidation will be refunded or canceled.

ITC Notification

In accordance with section 705(d) of the Act, we will notify the ITC of our determination. In addition, we are making available to the ITC all non-privileged and nonproprietary information related to this investigation. We will allow the ITC access to all privileged and business proprietary information in our files, provided the ITC confirms that it will not disclose such information, either publicly or under an Administrative Protective Order (APO), without the written consent of the Assistant Secretary for Import Administration.

Return or Destruction of Proprietary Information

In the event that the ITC issues a final negative injury determination, this notice will serve as the only reminder to parties subject to an APO of their responsibility concerning the destruction of proprietary information disclosed under APO in accordance with 19 CFR 351.305(a)(3). Timely written notification of the return/ 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.

This determination is issued and published pursuant to sections 705(d) and 777(i) of the Act.

Dated: October 15, 2009.

Ronald K. Lorentzen,

Acting Assistant Secretary for Import Administration.

[FR Doc. E9-25445 Filed 10-21-09; 8:45 am]

BILLING CODE 3510-DS-S

APPENDIX B
HEARING WITNESSES

CALENDAR OF PUBLIC HEARING

Those listed below appeared as witnesses at the United States International Trade Commission's hearing:

Subject: Commodity Matchbooks from India
Inv. Nos.: 701-TA-459 and 731-TA-1155 (Final)
Date and Time: October 20, 2009 - 9:30 a.m.

A session was held in connection with these investigations in the Main Hearing Room (room 101), 500 E Street, S.W., Washington, DC.

OPENING REMARKS:

Petitioners (**Paul G. Gaston**, Law Offices of Paul G. Gaston)

In Support of the Imposition of Antidumping and Countervailing Duty Orders:

Law Offices of Paul G. Gaston
Washington, DC
on behalf of

The Domestic Industry

Christopher V. Bean, Owner, Director, and Corporate
Counsel, D.D. Bean & Sons Co.

Mark C. Bean, Owner, Director, and President, Match
Division, D.D. Bean & Sons Co.

Julia M. Bartlett, Vice President, Fulfillment
Management, D.D. Bean & Sons Co.

Jonathan M. Bradley, President, Bradley Industries
LLC and Atlas Match LLC

Paul G. Gaston) – OF COUNSEL

CLOSING REMARKS:

Petitioners (**Paul G. Gaston**, Law Offices of Paul G. Gaston)

APPENDIX C
SUMMARY DATA

Table C-1
COMMODITY MATCHBOOKS: Summary data concerning the U.S. market, 2006-08, January-June 2008, and January-June 2009

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Table C-2
PROMOTIONAL MATCHBOOKS: Summary data concerning the U.S. market, 2006-08, January-June 2008, and January-June 2009

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Table C-3
COMMODITY & PROMOTIONAL MATCHBOOKS: Summary data concerning the U.S. market, 2006-08, January-June 2008, and January-June 2009

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