

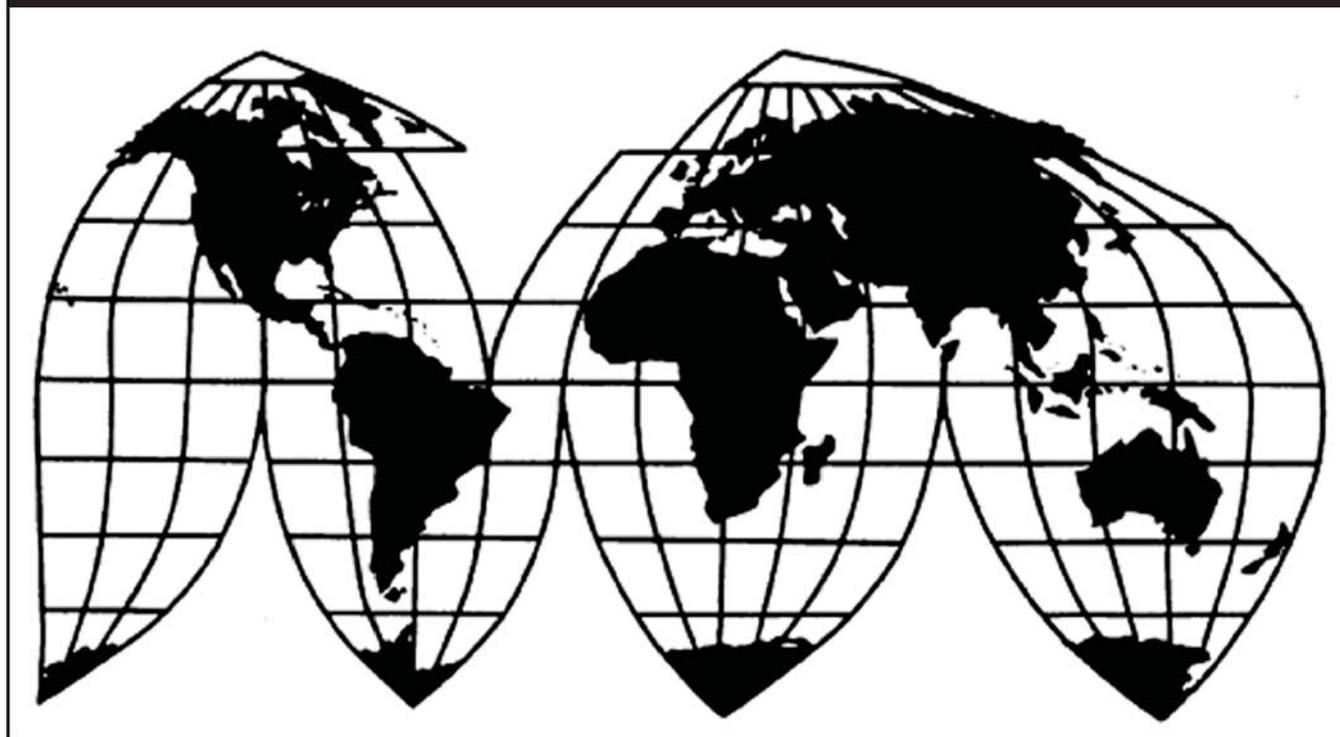
Certain Lined Paper School Supplies from China, India, and Indonesia

Investigation Nos. 701-TA-442-443 and 731-TA-1095-1097 (Review)

Publication 4344

August 2012

U.S. International Trade Commission



Washington, DC 20436

U.S. International Trade Commission

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Note.--Information that would reveal confidential operations of individual concerns may not be published and therefore has been deleted from this report. Such deletions are indicated by asterisks.

UNITED STATES INTERNATIONAL TRADE COMMISSION

Investigation Nos. 701-TA-442-443 and 731-TA-1095-1097 (Review)

CERTAIN LINED PAPER SCHOOL SUPPLIES FROM CHINA, INDIA, AND INDONESIA

DETERMINATION

On the basis of the record¹ developed in the subject five-year reviews, the United States International Trade Commission (Commission) determines, pursuant to section 751(c) of the Tariff Act of 1930 (19 U.S.C. § 1675(c)), that revocation of the countervailing duty order on certain lined paper school supplies from India and the antidumping duty orders on certain lined paper school supplies from China and India would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.² The Commission also determines that revocation of the countervailing duty order and antidumping duty order on certain lined paper school supplies from Indonesia would not be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.³

BACKGROUND

The Commission instituted these reviews on August 1, 2011 (76 FR 45851) and determined on November 4, 2011 that it would conduct full reviews (76 FR 72213, November 22, 2011). Notice of the scheduling of the Commission's reviews 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* on February 1, 2012 (77 FR 5055). The hearing was held in Washington, DC, on June 12, 2012, 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)).

² Commissioners Okun, Pearson, and Johanson dissent with respect to India.

³ Chairman Williamson dissenting.

VIEWS OF THE COMMISSION

Based on the record in these five-year reviews, we determine under section 751(c) of the Tariff Act of 1930, as amended (“the Act”), that revocation of the countervailing duty order on certain lined paper school supplies (“CLPSS”) from India and the antidumping duty orders on CLPSS from China and India would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.¹ The Commission further determines, pursuant to section 751(c) of the Act, that revocation of the countervailing duty order and the antidumping duty order on CLPSS from Indonesia would not be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.²

I. BACKGROUND

In September 2006, the Commission determined that a domestic industry was materially injured by reason of imports of CLPSS sold at less than fair value from China, India, and Indonesia, and subsidized by the governments of India and Indonesia.³ On September 28, 2006, Commerce issued antidumping duty orders on CLPSS from China, India, and Indonesia, and countervailing duty orders on CLPSS from India and Indonesia.⁴

The Commission instituted these reviews on August 1, 2011.⁵ Responding to the notice of institution were the Association of American School Paper Suppliers (“AASPS”), an association consisting of domestic producers of CLPSS, and Indian producers and exporters FFI International, Lodha Offset Limited, Marisa International, Navneet Publications (India) Ltd., Pioneer Stationery Pvt. Ltd., Riddhi Enterprises, Sab International, and SGM Paper Products (collectively, the “Indian respondents”), which submitted a joint response. On November 4, 2011, the Commission found each response individually adequate. It found the domestic interested party group response adequate, the respondent interested party group response for the orders on subject imports from India adequate, and the respondent interested party group responses for the orders on subject imports from China and Indonesia inadequate. The Commission determined to conduct full reviews on the orders on subject imports from India because

¹ Commissioners Deanna Tanner Okun, Daniel R. Pearson, and David S. Johanson determine that revocation of the antidumping and countervailing duty orders on CLPSS from India would not be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time. See Additional and Dissenting Views of Commissioners Deanna Tanner Okun, Daniel R. Pearson, and David S. Johanson.

² Chairman Irving A. Williamson determines that revocation of the antidumping and countervailing duty orders on CLPSS from Indonesia would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time. His determination is set forth in these views and his separate opinion. See Separate and Dissenting Views of Chairman Williamson.

³ Certain Lined Paper School Supplies from China, India, and Indonesia, Inv. Nos. 701-TA-442-443, 731-TA-1095-1097 (Final), USITC Pub. 3884 (Sept. 2006) (“Original Determinations”). The Commission made its original affirmative final determinations by a split vote, for which the majority findings are summarized below. Chairman Pearson and Commissioners Hillman and Okun made negative determinations respecting imports from India and Indonesia and found that the domestic industry was threatened with material injury by reason of subject imports from China. See Separate and Dissenting Views of Chairman Daniel R. Pearson and Commissioners Jennifer A. Hillman and Deanna Tanner Okun, USITC Pub. 3884 at 51-82.

⁴ 71 Fed. Reg. 56949 (Sept. 28, 2006). Commerce subsequently amended the order on subject imports from China to correct a ministerial error. 71 Fed. Reg. 62583 (Oct. 26, 2006).

⁵ 76 Fed. Reg. 48581 (Aug. 1, 2011).

of adequate interested party responses and determined to conduct full reviews on the orders on subject imports from China and Indonesia to promote administrative efficiency.⁶

The AASPS filed briefs and participated in the hearing. The Indian respondent parties and Indonesian producer and exporter PT Pabrik Kertas Tjiwi Kimia (“Tjiwi”) each filed briefs and participated in the hearing.⁷

In these reviews, domestic industry data are based on questionnaire responses of eight U.S. producers of lined paper products (“LPP”), the domestic like product as defined in the original final determinations, six of which provided usable data. The eight responding producers account for virtually all known U.S. production of LPP.⁸ There were 25 importers of CLPSS, the merchandise defined by Commerce’s scope determination, that responded to the Commission’s questionnaires in these reviews. Responding importers accounted for 2.8 percent of subject imports from China in 2011, 50.0 percent of subject imports from India in 2011, and 0.0 percent of subject imports from Indonesia in 2011.⁹ Import data in the Commission report are based on official statistics.¹⁰ No producer of subject merchandise from China responded to the Commission questionnaire.¹¹ Eight producers or exporters of subject merchandise from India that are believed to account for *** percent of 2010 Indian CLPSS production responded to the Commission questionnaire.¹² Tjiwi, which estimates it accounted for *** percent of 2011 Indonesian CLPSS production, was the sole producer of subject merchandise from Indonesia to respond to the Commission questionnaire.¹³

II. DOMESTIC LIKE PRODUCT AND INDUSTRY

A. Domestic Like Product

In making its determination under section 751(c) of the Act, the Commission defines the “domestic like product” and the “industry.”¹⁴ The 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 under this subtitle.”¹⁵

⁶ Explanation of Commission Determinations on Adequacy, reprinted in Confidential Staff Report (“CR”)/Public Staff Report (“PR”) at Appendix A.

⁷ Indian Respondents violated Commission rule 207.68(c) by submitting new factual information in their Final Comments. 19 C.F.R. § 207.68(c). Consequently, we have disregarded the new information that appears in Exhibit 1 of their Final Comments and the first, fourth, fifth, and sixth sentences of the last paragraph starting at the bottom of page 4 of the comments, carrying over to page 5, together with the associated footnotes.

⁸ CR at I-5; PR at I-4.

⁹ CR/PR at IV-1.

¹⁰ CR at I-5; PR at I-4.

¹¹ CR at IV-13; PR at IV-11.

¹² CR at IV-15; PR at IV-12.

¹³ CR at IV-19; PR at IV-16.

¹⁴ 19 U.S.C. § 1677(4)(A).

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

Commerce has defined the imported merchandise within the scope of the orders under review as follows:

The scope of these orders includes certain lined paper products, typically school supplies, composed of or including paper that incorporates straight horizontal and/or vertical lines on ten or more paper sheets, including but not limited to such products as single- and multi-subject notebooks, composition books, wireless notebooks, looseleaf or glued filler paper, graph paper, and laboratory notebooks, and with the smaller dimension of the paper measuring 6 inches to 15 inches (inclusive) and the larger dimension of the paper measuring 8 3/4 inches to 15 inches (inclusive). Page dimensions are measured size (not advertised, stated, or “tear-out” size), and are measured as they appear in the product (i.e., stitched and folded pages in a notebook are measured by the size of the page as it appears in the notebook page, not the size of the unfolded paper). However, for measurement purposes, pages with tapered or rounded edges shall be measured at their longest and widest points. Subject lined paper products may be loose, packaged or bound using any binding method (other than case bound through the inclusion of binders board, a spine strip, and cover wrap). Subject merchandise may or may not contain any combination of a front cover, a rear cover, and/or backing of any composition, regardless of the inclusion of images or graphics on the cover, backing, or paper. Subject merchandise is within the scope of these orders whether or not the lined paper and/or cover are hole punched, drilled, perforated, and/or reinforced. Subject merchandise may contain accessory or informational items including but not limited to pockets, tabs, dividers, closure devices, index cards, stencils, protractors, writing implements, reference materials such as mathematical tables, or printed items such as sticker sheets or miniature calendars, if such items are physically incorporated, included with, or attached to the product, cover and/or backing thereto.¹⁶

In the original preliminary determinations, the Commission defined the domestic like product to be all lined paper with dimensions including and between 5 inches by 7 inches and 15 inches by 15 inches, a broader category than the scope merchandise, CLPSS. Although AASPS argued that the domestic like product should be defined as CLPSS, the Commission found, for purposes of the preliminary determinations, that CLPSS and the other lined paper products shared a basic use, namely note taking and other writing, and shared common channels of distribution and common manufacturing facilities, production processes, and production employees.¹⁷

In the original final determinations, neither AASPS nor any other party argued that the domestic like product should be defined as CLPSS.¹⁸ Instead, party arguments concerned whether the Commission should define the domestic like product with the same size limitation specified in the preliminary determinations, or whether the Commission should instead include all lined paper products regardless of dimension in the domestic like product. The Commission adopted the latter definition because it found no clear dividing line between outsized lined paper products and other lined paper products. The

¹⁶ 76 Fed. Reg. 76123, 76123-24 (Dec. 6, 2011). The notice lists 15 types of paper products and four trademarked items that are outside or specifically excluded from the scope. *Id.* at 76124. These include unlined copy machine paper, lined paper with a pad without a front cover (such as legal pads), index cards, and stenographic pads.

¹⁷ Certain Lined Paper School Supplies from China, India, and Indonesia, Inv. Nos. 701-TA-442-443, 731-TA-1095-1097 (Preliminary), USITC Pub. 3811 at 11 (Oct. 2005).

¹⁸ Original Determinations, USITC Pub. 3884 at 6.

Commission found that, apart from size differences, all lined paper products had similar physical characteristics, were used for note taking and other types of writing, were used in both school and business applications, had common channels of distribution, and shared common manufacturing facilities, production processes, and employees.¹⁹ Thus, the Commission defined the domestic like product as all lined paper products or “LPP.” As in the original determinations, we will refer to the lined paper products within the domestic like product but outside the scope definition as other lined paper products or “OLPP.”

LPP is generally sold in the form of spiral-bound or wireless notebooks (with or without pockets and/or dividers), hole-punched filler paper, and composition books.²⁰ The paper may be wide-ruled or college ruled and is typically white in color, while notebook covers may be plain or adorned with graphic designs.²¹ LPP is primarily used for note-taking and assignments by students in school, although it may also be used for business purposes.²²

Arguments of the Parties. AASPS argued for the first time at the hearing that the domestic like product should be defined as CLPSS, coextensive with the scope,²³ and elaborated on this argument only in its posthearing brief.²⁴ Tjiwi contends that the Commission should reject AASPS’s argument that the domestic like product should be defined as CLPSS.²⁵ Indian Respondents argue that the Commission should define the like product in the same manner as it did in the original investigations.²⁶

Analysis: Because AASPS not only failed to assert at the time it filed its questionnaire comments that it intended to make a domestic like product argument, but instead had previously stated in writing it *agreed* with the definition the Commission adopted in the original investigations, the Commission did not seek narrative information in its questionnaires to U.S. producers and purchasers concerning possible distinctions between CLPSS and OLPP. The record consequently contains little new information pertinent to the similarities and distinctions between CLPSS and OLPP, and much of AASPS’s argument is based on data collected in the original investigations.²⁷ Because AASPS only provided the rationale for

¹⁹ Original Determinations, USITC Pub. 3884 at 7-10.

²⁰ CR/PR at II-1.

²¹ CR/PR at II-1.

²² CR/PR at II-1.

²³ Hearing Tr. at 154-55 (Price).

²⁴ AASPS changed its argument concerning the appropriate definition of the domestic like product twice during these reviews. In its response to the notice of institution, it stated that it agreed with the domestic like product definition the Commission made in the original final determinations. AASPS Response to Notice of Institution at 24. In its prehearing brief, AASPS argued for the first time that the Commission should define the domestic like product differently, to include LPP other than legal pads without covers, a product on which it had not requested that the Commission collect data. AASPS Prehearing Brief, ex. 2. It indicated at the hearing that it did not intend to pursue this argument. Hearing Tr. at 154-55 (Price).

²⁵ Tjiwi Posthearing Brief at 15.

²⁶ Indian Respondents Prehearing Brief at 4.

²⁷ Cf. Bottom Mount Combination Refrigerator-Freezers from Korea and Mexico, Inv. Nos. 701-TA-477, 731-TA-1180-1181 (Final), USITC Pub. 4318 at 8-9 (May 2012) (rejecting domestic like product argument asserted for first time in prehearing brief). The Commission does have trade, employment, and financial data in the record for domestic production of CLPSS, as well as for domestic production of OLPP. The Commission does not, however, have data (or any other information) corresponding to a domestic like product consisting of LPP other than

(continued...)

its proposed CLPSS domestic like product argument in its posthearing brief, Commission staff and the respondent interested parties had limited time to meaningfully assess the argument.

Nevertheless, we consider below AASPS's argument that the domestic like product should be defined as CLPSS. The Commission's practice in five-year reviews is to examine the like product definition in the original determination and any prior completed reviews and consider whether the record indicates any reason to revisit the prior findings.²⁸ Consequently, we will examine the findings made in the original investigations and examine whether the current record provides any reason to revisit them.

Physical Characteristics and End Uses. In the original determinations, the Commission found that all lined paper products shared similar characteristics because they contained paper lined with blue or red ink and that is bound or loose-leaf and/or hole-punched. Additionally, all lined paper products were used for note-taking and other types of writing.²⁹ There is nothing in the record of these reviews that would call these findings into question.

AASPS contends that the end uses of CLPSS and OLPP are different because the former is used in schools and the latter is used principally in commercial settings. This is not consistent with an admission AASPS made during the original investigations.³⁰ Moreover, the record contains no information that would support a finding that the end uses of CLPSS and OLPP have changed since the original investigations. In the original investigations, when market participants were asked to describe any differences in physical characteristics and end uses among lined paper products, only two of over 40 responding participants cited the fact that OLPP was principally used in home or business settings.³¹

Interchangeability. In the original investigations, the Commission found that all lined paper products were interchangeable in the sense that they can all be used for the same principal application: note taking. It observed that interchangeability was limited somewhat by the differences in product features and size among various types of lined paper products.³² There is nothing in the record of these reviews that would call these findings into question. AASPS's arguments merely emphasize the Commission's latter finding while disregarding the former.³³

²⁷ (...continued)

uncovered legal pads, which AASPS advocated in its prehearing brief but not subsequently. Indeed, AASPS did not request in its questionnaire comments that data be collected for this product. Compare 61 Fed. Reg. 37818, 37826 (July 22, 1996) (data collection requests pertaining to possible domestic like product issues should be made in questionnaire comments, rather than later in proceedings). In light of both AASPS's failure to pursue its argument that the domestic like product should be defined as LPP other than uncovered legal pads and the lack of any data in the record concerning this product, we do not discuss this potential domestic like product definition further.

²⁸ See, e.g., Brass Sheet and Strip from France, Germany, Italy, and Japan, Inv. Nos. 731-TA-313, 314, 317, and 379 (Third Reviews), USITC Pub. 4313 at 5 (Apr. 2012); Internal Combustion Industrial Forklift Trucks From Japan, Inv. No. 731-TA-377 (Second Review), USITC Pub. 3831 at 8-9 (Dec. 2005); Crawfish Tail Meat From China, Inv. No. 731-TA-752 (Review), USITC Pub. 3614 at 4 (Jul. 2003); Steel Concrete Reinforcing Bar From Turkey, Inv. No. 731-TA-745 (Review), USITC Pub. 3577 at 4 (Feb. 2003).

²⁹ Original Determinations, USITC Pub. 3884 at 7-8.

³⁰ Original Determinations, USITC Pub. 3884 at 9 ("Petitioner acknowledges that LPP and outsize lined paper products are used in schools and business settings.").

³¹ INV-DD-117 (Aug. 15, 2006) at D-36-40 (EDIS Doc. 460949).

³² Original Determinations, USITC Pub. 3884 at 9.

³³ Furthermore, AASPS's arguments concerning the disparate trends of domestic industry's U.S. shipments of CLPSS and OLPP during the period of review are not pertinent to an analysis of interchangeability. There was no
(continued...)

Channels of Distribution. In the original determinations, the Commission found that all lined paper products were sold through the same retail channels of distribution. Moreover, a majority of the responding purchasers indicated that they purchase CLPSS as part of the same bid or contract as OLPP.³⁴ There is nothing in the record of these reviews that would call these findings into question. To the contrary, AASPS's argument that CLPSS are likely to be promoted in back-to-school sales while OLPP are not merely underscores that all lined paper products are sold by retailers.

Common Manufacturing Facilities, Production Processes, and Production Employees. In the original determinations, the Commission found that the production processes of all lined paper products are similar, because they involve ruling the paper, binding and/or hole-punching the paper, and packaging the product for sale. It further found that the majority of U.S. producers reported that they produced the range of lined paper products on the same equipment and machinery.³⁵

There is no information in these reviews indicating that the lined paper production process has changed since the time of the original investigations. AASPS's argument that there is a distinction between CLPSS and OLPP producers is not supported by the record. Of the six domestic producers that provided usable questionnaire responses in these reviews, four reported production of both CLPSS and OLPP, and at least one reported that it produces CLPSS and OLPP on the same equipment.³⁶

Customer and Producer Perceptions. The Commission characterized customer and producer perceptions as mixed in the original investigations. About half of responding purchasers indicated no differences in perceptions among different types of lined paper products. Non-petitioning producers also indicated no differences, while the petitioning producers distinguished between products used for school supplies and products used in commercial applications.³⁷ The record of these reviews contains no new information concerning this factor. At most, AASPS's arguments reiterate something that the Commission acknowledged in the original determinations – that its members perceive CLPSS and OLPP to be separate products.

Price. The Commission observed in the original investigations that it was difficult to compare the prices of the various lined paper products in any meaningful way in light of their variety.³⁸ AASPS has not submitted argument concerning this factor.

Conclusion. AASPS has provided little new information in support of its argument that the domestic like product should be defined as CLPSS, and this information does not call into question any of the central findings that the Commission made in the original final determinations when it defined the appropriate domestic like product as LPP. In the absence of new information that would warrant revisiting our prior like product findings, we again define the domestic like product as LPP.

³³ (...continued)

movement away from OLPP products in the U.S. market during the period of review. To the contrary, apparent U.S. consumption of OLPP increased between 2006 and 2011, while apparent U.S. consumption of CLPSS declined. CR/PR at Tables C-2, C-3.

³⁴ Original Determinations, USITC Pub. 3884 at 9.

³⁵ Original Determinations, USITC Pub. 3884 at 9-10.

³⁶ See Producers' Questionnaires.

³⁷ Original Determinations, USITC Pub. 3884 at 10.

³⁸ Original Determinations, USITC Pub. 3884 at 10.

B. Domestic Industry and Related Parties

Section 771(4)(A) of the Act defines the relevant industry 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.”³⁹ 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. Section 771(4)(B) of the Act allows the Commission, if appropriate circumstances exist, to exclude from the domestic industry producers that are related to an exporter or importer of subject merchandise, or which are themselves importers.⁴⁰

In the original investigations, the Commission found that eight domestic producers were related parties, and that appropriate circumstances existed to exclude from the domestic industry two of these producers. The producers excluded were American Scholar and CPP, both of which had ceased domestic production by the end of the period examined.⁴¹

During the period examined in these reviews, five U.S. producers of LPP imported subject merchandise, and therefore qualify as related parties subject to possible exclusion from the domestic industry: ***.⁴² We find that appropriate circumstances do not exist to exclude any of the related party

³⁹ 19 U.S.C. § 1677(4)(A). The definitions in 19 U.S.C. § 1677 are applicable to the entire subtitle containing the antidumping and countervailing duty laws, including 19 U.S.C. §§ 1675 and 1675a. See 19 U.S.C. § 1677.

⁴⁰ The primary factors the Commission has examined in deciding whether appropriate circumstances exist to exclude a related party include the following:

- (1) the percentage of domestic production attributable to the importing producer;
- (2) the reason the U.S. producer has decided to import the product subject to investigation, i.e., whether the firm benefits from the LTFV sales or subsidies or whether the firm must import in order to enable it to continue production and compete in the U.S. market; and
- (3) the position of the related producer vis-a-vis the rest of the industry, i.e., whether inclusion or exclusion of the related party will skew the data for the rest of the industry.

See, e.g., Torrington Co. v. United States, 790 F. Supp. 1161 (Ct. Int’l Trade 1992), aff’d without opinion, 991 F.2d 809 (Fed. Cir. 1993).

⁴¹ Original Determinations, USITC Pub. 3884 at 12-16; Confidential Original Determinations, EDIS Doc. 460953 at 16-23.

⁴² See CR/PR at Table III-5. A sixth producer, ***, reported purchasing a small quantity of subject imports from India in 2009. Id. In certain circumstances, a domestic producer that purchases subject imports may be deemed a related party if it is responsible for a predominant proportion of an importer’s purchases and the importer’s purchases were substantial. See, e.g., Foundry Coke from China, Inv. No. 731-TA-891 (Final), USITC Pub. 3449 (September 2001) at 8-9. However, *** purchases, which accounted for only *** pieces in a single year, were not substantial.

producers from the domestic industry.^{43 44 45} Accordingly, we define the domestic industry to include all domestic producers of LPP.

III. CUMULATION

A. Legal Standard

With respect to five-year reviews, section 752(a) of the Act provides as follows: the Commission may cumulatively assess the volume and effect of imports of the subject merchandise from all countries with respect to which reviews under section 1675(b) or (c) of this title were initiated on the same day, if such imports would be likely to compete with each other and with domestic like products in the United States market. The Commission shall not cumulatively assess the volume and effects of imports of the subject merchandise in a case in which it determines that such imports are likely to have no discernible adverse impact on the domestic industry.⁴⁶

Cumulation therefore is discretionary in five-year reviews, unlike original investigations, which are governed by section 771(7)(G)(I) of the Act.⁴⁷ The Commission may exercise its discretion to cumulate, however, only if the reviews are initiated on the same day, the Commission determines that the

⁴³ With the exception of ***, each of the related parties' subject imports were very small in relation to domestic production. CR/PR at Table III-5. Between 2006 and 2011, *** imports as a share of domestic production ranged from *** to *** percent, *** ranged from *** to *** percent, and *** ranged from *** to *** percent. *Id.* Even for ***, their subject imports occurred respectively for one and two years of the period of review; during the two most recent years of the review, each of these producers produced merchandise in the United States but did not import subject merchandise. *Id.* at Table III-5. Thus, the most recent data indicates that each of the related party producers' principal interest is in domestic production. Additionally, the record does not indicate that any of the related party producers derived a financial benefit from importation, notwithstanding that *** reported that they imported subject merchandise at least in part for pricing reasons. *Id.* at Table III-5, nn. 4, 5, and 7. The imports of *** were too small to have any material effect on financial performance. *See* CR/PR at Table III-5. Additionally, there does not appear to be a clear correlation between importation and financial performance for any of the related party producers. Compare CR/PR at Table III-5 with *id.* at Table III-10.

⁴⁴ Consistent with her practice in past investigations and reviews, Commissioner Aranoff does not rely on individual-company operating income margins, which reflect a domestic producer's financial operations related to production of the domestic like product, in assessing whether a related party has benefitted from importation of subject merchandise. Rather, she determines whether to exclude a related party based principally on its ratio of subject imports to domestic production and whether its primary interests lie in domestic production or importation.

⁴⁵ Commissioner Dean A. Pinkert does not rely upon the financial performance of *** as a factor in determining whether there are appropriate circumstances to exclude these related parties from the domestic industry in these five-year reviews. The record is not sufficient to infer from their profitability on U.S. operations whether they have derived a specific benefit from importing. *See Allied Mineral Products v. United States*, 28 CIT 1861, 1865-67 (2004).

⁴⁶ 19 U.S.C. § 1675a(a)(7).

⁴⁷ 19 U.S.C. § 1677(7)(G)(i); *see also, e.g., Nucor Corp. v. United States*, 601 F.3d 1291, 1293 (Fed. Cir. 2010) (Commission may reasonably consider likely differing conditions of competition in deciding whether to cumulate subject imports in five-year reviews); *Allegheny Ludlum Corp. v. United States*, 475 F. Supp. 2d 1370, 1378 (Ct. Int'l Trade 2006) (recognizing the wide latitude the Commission has in selecting the types of factors it considers relevant in deciding whether to exercise discretion to cumulate subject imports in five-year reviews); *Nucor Corp. v. United States*, 569 F. Supp. 2d 1328, 1337-38 (Ct. Int'l Trade 2008).

subject imports are likely to compete with each other and the domestic like product in the U.S. market, and imports from each such subject country are not likely to have no discernible adverse impact on the domestic industry in the event of revocation. Our focus in five-year reviews is not only on present conditions of competition, but also on likely conditions of competition in the reasonably foreseeable future.

In the original investigations, all Commissioners cumulated subject imports from the three subject countries for purposes of their analysis of material injury by reason of subject imports.⁴⁸ The Commission found that subject imports from all three subject countries were fungible with both the domestic like product and with each other. This finding relied on market participants' reports that lined paper products from various sources were always or frequently comparable with each other and the domestic like product in most respects, notwithstanding variations in paper composition and weight, quality, and brightness.⁴⁹ The Commission found the domestic like product and imports from each country were sold nationwide.⁵⁰ It also found that the domestic like product and imports from each of the subject sources were sold primarily to retailers.⁵¹ The domestic like product and imports from each of the subject sources were present in the U.S. market throughout the period of investigation.⁵² Accordingly, the Commission found a reasonable overlap of competition among the subject imports and between the imports from each subject country and the domestic like product.

The statutory threshold for cumulation is satisfied in these reviews, because all reviews were initiated on the same day: August 1, 2011.⁵³ We consider the following issues in deciding whether to exercise our discretion to cumulate the subject imports: (1) whether imports from any of the subject countries are precluded from cumulation because they are likely to have no discernible adverse impact on the domestic industry; (2) whether there is a likelihood of a reasonable overlap of competition among imports from the subject countries and the domestic like product; and (3) whether there are similarities and differences in the likely conditions of competition under which subject imports are likely to compete in the U.S. market.^{54 55}

⁴⁸ Original Determinations, USITC Pub. 3884 at 21-23. In their threat analysis, the three Commissioners who reached negative determinations with respect to subject imports from India and Indonesia exercised their discretion not to cumulate subject imports from China with subject imports from India and Indonesia, although they did exercise their discretion to cumulate subject imports from India and Indonesia. They found that subject imports from China had displayed different pricing and volume trends than imports from the other two countries, and had a more rapidly increasing export orientation. See id. at 63-65 (dissenting opinion).

⁴⁹ Original Determinations, USITC Pub. 3884 at 22.

⁵⁰ Original Determinations, USITC Pub. 3884 at 22-23.

⁵¹ Original Determinations, USITC Pub. 3884 at 23.

⁵² Original Determinations, USITC Pub. 3884 at 23.

⁵³ See 76 Fed. Reg. 45778 (Aug. 1, 2011).

⁵⁴ Commissioners Okun and Pearson note that, while they consider the same issues discussed in this section in determining whether to exercise their discretion to cumulate the subject imports, their analytical framework begins with whether imports from the subject countries are likely to face similar conditions of competition. For those subject imports which are likely to compete under similar conditions of competition, they next proceed to consider whether there is a likelihood of a reasonable overlap of competition whereby those imports are likely to compete with each other and with the domestic like product. Finally, if based on that analysis they intend to exercise their discretion to cumulate one or more subject countries, they analyze whether they are precluded from cumulating such imports because the imports from one or more subject countries, assessed individually, are likely to have no discernible adverse impact on the domestic industry. See Steel Concrete Reinforcing Bar From Belarus, China, Indonesia, Korea, Latvia, Moldova, Poland, and Ukraine, Invs. Nos. 731-TA-873 to 875, 877 to 880, and 882

(continued...)

Based on the record, we find that subject imports from each of the three countries would not be likely to have no discernible adverse impact on the domestic industry were the countervailing duty orders and antidumping duty orders to be revoked.⁵⁶ We also find a likely reasonable overlap of competition among the subject imports and between the subject imports and the domestic like product were the orders to be revoked.

B. Likelihood of No Discernible Adverse Impact

The statute precludes cumulation if the Commission finds that subject imports from a country are likely to have no discernible adverse impact on the domestic industry.⁵⁷ Neither the statute nor the Uruguay Round Agreements Act (“URAA”) Statement of Administrative Action (“SAA”) provides specific guidance on what factors the Commission is to consider in determining that imports “are likely to have no discernible adverse impact” on the domestic industry.⁵⁸ With respect to this provision, the Commission generally considers the likely volume of subject imports and the likely impact of those imports on the domestic industry within a reasonably foreseeable time if the orders are revoked. Our analysis for each of the subject countries takes into account, among other things, the nature of the product and the behavior of subject imports in the original investigations.

We preface our analysis by observing that the pertinent harmonized tariff schedule (HTS) classifications changed during the period of review, affecting the information available on the volume of subject imports. Specifically, in July 2009, a residual classification covering subject and nonsubject merchandise, 4820.10.2050, was subdivided into three separate classifications, which are 4820.10.2030, 4820.10.2040, and 4820.10.2060. The first two of these categories contain subject merchandise but the third contains only out of scope product.⁵⁹ In light of this change, we analyze subject import volume trends using the broader category of data, including classification 4820.10.2060, because these data measure the same universe of imports over time. In analyzing subject import volume in 2010 and 2011, however, we rely principally on the narrower category of data, excluding classification 4820.10.2060, because these data more accurately reflect the most recent CLPSS import volumes.

China. During 2005, the last year for which data were collected in the original investigations, the three Chinese CLPSS producers that responded to the Commission’s questionnaire reported capacity of *** pieces, production of *** pieces, and that exports constituted *** percent of all shipments, with the

⁵⁴ (...continued)

(Review), USITC Pub. 3933 (Jul. 2007) (Separate and Dissenting Views of Chairman Daniel R. Pearson and Commissioner Deanna Tanner Okun Regarding Cumulation). Accord Nucor Corp. v. United States, 605 F. Supp.2d 1361, 1372 (Ct. Int’l Trade 2009); Nucor Corp. v. United States, 594 F. Supp.2d 1320, 1345-47 (Ct. Int’l Trade 2008), aff’d, 601F.3d 1291 (Fed Cir., 2010). Their cumulation analysis in these reviews is set forth in their additional and dissenting views and they do not join the remainder of section III of this opinion.

⁵⁵ Commissioner Johanson finds that in light of the cumulation methodology applied by Commissioners Okun and Pearson, it appears unnecessary to reach the issues of no discernible adverse impact and reasonable overlap of competition applying the traditional four factors. However, for thoroughness, he notes that he agrees with the content of the analysis set forth below in sections IIIA-IIIIC.

⁵⁶ Commissioner Pinkert finds that revocation of the antidumping and countervailing duty orders on subject imports from Indonesia would likely have no discernible adverse impact on the domestic industry. See Concurring Views of Commissioner Dean A. Pinkert on CLPSS from Indonesia.

⁵⁷ 19 U.S.C. § 1675a(a)(7).

⁵⁸ SAA, H.R. Rep. No. 103-316, vol. I at 887 (1994).

⁵⁹ CR at I-19; PR at I-18; CR/PR at Table I-7.

United States the *** supplied by the reporting Chinese producers.⁶⁰ No producer of subject merchandise from China responded to the Commission's questionnaires in these reviews and the record contains little new information concerning the CLPSS industry in China. Available public data, which concern broader product groupings than CLPSS, indicate that China's production of writing and printing paper has increased in recent years and that China is now a net exporter of paper products.⁶¹ Throughout the current period of review, China has continued to supply CLPSS in the U.S. market, albeit at lower levels than in the original investigations.⁶²

Based on the Chinese CLPSS industry's significant capacity and degree of export orientation in the original investigations and evidence of the Chinese paper industry's growth since that time, as well as the continued presence of subject imports from China in the U.S. market, we find that subject imports from China, upon revocation, are not likely to have no discernible adverse impact on the domestic industry.

India. Subject imports from India have maintained a consistent presence in the U.S. market, both during the original period of investigation and during the current period of review.⁶³

The Commission received questionnaire responses in these reviews from eight producers or exporters of CLPSS from India, all of which are members of the Indian Respondents group.⁶⁴ These firms reported data for each year in the 2006-11 period.⁶⁵ Although Indian Respondents claim that the CLPSS

⁶⁰ CR at IV-13; PR at IV-11.

⁶¹ CR at IV-13; PR at IV-11.

⁶² During the original period of investigation, the quantity of subject imports from China increased from 186.3 million pieces in 2003 to 220.7 million pieces in 2004, and then to 345.9 million pieces in 2005. CR/PR at Table I-1. Subject imports from China declined to 159.6 million pieces in 2006, the year provisional and final duties became effective. *Id.* Using the broader import measure, subject imports fluctuated at lower levels thereafter. *Id.* Using the narrower import measure, they were at 24.0 million pieces in 2010 and 17.5 million pieces in 2011. *Id.* at Table IV-12. Using the broader import measure, the market penetration of subject imports from China increased from *** percent in 2003 to *** percent in 2004 and then to *** percent in 2005, fell to 14.0 percent in 2006, and ranged from 10.5 percent to 11.9 percent thereafter. *Id.* at Table I-1. Using the narrower import measure, the market penetration of subject imports from China was 2.5 percent in 2010 and 1.9 percent in 2011. *Id.* at Table I-13.

⁶³ During the original period of investigation, the quantity of subject imports from India declined from 37.2 million pieces in 2003 to 36.0 million pieces in 2004, and then to 31.3 million pieces in 2005. CR/PR at Table I-1. In 2006, subject imports from India declined to 24.2 million pieces. *Id.* They then increased to 42.4 million pieces in 2007, declined to 36.9 million pieces in 2008, attained a period high of 43.9 million pieces in 2009, and declined the following two years. *Id.* Using the narrower import measure, subject imports from India were at 32.8 million pieces in 2010 and 25.5 million pieces in 2011. *Id.* at Table IV-2. Using the broader import measure, the market penetration of subject imports from India declined from *** percent in 2003 to *** percent in 2004, fell to *** percent in 2005 and then to 2.1 percent in 2006, and ranged from 3.0 percent to 4.0 percent thereafter. *Id.* at Table I-1. Using the narrower import measure, the market penetration of subject imports from India was 3.5 percent in 2010 and 2.8 percent in 2011. *Id.* at Table I-13.

⁶⁴ See CR/PR at Table IV-8.

⁶⁵ CR at IV-15; PR at IV-12. Contrary to the Indian respondents' claim that industry coverage was greater in 2011 than 2006, Hearing Tr. at 172 (Maleshevich), the questionnaire data reflect information from the same group of producers throughout the period of review and are therefore indicative of these producers' trends in capacity, production, and capacity utilization during the period of review. At most, the responding producers may have been responsible for varying percentages of the Indian CLPSS industry's exports to the United States at different times during the period.

industry in India is highly fragmented,⁶⁶ the eight responding producers themselves estimated that they accounted for *** percent of Indian production of CLPSS in 2010.⁶⁷ Based on the narrower import measure, these producers' 2011 exports to the United States accounted for 91.0 percent of total subject imports from India in 2011.⁶⁸

Reporting Indian producers' CLPSS capacity rose during each year of the period of review,⁶⁹ their production rose during all but one year of the period, and their capacity utilization fluctuated during the period.⁷⁰ The percentage of shipments exported by these producers generally increased during the period, as did the percentage of shipments that they exported to the United States.⁷¹ In 2010 and 2011, the United States was their largest export market.⁷²

Based on the responding Indian producers' significant capacity, including some excess capacity, and export orientation, as well as their continued presence in the U.S. market, we find that subject imports from India, upon revocation, are not likely to have no discernible adverse impact on the domestic industry.

*Indonesia.*⁷³ During the original period of investigation, the quantity of subject imports from Indonesia declined from 39.0 million pieces in 2003 to 35.0 million pieces in 2004, and then increased to 39.3 million pieces in 2005.⁷⁴ Subject imports from Indonesia declined to 3.2 million pieces in 2006 and remained at low levels throughout the period of review.⁷⁵

⁶⁶ Indian Respondents' Prehearing Brief at 22.

⁶⁷ CR at IV-15; PR at IV-12.

⁶⁸ CR at IV-15 n.27; PR at IV-12 n.27.

⁶⁹ The responding Indian producers' CLPSS capacity increased from 44.0 million pieces in 2006 to 85.1 million pieces in 2011. CR/PR at Table IV-9. We are unpersuaded by the Indian respondents' argument that the apparent increase in Indian production capacity was a function of the fact that responding Indian producers accounted for 13 percent of Indian exports to the United States in 2006 but 91 percent of such exports in 2011. Indian Respondents' Posthearing Brief at 4-5. The Indian respondents' coverage comparisons are not apposite because the 2006 coverage figure is based on the broader measure of subject imports and the 2011 figure is based on the narrower measure. In any event, because the responding Indian producers accounted for the vast majority of Indian exports to the United States in 2011, we find their reported data to be representative of the portion of the Indian industry during the period examined in these reviews that is currently exporting subject merchandise to the United States and is likely to do so in the reasonably foreseeable future.

⁷⁰ Reporting Indian producers' CLPSS production rose during all but one year of the period of review, increasing from 30.7 million pieces in 2006 to a period high of 70.8 million pieces in 2011. CR/PR at Table IV-9. Capacity utilization fluctuated, ranging from 69.8 percent in 2006 to 91.9 percent in 2010, and was 83.1 percent in 2011. Id.

⁷¹ Reporting Indian producers' exports as a share of total shipments ranged from 38.7 percent in 2006 to period highs of 51.5 percent in 2010 and 2011. CR/PR at Table IV-9. Their exports to the United States as a share of total shipments ranged from 10.5 percent to 26.8 percent. Id.

⁷² CR/PR at Table IV-9.

⁷³ Commissioner Pinkert does not join this section.

⁷⁴ CR/PR at Table I-1.

⁷⁵ Using the broader import measure, official import statistics indicate that subject imports from Indonesia fluctuated between 4.4 million pieces and 8.3 million pieces between 2007 and 2011. CR/PR at Table I-1. Using the narrower import measure, official statistics report subject imports from Indonesia of 2.2 million pieces in 2010 and 1.6 million pieces in 2011. Id. at Table IV-2. Using the broader import measure, the market penetration of subject imports from Indonesia declined from *** percent in 2003 to *** percent in 2004 and then increased to *** percent in 2005, fell to 0.3 percent in 2006, and ranged from 0.4 percent to 0.8 percent thereafter. Id. at Table I-1.

(continued...)

Notwithstanding these import data showing some imports of CLPSS from Indonesia over the period, Tjiwi, essentially the *** exporter of CLPSS from Indonesia, ceased exports of CLPSS to the United States after December 2005.⁷⁶ Customs import data indicate that the ***.⁷⁷

Tjiwi submitted a response to the Commission's foreign producers' questionnaire. In its response, it indicated that its CLPSS capacity increased over the period,⁷⁸ and its capacity utilization reached *** percent in 2011.⁷⁹ The percentage of shipments that Tjiwi exported ranged from *** percent in 2011 to *** percent in 2006.⁸⁰ *** of these shipments were exported to the United States.⁸¹

Tjiwi lacks the spare capacity to increase exports to the United States significantly and replaced its previous exports to the United States with exports to third country markets.⁸² Nevertheless, the United States was Tjiwi's principal export market during the original investigations and the United States remains the world's largest importer of CLPSS.⁸³ Moreover, Tjiwi continued to export OLPP to the United States during the period examined, thereby maintaining contacts with U.S. customers.⁸⁴ For these reasons, we find that subject imports from Indonesia, upon revocation, are not likely to have no discernible adverse impact on the domestic industry.

C. Likelihood of a Reasonable Overlap of Competition⁸⁵

The Commission generally has considered four factors intended to provide a framework for determining whether subject imports compete with each other and with the domestic like product.⁸⁶ Only

⁷⁵ (...continued)

Using the narrower import measure, the market penetration of subject imports from Indonesia was 0.2 percent in both 2010 and 2011. *Id.* at Table I-13.

⁷⁶ Hearing Tr. at 182 (Alfian); *see also* Tjiwi Prehearing Brief at 6; Tjiwi Posthearing Brief at 3-4; CR at IV-19; PR at IV-16.

⁷⁷ CR/PR at IV-2 n.8.

⁷⁸ Tjiwi's capacity increased from *** pieces in 2006 to *** pieces in 2008, declined to *** pieces in 2009, increased to a period high of *** pieces in 2010, and then declined to *** pieces in 2011. CR/PR at Table IV-11.

⁷⁹ Tjiwi's reported capacity utilization was *** percent in 2006 and at least *** percent each year thereafter. CR/PR at Table IV-11.

⁸⁰ CR/PR at Table IV-11.

⁸¹ CR/PR at Table IV-11.

⁸² Chairman Williamson does not join this sentence.

⁸³ CR/PR at Table IV-12.

⁸⁴ CR/PR at Table C-3; *see also* Tjiwi's Posthearing Brief at 2 (stating that other Indonesian producers have not exported OLPP to the United States).

⁸⁵ Commissioner Pinkert joins the following discussion only insofar as it concerns subject imports from China and India.

⁸⁶ The four factors generally considered by the Commission in assessing whether imports compete with each other and with the domestic like product are as follows: (1) the degree of fungibility between subject imports from different countries and between subject imports and the domestic like product, including consideration of specific customer requirements and other quality-related questions; (2) the presence of sales or offers to sell in the same geographical markets of imports from different countries and the domestic like product; (3) the existence of common or similar channels of distribution for subject imports from different countries and the domestic like product; and (4) whether subject imports are simultaneously present in the market with one another and the domestic like product. *See, e.g., Wieland Werke, AG v. United States*, 718 F. Supp. 50 (Ct. Int'l Trade 1989).

a “reasonable overlap” of competition is required.⁸⁷ In five-year reviews, the relevant inquiry is whether there likely would be competition even if none currently exists because the subject imports are absent from the U.S. market.⁸⁸

Fungibility. The record indicates that there is a moderate to high degree of substitutability between and among subject imports from China, India, and Indonesia and the domestic like product.⁸⁹ Large majorities of U.S. producers, importers, and purchasers found imports from each subject country to be always or frequently interchangeable with imports from other subject sources and the domestically produced product.⁹⁰ Majorities or pluralities of purchasers further found imports from each subject country to be comparable with each other and with the domestic like product with respect to most non-price product characteristics.⁹¹ In particular, a plurality of purchasers found that subject imports from India and the domestically produced product were comparable with respect to paper brightness, and majorities of purchasers found that subject imports from India were comparable to imports from the other two subject countries in this respect.⁹² Majorities of purchasers also found that subject imports from India were comparable to both domestically produced product and subject imports from China and Indonesia with respect to paper weight.⁹³

Channels of Distribution. During each year of the period of review, the *** percentage of domestic producers’ U.S. shipments of LPP was made to retailers.⁹⁴ A majority of subject imports from

⁸⁷ See Mukand Ltd. v. United States, 937 F. Supp. 910, 916 (Ct. Int’l Trade 1996); Wieland Werke, 718 F. Supp. at 52 (“Completely overlapping markets are not required.”); United States Steel Group v. United States, 873 F. Supp. 673, 685 (Ct. Int’l Trade 1994), aff’d, 96 F.3d 1352 (Fed. Cir. 1996). We note, however, that there have been investigations where the Commission has found an insufficient overlap in competition and has declined to cumulate subject imports. See, e.g., Live Cattle From Canada and Mexico, Invs. Nos. 701-TA-386 and 731-TA-812 to 813 (Prelim.), USITC Pub. 3155 at 15 (Feb. 1999), aff’d sub nom, Ranchers-Cattlemen Action Legal Foundation v. United States, 74 F. Supp. 2d 1353 (Ct. Int’l Trade 1999); Static Random Access Memory Semiconductors from the Republic of Korea and Taiwan, Invs. Nos. 731-TA-761 to 762 (Final), USITC Pub. 3098 at 13-15 (Apr. 1998).

⁸⁸ See generally Cheflene Corp. v. United States, 219 F. Supp. 2d 1313, 1314 (Ct. Int’l Trade 2002).

⁸⁹ CR at II-13; PR at II-8.

⁹⁰ CR/PR at Table II-9.

⁹¹ CR/PR at Table II-8. Majorities of purchasers found the domestically produced product superior to imports from each subject country with respect to delivery time. Majorities of purchasers found the domestically produced product superior to imports from China in terms of delivery terms and marketing/merchandising support. Id.

⁹² CR/PR at Table II-8.

⁹³ CR/PR at Table II-8. Indian Respondents provided no meaningful documentation supporting their contention that differences in brightness, paper weight, or materials limit fungibility of the subject imports from India with the domestic like product or the other subject imports. See Indian Respondents’ Prehearing Brief at 24-26. When asked at the hearing whether Indian Respondents could provide any statements from U.S. purchasers that CLPSS from India could not meet specifications due to its brightness or weight, counsel responded in the negative. Hearing Tr. at 199 (Davis). Indian Respondents submitted no such statements with their posthearing brief.

Purchasers’ perceptions of differences of interchangeability of papers of different weights, brightness, or materials (virgin vs. recycled) were mixed, with a plurality of purchasers stating that they had “no familiarity” with any of the three types of distinctions. CR/PR at Table II-6. Of those purchasers that provided responses, a majority stated that papers of different weights, brightness, or materials were at least “sometimes” interchangeable, although the majorities were larger with respect to variations in weight or materials than for brightness. CR/PR at Table II-6.

⁹⁴ CR/PR at Table II-1.

China during each year was also directed to retailers.⁹⁵ At least some percentage of subject imports from India was directed to retailers each year; this percentage exceeded *** percent for three of the six years during the period of review, including 2011.⁹⁶ Moreover, the record indicates that during the period of review, Indian suppliers of CLPSS made bids to the same purchasers, including retailers, as domestic and nonsubject suppliers.⁹⁷

As previously discussed, subject imports from Indonesia during the period of review were extremely limited. In the original investigations, however, three of the four types of entities most frequently named as customers for subject imports from Indonesia were retailers.⁹⁸ Additionally, Tjiwi has indicated that imports of nonsubject OLPP from Indonesia were made to retailers during the period of review.⁹⁹ Thus, the information concerning distribution patterns of CLPSS from Indonesia during the original investigation and OLPP from Indonesia during the period of review indicates that any subject imports from Indonesia that would enter the U.S. market after revocation would likely be sold in the retail channel of distribution.

Geographic Overlap. The domestic like product is sold nationwide.¹⁰⁰ The majority of responding importers of CLPSS from China and all reporting importers of CLPSS from India and Indonesia reported nationwide sales.¹⁰¹

Simultaneous Presence in Market. The domestic like product has been present in the U.S. market throughout the period of review.¹⁰² Official import statistics indicate that imports of CLPSS from each subject country were present in the U.S. market during the period of review.¹⁰³ Because we have found that subject imports from Indonesia will likely enter the U.S. market in quantities sufficient not to have no discernible adverse impact after revocation, they will likely be continuously present in the U.S. market, as they were during the original period of investigation.¹⁰⁴

Conclusion. The record of these reviews indicates that, if the orders were revoked, there would likely be a reasonable overlap of competition with respect to fungibility, geographic overlap, channels of distribution, and simultaneous presence in the U.S. market. Based on these considerations, we find that there would likely be a reasonable overlap of competition between and among imports from each subject country and the domestic like product if the orders were to be revoked.

⁹⁵ CR/PR at Table II-1.

⁹⁶ CR/PR at Table II-1. Additionally, *** retailer that directly imported subject merchandise from India reported its imports as shipments to end users, the category which accounted for the largest proportion of reported U.S. commercial shipments of subject imports from India during four of the six years of the period of review. CR at II-2 n.5; PR at II-1 n.5; CR/PR at Table II-1. Direct imports by retailers, reported as sales to end users, take place in the same channel of distribution as reported sales to retailers, which accounted for most reported domestic producers' U.S. shipments and U.S. importers' U.S. shipments of subject imports from China. *Id.* at Table II-1.

⁹⁷ CR/PR at Table V-11.

⁹⁸ INV-DD-117 at II-2 (Aug. 15, 2006) (EDIS Doc. 460949).

⁹⁹ Tjiwi Posthearing Brief at Q-5-6.

¹⁰⁰ CR at II-3; PR at II-2.

¹⁰¹ CR at II-4; PR at II-2.

¹⁰² CR/PR at Table I-10.

¹⁰³ CR at IV-10; PR at IV-8; CR/PR at Table IV-7.

¹⁰⁴ Commissioner Pinkert does not join this statement.

D. Likely Conditions of Competition¹⁰⁵

In determining whether to exercise our discretion to cumulate the subject imports, we assess whether the subject imports from China, India, and Indonesia are likely to compete under similar or different conditions in the U.S. market after revocation of the orders.¹⁰⁶ We find that subject imports from China and India are likely to compete under conditions of competition that are similar with respect to those countries, as further explained below.

Both industries maintained a presence in the U.S. market during the period examined. Based on the broader measure of import volume, subject imports from China represented between 10.5 percent and 14.0 percent of apparent U.S. consumption while subject imports from India represented between 2.1 and 4.0 percent of apparent U.S. consumption.¹⁰⁷ Based on the narrower measure of import volume, subject imports from China represented 2.5 percent of apparent U.S. consumption in 2010 and 1.9 percent in 2011 while subject imports from India represented 3.5 percent of apparent U.S. consumption in 2010 and 2.8 percent in 2011.¹⁰⁸ Responding importers reported having arranged for the importation of *** pieces of CLPSS from China and *** pieces of CLPSS from India in 2012, equivalent to *** percent and *** percent of the total reported volume of arranged imports of CLPSS that year.¹⁰⁹ Moreover, subject producers in India bid on contracts representing a large volume of sales in 2011, indicating their interest in serving the U.S. market.¹¹⁰ Producers in both China and India could use their existing channels of distribution and customer contacts in the U.S. market to increase exports to the United States after revocation.

¹⁰⁵ Commissioner Pinkert does not join in this section and explains his analysis of other considerations as follows. Where, in a five-year review, he does not find that imports of the subject merchandise would be likely to have no discernible adverse impact on the domestic industry in the event of revocation, and finds that such imports would be likely to compete with each other and with the domestic like product in the U.S. market, he cumulates them unless there is a condition or propensity – not merely a trend – that is likely to persist for a reasonably foreseeable time and that significantly limits competition such that cumulation is not warranted.

Commissioner Pinkert finds no such condition or propensity with respect to imports from India or China, and he therefore cumulates imports from those countries for purposes of his analysis of likelihood of material injury. He notes in this regard the argument made by Indian producers that the low brightness of their recycled, low-weight paper is a condition limiting their ability to compete in the U.S. market but finds it unavailing for two reasons. First, U.S. purchasers found Indian product to be highly interchangeable with product from the United States and other countries. CR/PR at Table II-9. Second, Indian producers made several large bids for contracts with major U.S. retailers (two of which were won by an Indian producer). *Id.* at Table V-11.

¹⁰⁶ See *Nucor Corp. v. United States*, 601 F.3d 1291, 1296 (Fed. Cir. 2010); see also *Allegheny Ludlum Corp.*, 475 F. Supp. 2d at 1378 (recognizing the wide latitude the Commission has in selecting the type of factors it considers relevant in deciding whether to exercise discretion to cumulate subject imports in five-year reviews); *Nucor v. United States*, 569 F. Supp. 2d at 1337-38; *United States Steel*, Slip Op. 08-82.

¹⁰⁷ CR/PR at Table I-11. Throughout these views, our analysis of market share trends is based upon apparent U.S. consumption of LPP, domestic industry U.S. shipments of LPP, and subject imports of CLPSS. See *id.* at Tables I-1, 12, 13.

¹⁰⁸ CR/PR at Table I-13.

¹⁰⁹ CR/PR at Table IV-4.

¹¹⁰ See CR/PR at Table V-11. Purchasers were asked to report bid data for their three largest purchases based on dollar value in 2011. CR at V-26; PR at V-8. Although only *** percent of the value of the reported contracts was awarded to Indian producers, *id.*, we find it more instructive that Indian producers bid on six of the twelve reported contracts, representing *** percent of the total contract volume on which bidding data were reported. CR/PR at Table V-11.

Furthermore, the information available in the record indicates that the CLPSS industries in both China and India are export oriented and have increased capacity. In 2005, the last year for which data on the Chinese industry was collected, responding Chinese producers reported exporting *** percent of their total shipments, with *** percent of their total shipments exported to the United States.¹¹¹ Responding Chinese producers reported a capacity of *** pieces, including unused capacity of *** pieces, that same year.¹¹² The information available on the record of these reviews indicates that Chinese production of printing and writing paper of the kind used to manufacture LPP and Chinese exports of paper products have grown significantly since the original investigations.¹¹³

Responding Indian producers reported that exports as a share of their total shipments increased during the period examined from 38.7 percent in 2006 to 51.5 percent in 2011, while exports to the United States as a share their total shipments increased from 10.5 percent to 26.8 percent.¹¹⁴ During the same period, their reported capacity increased 93.4 percent from 44.0 million pieces in 2006 to 85.1 million pieces in 2011, including unused capacity of 14.4 million pieces.¹¹⁵

E. Conclusion

For the reasons set forth in these views and his separate opinion, Chairman Williamson has exercised his discretion to cumulate subject imports from China, India, and Indonesia. For the reasons set forth in these views and her separate opinion, Commissioner Aranoff has exercised her discretion to cumulate subject imports from China and India and has exercised her discretion not to cumulate subject imports from Indonesia with any other subject imports. For the reasons set forth in these views and his separate opinion, Commissioner Pinkert has determined to exercise his discretion to cumulate subject imports from China and India and has determined that revocation of the orders on subject imports from Indonesia would have no likely discernible adverse impact. For the reasons set forth in their dissenting opinion, Commissioners Okun, Pearson, and Johanson have exercised their discretion not to cumulate subject imports from China, India, or Indonesia, respectively, with any other subject imports.

IV. WHETHER REVOCATION OF THE ANTIDUMPING DUTY AND COUNTERVAILING DUTY ORDERS WOULD LIKELY LEAD TO CONTINUATION OR RECURRENCE OF MATERIAL INJURY WITHIN A REASONABLY FORESEEABLE TIME

A. Legal Standards

In a five-year review conducted under section 751(c) of the Act, Commerce will revoke an antidumping or countervailing duty order unless (1) it makes a determination that dumping or subsidization is likely to continue or recur and (2) the Commission makes a determination that revocation of the antidumping or countervailing duty order “would be likely to lead to continuation or recurrence of

¹¹¹ Original Investigations Confidential Staff Report (“OCR”)/Original Investigations Public Staff Report (“OPR”) at Table VII-1; see also CR at IV-13; PR at IV-11.

¹¹² OCR/OPR at Table VII-1.

¹¹³ See CR at IV-13; PR at IV-11.

¹¹⁴ CR/PR at Table IV-9.

¹¹⁵ CR/PR at Table IV-9.

material injury within a reasonably foreseeable time.”¹¹⁶ The SAA states that “under the likelihood standard, the Commission will engage in a counterfactual analysis; it must decide the likely impact in the reasonably foreseeable future of an important change in the status quo – the revocation or termination of a proceeding and the elimination of its restraining effects on volumes and prices of imports.”¹¹⁷ Thus, the likelihood standard is prospective in nature.¹¹⁸ The U.S. Court of International Trade has found that “likely,” as used in the five-year review provisions of the Act, means “probable,” and the Commission applies that standard in five-year reviews.^{119 120}

The statute states that “the Commission shall consider that the effects of revocation or termination may not be imminent, but may manifest themselves only over a longer period of time.”¹²¹ According to the SAA, a “‘reasonably foreseeable time’ will vary from case-to-case, but normally will exceed the ‘imminent’ timeframe applicable in a threat of injury analysis in original investigations.”¹²²

Although the standard in a five-year review is not the same as the standard applied in an original antidumping duty investigation, it contains some of the same fundamental elements. The statute provides that the Commission is to “consider the likely volume, price effect, and impact of imports of the subject merchandise on the industry if the orders are revoked or the suspended investigation is terminated.”¹²³ It directs the Commission to take into account its prior injury determination, whether any improvement in the state of the industry is related to the order or the suspension agreement under review, whether the industry is vulnerable to material injury if the orders are revoked or the suspension agreement is terminated, and any findings by Commerce regarding duty absorption pursuant to 19 U.S.C. §

¹¹⁶ 19 U.S.C. § 1675a(a).

¹¹⁷ SAA at 883-84. The SAA states that “{t}he likelihood of injury standard applies regardless of the nature of the Commission’s original determination (material injury, threat of material injury, or material retardation of an industry). Likewise, the standard applies to suspended investigations that were never completed.” *Id.* at 883.

¹¹⁸ While the SAA states that “a separate determination regarding current material injury is not necessary,” it indicates that “the Commission may consider relevant factors such as current and likely continued depressed shipment levels and current and likely continued {sic} prices for the domestic like product in the U.S. market in making its determination of the likelihood of continuation or recurrence of material injury if the order is revoked.” SAA at 884.

¹¹⁹ See NMB Singapore Ltd. v. United States, 288 F. Supp. 2d 1306, 1352 (Ct. Int’l Trade 2003) (“‘likely’ means probable within the context of 19 U.S.C. § 1675(c) and 19 U.S.C. § 1675a(a)”), *aff’d mem.*, 140 Fed. Appx. 268 (Fed. Cir. 2005); Nippon Steel Corp. v. United States, 26 CIT 1416, 1419 (2002) (same); Usinor Industeel, S.A. v. United States, 26 CIT 1402, 1404 nn.3, 6 (2002) (“more likely than not” standard is “consistent with the court’s opinion;” “the court has not interpreted ‘likely’ to imply any particular degree of ‘certainty’”); Indorama Chemicals (Thailand) Ltd. v. United States, Slip Op. 02-105 at 20 (Ct. Int’l Trade Sept. 4, 2002) (“standard is based on a likelihood of continuation or recurrence of injury, not a certainty”); Usinor v. United States, 26 CIT 767, 794 (2002) (“‘likely’ is tantamount to ‘probable,’ not merely ‘possible’”).

¹²⁰ For a complete statement of Commissioner Okun’s interpretation of the likely standard, see Additional Views of Vice Chairman Deanna Tanner Okun Concerning the “Likely” Standard in Certain Seamless Carbon and Alloy Steel Standard, Line and Pressure Pipe From Argentina, Brazil, Germany, and Italy, Invs. Nos. 701-TA-362 (Review) and 731-TA-707 to 710 (Review)(Remand), USITC Pub. 3754 (Feb. 2005).

¹²¹ 19 U.S.C. § 1675a(a)(5).

¹²² SAA at 887. Among the factors that the Commission should consider in this regard are “the fungibility or differentiation within the product in question, the level of substitutability between the imported and domestic products, the channels of distribution used, the methods of contracting (such as spot sales or long-term contracts), and lead times for delivery of goods, as well as other factors that may only manifest themselves in the longer term, such as planned investment and the shifting of production facilities.” *Id.*

¹²³ 19 U.S.C. § 1675a(a)(1).

1675(a)(4).¹²⁴ The statute further provides that the presence or absence of any factor that the Commission is required to consider shall not necessarily give decisive guidance with respect to the Commission's determination.¹²⁵

In evaluating the likely volume of imports of subject merchandise if the orders under review are revoked and/or the suspended investigation is terminated, the Commission is directed to consider whether the likely volume of imports would be significant either in absolute terms or relative to production or consumption in the United States.¹²⁶ In doing so, the Commission must consider "all relevant economic factors," including four enumerated factors: (1) any likely increase in production capacity or existing unused production capacity in the exporting country; (2) existing inventories of the subject merchandise, or likely increases in inventories; (3) the existence of barriers to the importation of the subject merchandise into countries other than the United States; and (4) the potential for product shifting if production facilities in the foreign country, which can be used to produce the subject merchandise, are currently being used to produce other products.¹²⁷

In evaluating the likely price effects of subject imports if the orders under review are revoked and/or the suspended investigation is terminated, the Commission is directed to consider whether there is likely to be significant underselling by the subject imports as compared to the domestic like product and whether the subject imports are likely to enter the United States at prices that otherwise would have a significant depressing or suppressing effect on the price of the domestic like product.¹²⁸

In evaluating the likely impact of imports of subject merchandise if the orders under review are revoked and/or the suspended investigation is terminated, the Commission is directed to consider all relevant economic factors that are likely to have a bearing on the state of the industry in the United States, including but not limited to the following: (1) likely declines in output, sales, market share, profits, productivity, return on investments, and utilization of capacity; (2) likely negative effects on cash flow, inventories, employment, wages, growth, ability to raise capital, and investment; and (3) likely negative effects on the existing development and production efforts of the industry, including efforts to develop a derivative or more advanced version of the domestic like product.¹²⁹ All relevant economic factors are to be considered within the context of the business cycle and the conditions of competition that are distinctive to the industry. As instructed by the statute, we have considered the extent to which any improvement in the state of the domestic industry is related to the orders under review and whether the industry is vulnerable to material injury upon revocation.¹³⁰

¹²⁴ 19 U.S.C. § 1675a(a)(1). Commerce has not issued any duty absorption findings with respect to CLPSS from the subject countries. *See* CR at I-10 n.10; PR at I-9 n.10.

¹²⁵ 19 U.S.C. § 1675a(a)(5). Although the Commission must consider all factors, no one factor is necessarily dispositive. SAA at 886.

¹²⁶ 19 U.S.C. § 1675a(a)(2).

¹²⁷ 19 U.S.C. § 1675a(a)(2)(A-D).

¹²⁸ *See* 19 U.S.C. § 1675a(a)(3). The SAA states that "{c}onsistent with its practice in investigations, in considering the likely price effects of imports in the event of revocation and termination, the Commission may rely on circumstantial, as well as direct, evidence of the adverse effects of unfairly traded imports on domestic prices." SAA at 886.

¹²⁹ 19 U.S.C. § 1675a(a)(4).

¹³⁰ The SAA states that in assessing whether the domestic industry is vulnerable to injury if the order is revoked, 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 may also demonstrate that an industry is facing difficulties from a variety of sources and is vulnerable to dumped or subsidized imports." SAA at

(continued...)

B. Findings in the Original Investigations

Conditions of Competition. In the original investigations, the Commission observed that U.S. demand for CLPSS increased over the period of investigation. The parties agreed that demand was seasonal, peaking during a four to ten-week back-to-school shopping period beginning in July and ending no later than September.¹³¹ Both the domestically produced products and the subject imports were primarily sold to retailers, which increasingly imported CLPSS directly.¹³² A limited number of large retailers, consisting of general merchandise superstores, office supply stores, and grocery chains and pharmacies, purchased substantial quantities of all lined paper products.¹³³ Generally speaking, retailers placed their paper orders in the fall of the preceding year, with U.S. production peaking in winter and spring.¹³⁴

With respect to supply, during the 2003-05 period reviewed, the domestic industry was the principal supplier of the U.S. market, followed by the subject producers and then the nonsubject producers.¹³⁵ The principal nonsubject sources of supply were Brazil, Canada, and Mexico.¹³⁶

The Commission found that the domestic like product, the subject imports, and nonsubject imports were generally substitutable. Most market participants indicated that domestic product and product from subject sources were always or frequently interchangeable and comparable in quality. The Commission characterized price as an important factor in purchasing decisions, but observed that purchasers indicated that availability, delivery time, product consistency, quality, and reliability of supply were also important purchasing considerations. It stated, however, that because there were numerous reliable, quality suppliers in the market, the great majority of sales were ultimately made on price.¹³⁷ The cost of paper, the principal input in the production of lined paper products, increased during the period of investigation.¹³⁸

Subject Import Volume. In the original investigations, the Commission found that the volume of cumulated subject imports increased significantly over the period of investigation, both in absolute terms and relative to consumption and production in the United States. The volume of cumulated subject imports increased from 262.5 million pieces in 2003 to 291.7 million pieces in 2004 and then to 416.5 million pieces in 2005. The market share of the subject imports also increased, and the subject imports took market share from the domestic industry.¹³⁹

The Commission rejected respondents' argument that the domestic industry was itself responsible for the increase in subject imports because of its outsourcing strategies. The Commission observed that the statute does not differentiate imports of subject merchandise by the identity of the importer, and that when domestic producers import subject merchandise to remain competitive and avoid losing customers,

¹³⁰ (...continued)
885.

¹³¹ Original Determinations, USITC Pub. 3884 at 24.

¹³² Original Determinations, USITC Pub. 3884 at 26-27.

¹³³ Original Determinations, USITC Pub. 3884 at 27.

¹³⁴ Original Determinations, USITC Pub. 3884 at 25.

¹³⁵ Original Determinations, USITC Pub. 3884 at 25.

¹³⁶ Original Determinations, USITC Pub. 3884 at 26.

¹³⁷ Original Determinations, USITC Pub. 2884 at 28.

¹³⁸ Original Determinations, USITC Pub. 3884 at 27.

¹³⁹ Original Determinations, USITC Pub. 3884 at 29.

“this action may itself be evidence of the material injury the industry is sustaining.”¹⁴⁰ The Commission also acknowledged that nonsubject imports increased during the period examined, but stated that these did not diminish the significance of the much larger increase in subject imports.¹⁴¹

Price Effects. The Commission began its price effects analysis by repeating its findings that the domestic like product and the subject imports were generally substitutable, and that most sales were won and lost on price.¹⁴² The Commission found significant underselling by the subject imports. Cumulated subject imports undersold the domestic like product in 78 of 126 quarterly comparisons, with margins ranging from 0.5 percent to 55.5 percent.¹⁴³

The Commission further found that subject imports depressed domestic prices to a significant degree overall, especially in 2004. Prices for the two products with the greatest volume of trade, for which the subject imports generally undersold the domestic like product, declined between 2003 and 2005. There were additionally several confirmed lost sales and lost revenues allegations.¹⁴⁴

Impact. In the original investigations, the Commission emphasized that nearly all the domestic industry’s trade and financial indicators displayed negative trends that worsened as subject imports increased. Notwithstanding increasing demand, the domestic industry’s production, shipments, capacity, and capacity utilization all declined. The domestic industry’s market share fell sharply.¹⁴⁵ Employment also declined.¹⁴⁶ Operating income, operating margins, capital expenditures, and research and development expenditures all displayed downward trends.¹⁴⁷ The Commission found that the domestic industry’s performance declines were caused by the increased volumes of subject imports that significantly undersold the domestic like product and took market share away from the domestic industry. While the domestic industry did stabilize its financial condition at the end of the period of investigation, it did this only by reducing domestic shipment quantities to maintain price levels. During this period, the increase in subject import market penetration was particularly large.¹⁴⁸

The Commission rejected the argument that the domestic industry’s injury was self-inflicted as a result of its outsourcing strategies. The Commission observed that, under the statute, its analysis of impact examined exclusively the domestic industry’s production operations within the United States.¹⁴⁹ The Commission further found as a factual matter that the subject imports were increasingly imported by entities other than domestic producers.¹⁵⁰

¹⁴⁰ Original Determinations, USITC Pub. 3884 at 29-30.

¹⁴¹ Original Determinations, USITC Pub. 3884 at 31.

¹⁴² Original Determinations, USITC Pub. 3884 at 32.

¹⁴³ Original Determinations, USITC Pub. 3884 at 33.

¹⁴⁴ Original Determinations, USITC Pub. 3884 at 34.

¹⁴⁵ Original Determinations, USITC Pub. 3884 at 35-36.

¹⁴⁶ Original Determinations, USITC Pub. 3884 at 36.

¹⁴⁷ Original Determinations, USITC Pub. 3884 at 36-37.

¹⁴⁸ Original Determinations, USITC Pub. 3884 at 37-38.

¹⁴⁹ Original Determinations, USITC Pub. 3884 at 38.

¹⁵⁰ Original Determinations, USITC Pub. 3884 at 39.

C. Conditions of Competition and the Business Cycle

In evaluating the likely impact of the subject imports on the domestic industry if an order is revoked, the statute directs the Commission to consider all relevant economic factors “within the context of the business cycle and conditions of competition that are distinctive to the affected industry.”¹⁵¹ The following conditions of competition inform our determinations.

1. Demand Conditions

Apparent U.S. consumption of LPP, based on the broader measure of import volume, fluctuated within a narrow band during the period examined in these reviews, increasing from 1,135,979 pieces in 2006 to 1,218,248 pieces in 2007, declining to 1,213,736 pieces in 2008 and 1,086,690 pieces in 2009, increasing to 1,206,771 pieces in 2010, and declining to 1,113,877 pieces in 2011, a level 1.9 percent lower than in 2006.¹⁵² Apparent U.S. consumption of LPP, based on the narrower measure of import volume, was 945,441 pieces in 2010 and 896,348 pieces in 2011.¹⁵³

Consistent with these data, AASPS characterizes the U.S. CLPSS market as “mature and stable.”¹⁵⁴ When asked how overall demand for LPP has changed in the United States since 2006, a plurality of producers reported that demand has fluctuated while a plurality of importers, purchasers, and foreign producers reported that demand for LPP has remained unchanged.¹⁵⁵ When asked about anticipated changes in LPP demand in the United States, a plurality of producers indicated that they believed demand would fluctuate, and pluralities of other market participants indicated that they anticipated that demand for LPP will not change.¹⁵⁶

Most LPP is purchased by retailers, and the concentration of purchases in the hands of a few large retailers increased since the original investigations.¹⁵⁷ The largest five responding purchasers (***) accounted for *** percent of reported purchases and 32 percent of apparent U.S. consumption in 2011.¹⁵⁸

Demand of LPP is highly seasonal, with purchases peaking in the second and third quarters of each year as retailers stock up for back-to-school promotions.¹⁵⁹ The back-to-school season runs from mid-July through September.¹⁶⁰

2. Supply Conditions

During the period examined in these reviews, the domestic industry’s share of apparent U.S. consumption, based on the broader measure of import volume, declined from 27.4 percent in 2006 to 22.7 percent in 2007, increased to 23.4 percent in 2008 and 23.6 percent in 2009, declined to 22.5 percent in

¹⁵¹ 19 U.S.C. § 1675a(a)(4).

¹⁵² CR/PR at Table I-11.

¹⁵³ CR/PR at Table I-12.

¹⁵⁴ CR at II-12; PR at II-7.

¹⁵⁵ CR at II-12; PR at II-7.

¹⁵⁶ CR at II-12; PR at II-7.

¹⁵⁷ CR/PR at II-1; Hearing Tr. at 132-33 (Mclachlan).

¹⁵⁸ CR/PR at II-1.

¹⁵⁹ CR at II-11; PR at II-7.

¹⁶⁰ CR at II-11; PR at II-7.

2010, and increased to 25.3 percent in 2011, a level 2.1 percentage points lower than in 2006.¹⁶¹ The domestic industry's share of apparent U.S. consumption, based on the narrower measure of import volume, was 28.7 percent in 2010 and 31.4 percent in 2011.¹⁶² The three largest domestic producers of LPP, ***, together accounted for *** percent of reported domestic production of LPP in 2011.¹⁶³

Domestic industry capacity declined from 547.9 million pieces in 2006 to 540.8 million pieces in 2007 before increasing steadily to 601.3 million pieces in 2011, a level 9.7 percent higher than in 2006.¹⁶⁴ The increase in domestic industry capacity resulted in part from ***.¹⁶⁵ As of the end of the period of review, *** were each considering additions to their LPP production capacity and ***.¹⁶⁶

Based on the broader measure of import volume, cumulated subject imports from China and India accounted for between 13.9 and 16.1 percent of apparent U.S. consumption between 2006 and 2011, while subject imports from Indonesia accounted for between 0.3 and 0.8 percent of apparent U.S. consumption.¹⁶⁷ Based on the narrower measure of import volume, cumulated subject imports from China and India accounted for 6.0 percent of apparent U.S. consumption in 2010 and 4.7 percent in 2011, while subject imports from Indonesia accounted for 0.2 percent of apparent U.S. consumption in both years.¹⁶⁸ Customs data indicates that the only entry of LPP from Indonesia during the period of review on which duties were paid occurred in 2006.¹⁶⁹

The market penetration trends of subject imports from China, India, and Indonesia varied upon imposition of the antidumping and countervailing duty orders. Based on the broader measure of import volume, subject imports from China as a share of apparent U.S. consumption declined *** from *** percent in 2005 to 14.0 percent in 2006 before declining irregularly to 10.8 percent in 2011.¹⁷⁰ Subject imports from India as a share of apparent U.S. consumption declined *** from *** percent of apparent U.S. consumption in 2005 to 2.1 percent in 2006 before increasing irregularly to 3.1 percent in 2011.¹⁷¹ Subject imports from Indonesia accounted for *** percent of apparent U.S. consumption in 2005,¹⁷² but largely exited the U.S. market after 2006.¹⁷³

Information on the Chinese industry during the period of review is limited because none of the 17 Chinese producers that received a foreign producers' questionnaire responded to it.¹⁷⁴ The information available indicates that China surpassed the United States in 2008 as the world's largest paper and paperboard producer, and the world's third largest exporter of paper products, by value.¹⁷⁵ Chinese production of all paper and paperboard increased 165 percent between 2001 and 2010, from 36.4 million

¹⁶¹ CR/PR at Table I-11.

¹⁶² CR/PR at Table I-13.

¹⁶³ CR/PR at Table I-8.

¹⁶⁴ CR/PR at Table III-2.

¹⁶⁵ CR/PR at Table III-1. ***, Id.

¹⁶⁶ CR at III-3; PR at III-2. ***, Id.

¹⁶⁷ CR/PR at Table I-11.

¹⁶⁸ CR/PR at Table I-13.

¹⁶⁹ CR/PR at IV-2 n.8.

¹⁷⁰ CR/PR at Table I-1.

¹⁷¹ CR/PR at Table I-1.

¹⁷² CR/PR at Table I-1.

¹⁷³ CR/PR at IV-2 n.8.

¹⁷⁴ CR at IV-13; PR at IV-11.

¹⁷⁵ CR at IV-13; PR at IV-11; CR/PR at Table IV-13.

metric tons to 96.5 million metric tons, while Chinese production of printing and writing paper of the kind used to produce LPP increased 155 percent over the same period, from 9 million metric tons to 23 million metric tons.¹⁷⁶

The Indian paper and paperboard industry is highly fragmented with about 600 operating mills, many of which are small.¹⁷⁷ Nevertheless, the eight responding Indian producers estimated that they accounted for *** percent of Indian production of CLPSS in 2010.¹⁷⁸ There is evidence that some Indian producers procure CLPSS from subcontractors in order to sell CLPSS in quantities that would otherwise exceed their own production capacity.¹⁷⁹

Tjiwi, part of the Asia Pulp and Paper Group, accounted for *** percent of Indonesian CLPSS production in 2011 and was ***.¹⁸⁰ As part of the Asia Pulp and Paper Group, Tjiwi stated that its “basic business objective” is to use paper sourced from Asia Pulp and Paper’s Indonesian operations, which have not received certification for observing sustainable forestry practices.¹⁸¹

Imports of CLPSS from nonsubject countries combined accounted for between 24.9 and 32.1 percent of apparent U.S. consumption, based on the broader measure of import volume, during the period examined in these reviews.¹⁸² Based on the narrower measure of import volume, such imports accounted for 18.4 percent of apparent U.S. consumption in 2010 and 19.4 percent in 2011.¹⁸³ Leading sources of nonsubject imports during the period examined in the reviews were Vietnam, which was the largest source of nonsubject imports, Brazil, Egypt, Mexico, and Taiwan.¹⁸⁴

3. Other Likely Conditions of Competition

As addressed in section III.C. above, there is a moderate to high degree of substitutability between subject imports from each source and the domestic like product.¹⁸⁵

The record also indicates that price is an important factor for purchasing decisions in the U.S. LPP market. When asked to rank the factors used in purchasing decisions, responding purchasers ranked “price” as the most important factor more than any other factor and ranked price among the three most

¹⁷⁶ CR at IV-13; PR at IV-11.

¹⁷⁷ CR at IV-14; PR at IV-11.

¹⁷⁸ CR at IV-15; PR at IV-12.

¹⁷⁹ *** each bid on business in 2011 that was in excess of their reported capacity that year. See Foreign Producers’ Questionnaire Response of *** at Question II-14b (capacity of *** pieces per year in 2011; ***); Foreign Producers’ Questionnaire Response of *** at Question II-14b (capacity of *** pieces per year in 2011); CR/PR at Table V-11 (*** bids totaling *** pieces), 32 (*** bid for *** pieces). Indeed, Navneet reported both its own capacity and its capacity “with subcontractor amounts” in response to question II-14b of the foreign producers’ questionnaire.

¹⁸⁰ CR at IV-19; PR at IV-16.

¹⁸¹ Hearing Tr. at 186-87 (Alfian). Environmental certification is conferred by organizations such as the Programme for the Endorsement of Forest Certification (“PEFC”) and the Forest Stewardship Council (“FSC”). See Tjiwi’s Prehearing Brief at 33, Exhibit 8.

¹⁸² CR/PR at Table I-11.

¹⁸³ CR/PR at Table I-13.

¹⁸⁴ CR at II-10; PR at II-11; CR/PR at IV-2.

¹⁸⁵ See CR at II-13; PR at II-8; CR/PR at Tables II-8-10.

important factors more than any other factor.¹⁸⁶ More than half of responding purchasers reported that they “always” or “usually” purchase the lowest-priced LPP, while five reported “sometimes” and six reported “never.”¹⁸⁷ When asked to rate the importance of 21 enumerated factors when making LPP purchasing decisions, 23 of 25 responding purchasers rated “price” as “very important.”¹⁸⁸ Responding purchasers also indicated that availability and reliability of supply were very important factors in their purchasing decisions.¹⁸⁹

Several other factors serve to magnify the importance of price in the U.S. LPP market. Retailers often sell LPP at a loss as a “loss leader,” calculated to attract customers into the store in the hope that they will make discretionary purchases of profitable products.¹⁹⁰ In addition, the record indicates that the prevalence of auctions held by retailers, and the increased use of multilevel bidding processes, has increased the importance of price in the U.S. market since the original period of investigation.¹⁹¹ Another factor that has heightened price competition is direct imports of CLPSS by retailers with offices in Asia.¹⁹²

D. Revocation of the Antidumping Duty Orders on Subject Imports from China and India Is Likely to Lead to Continuation or Recurrence of Material Injury to the Domestic Industry within a Reasonably Foreseeable Time¹⁹³

1. Likely Volume of Subject Imports

We find that cumulated subject imports from China and India are likely to increase significantly from current levels after revocation of the orders. As discussed below, subject producers in China and India have both the means and the incentive to significantly increase their exports to the U.S. market after revocation.

Since imposition of the orders, cumulated subject imports from China and India have maintained a continuous presence in the U.S. market. Based on the broader measure of import volume, cumulated subject import volume from China and India declined from 183.8 million pieces in 2006 to 170.7 million pieces in 2007, increased to 178.8 million pieces in 2008, and then declined to 173.7 million pieces in 2009 to 170.1 million pieces in 2010 and 154.2 million pieces in 2011.¹⁹⁴ As a share of apparent U.S. consumption, cumulated subject imports from China and India declined from 16.1 percent in 2006 to 14.0 percent in 2007, increased to 14.7 percent in 2008 and 15.9 percent in 2009, and then declined to 14.1 percent in 2010 and 13.9 percent in 2011.¹⁹⁵ Based on the narrower measure of import volume, cumulated subject import volume from China and India was 56.8 million pieces in 2010, equivalent to 6.0 percent of apparent U.S. consumption, and 43.0 million pieces in 2011, equivalent to 4.7 percent of

¹⁸⁶ CR/PR at Table II-14.

¹⁸⁷ CR at II-15; PR at II-9.

¹⁸⁸ CR/PR at Table II-5.

¹⁸⁹ CR/PR at Table II-7. Twenty-three of 25 responding purchasers ranked price, availability, and reliability of supply as “very important” to their purchasing decisions. *Id.*

¹⁹⁰ CR at II-1-2; PR at II-1; Hearing Tr. at 70 (Rahn), 70-71 (Robinson).

¹⁹¹ CR at V-25 & n.56; PR at V-8 & n.56; Hearing Tr. at 131-32 (Robinson), 132-33 (McLachlan).

¹⁹² CR/PR at Table II-1; CR at V-5; PR at V-4; Hearing Tr. at 52 (Kaplan), 129 (Robinson).

¹⁹³ Commissioners Okun, Pearson, and Johanson do not join this section of the opinion.

¹⁹⁴ CR/PR at Table I-11.

¹⁹⁵ CR/PR at Table I-11.

apparent U.S. consumption.¹⁹⁶ Thus, subject producers in China and India have demonstrated a continued interest in serving the U.S. market, and maintain ongoing relationships with U.S. customers.

Subject producers in China and India also possessed significant capacity in 2011 with which they could significantly increase exports to the United States. The excess capacity of reporting Chinese producers in 2005 was *** pieces.¹⁹⁷ Information available indicates that the Chinese industry's total capacity, and excess capacity, have likely increased since 2005. China surpassed the United States in 2008 as the world's largest paper and paperboard producer, and the world's third largest exporter of paper products, by value.¹⁹⁸ Chinese production of all paper and paperboard increased 165 percent between 2001 and 2010, from 36.4 million metric tons to 96.5 million metric tons, while Chinese production of printing and writing paper of the kind used to product LPP increased 155 percent over the same period, from 9 million metric tons to 23 million metric tons.¹⁹⁹ The Chinese government's current "five year plan" expressly identifies the paper industry as a new source of economic growth.²⁰⁰ This information, together with that collected in the original investigations, supports a finding that subject producers in China possess the capacity with which to significantly increase exports to the United States.

Responding Indian producers reported a significant increase in their capacity during the period examined in the reviews and possessed significant excess capacity in 2011. Responding Indian producers reported that their capacity increased from 44.0 million pieces in 2006 to 51.9 million pieces in 2007, 59.8 million pieces in 2008, 64.8 million pieces in 2009, 76.6 million pieces in 2010, and 85.1 million pieces in 2011.²⁰¹ In 2011, responding Indian producers reported a capacity utilization rate of 83.1 percent, resulting in excess capacity of 14.4 million pieces.²⁰² These data likely understate the ability of Indian producers to increase exports to the United States, given evidence that Indian producers use subcontractors to sell CLPSS in volumes that would otherwise exceed their own production capacity.²⁰³

¹⁹⁶ CR/PR at Table I-12.

¹⁹⁷ CR at IV-13; PR at IV-11.

¹⁹⁸ CR at IV-13; PR at IV-11; CR/PR at Table IV-13.

¹⁹⁹ CR at IV-13; PR at IV-11.

²⁰⁰ CR at IV-13; PR at IV-11.

²⁰¹ CR/PR at Table IV-9. We are unpersuaded by the Indian respondents' argument that the apparent increase in Indian production capacity was a function of the fact that responding Indian producers accounted for 13 percent of Indian exports to the United States in 2006 but 91 percent of such exports in 2011. Indian Respondents' Posthearing Brief at 4-5. The Indian respondents' coverage comparisons are not comparable because the 2006 coverage figure is based on the broader measure of subject imports and the 2011 figure is based on the narrower measure. In any event, because the responding Indian producers accounted for the vast majority of subject imports from India in 2011, we find their reported data to be representative of the portion of the Indian industry during the period examined in these reviews that is currently exporting subject merchandise to the United States and is likely to do so in the reasonably foreseeable future.

²⁰² CR/PR at Tables I-12, IV-9.

²⁰³ *** each bid on business in 2011 that was in excess of their reported capacity that year. See Foreign Producers' Questionnaire Response of *** at Question II-14b (capacity of *** pieces per year in 2011; ***); Foreign Producers' Questionnaire Response of *** at Question II-14b (capacity of *** pieces per year in 2011); CR/PR at Table V-11 (*** bids totaling *** pieces), 32 (*** bid for *** pieces). Indeed, Navneet reported both its own capacity and its capacity "with subcontractor amounts" in response to question II-14b of the foreign producers' questionnaire.

In addition, *** responding Indian producers reported the ability to shift production from OLPP to CLPSS using the same equipment and/or labor. See Foreign Producers' Questionnaire Responses of *** at Question II-7. These producers together produced *** pieces of OLPP in 2011. See id. at Question II-5. Accordingly, by shifting
(continued...)

In addition, three Indian producers that did not complete questionnaire responses, ***, bid on contracts to supply U.S. purchasers with significant volumes of CLPSS in 2011, indicating that there are Indian producers other than the responding Indian producers with the ability to increase exports of CLPSS to the United States.²⁰⁴ In sum, we find that producers in China and India, on a cumulated basis, possess the capacity with which to significantly increase exports to the United States.

Subject producers in China and India also have the incentive to use their excess capacity to increase exports to the United States after revocation, given their significant degree of export orientation and the size of the U.S. market. The information available indicates that the Chinese paper products industry is export oriented. Reporting Chinese CLPSS producers exported *** percent of all shipments in 2005, and exports to the United States accounted for the *** share of these producers' reported shipments.²⁰⁵ While no producer of subject merchandise provided information to the Commission in these reviews, available public data indicate that China was the world's third largest exporter of paper products, by value, in 2011.²⁰⁶ Responding Indian producers reported that their export orientation increased significantly during the period examined in these reviews.²⁰⁷ They reported that exports as a share of their total shipments increased from 38.7 percent in 2006 to 45.5 percent in 2007, 48.1 percent in 2008, declined to 47.9 percent in 2008, and then increased to 51.5 percent in 2010 and 2011.²⁰⁸ They reported that exports to the United States as a share of their total shipments increased from 10.5 percent in 2006 to 18.5 percent in 2007, declined to 12.4 percent in 2008, increased to 19.0 percent in 2009 and 27.1 percent in 2010, and then declined to 26.8 percent in 2011, a level over twice that in 2006.²⁰⁹ The United States was by far the largest export market for Indian producers throughout the period.²¹⁰

Given its large and stable market, the United States would likely be targeted by Chinese and Indian producers interested in filling their capacity and increasing their exports. In the original investigations, Chinese producers signaled their keen interest in serving the U.S. market by rapidly increasing their share of apparent U.S. consumption, based on the broader measure of import volume, from *** percent in 2003 to *** percent in 2005.²¹¹ There is no information on the record indicating that Chinese producers would be any less interested in serving the U.S. market today. Indian producers have demonstrated their interest in increasing their penetration of the U.S. market by both increasing their share of apparent U.S. consumption since imposition of the orders and bidding on contracts representing a large volume of sales in 2011.²¹²

²⁰³ (...continued)

production from OLPP to CLPSS, these producers have the ability to increase significantly their exports of CLPSS to the United States after revocation.

²⁰⁴ CR/PR at Table V-11. One or more of these three producers bid on four contracts for the supply of an aggregate *** pieces of CLPSS. Id. We note that this evidence conflicts with the Indian respondents' contention that *** has ***. See Indian Respondents' Posthearing Brief at Exhibit 3.

²⁰⁵ CR at IV-13; PR at IV-11.

²⁰⁶ CR/PR at Table IV-13.

²⁰⁷ CR/PR at Table IV-9.

²⁰⁸ CR/PR at Table IV-9.

²⁰⁹ CR/PR at Table IV-9.

²¹⁰ CR/PR at Table IV-9.

²¹¹ CR/PR at Table I-1.

²¹² See CR/PR at Tables I-1, I-12-13, V-11. Purchasers were asked to report bid data for their three largest purchases based on dollar value in 2011. CR at V-26; PR at V-8. Although only *** percent of the value of the

(continued...)

Responding purchasers and importers indicated that revocation of the orders would likely result in increased subject imports from China and India. Specifically, when asked how revocation of the antidumping duty orders on CLPSS from China and India and the countervailing duty order on CLPSS from India would affect their future activities, 11 responding purchasers indicated that revocation of the orders would make them more receptive to subject imports from China and India.²¹³ Nine responding importers reported that they would consider increasing imports of CLPSS from China and/or India were the orders to be revoked.²¹⁴

For all of these reasons, we conclude that revocation of the orders on subject imports from China and India would likely result in a significant increase in cumulated subject imports from China and India within a reasonably foreseeable time.²¹⁵

2. Likely Price Effects

We find that cumulated subject imports from China and India would likely undersell the domestic like product to a significant degree after revocation, thereby depressing domestic like product prices to a significant degree. We conduct our analysis of likely price effects in light of our finding that there is a moderate to high degree of interchangeability between subject imports from each of the sources and the domestic like product, and that price is an important factor in the U.S. LPP market, as detailed in sections III.C and IV.C.3 above.

The Commission collected pricing data on sales of five products.²¹⁶ Five U.S. producers and ten importers provided usable pricing data, although not every responding U.S. producer or importer reported pricing data for every product.²¹⁷ In addition, the Commission collected purchase price data from four retailers that imported CLPSS directly.²¹⁸ Reported sale price data accounted for approximately *** percent of U.S. producers' U.S. commercial shipments, *** percent of reported U.S. commercial shipments of subject imports from China, and *** percent of reported U.S. commercial shipments of

²¹² (...continued)

reported contracts was awarded to Indian producers, *id.*, we find it more instructive that Indian producers bid on six of the twelve reported contracts, representing *** percent of the total contract volume on which bidding data was reported. CR/PR at Table V-11.

²¹³ See CR/PR at D-17-18.

²¹⁴ See CR/PR at D-15-16.

²¹⁵ U.S. importers of subject imports from China and India did not report significant inventories at the end of the period of review. With respect to existing inventories of subject merchandise, U.S. importers' end-of-period inventories of cumulated subject imports from China and India were *** pieces in 2011, equivalent to *** percent of U.S. shipments of such imports that year. CR/PR at Table IV-5. Responding Indian producers reported end-of-period inventory of *** pieces in 2011, equivalent to *** percent of their total shipments that year. CR/PR at Table IV-9. Absent evidence to the contrary, we accept Indian respondents' claim that these inventories consist of CLPSS products suitable only for the Indian market, as all CLPSS exported to the United States is produced to order. Hearing Tr. at 167 (Sampat).

There are no known antidumping or countervailing duty investigations or determinations on CLPSS from China or India in any other country. CR at IV-9; PR at IV-7.

²¹⁶ CR at V-4; PR at V-3.

²¹⁷ CR at V-4; PR at V-3-4.

²¹⁸ CR at V-5; PR at V-4.

subject imports from India.²¹⁹ Reported purchase price data accounted for approximately *** percent of reported U.S. commercial shipments of subject imports from China, and *** percent of reported U.S. commercial shipments of subject imports from India.²²⁰

As an initial matter, prices for domestically produced CLPSS generally increased after imposition of the orders. In terms of annual weighted-average f.o.b. selling prices,²²¹ domestically produced product 1 prices increased from \$*** in 2005 to \$*** in 2011, domestically produced product 2 prices increased from \$*** in 2005 to \$*** in 2011, and domestically produced product 3 prices increased from \$*** in 2005 to \$*** in 2011.²²² Between the first and last quarters for which pricing data were collected in these reviews, domestic prices increased *** percent with respect to product 1, *** percent with respect to product 2, *** percent with respect to product 3 and *** percent with respect to product 5.²²³ The increase in prices for domestically produced products 1 and 2 are particularly noteworthy, as these were the highest volume pricing products.²²⁴ These data suggest that the orders have been effective at reversing the significant degree of price depression that the Commission found to have been caused by subject imports in the original investigations.²²⁵

The record indicates that cumulated subject imports from China and India undersold the domestic like product to a significant degree even with the orders in place. During the period examined in these reviews, cumulated subject imports from China and India undersold the domestic like product in 28 quarterly comparisons and oversold the domestic like product in 41 quarterly comparisons.²²⁶ However, the seasonality of the U.S. CLPSS market, with sales volume concentrated in the second and third quarters of each year, makes counting quarters of under and overselling less instructive.²²⁷ Under the facts of this case, we find it more probative that a *** greater volume of cumulated subject import volume undersold the domestic like product, *** pieces, than oversold the domestic like product, *** pieces.²²⁸ Thus, even under the discipline of the orders, *** percent of reported commercial shipments of cumulated subject imports undersold the domestic like product, which is consistent with the *** percent of reported

²¹⁹ CR at V-5 & nn.45-46; PR at V-4 nn.45-46.

²²⁰ CR at V-5 & nn.45-46; PR at V-4 nn.45-46.

²²¹ We rely on annual quantity weighted average sales prices, which give less weight to quarterly fluctuations, to compensate for the seasonality of the U.S. CLPSS market. CR at V-5; PR at V-4.

²²² Compare OCR/OPR at Tables V-1-3 with CR/PR at Table V-8. No pricing was reported for domestically produced product 4 sold during the 2006-2010 period, but the annual weighted-average f.o.b. price of domestically produced product 4 in 2011, at \$***, was slightly lower than in 2005, at \$***. Compare OCR/OPR at Tables V-4 with CR/PR at Table V-8.

²²³ CR/PR at Table V-7. Domestic prices for product 4 declined *** percent. Id.

²²⁴ See CR/PR at Tables V-2-6.

²²⁵ Original Determinations, USITC Pub. 3884 at 34.

²²⁶ CR at V-10-11; PR at V-4; PR at V-7-8; CR/PR at Table V-8.

²²⁷ CR at V-5; PR at V-4; CR/PR at Tables V-2-6.

²²⁸ See CR/PR at Tables V-2-6. We have considered bid data reported by six purchasers, covering each purchaser's three largest purchases by dollar value in 2011. CR at V-26; PR at V-8. These data indicate that *** percent of the value of the contracts was awarded to Indian suppliers, CR/PR at Table V-11, which is greater than the 2.1 percent share of apparent U.S. consumption, by value, captured by Indian producers in 2011, based on the narrower measure of imports. CR/PR at Table I-13. We note that in every instance of Indian producer bids in competition with domestic producer bids, the Indian bid prices were lower. See CR/PR at Table V-11. Purchasers reported no bids from Chinese producers. See id.

commercial shipments of subject imports from China and India that undersold the domestic like product in the original investigations.²²⁹

We also have considered purchase price data reported by retailers that imported CLPSS from China and India.²³⁰ Retailer direct import purchase price data accounted for *** percent of reported U.S. commercial shipments of subject imports from China, and *** percent of reported U.S. commercial shipments of subject imports from India.²³¹ While recognizing that these data are at a different level of trade than domestic producer sales prices, we observe that retailer direct import purchase prices for subject imports from China and India were lower than domestic like product sales prices with respect to purchases of *** pieces and higher with respect to purchases of *** pieces.²³² The fact that *** percent of reported retailer purchases of subject imports from China and India were priced lower than domestic producer sales lends additional support to our finding that subject imports from China and India were priced aggressively even with the orders in place.

In view of our finding that the cumulated volume of subject imports from China and India would likely increase significantly after revocation, the moderate to high degree of substitutability between subject imports and the domestic like product, the importance of price, and the prevalence of subject import underselling even with the orders in place, we find that subject import underselling would likely intensify after revocation of the orders, as subject producers in China and India seek to increase their penetration of the U.S. market. We also find that the significant underselling of subject imports from China and India after revocation would likely result in the depression of domestic like product prices to a significant degree. The disciplining effect of the orders has enabled domestic producers to raise their prices. After revocation, domestic producers would likely have to reduce their prices to retain their market share and maintain an acceptable rate of capacity utilization in the face of significantly increased quantities of low priced subject imports from China and India. When asked how revocation of the orders would likely effect the U.S. CLPSS market as a whole, six responding purchasers indicated that CLPSS prices would likely decline.²³³

Thus, we conclude that, if the orders were revoked, significant volumes of subject imports from China and India likely would significantly undersell the domestic like product to gain market share, thereby depressing like product prices to a significant degree.

²²⁹ See OCR/OPR at Tables V-2-6. In the original investigations, subject imports from China and India undersold the domestic like product in 43 quarterly comparisons and oversold the domestic like product in 61 quarterly comparisons. CR/PR at Table V-10 n.1.

²³⁰ CR at V-5; PR at V-4.

²³¹ CR at V-5 nn.45-46; PR at V-4 nn.45-46.

²³² See CR/PR at Tables V-2-6.

²³³ CR/PR at D-19-20 (responses of ***).

3. Likely Impact²³⁴

We find that the domestic industry is not in a vulnerable condition. As LPP prices increased during the period examined in these reviews, the domestic industry's operating income and return on investment increased to robust levels. Other indices of domestic industry performance increased as well, including capacity, production, employment, net shipments, U.S. shipments, and net sales, although not as markedly.

Domestic industry capacity and production increased during the period examined, although the industry's rate of capacity utilization ended the period slightly lower as the increase in its capacity exceeded the increase in its production. Domestic industry LPP capacity increased irregularly from 547.9 million pieces in 2006 to 601.3 million pieces in 2011, a level 9.7 percent higher than in 2006.²³⁵ Domestic industry LPP production declined steadily from 305.0 million pieces in 2006 to 222.1 million pieces in 2009 before increasing to 260.8 million pieces in 2010 and 330.5 million pieces in 2011, a level 8.3 percent higher than in 2006.²³⁶ The domestic industry's rate of capacity utilization declined from 55.7 percent in 2006 to 53.7 percent in 2007, 50.3 percent in 2008, and 39.5 percent in 2009 before increasing to 45.8 percent in 2010 and 55.0 percent in 2011.²³⁷

Domestic industry employment, hours worked, and wages generally improved during the period of review, although productivity declined slightly. Domestic industry employment increased from 498 production and related workers ("PRWs") in 2006 to 506 PRWs in 2007, declined to 500 PRWs in 2008 and 485 PRWs in 2009, and then increased to 519 PRWs in 2010 and 524 PRWs in 2011, a level 5.2 percent higher than in 2005.²³⁸ Domestic industry hours worked increased from 853,000 hours in 2006 to 868,000 hours in 2007 and 869,000 hours in 2008, declined to 846,000 hours in 2009, and then increased to 879,000 hours in 2010 and 942,000 hours in 2011, a level 10.4 percent higher than in 2006.²³⁹ Domestic industry wages paid increased from \$24.4 million in 2006 to \$24.7 million in 2007, declined to \$24.2 million in 2008 and 2009, and then increased to \$25.7 million in 2010 and \$26.4 million in 2011, a level 8.2 percent higher than in 2005.²⁴⁰ Domestic industry productivity, however, declined 1.9 percent during the period, from 357.6 pieces per hour in 2006 to 350.8 pieces per hour in 2011.²⁴¹

Domestic industry sales volume and market share fluctuated during the period examined. The domestic industry's net sales quantity declined from 320.9 million pieces in 2006 to 287.5 million pieces in 2007, increased to 294.4 million pieces in 2008, declined to 263.6 million pieces in 2009, and then increased to 279.6 million pieces in 2010 and 290.7 million pieces in 2011, a level 9.4 percent lower than

²³⁴ Section 752(a)(6) of the Act states that "the Commission may consider the magnitude of the margin of dumping" in making its determination in a five-year review. 19 U.S.C. § 1675a(a)(6). The statute defines the "magnitude of the margin of dumping" to be used by the Commission in five-year reviews as "the dumping margin or margins determined by the administering authority under section 1675a(c)(3) of this title." 19 U.S.C. § 1677(35)(C)(iv). See also SAA at 887. Commerce calculated likely antidumping duty margins ranging from 78.38 to 258.21 percent for exporters in China and from 3.91 to 23.17 percent for exporters in India. CR/PR at Table I-6. It calculated likely countervailing duty margins of 7.52 to 10.71 percent for exporters in India. Id. at Table I-5.

²³⁵ CR/PR at Table III-2.

²³⁶ CR/PR at Table III-2.

²³⁷ CR/PR at Table III-2.

²³⁸ CR/PR at Table III-8.

²³⁹ CR/PR at Table III-8.

²⁴⁰ CR/PR at Table III-8.

²⁴¹ CR/PR at Table III-8.

in 2006.²⁴² The domestic industry's U.S. shipments followed a similar trend, declining from 310.7 million pieces in 2006 to 276.9 million pieces in 2007, increasing to 284.5 million pieces in 2008, declining in 256.2 million pieces in 2009, and then increasing to 271.7 million pieces in 2010 and 281.3 million pieces in 2011, a level 9.5 percent lower than in 2006.²⁴³ The domestic industry's share of apparent U.S. consumption, based on the broader measure of import volume, declined from 27.4 percent in 2006 to 22.7 percent in 2007, increased to 23.4 percent in 2008 and 23.6 percent in 2009, declined to 22.5 percent in 2010, and then increased to 25.3 percent in 2011, a level 2.1 percentage points lower than in 2006.²⁴⁴ Based on the narrower measure of import volume, however, the domestic industry's share of apparent U.S. consumption was 28.7 percent in 2010 and 31.4 percent in 2011.²⁴⁵

The domestic industry displayed strong financial performance during the period examined, notwithstanding a general decline in the industry's net sales value. The domestic industry's net sales value declined from \$251.7 million in 2006 to \$245.8 million in 2007, \$244.3 million in 2008, \$240.2 million in 2009, and \$230.8 million in 2010, before increasing to \$243.3 million in 2011, a level 3.3 percent lower than in 2006.²⁴⁶ Although the domestic industry's operating income fluctuated during the period examined, it was higher in 2011 than in 2006 and the industry's operating income as a share of net sales remained above *** percent throughout the period. The domestic industry's operating income declined from \$34.3 million in 2006 to \$31.8 million in 2007, increased to \$38.0 million in 2008 and \$44.1 million in 2009, and then declined to \$43.0 million in 2010 and \$37.4 million in 2011, a level 8.9 percent higher than in 2006.²⁴⁷ The industry's operating income as a share of net sales declined from 13.6 percent in 2006 to 12.9 percent in 2007, increased to 15.6 percent in 2008, 18.4 percent in 2009, and 18.7 percent in 2010, and then declined to 15.4 percent in 2011, a level still 1.8 percentage points higher than in 2006.²⁴⁸ The domestic industry's return on investment was even stronger, increasing from 27.3 percent in 2006 to 27.8 percent in 2007, 35.7 percent in 2008, 42.0 percent in 2009, and 43.0 percent in 2010, before declining to 37.6 percent in 2011, a level still 10.3 percentage points higher than in 2006.²⁴⁹

The domestic industry's financial performance enabled producers to make significant investments in their operations during the period examined.²⁵⁰ The industry's capital expenditures increased from

²⁴² CR/PR at Table III-9.

²⁴³ CR/PR at Table III-3. The domestic industry's end-of-period inventories fluctuated during the period examined, increasing from *** pieces in 2006 to *** pieces in 2007, declining to *** pieces in 2008, *** pieces in 2009, and *** pieces in 2010, and then increasing to *** pieces in 2011, a level *** percent higher than in 2006. CR/PR at Table III-4. The industry's end-of-period inventories as a share of its production increased from *** percent in 2006 to *** percent in 2007 and *** percent in 2008, declined to *** percent in 2009 and *** percent in 2010, and then increased to *** percent in 2011. Id. The industry's end-of-period inventories as a share of its U.S. shipments increased from *** percent in 2006 to *** percent in 2007, declined to *** percent in 2008, *** percent in 2009, and *** percent in 2010, and increased to *** percent in 2011. Id. According to AASPS, the domestic industry maintains inventories of CLPSS due to the seasonal nature of the CLPSS market, to balance production schedules with shipment timing and logistical requirements. AASPS's Posthearing Brief, Exhibit 1 at 44.

²⁴⁴ CR/PR at Table I-11.

²⁴⁵ CR/PR at Table I-13.

²⁴⁶ CR/PR at Table III-9.

²⁴⁷ CR/PR at Table III-9.

²⁴⁸ CR/PR at Table III-9.

²⁴⁹ CR/PR at Table III-12.

²⁵⁰ Responding domestic producers reported no research and development expenditures. CR at III-16; PR at III-9.

**** in 2006 to **** in 2007 and **** in 2008, declined to **** in 2009, and then increased to **** in 2010 and **** in 2011.²⁵¹

In light of the foregoing analysis, and also projected stable demand for LPP,²⁵² we find that the domestic industry is not in a vulnerable condition. Nevertheless, the domestic industry's improved financial performance resulted largely from the higher prices permitted by the disciplining effect of the orders on subject imports from China and India.²⁵³ Were the orders to be revoked, we find that cumulated subject imports from China and India would likely have a significant adverse impact on the domestic industry.

As addressed above, we have found that revocation of the orders on subject imports from China and India would likely result in a significant increase in subject import volume that would likely undersell the domestic like product, thereby depressing domestic like product prices to a significant degree. Given that the domestic industry's improved financial performance resulted largely from the higher prices permitted by the disciplining effect of the orders,²⁵⁴ we find that the likely volume and price effects of the subject imports would likely have a significant adverse impact on the domestic industry's profitability and return on investment, as well as its ability to raise capital and make and maintain necessary capital investments.²⁵⁵ We find that the likely volume and price effects of the subject imports also would likely have a significant adverse impact on the production, shipments, sales, market share, revenues, and employment of the domestic industry. We therefore conclude that, if the orders were revoked, subject imports from China and India would be likely to have a significant adverse impact on the domestic industry within a reasonably foreseeable time.

In our analysis of the likely impact of subject imports on the domestic industry, we have taken into account whether there are other factors that likely would affect the domestic industry. As discussed above, nonsubject imports maintained a significant share of apparent U.S. consumption during the period examined in these reviews. Nonsubject imports of CLPSS as a share of apparent U.S. consumption, based on the broader measure of import volume, increased from 26.4 percent in 2006 to 30.1 percent in 2007 and 32.1 percent in 2008, declined to 26.2 percent in 2009, increased to 26.5 percent in 2010, and then declined to 24.9 percent in 2011.²⁵⁶ Based on the narrower measure of import volume, nonsubject imports as a share of apparent U.S. consumption were 18.4 percent in 2010 and 19.4 percent in 2011.²⁵⁷ We find that nonsubject imports do not weaken the causal nexus between cumulated subject imports and the likelihood of continuation or recurrence of material injury to the domestic industry after revocation of the orders for several reasons. The significant volume and market share of nonsubject imports throughout the period examined did not prevent the domestic industry from raising prices and enjoying strong financial performance throughout the period.²⁵⁸ In this regard, witnesses for AASPS testified at the

²⁵¹ CR/PR at Table III-11. ***. CR at III-16 n.11; PR at III-9 n.11.

²⁵² See CR/PR at Table II-2.

²⁵³ See CR at III-15; PR at III-7; CR/PR at Table V-8.

²⁵⁴ See CR at III-15; PR at III-7.

²⁵⁵ See CR/PR at D-3-8.

²⁵⁶ CR/PR at Table I-11.

²⁵⁷ CR/PR at Table I-13.

²⁵⁸ See CR/PR at Table III-9. We are unpersuaded by the Indian respondents' argument that revocation of the antidumping and countervailing duty orders on CLPSS from India would not likely result in the continuation or recurrence of material injury to the domestic industry because the domestic industry remained profitable during the period examined notwithstanding the presence of subject imports from India. See Indian Respondents' Prehearing Brief at 18-20; Indian Respondents' Final Comments at 3. Because we have determined to exercise our discretion to

(continued...)

hearing that nonsubject import competition has not adversely impacted the domestic industry's performance because nonsubject imports have not been priced aggressively.²⁵⁹ Bidding data confirms that bids from nonsubject import suppliers in competition with bids from Indian suppliers were generally higher than the Indian suppliers' bids,²⁶⁰ and nonsubject imports did not increase their penetration of the U.S. market from 2006 to 2011.²⁶¹ Accordingly, we find that subject imports from China and India are likely to have a significant adverse impact on the domestic industry if the orders were revoked, notwithstanding the presence of nonsubject imports in the U.S. market. Thus, we conclude that if the orders were revoked, cumulated subject imports from China and India would likely lead to the continuation or recurrence of material injury to the domestic industry within a reasonably foreseeable time.

E. Revocation of the Countervailing Duty Order and the Antidumping Duty Order on Subject Imports from Indonesia Would Not Likely Lead to the Continuation or Recurrence of Material Injury to the Domestic Industry within a Reasonably Foreseeable Time²⁶²

1. Likely Volume of Subject Imports

We find that subject imports from Indonesia are not likely to increase significantly from current levels after revocation of the orders. As further discussed below, we find that subject producers in Indonesia lack the incentive to significantly increase their exports to the U.S. market after revocation.

During the original investigations, subject imports from Indonesia increased slightly in absolute terms but declined as a share of apparent U.S. consumption, using the broader measure of import volume. Subject imports from Indonesia declined from 39.0 million pieces in 2003, equivalent to *** percent of apparent U.S. consumption, to 35.0 million pieces in 2004, equivalent to *** percent of apparent U.S. consumption, before increasing to 39.3 million pieces in 2005, equivalent to *** percent of apparent U.S. consumption.²⁶³

Since imposition of the orders, subject imports from Indonesia have essentially exited the U.S. market. Based on the broader measure of import volume, subject import volume from Indonesia increased from 3.2 million pieces in 2006 to 4.4 million pieces in 2007, 5.0 million pieces in 2008, and 8.3 million pieces in 2009, before declining to 4.9 million pieces in 2010 and 4.4 million pieces in

²⁵⁸ (...continued)

cumulate subject imports from China and India, as addressed in section III above, we conduct our likely injury analysis with respect to cumulated subject imports from China and India. Moreover, subject import trends with the orders in place are not predicative of what will happen should the orders be revoked. For example, bidding data for 2011 indicate that Indian producers are interested in increasing their penetration of the U.S. market, see CR/PR at Table V-11, and Indian producers would likely bid more aggressively for contracts were the orders to be revoked.

²⁵⁹ See Hearing Tr. at 62 (McLachlan), 63 (Robinson).

²⁶⁰ See CR/PR at Table V-11 (nonsubject import bids were higher than Indian bids in *** comparisons and lower in *** comparisons). Although nonsubject import suppliers were awarded with 53.0 percent of the value of the reported contracts, revocation of the orders would likely increase competition for such contracts, which could prompt nonsubject import suppliers to offer lower prices in an effort to compete with subject imports from China and India.

²⁶¹ See CR/PR at Tables I-11, 13.

²⁶² Chairman Williamson and Commissioner Pinkert do not join this section.

²⁶³ CR/PR at Table I-1.

2011.²⁶⁴ As a share of apparent U.S. consumption, subject imports from Indonesia increased from 0.3 percent in 2006 to 0.4 percent in 2007 and 2008 and to 0.8 percent in 2009 before declining to 0.4 percent in 2010 and 2011.²⁶⁵ Based on the narrower measure of import volume, subject imports from Indonesia were 2.2 million pieces in 2010 and 1.6 million pieces in 2011, equivalent to 0.2 percent of apparent U.S. consumption in both years.²⁶⁶

These data likely exaggerate the presence of subject imports from Indonesia in the U.S. market, as the HTS categories utilized include nonsubject merchandise.²⁶⁷ As addressed above, Tjiwi accounted for *** percent of Indonesian CLPSS production in 2011 and was ***.²⁶⁸ Tjiwi indicates that it ceased exporting CLPSS to the United States after December 2005,²⁶⁹ and Customs data ***.²⁷⁰ Thus, Tjiwi exited the U.S. CLPSS market after 2006. Although Customs data still show imports of CLPSS from Indonesia subsequent to 2006, Tjiwi contends that these imports are out-of-scope products and thus are OLPP as opposed to CLPSS.²⁷¹

We find that Tjiwi lacks the incentive to resume exports to the United States at significant levels. Tjiwi's capacity increased from *** pieces in 2006 to *** pieces in 2007 and *** pieces in 2008, declined to *** pieces in 2009, increased to *** pieces in 2010, and declined to *** pieces in 2011, a level *** percent higher than in 2006.²⁷² Tjiwi claims that the apparent increase in its CLPSS capacity during the period examined resulted from the reallocation of capacity from OLPP to CLPSS as exports of CLPSS to third country markets and home market shipments increased during the period.²⁷³ It has not added any new or upgraded CLPSS production equipment since 1997 and has no plans to do so.²⁷⁴ Tjiwi's rate of capacity utilization increased from *** percent in 2006 to *** percent in 2007, *** percent in 2008, *** percent in 2009, and *** percent in 2010, before declining to *** percent in 2011.²⁷⁵

²⁶⁴ CR/PR at Table I-10.

²⁶⁵ CR/PR at Table I-11.

²⁶⁶ CR/PR at Tables I-12-13.

²⁶⁷ See Tjiwi's Prehearing Brief at 20-21.

²⁶⁸ CR at IV-19; PR at IV-16. Tjiwi also was the only Indonesia exporter of CLPSS identified in the original investigations, OCR at VII-8 & n.33; OPR at VII-5 & n.33, and the only Indonesian producer identified by AASPS in its response to the notice of institution. See AASPS's Response to the Notice of Institution at Exhibit 4. Notwithstanding AASPS's more recent assertions that there are other producers of CLPSS in Indonesia, see AASPS Posthearing Brief at 10, the record does not indicate that there is any other producer of subject merchandise other than Tjiwi with the ability to export significant quantities of subject merchandise to the United States.

²⁶⁹ Hearing Tr. at 182 (Alfian); Tjiwi's Prehearing Brief at 6; see also CR/PR at Table IV-11.

²⁷⁰ CR/PR at IV-2 n.8. In addition, U.S. importers reported no inventories of subject imports from Indonesia, CR/PR at Table IV-5, and no sales price or bid price data were reported for subject imports from Indonesia. CR at V-5 n.47; PR at V-4 n.47; CR/PR at Table V-11. Purchase price data were reported for subject imports from Indonesia only for *** 2006, consistent with Tjiwi's contention that it ceased exports to the United States after December 2005. See CR at V-5 n.47; PR at V-4 n.47; CR/PR at Tables V-2-6.

²⁷¹ See Tjiwi's Final Comments at 2 n.2 (explaining that out-of-scope index cards, steno pads, and outsized notebooks that Tjiwi exports to the United States enter under HTS numbers that also cover in-scope CLPSS).

²⁷² CR/PR at Table IV-11.

²⁷³ Tjiwi's Prehearing Brief at 29-30; Hearing Tr. at 182-84 (Alfian); Foreign Producers' Questionnaire Response of Tjiwi at Question II-5.

²⁷⁴ Hearing Tr. at 184 (Alfian); CR at IV-20; PR at IV-16.

²⁷⁵ CR/PR at Table IV-11.

Having *** its CLPSS production capacity during the last *** years of the period examined, Tjiwi *** with which to increase exports to the United States at the end of the period.²⁷⁶

Tjiwi's export orientation, while significant, declined during the period examined, as Tjiwi increased sales *** to the Indonesian market during the period examined.²⁷⁷ Tjiwi explains that robust economic growth in Indonesia has translated into increased Indonesian demand for education and, by extension, CLPSS.²⁷⁸ Tjiwi's home market shipments increased from *** pieces in 2006 to *** pieces in 2007, *** pieces in 2008, *** pieces in 2009, *** pieces in 2010, and *** pieces in 2011, a level *** percent higher than in 2006. Conversely, Tjiwi's exports as a share of its total shipments declined from *** percent in 2006 to *** percent in 2007, increased to *** percent in 2008, declined to *** percent in 2009, increased to *** percent in 2010, and then declined to *** percent in 2011, a level *** percentage points lower than in 2006.²⁷⁹

At the same time, Tjiwi has replaced its previous exports to the United States with exports to third country markets.²⁸⁰ Exports to third country markets declined from *** pieces in 2006 to *** pieces in 2007, increased to *** pieces in 2008, declined to *** pieces in 2009, increased to *** pieces in 2010, and then declined to *** pieces in 2011, a level still *** percent higher than in 2006.²⁸¹

Tjiwi claims that its exports to third country markets during the period examined have been more profitable than its previous exports to the United States for four reasons.²⁸² ***²⁸³ ***²⁸⁴ ***²⁸⁵ ***²⁸⁶ AASPS itself has emphasized that the prevalence of multiple bids and auctions and the concentration of purchases in the hands of a few large retailers has served to increase price competition in the U.S. market,²⁸⁷ and the record tends to support their view.²⁸⁸ By contrast, there is no evidence on the record indicating that the U.S. market is more attractive to Tjiwi than the third country markets it developed during the period examined.²⁸⁹ We find that, without needing to address specifically Tjiwi's empirical

²⁷⁶ *** , Foreign Producers' Questionnaire Response of Tjiwi at Question II-7, ***. Id. at Question II-5. *** , id. at Question II-7, and there is no evidence on the record that suggests otherwise.

²⁷⁷ See CR/PR at D-22. ***. Id. ***. Id.

²⁷⁸ Tjiwi's Prehearing Brief at 40-41.

²⁷⁹ CR/PR at Table IV-11.

²⁸⁰ CR/PR at D-22-23; Hearing Tr. at 183 (Alfian).

²⁸¹ CR/PR at Table IV-11.

²⁸² We note that many of the factors that make Tjiwi's exports to third country markets more attractive than its previous exports to the United States would seem to apply equally to Tjiwi's home market shipments.

²⁸³ CR/PR at D-23.

²⁸⁴ CR/PR at D-23.

²⁸⁵ CR/PR at D-23.

²⁸⁶ CR/PR at D-23.

²⁸⁷ See Hearing Tr. at 32 (McLachlan), 52 (Kaplan), 129-30 (Robinson), 133-34 (Rahn).

²⁸⁸ See CR/PR at II-1 (the five largest U.S. purchasers of LPP (***) accounted for *** percent of reported purchases and 32 percent of apparent U.S. consumption of LPP in 2011.); CR at V-25; PR at V-7 (12 of 26 responding purchasers reported purchasing LPP through auctions or bidding in 2011, including each of the five largest purchasers).

²⁸⁹ We reject AASPS's invitation to compare prices in the U.S. market to prices in third country markets using average unit values. AASPS's Posthearing Brief at 12. Due to the great variety of CLPSS products at different price points, see CR/PR at Table V-7, average unit value data would reflect differences in product mix and are therefore not an accurate measure of relative prices. AASPS's own economist rejected average unit values as a means of

(continued...)

data about the relative “profitability” of its various export markets, the general considerations that Tjiwi cites indicate that it lacks an incentive to shift exports from its existing third country markets to the U.S. market in significant quantities after revocation.

We find that the environmental and sustainability concerns of U.S. purchasers further reduce the likelihood of a significant increase in subject imports from Indonesia within a reasonably foreseeable time. As part of the Asia Pulp and Paper Group, Tjiwi stated that its “basic business objective” is to use paper sourced from Asia Pulp and Paper’s Indonesian operations, which have not received certification for observing sustainable forestry practices.²⁹⁰ It is unlikely that the Asia Pulp and Paper Group will receive such a certification for its Indonesian operations because managed tree plantations were not established in Indonesia until 1995 and FSC standards normally preclude the certification of plantations established after November 1994.²⁹¹

There is evidence that Tjiwi’s inability to provide environmental certification for its CLPSS products has limited its access to the U.S. market to some extent. Both Staples, which accounted for *** percent of Tjiwi’s U.S. sales during the period examined in the original investigations, and *** dropped Tjiwi as a supplier of OLPP during the period examined in these reviews due to environmental and sustainability concerns.²⁹² There is some evidence that retailers beyond Staples and *** also have curtailed their purchases of nonsubject paper products imported from Indonesia over such concerns,²⁹³ and several responding purchasers reported that their CLPSS sourcing decisions are predicated in part on environmental and sustainability considerations.²⁹⁴ Even to the extent that retailer environmental and sustainability procurement policies are merely hortatory, they would still likely have a restraining effect

²⁸⁹ (...continued)

comparing prices at the hearing. See Hearing Tr. at 137-38 (Kaplan).

²⁹⁰ Hearing Tr. at 186-87 (Alfian); CR at II-18; PR at II-11.

²⁹¹ Tjiwi’s Prehearing Brief at 34, Exhibit 8.

²⁹² CR at II-18; PR at II-11; CR/PR at D-16, 18-19; see also Tjiwi’s Prehearing Brief at Exhibit 9; Tjiwi’s Posthearing Brief at Q-6; Hearing Tr. at 186 (Alfian); Purchasers’ Questionnaire Response of *** at question III-28; Importers’ Questionnaire Response of *** at Question II-10.

²⁹³ See Tjiwi’s Prehearing Brief at Exhibit 7; Tjiwi’s Posthearing Brief at Q-3-6. Although Tjiwi maintained a presence in the U.S. OLPP market during the period examined, imports of OLPP from Indonesia, which are not subject merchandise and hence are not subject to duties, declined sharply during the period in absolute terms and as a share of apparent U.S. consumption. See CR/PR at Table C-3. Nonsubject imports of OLPP from Indonesia increased from 59.3 million pieces in 2006 to 59.6 million pieces in 2007, declined to 26.6 million pieces in 2008 and 6.0 million pieces in 2009, and then increased to 10.7 million pieces in 2010 and 10.9 million pieces in 2011, a level still 81.6 percent lower than in 2006. Id. As a share of apparent U.S. consumption of OLPP, nonsubject imports of OLPP from Indonesia declined from *** percent in 2006 to *** percent in 2007, *** percent in 2008, and *** percent in 2009, before increasing to *** percent in 2010 and *** percent in 2011, a level still *** percentage points lower than in 2006. Id. These data suggest that either Tjiwi’s interest in serving the U.S. OLPP market waned during the period examined or purchasers were reluctant to buy Indonesian OLPP.

We also acknowledge that these data indicate that imports from Indonesia continue to have some, albeit reduced, presence in the U.S. OLPP market. We do not disagree with the proposition advanced by AASPS that this continued presence demonstrates that neither Indonesian producers generally or Tjiwi in particular have demonstrated any propensity to withdraw from the U.S. market. Indeed, this is one basis why we did not find the subject imports from Indonesia to have no discernible likely adverse impact. Nevertheless, for the reasons indicated in this discussion, any slight increase upon revocation in the minimal levels of subject imports from Indonesia observed during the period of review is not likely to be significant.

²⁹⁴ See Purchasers’ Questionnaire Responses of ***; see also Tjiwi’s Prehearing Brief at Exhibit 6 (environmental procurement policies of Staples, Office Depot, and Levi Strauss).

on purchases of CLPSS from Indonesia, making it less likely that such imports could increase significantly within a reasonably foreseeable time.

For all of these reasons, we conclude that revocation of the orders on subject imports from Indonesia would not likely result in a significant increase in subject imports from Indonesia within a reasonably foreseeable time.²⁹⁵

2. Likely Price Effects

We conduct our analysis of likely price effects in light of our finding that there is a moderate to high degree of interchangeability between subject imports from each of the sources and the domestic like product, and that price is an important factor in the U.S. LPP market, as detailed in sections III.C and IV.C.3 above. Nevertheless, based on our finding that revocation would not likely result in a significant increase in subject import volume from Indonesia, we conclude that the likely volume of subject imports from Indonesia after revocation would likely be insufficient to have any significant adverse effects on prices for the domestic like product.²⁹⁶

We recognize that subject imports from Indonesia predominantly undersold the domestic like product during the period examined in the original investigations, in 39 of 39 quarterly comparisons with an average margin of *** percent.²⁹⁷ As addressed above, however, Tjiwi currently lacks the incentive to increase significantly its exports to the United States within a reasonably foreseeable time. Specifically, we have found that Tjiwi has no excess capacity and no incentive to shift sales from home market and third country market customers to the U.S. market, due in part to the intensity of the price competition in the U.S. market. In light of this, we find it unlikely that Tjiwi would significantly reduce its current sales

²⁹⁵ U.S. importers reported *** inventories of subject imports from Indonesia. CR/PR at Table IV-5. Tjiwi reported an end-of-period inventory of *** pieces in 2011, equivalent to *** percent of their total shipments that year. CR/PR at Table IV-11. Tjiwi reports that *** percent of this inventory reflects product stockpiled to meet specific customer orders in third country markets, and is therefore not produced in sizes suitable for export to the United States. CR at II-8 n.13, II-9 n.16; PR at II-4 n.13, II-5 n.16; see also Tjiwi's Prehearing Brief at 28.

We are unpersuaded by AASPS's argument that Tjiwi could serve third country markets from inventory while using its capacity to increase significantly its exports to the United States. See AASPS's Final Comments at 11. Because school schedules vary by market, Tjiwi reportedly spreads CLPSS production over the year and builds up inventories for the purpose of satisfying back to school orders from customers in third country markets at different points of the year. Tjiwi's Prehearing Brief at 28. Consequently, while Tjiwi is drawing from inventory to satisfy specific customer orders, it must use its capacity to produce inventory earmarked for different customers. It could not use its capacity to increase significantly exports to the United States without foregoing sales to existing customers, and we find it unlikely that Tjiwi would shift a significant volume of exports from third country markets to the United States for the reasons addressed above.

There are no known antidumping or countervailing duty investigations or determinations on CLPSS from Indonesia in any other country. CR at IV-9; PR at IV-7.

²⁹⁶ No sales price or bid data were reported for subject imports from Indonesia during the period of review. CR at V-5 n.47; PR at V-4 n.47; CR/PR at Table V-11. *** reported direct purchases of products 1-4 from Indonesia in the first quarter of 2006. Id. Although *** purchase price for each of these products was *** than the corresponding sales prices of the domestic like product, CR/PR at Tables V-2-6, purchase prices are at a different level of trade than sales prices. In light of the very limited purchase price data available and the absence of sales price data on subject imports from Indonesia, we draw no conclusions from the purchase price data pertaining to subject imports from Indonesia during the period of review. Moreover, *** reported purchase price data based upon the estimated arrival date of its direct imports of CLPSS from Indonesia, rather than the actual entry date of such imports. CR at V-5 n.47; PR at V-4 n.47.

²⁹⁷ CR/PR at Table V-10 n.1.

to home market and third country market customers in favor of sales to U.S. customers at prices that undersell the domestic like product to a significant degree.

Thus, we find that subject imports from Indonesia are not likely to significantly undersell the domestic like product or suppress or depress domestic like product prices to a significant degree after revocation.

3. Likely Impact²⁹⁸

We evaluate the likely impact of subject imports from Indonesia in light of our finding that the domestic industry is not vulnerable to the continuation or recurrence of material injury, detailed in section IV.D.3 above. In light of this, and given that we do not find it likely that subject imports from Indonesia will increase significantly in terms of volume or have significant adverse price effects, we find that revocation of the antidumping duty and countervailing duty orders on subject imports from Indonesia would not likely lead to a significant adverse impact on the domestic industry within a reasonably foreseeable time.

For all of the foregoing reasons, we conclude that if the antidumping duty and countervailing duty orders were revoked, subject imports from Indonesia would not be likely to lead to continuation or recurrence of material injury to the domestic industry within a reasonably foreseeable time.

CONCLUSION

For all the foregoing reasons, we determine that revocation of the countervailing duty order on CLPSS from India and the antidumping duty orders on CLPSS from China and India would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.²⁹⁹ We also determine that revocation of the countervailing duty order and the antidumping duty order on CLPSS from Indonesia would not be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.³⁰⁰

²⁹⁸ Section 752(a)(6) of the Act states that “the Commission may consider the magnitude of the margin of dumping or the magnitude of the net countervailable subsidy” in making its determination in a five-year review. 19 U.S.C. § 1675a(a)(6). The statute defines the “magnitude of the margin of dumping” to be used by the Commission in five-year reviews as “the dumping margin or margins determined by the administering authority under section 1675a(c)(3) of this title.” 19 U.S.C. § 1677(35)(C)(iv). See also SAA at 887. Commerce calculated likely antidumping duty margins of 97.85 to 118.63 percent and likely countervailing duty margins of 40.55 percent for exporters in Indonesia. CR/PR at Tables I-5-6.

²⁹⁹ Commissioners Okun, Pearson, and Johanson dissenting with respect to subject imports from India.

³⁰⁰ Chairman Williamson dissenting.

SEPARATE VIEWS OF COMMISSIONER SHARA L. ARANOFF ON CUMULATION

Commissioner Aranoff finds that subject imports from Indonesia will likely compete in the U.S. market under significantly different conditions of competition than subject imports from China and India for a number of reasons. First, imports of CLPSS from the subject countries have exhibited different trends over the period of review, with imports from Indonesia virtually exiting the U.S. market while imports from China and India maintained a significant presence. Between 2006 and 2011, subject imports from China ranged between 120.2 million pieces and 159.6 million pieces, and subject imports from India ranged between 24.2 million pieces and 43.9 million pieces. These imports from China accounted for 10.5 to 14.0 percent of apparent U.S. consumption over the same period, and the imports from India accounted for between 2.1 and 4.0 percent of apparent U.S. consumption. CLPSS imports from Indonesia, however, ranged between 3.2 and 8.3 million pieces between 2006 and 2011 and their share of apparent U.S. consumption ranged between *** and *** percent during the same period.¹

Based on the narrower measure of subject import volume for 2010 and 2011, CLPSS imports from China were 24.0 million pieces in 2010 and 17.5 million pieces in 2011, which accounted for 2.5 percent and 1.9 percent of apparent U.S. consumption, respectively. Subject imports from India were 32.8 million pieces in 2010 and 25.5 million pieces in 2011, which accounted for 3.5 percent and 2.8 percent of apparent U.S. consumption, respectively. Subject imports from Indonesia, however, were only 2.2 million pieces in 2010 and 1.6 million pieces in 2011. These import volumes accounted for just 0.2 percent of apparent U.S. consumption in each year.²

The volume of OLPP imports from the subject countries show similarly disparate trends. Imports of OLPP from both China and India increased significantly over the period of review, with imports from China increasing 45.1 percent and imports from India increasing 250.0 percent, while imports of OLPP from Indonesia declined 81.6 percent between 2006 and 2011.³ Given that OLPP imports are not subject to any antidumping or countervailing duty orders, this demonstrates the Indonesian producers' lack of interest and/or inability to serve the U.S. lined paper market even without the restraining effect of an order. By contrast, producers in China and India have shown an active interest in the U.S. lined paper market as well as an ability to significantly increase their lined paper exports to the United States.

In addition, the Indonesian industry has become less export-oriented over the period of review while the industries in China and India have increased their export-orientation. Unlike the industries in China and India, the lined paper products industry in Indonesia is dominated by a single large producer, PT Pabrik Kertas Tjiwi Kimia ("Tjiwi").⁴ Over the period of review, Tjiwi's exports of CLPSS declined as a percentage of its total shipments, while shipments to its home market increased, and Tjiwi reported no exports of CLPSS to the United States.⁵ Thus, the dominant Indonesian producer has become less export-oriented over the review period. The available information regarding the industry in China,

¹ CR/PR at Table I-1.

² CR/PR at Tables I-12 & I-13.

³ CR/PR at Table C-3.

⁴ Subsequent to filing its response to the Commission's Notice of Institution, in which it provided only one name of a known Indonesian producer (Tjiwi), the Association of American School Paper Suppliers ("AASPS") provided names of additional potential Indonesian producers of subject merchandise. See AASPS Posthearing Brief at 10. AASPS does not dispute, however, that Tjiwi Kimia is the dominant producer of subject merchandise in Indonesia. Moreover, there is no information on the record in these reviews or in the original investigations showing that any Indonesian producer besides Tjiwi Kimia has exported subject merchandise to the United States. See CR/PR at IV-2, n.8 & CR at IV-19; PR at IV-16; Original Investigations Confidential Staff Report at VII-8 & n.33.

⁵ CR/PR at Table IV-11. Tjiwi asserts that it stopped exporting CLPSS to the United States after December 2005. Tjiwi's Prehearing Brief at 6. The record supports this assertion as Customs data show that ***. See CR/PR at IV-2 n.8.

however, shows that during the period of review, China became the world's largest paper and paperboard producer and became a net exporter of paper products. The Chinese government also named the paper industry as a new source of economic growth in its most recent five-year plan and, thus, appears focused on growing this sector further.⁶ The responding Indian producers' data show a significant increase in total CLPSS exports, as well as an absolute increase in exports of CLPSS to the U.S. and an increase in the percentage of their total shipments directed to the United States. Thus, the responding Indian producers' data demonstrate an increasing level of export-orientation and an increased reliance on the U.S. market.⁷

Tjiwi also reported capacity utilization rates of *** percent or higher over the last five years of the period and, thus, does not have excess capacity with which it could significantly increase exports of subject merchandise to the United States.⁸ The responding Indian producers reported much lower capacity utilization rates throughout the period and had excess capacity of 14.4 million pieces in 2011.⁹ Although the record contains no specific capacity and production data for producers in China, given the significant increase in production of paper and paperboard products and China's focus on continued growth in this area, it is likely that they have the ability to increase exports to the U.S. were the order to be revoked. In light of Tjiwi's reduced export-orientation, its current high level of capacity utilization and its extremely limited interest in the U.S. lined paper products market over the period of review, Commissioner Aranoff finds that if the orders are revoked, subject imports from Indonesia will not compete in the United States under the same conditions of competition as subject imports from China and India, which have shown a consistent focus on the U.S. market during the period of review.

Finally, imports of CLPSS from Indonesia face an additional condition of competition that limits their ability to compete in the U.S. market to the same extent as subject imports from China and India. The main purchaser of Indonesian CLPSS in the original investigation was *** and this customer has explicitly stated it will no longer purchase CLPSS, or other lined paper products, from Tjiwi due to a lack of environmental certification for sustainable forestry practices.¹⁰ Another large purchaser of CLPSS, ***, also stopped buying products from Tjiwi and has indicated that Indonesian producers may have difficulty selling their product in the U.S. market because of environmental concerns.¹¹ By contrast, there is no evidence that environmental concerns affect imports from China and India to a significant degree. Indian producers contend that environmental certification is not usually required for their lined paper products because they primarily use recycled paper or non-wood pulp in the production process.¹² There is limited information on the record regarding the industry or production processes in China, but the significant volume of CLPSS imports and the increasing volume of OLPP imports from China demonstrate that environmental concerns are not a significant impediment for Chinese producers' sales of lined paper products to the United States. Thus, Tjiwi's inability to obtain environmental certification for its lined paper products places it at a competitive disadvantage compared to producers in other subject countries and limits at least a portion of the U.S. market to which it could export CLPSS.

⁶ CR at IV-13.

⁷ CR/PR at Table IV-9.

⁸ CR/PR at Table IV-11. ***. Foreign Producers' Questionnaire Response of Tjiwi at Question II-5. ***. Id. at Question II-7. Accordingly, it is unlikely that Tjiwi would shift production from OLPP to CLPSS in order to increase exports of CLPSS to the United States if the order is revoked.

⁹ CR/PR at Table IV-9.

¹⁰ See Tjiwi's Prehearing Brief at 35 & Exhibit 9.

¹¹ See Tjiwi's Posthearing Brief at 6 n.9 & Q-6; CR at D-16; PR at D-4. In addition to *** and ***, multiple other purchasers reported that environmental and sustainability considerations factored into their purchasing decisions when buying CLPSS. See, e.g., Purchasers' Questionnaire Responses of ***.

¹² CR at II-18; PR at II-11.

For these reasons, Commissioner Aranoff exercises her discretion not to cumulate subject imports from Indonesia with those from China and India for purposes of evaluating the likelihood of continuation or recurrence of material injury if the orders subject to these reviews are revoked.

CONCURRING VIEWS OF COMMISSIONER DEAN A. PINKERT ON CERTAIN LINED PAPER SCHOOL SUPPLIES FROM INDONESIA

Based on the record in these five-year reviews, I determine under section 751(c) of the Tariff Act of 1930, as amended (the Act), that revocation of the antidumping and countervailing duty orders on certain lined paper school supplies (“CLPSS”) from Indonesia would not be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time. My central finding, explained below, is that, in the event of revocation, there is likely to be no discernible adverse impact by reason of imports of the subject merchandise from Indonesia.

I. Likelihood Of No Discernible Adverse Impact In The Event Of Revocation By Reason Of Subject Merchandise From Indonesia

I find that imports of the subject merchandise from Indonesia would likely have no discernible adverse impact on the domestic industry if the orders on Indonesia were revoked. I have therefore not cumulated imports from Indonesia with imports from any other country for purposes of my analysis of likelihood of continuation or recurrence of material injury.

During the original period of investigation, the quantity of subject imports from Indonesia declined from 39.0 million pieces in 2003 to 35.0 million pieces in 2004, and then increased to 39.3 million pieces in 2005. The market penetration of subject imports declined from *** percent in 2003 to *** percent in 2004 and then increased to *** percent in 2005.¹

During the review period, in 2006, subject imports² declined to 3.2 million pieces.³ Official import statistics indicate that, between 2006 and 2011, the volume of subject imports generally fluctuated between 3.2 million pieces and 5.0 million pieces (with the exception of 2009, when it reached 8.3 million pieces).⁴ The market penetration of subject imports generally ranged from 0.3 to 0.4 percent between 2006 and 2011 (with the exception again of 2009, when it reached 0.8 percent).⁵ The volume of subject imports was 2.2 million pieces in 2010 and 1.6 million pieces in 2011, with a market penetration of 0.2 percent in both of those years.⁶

¹ CR/PR at Table I-1.

² The pertinent harmonized tariff rate schedule (HTS) classifications changed during the review period. Specifically, a residual classification covering subject and nonsubject merchandise was subdivided into three separate classifications. One of these three HTS classifications, 4820.10.2060, contains nonsubject merchandise, while the other two contain subject merchandise. I have generally analyzed volume trends relying on a broader category of data that includes merchandise imported under HTS 4820.10.2060, in order to make apples-to-apples comparisons over time. When I specifically reference volume data for 2010 and 2011, however, I rely on a narrower category of data which excludes nonsubject merchandise under HTS 4820.10.2060 in order to reflect accurately the most recent CLPSS import volumes.

³ CR/PR at Table I-1.

⁴ CR/PR at Table IV-1.

⁵ CR/PR at Table I-11.

⁶ CR/PR at Table I-13 and Table IV-2 (excluding nonsubject merchandise under HTS 4820.10.2060).

P.T. Pabrik Kertas Tjiwi (“Tjiwi”) challenges these import data. Tjiwi is the only significant producer of CLPSS in Indonesia and the only known exporter from Indonesia to the United States. Tjiwi is believed to have accounted for *** percent of Indonesian production in 2011.⁷ Tjiwi states that it ceased exporting to the United States after December 2005, that imports of subject merchandise from Indonesia were at, or close to, zero during the review period, and that the volume data on subject merchandise from Indonesia largely consists of out-of-scope merchandise.⁸ Even using the data questioned by Tjiwi, however, it appears that subject merchandise from Indonesia virtually abandoned the U.S. market after the orders were imposed.

I note that Tjiwi’s capacity utilization was *** percent in 2007, *** percent in 2008, *** percent in 2009, *** percent in 2010, and *** percent in 2011.⁹ Thus, there is essentially no excess capacity that could be used to send exports to the United States. Tjiwi’s inventories are already designated for specific customer orders or specific markets, and it has no plans to expand its capacity.¹⁰ Although Tjiwi could theoretically shift production from other lined paper products (“OLPP”) to CLPSS, that is not likely to happen in light of the fact that Tjiwi’s production of all lined paper products was at, or close to, full capacity from 2008 to 2011.¹¹

Moreover, Tjiwi has very limited interest in the U.S. market. It is especially noteworthy in this regard that Tjiwi did not export CLPSS to the United States during the review period.¹² In addition, the 2011 bidding data do not reflect any bids by Tjiwi to win contracts to sell to large U.S. CLPSS purchasers, U.S. importers do not hold any inventories from Tjiwi, and only one U.S. importer ordered product from Tjiwi in 2012 (*** pieces).¹³ Similarly, imports of OLPP from Indonesia have decreased sharply.¹⁴

⁷ CR at IV-19; PR at IV-16. Tjiwi is the only Indonesian producer that submitted a questionnaire response in the original investigations or in these reviews and the only Indonesian producer listed in AASPS’ Response to the Notice of Institution for these reviews. CR at IV-19; PR at IV-16. Tjiwi Posthearing Brief, Exhibit 16. Tjiwi is part of the Asia Pulp and Paper Group (“APP”). Tjiwi’s “basic business objective” in producing CLPSS is to add value to its own manufactured paper, which is made from Indonesian wood fiber and has not received certification for observing sustainable forestry practices. Hearing Transcript (“Tr.”) at 186-87 (Alfian); CR at IV-19; PR at IV-16.

Although AASPS identifies ***, Tjiwi identifies ***. AASPS Prehearing Brief at 24-25; Tjiwi Foreign Producer Questionnaire Response at Question III-16. AASPS says that one of these producers provide envelopes to the U.S. market. Envelopes, however, are not lined paper products, and, therefore, not CLPSS.

⁸ Tjiwi Prehearing Brief at 6, 20-23. Tjiwi Posthearing Brief at 4. Tr. at 182 (Alfian). Commission staff has examined Customs import data to ascertain whether there were any subject imports from Indonesia during the period of review on which duties were paid. These data indicate that the ***. CR at IV-2 n.8. PR at IV-2, n.8.

⁹ CR/PR at Table IV-11.

¹⁰ Tjiwi Prehearing Brief at 28, 30. Tr. at 183-84 (Alfian). Tjiwi states that its increases in reported capacity measured in units over the review period reflect changes in product mix. Tjiwi Prehearing Brief at 16-17, 29-30.

¹¹ CR/PR at Table IV-10.

¹² Tjiwi Prehearing Brief at 21.

¹³ CR/PR at Table IV-4, Table IV-5, and Table V-11.

¹⁴ Tjiwi Posthearing Brief at 4.

Tjiwi's lack of focus on the U.S. market in part reflects that it faces a significant barrier in selling CLPSS in the United States in that it cannot obtain environmental certification from entities such as the Programme for the Endorsement of Forest Certification and the Forest Stewardship Council (FSC).¹⁵ This has caused large U.S. purchasers to look for other suppliers.

In 2008, Tjiwi lost ***, its primary customer prior to the antidumping and countervailing duty orders, because of its lack of environmental certification.¹⁶ *** also ceased purchasing OLPP from Tjiwi during the review period.¹⁷ Overall, imports of OLPP from Indonesia decreased by 81.6 percent from 2006 to 2011, from 59.3 million pieces in 2006 to 10.9 million pieces in 2011.¹⁸

Several large purchasers reported that their CLPSS sourcing decisions are predicated in part on environmental, social compliance, and sustainability considerations.¹⁹ Tjiwi has provided several retailers' policies on environmental certification.²⁰ In response to a question as to the likely effect of revocation, ***,²¹

Tjiwi has a business strategy of ***, where it maintains that demand for its products has decreased due to environmental concerns.²²

In its home market, Tjiwi's shipments surged from *** pieces in 2006 to *** pieces in 2011 (constituting *** percent of its total shipments in 2006 and *** percent in 2011).²³ Tjiwi asserts that it ***.²⁴

Outside of Indonesia, Tjiwi focuses its sales on markets where purchasers have less pricing power than in the United States, prices are higher, and prices are negotiated rather than determined through a bidding process.²⁵ Tjiwi's sales to Asia increased from *** pieces in 2006 to *** pieces in 2011. Its

¹⁵ These entities will provide certification only to paper produced from timber harvested using sustainable forest management principles. Tjiwi Prehearing Brief at 32-33. Tjiwi's products cannot qualify for FSC certification because FSC requirements effectively prevent certification for paper products sourced from plantations certified after November 1994, and Indonesia did not certify plantations until 1996. Tjiwi Prehearing Brief at 34; Tr. at 185-86 (Alfian).

¹⁶ Tjiwi Prehearing Brief at 7 & Exhibit 9. Tr. at 186 (Alfian). Tjiwi Posthearing Brief at 6 & n.9. *** accounted for approximately *** percent of Tjiwi's U.S. CLPSS sales prior to the imposition of the antidumping and countervailing duty orders. Tjiwi Prehearing Brief at 7.

¹⁷ CR at II-18, D-16, D-18-19. PR at II-11, D-5. Tjiwi Posthearing Brief at Q-6. Purchaser Questionnaire Response of Target at Question III-28.

¹⁸ CR/PR at Table C-3.

¹⁹ See Purchasers' Questionnaire Responses of ***. See also Tjiwi Posthearing Brief at Q-3-Q-6.

²⁰ Tjiwi Prehearing Brief, Exhibit 6. AASPS acknowledges that many large U.S. purchasers have policies concerning environmental standards, but contends that these policies are typically hortatory and rarely require that suppliers furnish particular environmental certifications. AASPS Posthearing Brief, Exhibit 1 at 21. One of its industry witnesses, however, submitted a declaration stating that the witness was aware that Staples had a written objection to purchasing paper from APP for environmental reasons and that three of his company's other U.S. customers – *** – had expressed to him that their firms did not want to purchase APP paper for environmental reasons. AASPS Posthearing Brief, Exhibit 10A.

²¹ CR at D-18; PR at D-5. See also CR at D-19, PR at D-5. Tjiwi reports that its inability to provide FSC certification caused its CLPSS exports to Canada, which are not subject to trade remedy orders, to decline sharply between 2005 and 2011. Tjiwi Prehearing Brief at 37-38.

²² Tjiwi's Prehearing Brief at 27-28, 40. Tr at 182-83 (Alfian).

²³ CR/PR at Table IV-11.

²⁴ CR at D-22; PR at D-6. Although AASPS argues that Tjiwi can reconfigure its equipment to produce CLPSS in the dimensions sold in the U.S. market, AASPS Posthearing Brief, Exhibit 1 at 10, there is no clear incentive for Tjiwi to do so. Moreover as discussed above, certain large U.S. purchasers are not interested in purchasing CLPSS from Tjiwi.

²⁵ CR at D- 23; PR at D-6. See also Tr. at 183-85. Tjiwi's business strategy is not surprising given that it is at full

sales to “All Other Markets,” ***, increased from *** pieces in 2006 to *** in 2011.²⁶

Given the foregoing facts, the likely volume of subject merchandise from Indonesia in the event of revocation is minimal, which necessarily means that the likely amount of underselling in the event of revocation is minimal. Consequently, subject merchandise from Indonesia would not likely have suppressing or depressing effects on U.S. prices. As discussed in IV.D.3. of the Views of the Commission, the financial performance of the domestic industry is robust. Accordingly, the likely volume of subject merchandise from Indonesia in the event of revocation would not likely have a discernible adverse impact on the domestic industry.

II. Revocation Of The Orders On Imports Of The Subject Merchandise From Indonesia Would Not Likely Lead To Continuation Or Recurrence Of Material Injury Within A Reasonably Foreseeable Time

In section I. above, I find that imports of CLPSS from Indonesia would be likely to have no discernible adverse impact on the domestic industry if the antidumping and countervailing duty orders were revoked. It necessarily follows from this determination that such imports would be unlikely to cause material injury to the domestic industry. The minimal likely volume of subject merchandise from Indonesia that would enter the U.S. market would not likely have adverse effects on U.S. prices, nor would it have an adverse impact on an industry that is not vulnerable.

Accordingly, I determine that revocation of the antidumping and countervailing duty orders on CLPSS from Indonesia would not be likely to lead to continuation or recurrence of material injury to the domestic industry within a reasonably foreseeable time.

capacity and that it states that, prior to the orders, *** used its considerable purchasing power to put downward pressure on Tjiwi’s prices, resulting in *** of profitability on U.S. sales. CR at D-22; PR at D-6. See also Tr. at 181. (Alfian). In addition, I note that there are no known antidumping or countervailing duty investigations or determinations in third markets. CR at IV-9; PR at IV-7.

²⁶ CR/PR at Table IV-11. Tjiwi Questionnaire Response, Attachment II-14c.

**ADDITIONAL AND DISSENTING VIEWS OF COMMISSIONERS
DEANNA TANNER OKUN, DANIEL R. PEARSON, AND DAVID S. JOHANSON**

I. INTRODUCTION

Based on the record in these reviews, we determine, under section 751(c) of the Tariff Act of 1930, as amended (“the Act”),¹ that revocation of the antidumping duty order on imports of certain lined paper school supplies (“CLPSS”) from China would be likely to lead to the continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time. We further determine that revocation of the antidumping duty orders and countervailing duty orders on CLPSS from India and Indonesia would not be likely to lead to the continuation or recurrence of material injury within a reasonably foreseeable time. Accordingly, we join in the affirmative determination reached by our colleagues with respect to subject imports from China and the negative determination with respect to subject imports from Indonesia. We write separately because our analysis with respect to China is different as we do not cumulate subject imports from China with subject imports from India or Indonesia, and because we reach a negative determination with respect to subject imports from India.

Consequently, these views consist of: (1) an analysis of why, based on this record, we do not exercise our discretion to cumulate subject imports from any of the three subject countries, (2) our affirmative determination on subject imports from China, and (3) our negative determination on subject imports from India. We join the discussion of background (section I), domestic like product and industry (section II), legal standards and findings in the original investigations (sections IV.A-IV.B), conditions of competition and the business cycle (section IV.C), and the likely injury analysis for subject imports from Indonesia (section IV.E), as set forth in the majority views.

II. CUMULATION

Section 752(a) of the Act provides that:

the Commission may cumulatively assess the volume and effect of imports of the subject merchandise from all countries with respect to which reviews under section 1675(b) or (c) of this title were initiated on the same day, if such imports would be likely to compete with each other and with domestic like products in the United States market. The Commission shall not cumulatively assess the volume and effects of imports of the subject merchandise in a case in which it determines that such imports are likely to have no discernible adverse impact on the domestic industry.²

Thus, cumulation is discretionary in five-year reviews. The Commission, however, may exercise its discretion to cumulate only if the reviews are initiated on the same day and the Commission determines that the subject imports are likely to compete with each other and the domestic like product in the U.S. market. The statute precludes cumulation if the Commission finds that subject imports from a country are likely to have no discernible adverse impact on the domestic industry.³ We note that neither the statute nor the Uruguay Round Agreements Act (“URAA”) Statement of Administrative Action (“SAA”) provides specific guidance on what factors the Commission is to consider in determining that subject imports “are likely to have no discernible adverse impact” on the domestic industry.⁴

¹ 19 U.S.C. § 1675(c).

² 19 U.S.C. § 1675a(a)(7).

³ 19 U.S.C. § 1675a(a)(7).

⁴ SAA, H.R. Rep. No. 103-316, vol. I (1994).

In the original investigations, the Commission majority finding material injury by reason of imports of CLPSS from China, India, and Indonesia determined to cumulate imports of CLPSS from all three subject countries, on the basis that there was a reasonable overlap of competition of such imports with each other and with the domestic like products in the U.S. market.⁵ In their dissenting views, in making determinations of threat of material injury, the three dissenting Commissioners declined to exercise their discretion to cumulate subject imports from China with those from India and Indonesia.

In these reviews, the statutory requirement that all reviews be initiated on the same day is satisfied as the Commission initiated all the reviews on August 1, 2011.⁶ We do not exercise our discretion to cumulate imports of CLPSS from China with those from India and/or Indonesia because we find that subject imports of CLPSS from each of the three subject countries would likely face different conditions of competition in the U.S. market if the orders were revoked. Subject producers in the three countries are likely to operate differently from each other in the U.S. market based on pre-order differences in volume and pricing trends among the subject sources, along with differences in the subject countries' channels of distribution, export orientation, capacity and capacity utilization levels, and industry structures.

As an initial matter, in view of the counterfactual nature of our determinations in five-year reviews, we consider a country's experience during the period examined in the original investigation -- the last period during which the country competed free from the restraints of an antidumping or countervailing duty order -- in analyzing the likely volume and pricing patterns of a subject country supplier in the event of revocation of an order. In this regard, the dissenting Commissioners in the original investigations noted that, with respect to subject import volume and pricing patterns during the period examined: "These differing import levels and trends clearly indicate that, in the absence of antidumping and countervailing duty orders in these investigations, imports from subject sources would have very different impacts on the U.S. industry."⁷

This conclusion applies with equal force in these reviews. First, it is significant that, during the original investigations, subject imports from China, India, and Indonesia exhibited substantially different trends in volume and market share. Specifically, imports from China increased steadily throughout the period, with a particularly sharp increase in 2005, whereas imports from Indonesia first declined in 2004, then increased in 2005 to a level just slightly above their 2003 level, and imports from India steadily declined throughout the period.⁸ Moreover, the volume of imports from China was much larger than either imports from India or Indonesia, ranging from at least four times larger in 2003 to over eight times larger in 2005. Similarly, by the end of the period examined, the market share of subject imports from China was over eight times that of imports from Indonesia, and 11 times that of imports from India.^{9 10}

⁵ Original Determinations, USITC Pub. 3884, at 23.

⁶ 76 Fed. Reg. 45,851 (Aug. 1, 2011).

⁷ Original Determinations, USITC Pub. 3884, at 64 (Separate and Dissenting Views of Chairman Daniel R. Pearson and Commissioners Jennifer A. Hillman and Deanna Tanner Okun ("Original Dissent").

⁸ Subject imports from China increased from 186 million pieces in 2003 to 221 million pieces in 2004, and then increased more sharply to 346 million pieces in 2005, for an overall increase of 86 percent. By contrast, imports from India declined from 37.2 million pieces in 2003 to 36.0 million pieces in 2004, then declined again, but more rapidly, to 31.3 million pieces in 2005, for an overall decline of 15.9 percent. For their part, imports from Indonesia fluctuated, first declining from 39.0 million pieces in 2004 to 34.9 million pieces, then increasing to 39.3 million pieces in 2005, for an overall increase of only 0.8 percent. CR/PR at Table I-1.

⁹ During the period examined in the original investigations, the market share of imports from China increased from *** percent in 2003, to *** percent in 2004, and again to *** percent in 2005. In contrast, the market shares of imports from India and Indonesia, which were much lower, declined overall. The market share of imports from India declined steadily from *** percent in 2003 to *** percent in 2005. The market share of imports from Indonesia declined irregularly from *** percent in 2003 to *** percent in 2005. CR/PR at Table I-1.

¹⁰ With the orders in place, the volume trends continued to be different. Subject imports from China and their (...continued)

Second, with regard to pre-order pricing trends, imports from Indonesia exclusively undersold the domestic like product at high margins, whereas imports from India mostly oversold.¹¹ With regard to imports from China, although there were more quarters in which imports from China oversold the domestic like product, on a weighted-average basis imports from China predominantly undersold, inasmuch as imports from China that were undersold accounted for 88 percent of the volume of the subject merchandise from China considered in pricing comparisons.¹² Accordingly, price trends among the subject imports prior to imposition of the orders were significantly different.

Third, the comparative degrees of export orientation among the three countries have been markedly different, both during the period examined in the original investigations and, to a lesser extent, during the period of review. In the original investigations, the Chinese industry was substantially export-oriented, with exports accounting for *** percent of all shipments, and shipments to the United States accounting for *** percent of its total shipments by the end of the period examined, a substantial increase from earlier in the period.¹³ On the other hand, the share of total shipments made to the U.S. market for both India and Indonesia declined during the original investigation period. Thus, although the industries in Indonesia and India were export-oriented, they were gradually decreasing their dependence on the U.S. market during the period examined in the original investigations, in contrast to the Chinese industry. Similarly, although the industry in India increased its degree of export orientation during the review period, it was less export-oriented than either the Indonesian industry or, based on the information available, the Chinese industry.¹⁴

Fourth, record evidence indicates that imports from India currently move in different channels of distribution from imports from China. In particular, although importers from all three countries sold primarily to retailers during the period of review, importers from India reported more sales to end users, indicating that the importers themselves were retailers that were importing directly from the Indian producers, as opposed to importers from China, who acted as middlemen.¹⁵

Fifth, with regard to current capacity in the subject countries, although capacity increased during the period of review in all three countries, at the close of the period there was little excess capacity in

share of apparent U.S. consumption declined over the period. CR/PR at Tables I-1, I-12-13. The volume levels and trends of subject imports from India and Indonesia differed as well. India's limited CLPSS imports increased overall with the orders in place, though they never exceeded 4.0 percent of the market. CR/PR at Tables I-1, I-12-13. The volume of subject imports from Indonesia fluctuated, capturing below 1.0 percent of the market in every year of the period. CR/PR at Tables I-1, I-12-13. Due to changes in the harmonized tariff schedule in July 2009, there are two measures of subject import volume as outlined by the majority in section III.B of its opinion. In the text that follows, we cite the broader measure, but we note that our reasoning for both the cumulation and injury analyses would be the same under either measure.

¹¹ CR/PR at Table V-10 n.1. For Indonesia, there were *** instances of underselling and no instances of overselling, with an average underselling margin of *** percent. In contrast, for India there were *** instances of underselling with an average margin of *** percent and *** instances of overselling with an average margin of *** percent.

¹² USITC Pub. 3884 at 64 (citing Original Final Phase Investigation Staff Report at Table V-8). We noted further that, with regard to imports from India, imports that were oversold accounted for 57 percent of the volume of subject merchandise from India considered in pricing comparisons.

¹³ CR at IV-13; PR at IV-11; Original Final Staff Report, INV-DD-117 (Aug. 15, 2006) at Table VII-1 (EDIS Doc. 460949).

¹⁴ CR/PR at Tables IV-9 & IV-11. For India, the share of shipments accounted for by exports increased irregularly from 38.7 percent in 2006 to 51.5 percent in 2011. For Indonesia, the share of shipments accounted for by exports decreased irregularly from *** percent in 2006 to *** percent in 2011. With regard to China, there is no information on the record that indicates that the industry is any less export-oriented now than during the period examined in the original investigation.

¹⁵ CR/PR at Table II-1; CR at II-2; PR at II-1. Because there were so few imports from Indonesia during the period of review, data on the channels of distribution used by importers from Indonesia are extremely limited, and no conclusions can be drawn from those data.

Indonesia, and although there was some excess capacity in India, the amount pales next to that likely existing in China.¹⁶ Although there are no capacity data for China during the period of review, during the original investigations Chinese capacity increased, was projected to increase, and there was considerable excess capacity. Responding firms reported a capacity increase of *** percent between 2003 and 2005, and excess capacity of *** million pieces in 2005.¹⁷ Although this amount of excess capacity does not at first appear substantial; we are mindful that in the original investigations the Commission received responses from only 3 of the 20 Chinese firms to which it had sent foreign producer questionnaires. The dissenting opinion noted, therefore, that substantial additional capacity likely existed in China to increase exports to the United States over and above the capacity reported by the three reporting producers and/or exporters.¹⁸ Hence, in these reviews, given that we have received no information from Chinese producers/exporters in response to our questionnaires, it is likely that current excess capacity in China far exceeds *** million pieces and likely accounts for a substantial share of 2011 apparent U.S. consumption.

Finally, the subject countries differ greatly in terms of industry structure. Production in Indonesia is very highly concentrated in a single producer, Tjwi Kimia, which is believed to account for *** percent of Indonesian production of CLPSS in 2011.¹⁹ In contrast, the industries in China and India consist of hundreds of small producers, although a small number of Indian producers account for the bulk of production and exports to the United States.²⁰ Eight firms are believed to account for *** percent of Indian production of CLPSS in 2010 and accounted for 91.0 percent of total Indian imports to the United States in 2011.²¹

Accordingly, based on the information in the record, we find significant differences in the likely conditions of competition that subject imports from China, India, and Indonesia would face in the U.S. market. Therefore, we do not exercise our discretion to cumulate subject imports of CLPSS from China, India, and Indonesia.

III. REVOCATION OF THE ANTIDUMPING DUTY ORDER ON SUBJECT IMPORTS FROM CHINA WOULD LIKELY LEAD TO THE CONTINUATION OR RECURRENCE OF MATERIAL INJURY TO THE DOMESTIC INDUSTRY WITHIN A REASONABLY FORESEEABLE TIME

1. Likely Volume of Subject Imports

In evaluating the likely volume of imports of subject merchandise if the antidumping duty order is revoked, the Commission is directed to consider whether the likely volume of imports would be

¹⁶ With regard to the industry in Indonesia, capacity first increased rapidly from 108.8 million pieces in 2006 to 171.3 million pieces in 2008, then fluctuated irregularly during the remainder of the period, ending higher at 174.9 million pieces in 2011. In 2011, there were only *** pieces of excess capacity in Indonesia, an amount equal to *** percent of apparent U.S. LLP consumption. CR/PR at Table IV-11. With regard to the Indian industry, capacity increased steadily from 44.0 million pieces in 2006 to 85.1 million pieces in 2011. In 2011, there were 14.4 million pieces of excess capacity in the Indian industry, an amount equal to 1.29 percent of apparent U.S. LPP consumption. CR/PR at Table IV-9.

¹⁷ USITC Pub. 3884 at 67. Reported capacity of the Chinese industry increased from *** million pieces in 2003 to *** million pieces in 2005, and was projected to continue to increase, to *** million pieces, in 2007. Excess capacity in 2005 accounted for *** percent of apparent U.S. consumption in that year.

¹⁸ USITC Pub. 3884 at 67.

¹⁹ CR at IV-19; PR at IV-16.

²⁰ “Of the hundreds and hundreds of producers in India and the staff report correctly notes that it's a very fragmented industry, they are all, with one exception, small scale....” Hearing Transcript, p. 228 (Mr. Davis).

²¹ CR at IV-13, IV-15 n.27; PR at IV-11-IV-12 n.27.

significant either in absolute terms or relative to all production or consumption in the United States.²² In doing so, the Commission must consider “all relevant economic factors” including four enumerated factors: (1) any likely increase in production capacity or existing unused production capacity in the exporting country; (2) existing inventories of the subject merchandise, or likely increases in inventories; (3) the existence of barriers to the importation of such merchandise into countries other than the United States, and (4) the potential for product-shifting if production facilities in the foreign country, which can be used to produce the subject merchandise, are currently being used to produce other products.²³

Imports from China increased significantly during the original investigation. By quantity, subject imports from China rose 85.7 percent over the period, from about 186.3 million units in 2003 to 345.9 million units in 2005.²⁴ The share of apparent consumption captured by subject imports from China correspondingly rose from *** percent in 2003 to *** percent in 2005.²⁵ Responding Chinese firms reported capacity increases of *** percent over the same period, with *** million units of excess capacity reported in 2005. Reported production rose from about *** million units to *** million units from 2003 to 2005.²⁶ Additionally, reporting Chinese firms became increasingly dependent on the U.S. market during the original investigation, such that by 2005, *** percent of their shipments were exported to the U.S. and only *** percent were shipped to their home market.²⁷ Responding Chinese producers’ inventories *** from *** units in 2003 to *** units in 2005.²⁸

While imports of CLPSS from China declined sharply after imposition of the order, they maintained a substantial presence in the U.S. market.²⁹ Subject imports from China accounted for between *** percent and *** percent of U.S. apparent consumption over the period of review.³⁰ As in the original investigation, subject imports from China were by far the largest source of subject imports over the period of review, with annual quantities between 120.2 million pieces and 159.6 million pieces.³¹

The absolute and relative volumes of subject imports from China during the period of review indicate that China will likely maintain and strengthen its position as the largest single country supplier to the U.S. market in the event of revocation of the order. Import trends with respect to China’s OLPP -- the U.S. production of which is part of the domestic like product -- further support this conclusion. Unconstrained by any order, Chinese OLPP imports to the United States have grown rapidly from 182 million pieces in 2006 to 265 million pieces in 2011, an increase of 45.1 percent. OLPP imports from China increased their market share by *** percentage points over the period at the expense of both domestic and other subject producers.³²

The limited information available on China in this review offers little insight into the current condition of the Chinese industry.³³ The record does indicate that China became the world’s largest paper

²² 19 U.S.C. § 1675a(a)(2).

²³ Id.

²⁴ Original Staff Report, INV-DD-117 (Aug. 15, 2006) at Table C-1 (EDIS Doc. 460949).

²⁵ Confidential Original Determinations (“Original Determinations”) EDIS Doc. 460953 at 70.

²⁶ Original Staff Report, INV-DD-117 (Aug. 15, 2006) at Table VII-7 (EDIS Doc. 460949).

²⁷ Original Determinations at 71.

²⁸ Original Determinations at 71 n.115.

²⁹ CR/PR at Table I-1. Immediately after the order was entered, imports from China of CLPSS dropped from 345.9 million pieces to 159.6 million pieces in 2006. U.S. imports of CLPSS from China were 128.3 million pieces in 2007, 142.0 million pieces in 2008, 129.8 million pieces in 2009, 129.6 million pieces in 2010, and 120.2 million pieces in 2011.

³⁰ CR/PR at Table I-1.

³¹ Id.

³² CR/PR at Table C-3.

³³ There is no indication in the record that China faces barriers in any third country markets. See CR at IV-9; PR at IV-7. U.S. importers’ inventories of subject product from China were minimal in every year of the period after 2006. See CR/PR at Table IV-5. Additionally, we make no finding on product shifting capabilities in China, and do not rely on that factor for our determination.

producer in 2008, and produced 23 million metric tons of printing and writing paper of the kind used to manufacture LPP in 2010, having increased production of such paper by over 14 million metric tons in the previous ten years.³⁴ There is no evidence on this record that China has experienced any declines in capacity, production, or excess capacity since the original investigations. Additionally, the Chinese industry appears to remain export oriented, as it is currently the third largest paper exporter in the world in terms of value.³⁵

Given the continued significant presence of Chinese subject imports in the U.S. market, the relative size and export orientation of the Chinese paper industry, and the lack of any evidence of declines in the Chinese industry's capacity or production, we find that the volume of subject imports from China would likely be significant, both in absolute terms and relative to production and consumption in the United States, if the order were revoked.

2. Likely Price Effects of Subject Imports

In evaluating the likely price effects of subject imports if the antidumping duty order is revoked, the Commission is directed to consider whether there is likely to be significant underselling by the subject imports as compared to the domestic like product and whether the subject imports are likely to enter the United States at prices that otherwise would have a significant depressing or suppressing effect on the price of domestic like products.³⁶

In the original investigations, the Commission found that subject imports of CLPSS were generally substitutable for the domestic like product and that most sales are won or lost on price.³⁷ Subject imports from China undersold U.S. prices in 22 of 48 quarterly comparisons, or in 45.8 percent of comparisons.³⁸ However, 88 percent of the volume of subject imports from China was sold in quarters in which the Chinese product undersold the domestic product.³⁹

There are very limited pricing data for China on the record in these reviews. However, the record indicates that price continues to remain the most important factor in LPP purchasing decisions.⁴⁰ Additionally, most responding purchasers identified U.S. and Chinese product as comparable for all characteristics except for price, for which the product from China was rated as superior (i.e., lower).⁴¹

Due primarily to the likely significant volume of imports, but also to the importance of price in purchasing decisions and the general substitutability of subject and domestic product, we find that subject imports from China are likely to significantly undersell the domestic like product and suppress or depress domestic like product prices to a significant degree if the order is revoked.

3. Likely Impact of Subject Imports

In evaluating the likely impact of imports of subject merchandise if an antidumping duty order under review is revoked, the Commission is directed to consider all relevant economic factors that are likely to have a bearing on the state of the industry in the United States, including, but not limited to, the following: (1) likely declines in output, sales, market share, profits, productivity, return on investments,

³⁴ CR at IV-13; PR at IV-11.

³⁵ *Id.*

³⁶ 19 U.S.C. § 1675(a)(3). The SAA states that “[c]onsistent with its practice in investigations, in considering the likely price effects of imports in the event of revocation and termination, the Commission may rely on circumstantial, as well as direct, evidence of the adverse effects of unfairly traded imports on domestic prices.” SAA at 886.

³⁷ Original Determinations at 44-45.

³⁸ Original Dissent at 72.

³⁹ *Id.*

⁴⁰ CR at II-14; PR at II-11-II-12.

⁴¹ CR/PR at Table II-8.

and utilization of capacity; (2) likely negative effects on cash flow, inventories, employment, wages, growth, ability to raise capital, and investment; and (3) likely negative effects on the existing development and production efforts of the industry, including efforts to develop a derivative or more advanced version of the domestic like product.⁴² All relevant factors are to be considered “within the context of the business cycle and the conditions of competition that are distinctive to the affected industry.”⁴³ As instructed by the statute, we have considered the extent to which any improvement in the state of the domestic industry is related to the order at issue and whether the industry is vulnerable to material injury if the order were revoked.⁴⁴

In the original investigations, the Commission found that “[n]early all of the domestic industry’s trade and financial indicators displayed unfavorable trends that worsened during the period examined in the original investigation until the original petition was filed.”⁴⁵ The domestic industry’s net sales quantity of LPP fell *** percent over the period, and its capacity utilization fell 12.5 points to 48.6 percent in 2005.⁴⁶ The industry’s operating margin for LPP dropped *** points over the period, from *** percent in 2003 to *** percent in 2005.⁴⁷

The domestic industry’s condition improved appreciably during the period of review. The domestic industry has reported operating margins as high as 18.7 percent during the period and, despite the economic recession, was profitable in every year of the period.⁴⁸ In addition, the domestic industry posted healthy rates of return on its investment, ranging from 27.3 percent to 43.0 percent.⁴⁹ Given these consistently strong financial results, we do not find the domestic industry to be currently vulnerable. However, due to the likely significant volumes from China and the likely significant adverse price effects they would have in the U.S. market absent the order, we find that subject imports from China would likely have a significant adverse impact on the production, shipments, sales, market share, and revenues of the domestic industry. For these reasons, we conclude that if the antidumping duty order were revoked, subject imports from China would be likely to have a significant adverse impact on the domestic industry within a reasonably foreseeable time.⁵⁰

Accordingly, we determine that revocation of the antidumping duty order on CLPSS from China would likely lead to the continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.

IV. REVOCATION OF THE COUNTERVAILING DUTY ORDER AND ANTIDUMPING DUTY ORDER ON SUBJECT IMPORTS FROM INDIA WOULD NOT LIKELY LEAD TO THE CONTINUATION OR RECURRENCE OF MATERIAL INJURY TO THE DOMESTIC INDUSTRY WITHIN A REASONABLY FORESEEABLE TIME

1. Likely Volume of Subject Imports

Imports of CLPSS from India are not likely to reach significant levels after revocation of the

⁴² 19 U.S.C. § 1675a(a)(4)

⁴³ *Id.*

⁴⁴ 19 U.S.C. § 1675a(a)(1)(B),(C)

⁴⁵ Original Determinations at 49.

⁴⁶ Original Staff Report at Revised Table C-1.

⁴⁷ *Id.*

⁴⁸ CR/PR at Table C-1.

⁴⁹ CR/PR at Table III-12.

⁵⁰ In light of our likely volume and likely price effects findings respecting subject imports from China, and given the limited record respecting nonsubject imports of CLPSS and nonsubject country CLPSS industries, we are unpersuaded that, if the antidumping duty order on CLPSS from China were revoked, nonsubject imports would simply replace subject imports or break the requisite link between subject imports and the domestic industry’s condition.

orders. The industry in India has been a consistent, low-volume supplier of CLPSS to the U.S. market regardless of the presence or absence of the orders. During the original investigations, subject imports from India declined from 37.2 million pieces in 2003, to 36.0 million pieces in 2004, and to 31.3 million pieces in 2005 -- a period in which apparent U.S. consumption increased overall.⁵¹ After the orders were imposed, subject imports from India maintained their presence in the U.S. market, ranging from 24.2 million pieces (in 2006) to 43.9 million pieces (in 2009), and ending the period at 34.0 million pieces (in 2011), slightly above where they were at the end of the period examined in the original investigations.⁵² The share of apparent U.S. consumption of subject imports from India further demonstrates this consistent, limited level of participation in the U.S. market. During the original investigations, the share was *** percent in 2003 and declined overall to *** percent in 2005.⁵³ During the period of these reviews, Indian subject imports fluctuated from a low of 2.1 percent of apparent U.S. consumption in 2006 to a high of 4.0 percent in 2009, and were identical in 2011 to what they were in 2003, 3.1 percent of apparent U.S. consumption.⁵⁴

The absolute and relative volumes of subject imports from India during the period of review indicate that India will likely continue to play the role of steady, small supplier to the U.S. market in the event of revocation of the orders. Import trends with respect to India's non-subject OLPP -- the U.S. production of which, as noted, is part of the domestic like product -- further support this conclusion. Despite not being subject to any order, Indian OLPP import volumes to the United States have consistently remained low in absolute and relative terms,⁵⁵ trends that are similar to those exhibited by Indian OLPP imports during the original investigations.⁵⁶ Such trends do not depict an opportunistic supplier likely to increase import volumes significantly in the event of revocation.

We have also taken into consideration India's capacity and capacity utilization.⁵⁷ The data show an increase in capacity during the period of review.⁵⁸ In 2011, the Indian industry's capacity was 85.1 million pieces and its capacity utilization was 83.1 percent.⁵⁹ Excess capacity thus amounted to 14.3 million pieces, equivalent to 1.6 percent of apparent U.S. consumption in that year.⁶⁰ There is no evidence in the record of a likely significant increase in the Indian industry's capacity in the reasonably foreseeable future.

⁵¹ CR/PR at Table I-1 (between 2003 and 2005, apparent U.S. consumption increased from *** billion pieces to *** billion pieces).

⁵² CR/PR at Table I-1 (in 2005, they totaled 31.3 million pieces, as indicated above).

⁵³ CR/PR at Table I-1.

⁵⁴ CR/PR at Table I-1. In contrast, the share of CLPSS imports from China during these reviews ranged from 14 percent at the beginning of the period to 10.8 percent in 2011, well below their peak level of *** percent in the period examined in the original investigation. CR/PR at Table I-1.

⁵⁵ CR/PR at Table C-3 (e.g., 3.5 million pieces in 2010, amounting to *** percent of U.S. consumption of OLPP, or 6.3 million pieces in 2011, *** percent of consumption).

⁵⁶ See, e.g., Census Bureau statistics based on the HTS code designated by Staff as OLPP – 4820.10.2020. Import Statistics (Aug. 26, 2006), at 36-40 (EDIS Doc. 261139).

⁵⁷ We find that the data reported by eight Indian producers or exporters in these reviews are representative of the portion of the Indian industry that has been recently active in the United States market and is likely to continue to be active in the reasonably foreseeable future. The responding Indian producers estimated that they accounted for *** percent of Indian production of CLPSS in 2010. CR at IV-15; PR at IV-12. These producers' 2011 exports to the United States accounted for 91.0 percent of total subject imports from India in 2011. CR at IV-15, n. 27; PR at IV-12, n. 27. "I can assure you that anyone that has not responded to ITC questionnaire in this review is either insignificant, bankrupt, or no longer exporting." Hearing Transcript, p. 162 (Mr. Sampat).

⁵⁸ CR/PR at Table IV-9.

⁵⁹ CR/PR at Table IV-9. The Indian industry has operated with excess capacity since 2004, often with lower utilization rates than that evidenced in 2011. CR/PR at Table IV-9; Original Final Staff Report at Table VII-2.

⁶⁰ CR/PR at Tables IV-9, I-13 (which excludes an HTS subheading that captures subject and non-subject imports and is therefore more reliable though it necessarily understates apparent U.S. consumption).

India's paper and paperboard industry is highly fragmented, with about 600 operating mills, many of which are small.⁶¹ On a global scale, India remains a small supplier of CLPSS, and its export volumes do not remotely place it among the top exporting countries.⁶² In 2011, India exported slightly more CLPSS than it shipped to its home market, and approximately half of India's CLPSS exports were to the United States.⁶³ However, its largest market is and has always been its home market, to which it shipped 48.5 percent of its CLPSS production in 2011.⁶⁴ Moreover, projections are for growth in India's home market, due in part to increased investments in education by the Indian government.⁶⁵

Indian producers indicated that they ***.⁶⁶ End-of-period inventories of Indian product held by U.S. importers were minimal and do not support finding a likelihood of significantly increased volumes of subject imports absent the orders.⁶⁷ There is no record evidence that reporting Indian producers would likely engage in product shifting to increase exports to the U.S. market.⁶⁸ Nor are there any known antidumping duty or countervailing duty investigations on CLPSS from India in third countries that would make the United States a more attractive market if the orders were revoked.⁶⁹

For all of these reasons, we conclude that revocation of the orders on India is not likely to lead to a significant volume of subject imports from India in the reasonably foreseeable future.

2. Likely Price Effects of Subject Imports

We find that subject imports from India are not likely to undersell the domestic like product or depress or suppress U.S. prices to a significant degree after revocation of the orders. In the original investigations, CLPSS from India oversold the domestic product in the majority of available price comparisons (***), by an average margin of *** percent.⁷⁰ This trend continued during the period of review, in which the Indian product oversold the domestic product in 35 of 61 available price

⁶¹ CR at IV-14; PR at IV-11-IV-12.

⁶² See, e.g., CR/PR at Table IV-13 (listing India 22nd among countries exporting paper products). "India is a net importer of bulk paper. India doesn't have spare paper that it needs to find a way of value adding and get it out of the country as an export. India is importing paper." Hearing Transcript, p. 252 (Mr. Davis).

⁶³ CR/PR at Table IV-9 (51.5 percent of India's total shipments were to export destinations; the United States comprised 26.8 percent of its total shipments).

⁶⁴ CR/PR at Table IV-9; see also Original Final Staff Report at Table VII-2.

⁶⁵ See, e.g., Indian Respondents' Prehearing Brief at 28. "Most of the Indian producers have built their capacity considering the Indian market, which is growing at more than 10 percent." Hearing Transcript, p. 164 (Mr. Sampat).

⁶⁶ See, e.g., Indian Respondents' Prehearing Brief at 29. We note further that reported inventories held in India were fairly modest for this industry, including as a ratio to shipments. CR/PR at Table IV-9 (13.7 million pieces or 15.8 percent of total shipments in 2011 compared with *** percent for the domestic industry, CR/PR at Table C-2). "I wish to point out that all of the Indian producers produce all of their export orders, including their U.S. export products, on made-to-order basis. They produce for exports only after receiving a sales order. No Indian producer maintains an inventory of U.S. products." Hearing Transcript, p. 167 (Mr. Sampat).

⁶⁷ CR/PR at Table IV-5 (for example, *** pieces in 2011).

⁶⁸ Indeed, Indian Respondents reported that CLPSS products exported to the United States are made on dedicated machines that cannot be made to produce other than their dedicated product, and that CLPSS made for other markets could not be sent to the United States due to different consumer preferences in different markets. Indian Respondents' Prehearing Brief at 29-30. "In the case of India, the big distinction is the finishing of the booklet. The majority of production is for those pin-bound booklets that you saw. That machine cannot be used at all for making the U.S. sewn or spiral-bound product. Those are just completely different machines. There's no amount of adjusting or resizing that would let you do that." Hearing Transcript, p. 254 (Mr. Davis). "In India, the machines that make the pin-bound products are just entirely separate from the machines that make the other products, and there is no shifting back and forth. It's simply not possible." Hearing Transcript, pp. 254-255 (Mr. Davis).

⁶⁹ CR at IV-9; PR at IV-7.

⁷⁰ CR/PR at Table V-10 n.1.

comparisons, by an average margin of *** percent.⁷¹ Bid data submitted by purchasers for 2011 showed that, as measured by value, *** percent of the contracts was awarded to U.S. producers, *** percent to non-subject suppliers, and only *** percent to Indian suppliers.⁷² Moreover, based on the pricing data collected in these reviews, U.S. prices generally increased from their 2006 levels.⁷³ In addition to achieving price increases, the U.S. industry is not currently experiencing a cost-price squeeze, as the ratio of COGS to net sales fluctuated without any meaningful trend during the period of review.⁷⁴

On this record, and particularly as it relates to the original investigations and the limited likely volume of subject imports from India, we find that subject imports from India are not likely to significantly undersell the domestic like product, much less suppress or depress like product prices to any significant degree, in the event of revocation of the orders.

3. Likely Impact of Subject Imports

We further find that subject imports from India would not likely have a significant adverse impact on the domestic industry in the event of revocation. As discussed above, we have found that the domestic industry is not vulnerable to the continuation or recurrence of material injury in the reasonably foreseeable future. To the contrary, and in stark contrast to the industry's condition in the original period of investigation, we have found significant improvement in the industry's financial performance. With regard to imports from India, there is no correlation between the volume of subject imports from India and the domestic industry's condition. India has not only remained in the market notwithstanding the orders, its limited exports actually increased during the period of review, a period in which the domestic industry achieved improved financial performance. On this record, we are not persuaded that the orders on India had any impact on India's level of participation in the U.S. market, much less contributed to the improvement in the condition of the domestic industry.

In light of the domestic industry's current condition, and given that we do not find that the volume of subject imports from India will be significant or have significant adverse price effects, we find that revocation of the orders on India would not likely lead to a significant adverse impact on the domestic industry.

Accordingly, we conclude that revocation of the antidumping duty and countervailing duty orders on India is not likely to lead to the continuation or recurrence of material injury to the domestic industry within a reasonably foreseeable time.

V. CONCLUSION

For the above-stated reasons, and those set forth in the sections of the majority views that we join, we determine that revocation of the antidumping duty order on imports of CLPSS from China would be likely to lead to the continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time and that revocation of the antidumping duty orders and countervailing duty orders on CLPSS from India and Indonesia would not be likely to lead to the continuation or recurrence of material injury within a reasonably foreseeable time.

⁷¹ CR/PR at Table V-10. AASPS has argued in these reviews that direct imports by retailers should be combined with price data reported by importers. AASPS Posthearing Br. Exh. 1 at 59-60. We have analyzed the pricing data collected using our traditional approach that excludes direct imports by retailers from direct price comparisons. Direct imports by retailers are not at the same level of trade as sales made by importers, and therefore are not comparable.

⁷² CR at V-26; PR at V-7-V-8; CR/PR at Table V-11. We note that, based on the bid data reported, *** percent of the value of contracts awarded to non-subject suppliers were actually arranged through U.S. producers with non-subject suppliers. CR at V-26, PR at V-7-V-8.

⁷³ CR at V-5; PR at V-4; CR/PR at Table V-2 & Figs. V-2-V-6.

⁷⁴ CR/PR at Table C-1.

SEPARATE AND DISSENTING VIEWS OF CHAIRMAN IRVING A. WILLIAMSON

Based on the record in these investigations, I determine that revocation of the antidumping and countervailing duty orders covering certain lined paper school supplies from India and Indonesia, and the antidumping duty order covering certain lined paper school supplies from China, would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.

I join the Views of the Commission except that I find no likely conditions of competition that would warrant decumulating Indonesia from the other subject countries. I write these views to explain: (a) my conclusion on this issue; (b) my analysis of the volume effects, price effects, and impact of subject imports from Indonesia; and (c) my analysis of likely conditions of competition and likely volume, likely price effects, and likely impact based upon cumulated subject imports from China, India, and Indonesia.

Cumulation for Indonesia – other conditions of competition

I find that the subject imports from China, India, and Indonesia are likely to compete under similar conditions in the U.S. market in the event of revocation. The Views of the Commission explain how the CLPSS industries in China and India are large, export-oriented, present in the U.S. market before the orders, and viewed similarly by U.S. purchasers. In my view, the Indonesian CLPSS industry resembles those of China and India.

The Indonesian CLPSS industry is large and export-oriented. In 2011, Tjiwi produced over *** pieces of LPP, *** pieces of which were subject CLPSS. Of that CLPSS production, *** pieces were exported.¹ The Indonesian industry also has substantial capacity for producing OLPP, producing *** pieces in 2011. ***.² Thus, even if ***, this would be enough to have a substantial impact on its exports of CLPSS.

Indonesian CLPSS was present in the U.S. market over 2003-2005, accounting for between *** percent of U.S. CLPSS consumption.³ In these reviews, U.S. purchasers described U.S. and Indonesian product as interchangeable, and some expressed an interest in Indonesian product should it become available again.⁴

Tjiwi makes two arguments regarding likely conditions of competition to explain why Indonesia should not be cumulated with China and India. I do not find either argument persuasive.

First, Tjiwi claims that it is operating at full capacity, is not planning any future capacity expansions, and has no interest in the U.S. market.⁵ However, even accepting Tjiwi's claim, Tjiwi's overall capacity for LPP nonetheless rose by *** over 2006-11.⁶ Tjiwi describes these capacity changes as due to ***. However, these *** resulted in a *** increase in CLPSS capacity and a *** increase in OLPP capacity, suggesting that smaller changes in OLPP capacity can lead to larger changes in CLPSS capacity. Furthermore, Tjiwi clearly has substantial ability to produce OLPP, with its OLPP production

¹ CR/PR at Tables IV-10 and IV-11.

² ***. CR/PR at Table IV-10.

³ OCR at Table C-3.

⁴ CR at D-17 and D-19; PR at D-5.

⁵ Tjiwi Posthearing Brief at 7-8, CR/PR at Table IV-10, and Tjiwi Prehearing Brief, p. 16.

⁶ CR at Table IV-10.

reaching *** pieces in 2011.⁷ Also, although it has *** 2011 exports to the United States with the orders in place, Tjiwi has substantial export shipments of CLPSS, with those exports reaching *** pieces in 2011.⁸

In order to accept Tjiwi's claim that it does not have an interest in substantial exports to the U.S. market, one must accept both that Tjiwi is not interested in the single-largest national market for paper products in the world,⁹ and that it would not use its OLPP capacity to produce CLPSS for the U.S. market. The evidence does not support Tjiwi's claim that it is more interested in other countries' CLPSS markets than in the U.S. market. Some of the markets in which it claims to have an interest are substantially smaller than the U.S. market (the largest in the world).¹⁰ Because the U.S. order on CLPSS from China will continue, Tjiwi could face substantial Chinese competition in its other markets because no other country has imposed antidumping restrictions on Chinese imports of subject product.^{11 12}

Tjiwi attempts to show its lack of interest in the U.S. CLPSS market with "The Kelly Report," attached to its prehearing and posthearing briefs.¹³ This report shows alleged price levels in other countries' markets, and in particular shows markets with higher price levels than in the United States. Nonetheless, the data underlying these claims, as well as more detailed descriptions of the exact products for which data was offered, were generally not provided. Thus, other parties could not address the report's claims, nor could staff confirm if similar trends existed in other available data.¹⁴ I do not find these claims, as submitted, to be persuasive.

Tjiwi also argues that its participation in the U.S. OLPP market over the POI demonstrates its lack of interest in the U.S. CLPSS market. It is true that from 2007 to 2011, U.S. imports of OLPP from Indonesia fell by 48.7 million pieces, and this fall may be due mostly to ***. At the same time, however, U.S. imports of OLPP from China rose by 52.3 million, while overall U.S. OLPP consumption fell by *** pieces.¹⁵ This rise of OLPP from China, while U.S. consumption fell, may explain much of Tjiwi's inability to find replacements for all of the sales that it lost. However, because the antidumping duty order on CLPSS from China will continue, the U.S. CLPSS market will fundamentally differ from the U.S. OLPP market, which has no restraints on Chinese imports. Given this difference in the U.S. CLPSS and OLPP markets, I cannot draw conclusions about the U.S. CLPSS market based on the U.S. OLPP market.

After considering Tjiwi's claims concerning Indonesia's capacity and finding them unpersuasive, I observe that, regarding Tjiwi's interest in the U.S. market: (1) Tjiwi previously sold in the U.S. market;

⁷ CR at Table IV-10.

⁸ CR at Table IV-11.

⁹ CR at Table IV-12.

¹⁰ For example, Tjiwi cites its *** (for example, see Tjiwi's Posthearing Brief, ex. 15 in ex. 1 and 2), while no *** are listed in the staff report's list of the largest world importers of paper products. CR/PR at Table IV-12.

¹¹ CR at p. IV-9; PR at p. IV-7.

¹² Furthermore, AASPS' description of the Canadian market, dominated by two large purchasers, begs the question of whether developing country markets are more similar to the smaller Canadian market (with relatively few purchasers) or the U.S. market (with many purchasers). If other markets are more similar to the Canadian market, it seems even more likely that such markets are thus more difficult to sell into with higher-priced product, as they are not only smaller, but have fewer purchasers.

¹³ Tjiwi Prehearing Brief at ex. 1; Tjiwi Posthearing Brief at ex. 15.

¹⁴ AASPS Posthearing Brief, ex. 1 p. 70.

¹⁵ CR/PR at Table C-3.

(2) the U.S. market remains the single largest market in the world, with a multitude of purchasers;¹⁶ and (3) the U.S. market is fundamentally different (and more appealing to Indonesia) than other world markets because the antidumping duty order on subject imports from China will limit Chinese competition. I also observe that, regarding Tjiwi's ability to supply the U.S. market: (1) Tjiwi has shown some ability to increase capacity; (2) Tjiwi has considerable spare OLPP capacity that it could divert to CLPSS; and (3) Tjiwi has considerable exports of CLPSS to third-country markets. Based on these factors, I conclude that Indonesia would likely have an interest and capability in resuming high volume exports to the U.S. market. Tjiwi's second major argument for why subject imports from Indonesia should be decumulated is that, due to the lack of environmental certification for subject imports from Indonesia, such imports face likely differences in conditions of competition.¹⁷ I find two deficiencies with this argument. First, purchaser adherence to existing environmental standards is voluntary and can cease at any time. In the original investigations, Indonesian product undersold U.S. product in all *** comparisons, by an average margin of *** percent.¹⁸ In a market in which price plays an important role in purchasing,¹⁹ purchasers' desire for low prices may outweigh their reticence to purchase Indonesian material.

Second, there is limited evidence that purchasers are currently using such standards. Tjiwi supplied a ***, and evidence that ***. Additionally, in its purchaser questionnaire, *** noted some concerns about using product made from Indonesian wood, while also noting that product from Indonesia "would return as an option."²⁰ However, these three purchasers are hardly the only purchasers of LPP. The Commission received questionnaires from 26 purchasers, including ***, but even these 26 purchasers only accounted for 32 percent of 2011 U.S. apparent consumption of LPP.²¹ In such a broad market, the fact that *** indicated an unwillingness to purchase Indonesian product or expressed a concern about doing so weighs against finding that current purchaser preferences would lead to substantially different conditions of competition for Indonesian product.

Large retailers *** indicated that in the event of revocation of the duties, they would consider purchasing the subject imports from Indonesia, and did not mention environmental concerns.²² Additionally, in the original investigations, petitioners allegedly lost sales and revenues to purchasers other than ***. These purchasers included ***. While *** disagreed with the allegations, the other firms either agreed or did not respond.²³

Furthermore, purchasers had an opportunity in their questionnaire responses to name environmental certification as an important purchasing factor, and few did so. The staff report does not indicate that purchasers regarded environmental certification as a factor determining quality.²⁴ Purchasers named price, quality (already shown not to mean environmental certification), availability, and reliability as the most important factors in purchasing decisions. They did not name environmental certification, although the questionnaire allowed them to name their own factors as well as define quality as they wished.

¹⁶ CR at p. I-31.

¹⁷ Tjiwi Posthearing Brief at pp. 7-8.

¹⁸ OCR at Table V-8.

¹⁹ CR/PR Tables II-4 and II-5, and CR at p. II-15; PR at II-9.

²⁰ Parties in support of continuation of the orders also note that ***. AASPS Posthearing Brief, ex. 1, p. 20.

²¹ CR at p. I-31 and II-1; PR at I-26 and II-1.

²² CR at pp. D-17 and D-19; PR at p. D-5.

²³ OCR at table V-11. AASPS supplied a declaration *** that *** However, in that ***. AASPS Posthearing Brief, ex. 10A.

²⁴ CR at p. II-16; PR at p. II-10.

Finally, in addition to the two deficiencies with Tjiwi's argument on certification already discussed, parties in support of continuation of the order noted that Tjiwi could use pulp from non-Indonesian, certifiable sources (such as from related parties in China).²⁵

Given the Indonesian industry's clear ability to supply the U.S. market, its past behavior in doing so, and its lack of convincing arguments as to why its imports should be decumulated from other subject imports, I exercise my discretion to cumulate subject imports from China, India, and Indonesia.

Additional Volume and Price Effects of Subject Imports from Indonesia

In addition to the analysis in the Views of the Commission, I add the following discussion of the volume effects, price effects, and impact of subject imports from Indonesia.

Likely Volume-

I reach the same conclusion as in the Views, but also include Indonesia in the analysis. Indonesia is the 12th-largest exporter (by value) of paper products in the world.²⁶ In the original investigations, Indonesian CLPSS accounted for between *** and *** percent of U.S. consumption (by quantity) between 2003 and 2005.²⁷ In 2011, Indonesia exported over *** pieces out of its *** pieces of production, giving it substantial ability to divert future exports to the United States.²⁸ While Tjiwi has argued that its total capacity to produce LPP has not changed much over 2006-11, over that period it allocated an additional *** pieces of capacity to CLPSS.²⁹ As discussed above, the U.S. CLPSS market is likely more appealing than other world markets due to the continued antidumping duties on China. Tjiwi has substantial ability to switch more capacity into CLPSS and export to the U.S. market. Based on this evidence and the analysis in section IV.D.1 of the Views, I find that revocation of the orders on subject imports from China, India, and Indonesia would likely result in a significant increase in cumulated subject imports from China, India, and Indonesia within a reasonably foreseeable time.

Likely Price Effects--

I reach the same conclusion as in the Views, but also include Indonesia in the analysis. While there is almost no pricing data for Indonesia in these reviews, the pricing data in the original investigations showed that Indonesian product undersold U.S. product in *** comparisons, with an average margin of *** percent.³⁰ Additionally, I note that both U.S. AUVs and pricing product prices rose after imposition of the orders, while nonsubject AUVs remained substantially above the levels of subject AUVs before imposition of the orders.³¹ Thus, based on this analysis and the analysis in section IV.D.2 of the Views, I find that, if the orders were revoked, significant volumes of subject imports from China, India, and Indonesia would significantly undersell the domestic like product to gain market share, thereby depressing like product prices to a significant degree.

²⁵ Tr. at 118 (Robinson).

²⁶ CR/PR at Table IV-13.

²⁷ OCR, Table C-3.

²⁸ CR/PR at Table IV-11.

²⁹ CR/PR at Table IV-11.

³⁰ OCR, Table V-8.

³¹ CR/PR at Tables I-1 and V-1-5.

Likely Impact–

While I agree with the majority's Views, I further find that cumulating subject imports from Indonesia with subject imports from China and India makes it more likely that revocation of the orders will result in a significant adverse impact on the domestic industry within a reasonably foreseeable time.

Thus I conclude that, if the orders were revoked, cumulated subject imports from China, India, and Indonesia would likely lead to the continuation or recurrence of material injury to the domestic industry within a reasonably foreseeable time.

PART I: INTRODUCTION AND OVERVIEW

BACKGROUND

On August 1, 2011, the U.S. International Trade Commission (“Commission” or “USITC”) gave notice, pursuant to section 751(c) of the Tariff Act of 1930, as amended (“the Act”),¹ that it had instituted reviews to determine whether revocation of the countervailing duty orders on certain lined paper school supplies (“CLPSS”) from India and Indonesia and the antidumping duty orders on CLPSS from China, India, and Indonesia would likely lead to the continuation or recurrence of material injury to a domestic industry.^{2 3} On November 4, 2011, the Commission determined that it would conduct full reviews pursuant to section 751(c)(5) of the Act.⁴ The following tabulation presents information relating to the schedule of this proceeding:⁵

Effective date	Action
September 28, 2006	Commerce’s countervailing duty orders on CLPSS from India and Indonesia and antidumping duty orders on CLPSS from China, India, and Indonesia (71 FR 56949 and 71 FR 62583)
August 1, 2011	Commission’s institution of five-year reviews (76 FR 45851)
August 1, 2011	Commerce’s initiation of five-year reviews (76 FR 45778)
November 4, 2011	Commission’s determinations to conduct full five-year reviews (76 FR 72213, November 22, 2011)
November 29, 2011	Commerce’s final results of expedited five-year review of the countervailing duty order on CLPSS from Indonesia (76 FR 73592)
December 6, 2011	Commerce’s final results of expedited five-year review of the antidumping duty orders on CLPSS from China, India, and Indonesia (76 FR 76123)

Tabulation continued on next page.

¹ 19 U.S.C. 1675(c).

² *Certain Lined Paper School Supplies From China, India, and Indonesia-Institution of Five-Year Reviews Concerning the Countervailing Duty Orders on Certain Lined Paper School Supplies From India and Indonesia and the Antidumping Duty Orders on Certain Lined Paper School Supplies From China, India, and Indonesia*, 76 FR 45851, August 1, 2011. All interested parties were requested to respond to this notice by submitting the information requested by the Commission.

³ In accordance with section 751(c) of the Act, the U.S. Department of Commerce (“Commerce”) published a notice of initiation of five-year reviews of the subject antidumping and countervailing duty orders concurrently with the Commission’s notice of institution. *Initiation of Five-Year (“Sunset”) Review*, 76 FR 45778, August 1, 2011.

⁴ *Certain Lined Paper School Supplies From China, India, and Indonesia; Notice of Commission Determinations To Conduct Full Five-Year Reviews*, 76 FR 72213, November 22, 2011. Commissioner Charlotte R. Lane dissented from the majority, instead finding that the respondent interested party group response was inadequate and that the Commission should conduct expedited reviews.

⁵ The Commission’s notice of institution, notice to conduct full reviews, scheduling notice, and statement on adequacy appear in appendix A and may also be found at the Commission’s web site (internet address www.usitc.gov). Commissioners’ votes on whether to conduct expedited or full reviews may also be found at the web site. Appendix B presents the witnesses appearing at the Commission’s hearing.

Effective date	Action
December 6, 2011	Commerce's final results of expedited five-year review of the countervailing duty order on CLPSS from India (76 FR 76147)
January 26, 2012	Commission's scheduling of the reviews (77 FR 5055, February 1, 2012)
June 12, 2012	Commission's hearing
August 2, 2012	Commission's vote
August 14, 2012	Commission's determinations transmitted to Commerce

The Original Investigations

The original investigations resulted from a petition filed on September 9, 2005 by MeadWestvaco Corp. (“MeadWestvaco”) of Dayton, OH; Norcom, Inc. (“Norcom”) of Norcross, GA; and Top Flight, Inc. (“Top Flight”) of Chattanooga, TN (collectively, Association of American School Paper Suppliers (“AASPS”)), alleging that an industry in the United States is materially injured and threatened with material injury by reason of subsidized imports of CLPSS from India and Indonesia and less-than-fair-value (“LTFV”) imports of CLPSS from China, India, and Indonesia. Following notification of a final determination by Commerce that imports of CLPSS from India and Indonesia were being subsidized and that imports from China, India, and Indonesia were being sold at LTFV, the Commission determined on September 6, 2006 that a domestic industry was materially injured by reason of subsidized imports of CLPSS from India and Indonesia and LTFV imports of CLPSS from China, India, and Indonesia.⁶ Commerce published the countervailing duty order on subject imports of CLPSS from India and Indonesia and the antidumping duty order on CLPSS from China, India, and Indonesia on September 28, 2006.⁷

STATUTORY CRITERIA

Section 751(c) of the Act requires Commerce and the Commission to conduct a review no later than five years after the issuance of an antidumping or countervailing duty order or the suspension of an investigation to determine whether revocation of the order or termination of the suspended investigation “would be likely to lead to continuation or recurrence of dumping or a countervailable subsidy (as the case may be) and of material injury.”

Section 752(a) of the Act provides that in making its determination of likelihood of continuation or recurrence of material injury—

⁶ *Certain Lined Paper School Supplies from China, India, and Indonesia*, Inv. Nos. 701-TA-442-443 and 731-TA-1095-1097 (Final), USITC Publication 3884 (September 2006).

⁷ *Notice of Amended Final Determination of Sales at Less Than Fair Value: Certain Lined Paper Products from the People's Republic of China; Notice of Antidumping Duty Orders: Certain Lined Paper Products from India, Indonesia and the People's Republic of China; and Notice of Countervailing Duty Orders: Certain Lined Paper Products from India and Indonesia*, 71 FR 56949, September 28, 2006; and *Notice of Correction to Notice of Amended Final Determination of Sales at Less Than Fair Value: Certain Lined Paper Products from the People's Republic of China; Notice of Antidumping Duty Orders: Certain Lined Paper Products from India, Indonesia and the People's Republic of China; and Notice of Countervailing Duty Orders: Certain Lined Paper Products from India and Indonesia*, 71 FR 62583, October 26, 2006.

(1) IN GENERAL.-- . . . the Commission shall determine whether revocation of an order, or termination of a suspended investigation, would be likely to lead to continuation or recurrence of material injury within a reasonably foreseeable time. The Commission shall consider the likely volume, price effect, and impact of imports of the subject merchandise on the industry if the order is revoked or the suspended investigation is terminated. The Commission shall take into account--

(A) its prior injury determinations, including the volume, price effect, and impact of imports of the subject merchandise on the industry before the order was issued or the suspension agreement was accepted,

(B) whether any improvement in the state of the industry is related to the order or the suspension agreement,

(C) whether the industry is vulnerable to material injury if the order is revoked or the suspension agreement is terminated, and

(D) in an antidumping proceeding . . . , (Commerce's findings) regarding duty absorption . . .

(2) VOLUME.--In evaluating the likely volume of imports of the subject merchandise if the order is revoked or the suspended investigation is terminated, the Commission shall consider whether the likely volume of imports of the subject merchandise would be significant if the order is revoked or the suspended investigation is terminated, either in absolute terms or relative to production or consumption in the United States. In so doing, the Commission shall consider all relevant economic factors, including--

(A) any likely increase in production capacity or existing unused production capacity in the exporting country,

(B) existing inventories of the subject merchandise, or likely increases in inventories,

(C) the existence of barriers to the importation of such merchandise into countries other than the United States, and

(D) the potential for product-shifting if production facilities in the foreign country, which can be used to produce the subject merchandise, are currently being used to produce other products.

(3) PRICE.--In evaluating the likely price effects of imports of the subject merchandise if the order is revoked or the suspended investigation is terminated, the Commission shall consider whether--

(A) there is likely to be significant price underselling by imports of the subject merchandise as compared to domestic like products, and

(B) imports of the subject merchandise are likely to enter the United States at prices that otherwise would have a significant depressing or suppressing effect on the price of domestic like products.

(4) IMPACT ON THE INDUSTRY.--In evaluating the likely impact of imports of the subject merchandise on the industry if the order is revoked or the suspended investigation is terminated, the Commission shall consider all relevant economic factors which are likely to have a bearing on the state of the industry in the United States, including, but not limited to--

- (A) likely declines in output, sales, market share, profits, productivity, return on investments, and utilization of capacity,*
(B) likely negative effects on cash flow, inventories, employment, wages, growth, ability to raise capital, and investment, and
(C) likely negative effects on the existing development and production efforts of the industry, including efforts to develop a derivative or more advanced version of the domestic like product.

The Commission shall evaluate all such relevant economic factors . . . within the context of the business cycle and the conditions of competition that are distinctive to the affected industry.

Section 752(a)(6) of the Act states further that in making its determination, “the Commission may consider the magnitude of the margin of dumping or the magnitude of the net countervailable subsidy. If a countervailable subsidy is involved, the Commission shall consider information regarding the nature of the countervailable subsidy and whether the subsidy is a subsidy described in Article 3 or 6.1 of the Subsidies Agreement.” Information obtained during the course of the reviews that relates to the statutory criteria is presented throughout this report.

SUMMARY DATA

Table I-1 presents a summary of data from the original investigations and the current full five-year reviews.⁸ U.S. industry data and related information for the original investigations were based on questionnaire responses from ten firms, while industry information for the current five-year reviews is based on the questionnaire responses of eight U.S. producers of lined paper products (“LPP”), six of which provided usable data.⁹ U.S. import data for both the original investigations and the five-year reviews are based on official Commerce statistics. Related information on imports in the original investigations was based on questionnaire responses of 49 U.S. importers, while related information on imports in the current reviews is from the questionnaire responses of 25 U.S. importers of CLPSS. A summary of trade and financial data for LPP, CLPSS, and other lined paper products (“OLPP”) as collected in the reviews is presented in appendix C. Responses by U.S. producers, importers, purchasers, and foreign producers of CLPSS to a series of questions concerning the significance of the existing antidumping and countervailing duty orders and the likely effects of revocation of such orders are presented in appendix D.

⁸ As was done in the final investigations, the Commission collected all quantity data in pieces for these reviews. Parties that provided comments on the Commission’s draft questionnaires did not object to collecting quantity data in pieces. However, Tjiwi Kimia states that it tracks capacity and production in metric tons and not units. It believes that units are not a common unit of measure because LPP encompass a wide range of paper products with different dimensions and weights. Tjiwi Kimia’s prehearing brief, pp. 14-16. Likewise, Indian respondents agree that the average size and weight for paper products can change considerably from year to year and that a single conversion factor is not entirely accurate. Indian producers’ prehearing brief, pp. 7-9.

⁹ In the original investigations, the ten responding U.S. producers accounted for virtually all known production of LPP. In the current five-year reviews, the eight responding U.S. producers also account for virtually all known production of LPP.

Table I-1

LPP: Comparative data from the original investigations and current reviews, 2003-05 and 2006-2011

(Quantity=1,000 pieces; value=\$1,000; unit values are per piece)

Item	2003	2004	2005	2006	2007	2008	2009	2010	2011
U.S. consumption quantity:	***	***	***	1,135,979	1,218,248	1,213,736	1,086,690	1,206,771	1,113,877
Producers' share ¹	***	***	***	27.4	22.7	23.4	23.6	22.5	25.3
Importer's share: ¹									
CLPSS from China	***	***	***	14.0	10.5	11.7	11.9	10.7	10.8
CLPSS from India	***	***	***	2.1	3.5	3.0	4.0	3.4	3.1
CLPSS from Indonesia	***	***	***	0.3	0.4	0.4	0.8	0.4	0.4
Subtotal, subject	***	***	***	16.5	14.4	15.1	16.8	14.5	14.2
All other sources	***	***	***	26.4	30.1	32.1	26.2	26.5	24.9
Subtotal, CLPSS	***	***	***	42.8	44.5	47.3	43.0	41.0	39.1
OLPP imports (all sources)	***	***	***	29.8	32.8	29.3	33.4	36.5	35.6
Total imports	***	***	***	72.6	77.3	76.6	76.4	77.5	74.7
U.S. consumption value:	***	***	***	740,577	833,782	846,942	710,466	754,675	736,103
Producers' share ¹	***	***	***	32.8	28.3	27.8	33.0	29.6	32.0
Importer's share: ¹									
CLPSS from China	***	***	***	14.8	13.5	14.6	13.8	15.7	15.2
CLPSS from India	***	***	***	1.4	3.0	2.3	3.3	2.9	2.4
CLPSS from Indonesia	***	***	***	0.1	0.2	0.2	0.4	0.3	0.2
Subtotal, subject	***	***	***	16.4	16.6	17.1	17.5	18.9	17.8
All other sources	***	***	***	27.1	29.8	32.2	29.5	29.1	26.6
Subtotal, CLPSS	***	***	***	43.5	46.4	49.3	47.0	48.0	44.5
OLPP imports (all sources)	***	***	***	23.7	25.3	23.0	20.1	22.3	23.5
Total imports	***	***	***	67.2	71.7	72.2	67.0	70.4	68.0

Table continued on next page.

Table I-1--Continued

LPP: Comparative data from the original investigations and current reviews, 2003-05 and 2006-2011

(Quantity=1,000 pieces; value=\$1,000; unit values are per piece)

Item	2003	2004	2005	2006	2007	2008	2009	2010	2011
U.S. imports of CLPSS from-- China:									
Quantity	186,278	220,744	345,897	159,562	128,262	141,967	129,796	129,581	120,247
Value	108,779	131,836	191,063	109,795	112,295	123,715	98,172	118,835	111,941
Unit value	\$0.58	\$0.60	\$0.55	\$0.69	\$0.88	\$0.87	\$0.76	\$0.92	\$0.93
India:									
Quantity	37,226	35,991	31,312	24,240	42,421	36,882	43,940	40,568	33,994
Value	15,779	13,122	11,929	10,659	24,680	19,401	23,370	21,970	17,774
Unit value	\$0.42	\$0.36	\$0.38	\$0.44	\$0.58	\$0.53	\$0.53	\$0.54	\$0.52
Indonesia:									
Quantity	38,998	34,985	39,305	3,207	4,415	4,956	8,315	4,933	4,369
Value	15,477	12,603	14,804	1,034	1,560	1,651	2,628	2,169	1,672
Unit value	\$0.40	\$0.36	\$0.38	\$0.32	\$0.35	\$0.33	\$0.32	\$0.44	\$0.38
Subject sources:									
Quantity	262,503	291,719	416,514	187,009	175,097	183,804	182,052	175,083	158,610
Value	140,035	157,561	217,797	121,489	138,535	144,768	124,171	142,974	131,387
Unit value	\$0.53	\$0.54	\$0.52	\$0.65	\$0.79	\$0.79	\$0.68	\$0.82	\$0.83

Table continued on next page.

Table I-1--Continued

LPP: Comparative data from the original investigations and current reviews, 2003-05 and 2006-2011

(Quantity=1,000 pieces; value=\$1,000; unit values are per piece)

Item	2003	2004	2005	2006	2007	2008	2009	2010	2011
All other sources:									
Quantity	89,175	165,790	143,794	299,506	367,145	390,036	285,059	319,606	277,336
Value	75,755	133,590	138,241	200,642	248,189	272,694	209,458	219,582	195,959
Unit value	\$0.85	\$0.81	\$0.96	\$0.67	\$0.68	\$0.70	\$0.73	\$0.69	\$0.71
All countries:									
Quantity	351,678	457,509	560,308	486,515	542,243	573,840	467,111	494,688	435,947
Value	215,791	291,151	356,037	322,131	386,724	417,461	333,629	362,556	327,346
Unit value	\$0.61	\$0.64	\$0.64	\$0.66	\$0.71	\$0.73	\$0.71	\$0.73	\$0.75
U.S. imports of OLPP from--									
All sources:									
Quantity	276,025	283,201	297,775	338,716	399,065	355,426	363,371	440,408	396,623
Value	128,851	148,124	165,348	175,776	210,797	194,451	142,597	168,370	173,099
Unit value	\$0.47	\$0.52	\$0.56	\$0.52	\$0.53	\$0.55	\$0.39	\$0.38	\$0.44
U.S. producers'--									
Capacity quantity	994,544	968,949	898,352	547,915	540,808	555,892	561,910	569,482	601,280
Production quantity	607,883	568,079	436,979	305,048	290,428	279,511	222,102	260,753	330,475
Capacity utilization ¹	61.1	58.6	48.6	55.7	53.7	50.3	39.5	45.8	55.0
U.S. shipments:									
Quantity	***	***	***	310,747	276,940	284,470	256,208	271,675	281,308
Value	***	***	***	242,670	236,262	235,031	234,240	223,749	235,657
Unit value	\$***	\$***	\$***	\$0.78	\$0.85	\$0.83	\$0.91	\$0.82	\$0.84
Ending inventory quantity	116,926	124,097	118,683	***	***	***	***	***	***
Inventories/total shipments ¹	***	***	***	***	***	***	***	***	***

Table continued on next page.

Table I-1--Continued

LPP: Comparative data from the original investigations and current reviews, 2003-05 and 2006-2011

(Quantity=1,000 pieces; value=\$1,000; unit values are per piece)

Item	2003	2004	2005	2006	2007	2008	2009	2010	2011
Production workers	1,264	1,157	942	498	506	500	485	519	524
Hours worked (1,000 hours)	2,540	2,266	1,610	853	868	869	846	879	942
Wages paid (1,000 dollars)	44,669	40,870	29,319	24,385	24,675	24,172	24,177	25,712	26,392
Hourly wages	\$17.58	\$18.03	\$18.21	\$28.59	\$28.43	\$27.82	\$28.58	\$29.25	\$28.02
Productivity (pieces per hour)	239.3	250.7	271.4	357.6	334.6	321.6	262.5	296.6	350.8
Net sales:									
Quantity	***	***	***	320,883	287,499	294,387	263,608	279,577	290,696
Value	***	***	***	251,668	245,824	244,344	240,215	230,800	243,276
Unit value	***	***	***	\$0.78	\$0.86	\$0.83	\$0.91	\$0.83	\$0.84
Cost of goods sold	***	***	***	191,350	189,892	182,644	170,775	162,736	179,048
Gross profit or (loss)	***	***	***	60,318	55,932	61,700	69,440	68,064	64,228
Operating income or (loss)	***	***	***	34,326	31,791	38,038	44,142	43,048	37,386
Unit cost of goods sold	***	***	***	\$0.60	\$0.66	\$0.62	\$0.65	\$0.58	\$0.62
Unit operating income or (loss)	***	***	***	\$0.11	\$0.11	\$0.13	\$0.17	\$0.15	\$0.13
Cost of goods sold/sales ¹	***	***	***	76.0	77.2	74.7	71.1	70.5	73.6
Operating income or (loss)/sales ¹	***	***	***	13.6	12.9	15.6	18.4	18.7	15.4

¹ In percent.

Source: Data for the period 2003-05 are compiled from information presented in the final investigation staff report. Data for 2006-11 are compiled from data submitted in response to Commission questionnaires and official Commerce statistics. CLPSS import data are based on HTS subheadings 4811.90.9050, 4811.90.9090, 4820.10.2030, 4820.10.2040, 4820.10.2050, and 4820.10.2060. OLPP import data are based on HTS subheading 4820.10.2020.

COMMERCE'S REVIEWS

Administrative Reviews¹⁰

Commerce has completed three antidumping duty administrative reviews with regard to subject imports of CLPSS from China, four administrative reviews of the outstanding antidumping duty order on CLPSS from India, and one administrative review on the countervailing duty order on CLPSS from India. There have been no administrative reviews concerning the antidumping or countervailing duty orders on CLPSS from Indonesia.¹¹

China

Commerce has completed three antidumping duty administrative reviews with regard to subject imports of CLPSS from China. The results of the administrative reviews are shown in table I-2.

Table I-2
CLPSS: Administrative reviews of the antidumping duty order for China

Date results published	Period of review	Producer or exporter	Margin (percent)
April 14, 2009 74 FR 17160	4/17/2006- 8/31/2007	Shanghai Lian Li Paper Products Co., Ltd.	8.10 ¹
		Hwa Fuh Plastics Co., Ltd./ Li Teng Plastics (Shenzhen)Co., Ltd.	20.70 ²
		Leo's Quality Products Co., Ltd./Denmax Plastic Stationery Factory	20.70 ²
		The Watanabe Group (consisting of the following companies) Watanabe Paper Product (Shenghai) Co., Ltd. Watanabe Paper Product (Linqing) Co., Ltd. Hotrock Stationery (Shenzhen) Co., Ltd.	20.70 ²
December 3, 2009 74 FR 63387	9/1/2007- 8/ 31/ 2008	PRC-wide Entity (which includes Watanabe)	258.21
April 26, 2011 76 FR 23288	9/1/2008- 8/31/2009	PRC-Wide Rate (which includes the Watanabe Group)	258.21
¹ Amended final results pursuant to court decision, 76 FR 28213, May 16, 2011 and 76 FR 53116 August 25, 2011. ² Amended final results, 74 FR 68036, December 22, 2009 and 76 FR 76144, December 6, 2011.			
Note.—An administrative review for the period September 1, 2010 through August 31, 2011 was initiated on October 31, 2011. <i>Initiation of Antidumping and Countervailing Duty Administrative Reviews and Request for Revocation in Part</i> , 76 FR 67133.			
Source: Cited <i>Federal Register</i> notices.			

¹⁰ Commerce has not issued any duty absorption findings with respect to CLPSS from the subject countries.

¹¹ For previously reviewed or investigated companies not included in an administrative review, the cash deposit rate continues to be the company-specific rate published for the most recent period.

India

Commerce has completed four antidumping duty administrative reviews and one countervailing duty administrative review with regard to subject imports of CLPSS from India. The results of the administrative reviews are shown in tables I-3 and I-4.

Table I-3

CLPSS: Administrative reviews of the antidumping duty order for India

Date results published	Period of review	Producer or exporter	Margin (percent)
April 14, 2009 74 FR 17149	4/17/2006- 8/31/2007	Kejriwal Exports and Kejriwal Paper Limited	1.22
		Ria ImpEx Pvt. Ltd.	23.17
		Blue Bird India Ltd.	1.22
		Creative Divya	1.22
		Exel India Pvt. Ltd.	1.22
		FFI International	1.22
		Global Art India Inc.	1.22
		M/S Super ImpEx	1.22
		Magic International	1.22
		Marigold Exlm Pvt. Ltd.	1.22
		Marisa International	1.22
		Navneet Publications (India) Ltd.	1.22
		Pioneer Stationery Pvt. Ltd.	1.22
		Rajvansh International	1.22
		Riddhi Enterprises	1.22
		SAB International	1.22
		TKS Overseas	1.22
		Unlimited Accessories Worldwide	1.22
		V. Joshi Co.	1.22

Table continued on next page.

Table I-3--Continued

CLPSS: Administrative reviews of the antidumping duty order for India

February 22, 2010 75 FR 7563	9/1/2007- 8/31/2008	Navneet Publications (India) Ltd.	1.34
		Blue Bird	72.03
		Agility Logistics Pvt. Ltd.	1.34
		Ceal Shipping Logistics Pvt. Ltd.	1.34
		Cello International Pvt. Ltd.	1.34
		Corporate Stationary Pvt. Ltd	1.34
		Creative Divya	1.34
		Exel India Pvt. Ltd.	1.34
		FFI International	1.34
		Global Art India Inc.	1.34
		International Greetings Pvt. Ltd.	1.34
		Karim General Handmade Paper DIAR	1.34
		M/S Super ImpEx	1.34
		Magic International	1.34
		Marigold ExIm Pvt. Ltd.	1.34
		Marisa International	1.34
		Pentagon Waterlines Pvt. Ltd.	1.34
		Pioneer Stationery Pvt. Ltd.	1.34
		Rajvansh International	1.34
		Riddhi Enterprises	1.34
		SAB International	1.34
		TKS Overseas	1.34
		Unlimited Accessories Worldwide	1.34
V. Joshi Co.	1.34		
		Abhinav Paper Products Pvt. Ltd.	1.34
		American Scholar, Inc. and/or I-Scholar	1.34
		Ampoules & Vials Mfg. Co. Ltd	1.34
		Bafna Exports	1.34
		Cello International Pvt. Ltd. (M/S Cello Paper Products)	1.34
		Corporate Stationary Pvt. Ltd	1.34
		Creative Divya	1.34
		D.D. International	1.34
		Exmart International Pvt. Ltd	1.34
		Fatechand Mahendrakumar	1.34
		FFI International	1.34
		Freight India Logistics Pvt. Ltd	1.34

Table continued on next page.

Table I-3--Continued

CLPSS: Administrative reviews of the antidumping duty order for India

February 28, 2011 76 FR 10876	9/1/2008- 8/31/2009	International Greetings Pvt. Ltd	1.34
		Lodha Offset Limited	1.34
		Magic International	1.34
		Marigold Exlm Pvt. Ltd	1.34
		Marisa International	1.34
		Paperwise Inc	1.34
		Pioneer Stationery Pvt. Ltd	1.34
		Premier Exports	1.34
		Riddhi Enterprises	1.34
		SAB International	1.34
		Sar Transport Systems	1.34
		Seet Kamal International	1.34
		Solitaire Logistics Pvt. Ltd. (Eternity Int'l Freight, forwarder on behalf of Solitaire Logistics Pvt. Ltd.)	1.34
		Sonal Printers Pvt Ltd	1.34
		Swati Growth Funds Ltd	1.34
		V & M	1.34
Yash Laminates	1.34		
		Abhinav Paper Products Pvt. Ltd.	3.05
		American Scholar, Inc. and/or I-Scholar	3.05
		Ampoules & Vials Mfg. Co. Ltd	3.05
		AR Printing & Packaging (India) Pvt	3.05
		Bafna Exports	3.05
		Cello International Pvt. Ltd. (M/S Cello Paper Products)	3.05
		Corporate Stationary Pvt. Ltd	3.05
		Creative Divya	3.05
		D.D. International	3.05
		Exel India (Pvt.) Ltd	3.05
		Exmart International Pvt. Ltd	3.05
		Fatechand Mahendrakumar	3.05
		FFI International	3.05
		Freight India Logistics Pvt. Ltd	3.05
		International Greetings Pvt. Ltd	3.05
		Kejriwal Paper Ltd., and Kejriwal Exports	3.05
Lodha Offset Limited	3.05		
Magic International	3.05		

Table continued on next page.

Table I-3--Continued

CLPSS: Administrative reviews of the antidumping duty order for India

March 13, 2012 77 FR 14729	9/1/2009- 8/31/2010	Marigold Exlm Pvt. Ltd	3.05
		Marisa International	3.05
		Paperwise Inc	3.05
		Pioneer Stationery Pvt. Ltd	3.05
		Premier Exports	3.05
		Rajvansh International	3.05
		SAB International	3.05
		Sar Transport Systems	3.05
		Seet Kamal International	3.05
		Super Impex	3.05
		Sonal Printers Pvt Ltd	3.05
		Swati Growth Funds Ltd	3.05
		V & M	3.05
Yash Laminates	3.05		

Note.—An administrative review for the period September 1, 2010 through August 31, 2011 was initiated on October 31, 2011. *Initiation of Antidumping and Countervailing Duty Administrative Reviews and Request for Revocation in Part*, 76 FR 67133.

Source: Cited *Federal Register* notices.

Table I-4

CLPSS: Administrative reviews of the countervailing duty order for India

Date results published	Period of review	Producer or exporter	Margin (percent)
February 10, 2009 74 FR 6573	2/13/2006- 12/31/2006	Navneet Publication India Limited	8.76

Note.—An administrative review for the period January 1, 2010 through December 31, 2010 was initiated on October 31, 2011. *Initiation of Antidumping and Countervailing Duty Administrative Reviews and Request for Revocation in Part*, 76 FR 67133.

Source: Cited *Federal Register* notice.

Changed Circumstances Review

Commerce conducted one changed circumstances antidumping administrative review with respect to CLPSS from China. On September 30, 2011, Commerce published its final results in the *Federal Register*.¹² The antidumping duty order was revoked, in part, with respect to FiveStar® Advance TM notebooks and notebook organizers without polyvinyl chloride (“PVC”) coatings.

¹² *Certain Lined Paper Products From People's Republic of China: Final Results of Antidumping Duty Changed Circumstances Review and Revocation, in Part*, 76 FR 60803, September 30, 2011.

Results of Five-Year Reviews

Commerce has issued the final results of its expedited reviews with respect to all subject countries. Tables I-5 and I-6 present the countervailable subsidy rates and dumping margins calculated by Commerce in its original investigations and the current reviews, respectively.

Table I-5
CLPSS: Commerce's original and first five-year countervailable subsidy rates for producers/exporters, by subject country

Producer/exporter	Original rate (percent)	First five-year review rate (percent)
India¹		
Aero Exports	7.05	7.52
Navneet Publications	10.24	10.71
All others ¹	9.42	9.89
Indonesia		
PT. Pabrik Kertas Tjiwi Kimia Tbk	40.55	40.55
All others	40.55	40.55
<p>¹ Kejriwal Exports, a division of Kejriwal Paper Limited was excluded from the order on the basis of de minimis subsidies during the period of investigation.</p> <p>Source: <i>Notice of Amended Final Determination of Sales at Less Than Fair Value: Certain Lined Paper Products from the People's Republic of China; Notice of Antidumping Duty Orders: Certain Lined Paper Products from India, Indonesia and the People's Republic of China; and Notice of Countervailing Duty Orders: Certain Lined Paper Products from India and Indonesia</i>, 71 FR 56949, September 28, 2006; <i>Certain Lined Paper Products From Indonesia: Final Results of the Expedited Sunset Review of the Countervailing Duty Order</i>, 76 FR 73592, November 29, 2011; <i>Final Results of Expedited Sunset Review of Countervailing Duty Order: Certain Lined Paper Products From India</i>, 76 FR 76147, December 6, 2011.</p>		

Table I-6

CLPSS: Commerce's original and first five-year dumping margins for producers/exporters, by subject country

Producer/exporter	Original margin (percent)	First five-year review margin (percent)
China		
Shanghai Lian Li Paper Products Co., Ltd.	94.91	94.91
Watanabe Paper Product Co., Ltd.	76.70	Not listed separately
Hotrock Stationery Co., Ltd.	76.70	Not listed separately
Separate rate firms ¹	78.38	78.38
PRC Entity	258.21	258.21 ²
India		
Aero Exports	23.17	23.17
Kejriwal Paper Limited	3.91	3.91
Navneet Publications (India) Ltd.	23.17	23.17
All others	3.91	3.91
Indonesia		
PT. Pabrik Kertas Tjiwi Kimia Tbk	118.63	118.63
All others	97.85	97.85
<p>¹ Commerce names 52 firms with the rate for the final determination, and 52 firms for the final results of the expedited five-year review. Individual company names can be found in the relevant <i>Federal Register</i> notices presented in appendix A.</p> <p>² Including Atico, Planet International, and Watanabe Paper Products.</p> <p>Source: <i>Notice of Amended Final Determination of Sales at Less Than Fair Value: Certain Lined Paper Products from the People's Republic of China; Notice of Antidumping Duty Orders: Certain Lined Paper Products from India, Indonesia and the People's Republic of China; and Notice of Countervailing Duty Orders: Certain Lined Paper Products from India and Indonesia</i>, 71 FR 56949, September 28, 2006; <i>Notice of Correction to Notice of Amended Final Determination of Sales at Less Than Fair Value: Certain Lined Paper Products from the People's Republic of China; Notice of Antidumping Duty Orders: Certain Lined Paper Products from India, Indonesia and the People's Republic of China; and Notice of Countervailing Duty Orders: Certain Lined Paper Products from India and Indonesia</i>, 71 FR 62583, October 26, 2006; and <i>Final Results of Expedited Sunset Review of Antidumping Duty Orders: Lined Paper Products From India, Indonesia, and the People's Republic of China</i>, 76 FR 76123, December 6, 2011.</p>		

THE SUBJECT MERCHANDISE

Commerce's Scope

The imported product subject to the antidumping and countervailing duty orders under review, as defined by Commerce,¹³ is as follows:

Certain lined paper products, typically school supplies,¹⁴ composed of or including paper that incorporates straight horizontal and/or vertical lines on ten or more paper sheets,¹⁵ including but not limited to such products as single- and multi-subject notebooks, composition books, wireless notebooks, looseleaf or glued filler paper, graph paper, and laboratory notebooks, and with the smaller dimension of the paper measuring 6 inches to 15 inches (inclusive) and the larger dimension of the paper measuring 8-3/4 inches to 15 inches (inclusive). Page dimensions are measured size (not advertised, stated, or "tear-out" size), and are measured as they appear in the product (i.e., stitched and folded pages in a notebook are measured by the size of the page as it appears in the notebook page, not the size of the unfolded paper). However, for measurement purposes, pages with tapered or rounded edges shall be measured at their longest and widest points. Subject lined paper products may be loose, packaged or bound using any binding method (other than case bound through the inclusion of binders board, a spine strip, and cover wrap). Subject merchandise may or may not contain any combination of a front cover, a rear cover, and/or backing of any composition, regardless of the inclusion of images or graphics on the cover, backing, or paper. Subject merchandise is within the scope of these orders whether or not the lined paper and/or cover are hole punched, drilled, perforated, and/or reinforced. Subject merchandise may contain accessory or informational items including but not limited to pockets, tabs, dividers, closure devices, index cards, stencils, protractors, writing implements, reference materials such as mathematical tables, or printed items such as sticker sheets or miniature calendars, if such items are physically incorporated, included with, or attached to the product, cover and/or backing thereto.

Specifically excluded from the scope of these orders are:

- Unlined copy machine paper;
- Writing pads with a backing (including but not limited to products commonly known as "tablets," "note pads," "legal pads," and "quadrille pads"), provided that they do not have a front cover (whether permanent or removable). This exclusion does not apply to such writing pads if they consist of hole-punched or drilled filler paper;
- Three-ring or multiple-ring binders, or notebook organizers incorporating such a ring binder provided that they do not include subject paper;
- Index cards;
- Printed books and other books that are case bound through the inclusion of binders board, a spine strip, and cover wrap;
- Newspapers;
- Pictures and photographs;

¹³ *Final Results of Expedited Sunset Review of Antidumping Duty Orders: Lined Paper Products From India, Indonesia, and the People's Republic of China*, 76 FR 76123, December 6, 2011.

¹⁴ For purposes of this scope definition, the actual use or labeling of these products as school supplies or non-school supplies is not a defining characteristic.

¹⁵ There shall be no minimum page requirement for looseleaf filler paper.

- Desk and wall calendars and organizers (including but not limited to such products generally known as “office planners,” “time books,” and “appointment books”);
- Telephone logs;
- Address books;
- Columnar pads & tablets, with or without covers, primarily suited for the recording of written numerical business data;
- Lined business or office forms, including but not limited to: preprinted business forms, lined invoice pads and paper, mailing and address labels, manifests, and shipping log books;
- Lined continuous computer paper;
- Boxed or packaged writing stationary (including but not limited to products commonly known as “fine business paper,” “parchment paper,” and “letterhead”), whether or not containing a lined header or decorative lines;
- Stenographic pads (“steno pads”), Gregg ruled,¹⁶ measuring 6 inches by 9 inches;

Also excluded from the scope of these investigations are the following trademarked products:¹⁷

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

¹⁶ “Gregg ruling” consists of a single- or double-margin vertical ruling line down the center of the page. For a six-inch by nine-inch stenographic pad, the ruling would be located approximately three inches from the left of the book.

¹⁷ Products found to be bearing an invalidly licensed or used trademark are not excluded from the scope.

thickness; front cover is .019 inches (within normal manufacturing tolerances) and rear cover is .028 inches (within normal manufacturing tolerances). During construction, the polyester covering is sewn to the front cover face to face (outside to outside) so that when the book is closed, the stitching is concealed from the outside. During construction, the polyester cover is sewn to the back cover with the outside of the polyester spine cover to the inside back cover. Both free ends (the ends not sewn to the cover and back) are stitched with a turned edge construction. Each ring within the fixture is comprised of a flexible strap portion that snaps into a stationary post which forms a closed binding ring. The ring fixture is riveted with six metal rivets and sewn to the back plastic cover and is specifically positioned on the outside back cover. The product must bear the valid trademark FiveStar Flex™.

Tariff Treatment

CLPSS are classifiable in the Harmonized Tariff Schedule of the United States (“HTS”) under subheadings 4810.22.50, 4811.90.90, 4820.10.20, and 4820.10.40, and are reported for statistical purposes under statistical reporting numbers 4810.22.5044, 4811.90.9050, 4820.10.2010, 4820.10.2020, 4820.10.2030, 4820.10.2040, 4820.10.2060, and 4820.10.4000. Imports of CLPSS from China, India, and Indonesia currently enter under a general rate of duty of “free”.

In the original investigations, data on U.S. imports of the subject product were based on official statistics for two of the HTS subheadings: 4811.90.9090 (4811.90.9000 prior to July 1, 2005) and 4820.10.2050. During these reviews, data on U.S. imports of the subject product are based on official statistics of the same two HTS subheadings and their replacements. Table 1-7 presents HTS numbers used in the original investigations and in these reviews.

Respondent parties argue that HTS subheading 4820.10.2060, which was created in July 2009 as an expanded statistical breakout, should not be included in tabulations of subject imports. They state that goods imported under this subheading are notebooks outside the dimensional requirements of CLPSS, and thus are not CLPSS.¹⁸ Because this HTS subheading was created in 2009 during the period of review, it is included in official statistics for 2009-11 to maintain data consistency across the period of review. Staff acknowledges however, that HTS subheading 4820.10.2060 contains out of scope product and tabulations that exclude this number throughout the report are expressly indicated.

¹⁸ Tjiwi Kimia’s prehearing brief, p. 20, and Indian producers’ prehearing brief, pp. 2-4.

Table I-7

CLPSS: HTS excerpts and subheadings used for the final investigations and five-year reviews

HTS provision	Article description	Final	Review
4811	Paper, paperboard, cellulose wadding and webs of cellulose fibers, coated, impregnated, covered, surface-colored, surface-decorated or printed, in rolls or rectangular (including square) sheets, of any size, other than goods of the kind described in heading 4803, 4809, or 4810:		
4811.90	Other paper, paperboard, cellulose wadding and webs of cellulose fibers: In strips or rolls of a width exceeding 15 cm or in rectangular (including square) sheets with one side exceeding 36 cm and the other side exceeding 15 cm in the unfolded state:		
4811.90.90	Other		
4811.90.9010	Tissue papers having a basis weight not exceeding 29 g/m ² , in sheets		
4811.90.9050	Other	(¹)	CLPSS ¹
4811.90.9090	Other	CLPSS ²	CLPSS ²
4820	Registers, account books, notebooks, order books, receipt books, letter pads, memorandum pads, diaries and similar articles, exercise books, blotting pads, binders (looseleaf or other), folders, file covers, manifold business forms, interleaved carbon sets and other articles of stationery, of paper or paperboard; albums for samples or for collections and books covers (including cover boards and book jackets) of paper or paperboard:		
4820.10	Registers, account books, notebooks, order books, receipt books, letter pads, memorandum pads, diaries and similar articles:		
4820.10.20	Diaries, notebooks and address books, bound; memorandum pads, letter pads and similar articles		
4820.10.2010	Diaries and address books		
4820.10.2020	Memorandum pads, letter pads and similar articles	OLPP	OLPP
4820.10.2030	Sewn composition books with dimensions of 152.4-381 mm (6"- 15"), inclusive (small side) X 222.5-381 mm (8.75"-15"), inclusive (large side)	(³)	CLPSS ³
4820.10.2040	Other note books with dimensions of 152.4-381 mm (6" - 15"), inclusive (small side) X 222.5-381 mm (8.75" -15"), inclusive (large side)	(³)	CLPSS ³
4820.10.2050	Other	CLPSS	CLPSS ⁴
4820.10.2060	Other	(³)	(³) (⁵)

¹ 4811.90.9050 was in effect from January 1, 2009 until July 1, 2011.

² 4811.90.9090 was established July 1, 2005 and discontinued January 1, 2009.

³ Annotations 4820.10.2030, 4820.10.2040, and 4820.10.2060 went into effect July 1, 2009. Prior to July 1, 2009, these items were included in annotation 4820.10.2050.

⁴ 4820.10.2050 was discontinued on July 1, 2009.

⁵ Data for this subheading has been included as CLPSS in some tables to maintain data consistency across the period of review. Tabulations that include this number throughout the report are expressly indicated.

Source: Harmonized Tariff Schedule of the United States (2006 and 2011).

THE PRODUCT

CLPSS is the product encompassed by Commerce's scope definition. In the original investigations, the Commission defined the domestic like product as LPP, which encompasses the scope product, CLPSS, as well as OLPP. OLPP is defined as any lined paper or lined paper product with the smaller dimension measuring less than 6 inches or larger than 15 inches, or with the larger dimension measuring less than 8 3/4 inches or greater than 15 inches.

Physical Characteristics and Uses

CLPSS encompass a range of products, including, but not limited to, looseleaf filler paper, composition books, and notebooks. Commerce's scope definition (above) provides information regarding the physical characteristics of products included within the scope of these reviews. Generally, subject merchandise comprises a group of paper products having "straight horizontal and/or vertical lines" and is broadly inclusive of lined filler paper and many types of bound notebooks, but excludes certain specific types of products enumerated in the scope definition. Information provided in the original investigations noted that the primary use for CLPSS is to take notes, perform class assignments, and provide completed work to teachers for correction and grades.¹⁹ The Petitioner in the original investigations noted that CLPSS must conform to teacher and student expectations relating to size, the presence of margins, and hole punches for storage. The Petitioner contended that the sizes of products covered by the scope of the petition are the most effective for the uses in which they are employed.²⁰

Information from the original investigations noted further that the physical characteristics of CLPSS include elements of privacy, protection, and convenience. Notebooks, for instance, include covers that shield written work from others, as well as protect pages from wear during transport, while looseleaf paper (when placed in a binder²¹) performs a similar function. The Petitioner observed that notebooks may also contain enhancements such as dividers, pockets, and reference materials that promote their core classroom and educational use.²²

The nature of the pulp process utilized to make the paper that, in turn, is used for CLPSS can affect product characteristics such as strength and texture. Paper can be manufactured from virgin pulp, pulp made from agricultural residues, recovered paper pulp, or a combination of furnish types. Chemical additives and bleaching will also influence paper characteristics such as brightness or whiteness. Industry standards for measuring brightness and/or whiteness vary and are not always comparable.²³

¹⁹ See Commission Report, August 15, 2006, p. I-13 and Response to Commerce Request for Petition Clarification, September 26, 2005, p. 3.

²⁰ Ibid.

²¹ As indicated in Commerce's scope definition, binders are not included in the scope of the subject product, provided they do not include lined paper of the type included in the scope.

²² See Commission Report, August 15, 2006, p. I-13 and Response to Commerce Request for Petition Clarification, September 26, 2005, p. 3.

²³ For example, to measure brightness, some companies use an ISO method; others reference a TAPPI standard. See Pulp & Paper Magazine: <http://www.risiinfo.com/magazines/July/2006/PP/newspp20060904301.html>.

Manufacturing Processes²⁴

The domestic production of CLPSS begins with rolls of unlined paper, purchased by U.S. producers at arms length.²⁵ Most of the paper used in the production of CLPSS has a basis weight of 56 grams per square meter (15 pounds). The width of the rolls typically varies between 31 and 36 inches depending on the dimensions of the final product for which the paper is to be used. The most important performance specification is a smooth surface suitable for writing with either a pen or pencil.

Manufacturing entails three basic processes: ruling, binding, and wrapping/packing. These processes can be accomplished with highly automated “web-to-finish” machines that rule, bind, and wrap products in one continuous line of production, or with multiple machines for ruling and binding (and greater labor input) in a “step and repeat” process. According to the U.S. industry producers, many out-of-scope lined paper products are produced in China by many of the same companies using the same machinery and production processes.²⁶ Machines that produce CLPSS such as filler paper can also produce other lined paper products such as index cards.²⁷ However, not all CLPSS use the same production machinery. For example, producing composition books requires different machinery than producing spiral notebooks.²⁸ Pin-bound notebooks (that are not sold in the United States) also use different machinery for manufacturing (i.e., staple-pinning machines) than is used for other forms of CLPSS.²⁹

Ruling

Ruling is typically done in the same manner whether on separate ruling machines or web-to-finish machines. Rolls of paper are mounted on a roll stand at the upstream end of the machine. The web of paper runs through a rotary flexographic press that has four cylinders. Two cylinders (one for red ink and one for blue) print the top of the paper, and two print the bottom of the paper. Given appropriate printing plates for their presses, ruling machines can be used to make products with any ruling pattern and of any dimension.^{30 31} Web-to-finish machines are generally dedicated to particular products but can be configured to make products with various dimensions and ruling patterns.

After printing, the paper passes under a rotary sheeter, which cuts the web perpendicular to the direction of travel into large sheets depending on the dimensions of the finished product. The large sheets are counted, stacked to the desired page count, and, if necessary, covers, backing material, dividers and/or

²⁴ Information regarding the manufacturing process for CLPSS is based on the description provided in the original investigations report (See Commission Report, August 15, 2006, pp. I-14-I-18) which was based on field visits and information submitted by the Petitioners. There have been no significant changes in the manufacturing process for CLPSS since the time of the original investigations.

²⁵ During the original investigations, an industry representative noted that there are no remaining vertically integrated producers of both paper and lined paper products in the United States. Conference transcript, p. 92 (McLachlan).

²⁶ ***.

²⁷ Hearing transcript, p. 246 (Shor).

²⁸ Hearing transcript, p. 66 (Robinson).

²⁹ Hearing transcript, p. 164 (Sampat).

³⁰ ***.

³¹ ***.

an inner liner are added to the stack. Perforations may also be made and holes may be punched, depending on the particular product being made. The compiled layers of large sheets are then either collected on a pallet at the end of the ruling machine to await further processing or moved to the binding operation in web-to-finish machines.

Binding

Binding equipment differs depending on the type of binding required (e.g., spiral binding, double-wire binding, glue tape binding, center-stitch binding, or stapling). Web-to-finish machines are therefore configured to handle exclusively one particular type of binding. For wire-bound notebooks, compiled layers of large sheets resulting from the ruling process outlined above are cut into three rows representing the size of two notebooks each. These “two-on strips” are then punched with wire binding and ring holes, and cut into two notebooks each. Each notebook is then automatically wired, and passed along a conveyer for packing. The components of notebooks produced by web-to-finish machines must be of the same size and of a single consistency; the process does not allow for oversized covers or backs, or for pocketed dividers.

For spiral bound products made with the step and repeat process, pallets of large sheets are delivered by forklift to an automatic programmable paper cutter (“APPC”) that makes a series of cuts that reduce the large sheets into product-size pieces. The heart of an APPC is a large guillotine that is capable of cutting several layers at a time. The APPC also has various movable fences that corral the sheets as they are being cut. Because the position of the fences for each cut is computer controlled, APPCs are capable of cutting products of any dimension; cutting patterns can be changed at the touch of a button, with no set-up time in between. Once cut to the proper size, the notebooks are moved to a spiral binding machine. For single-subject notebooks, a binder operator may add a cover to each layer as it is fed into the binder. The machine then punches small holes into the edges of the completed stack and twists spiraled wire into the holes in a fraction of a second. For multi-subject notebooks, an operator adds pockets to the bottom and middle sections of the notebook, and a cover to the top section. The binder machine then hole-punches each section, assembles each section into a notebook, and finally twists a wire binding on. Some binder machines are capable of both single- or twin-wire binding. The same machines can be used to bind CLPSS and out-of-scope lined paper products.³²

Composition books and exercise books that require stitch-binding are ***. Traditional composition books begin with ***.³³

Wrapping and Packing

Finished CLPSS is often wrapped in plastic before packing. Wrapping is an integral function of web-to-finish machines. For the step and repeat process, wrapping equipment is ***. Looseleaf paper requires wrapping in lieu of binding. Printed top sheets are inserted onto finished paper stacks prior to cutting, and the requisite number of sheets are then passed through a plastic wrapper. Other products, such as notebooks, may be collected in multiples and also packaged in plastic wrap. Finished CLPSS, wrapped or otherwise, passes along a conveyer to an employee for hand-packing in a corrugated shipping box. Corrugated boxes may be “display ready” to facilitate restocking on retailers’ shelves.

In the preliminary phase of the original investigations, counsel for Chinese respondents noted that the production process for CLPSS in China is different from that employed in the United States. According to counsel, the production process for CLPSS in China occurs on multiple single-function

³² ***.

³³ ***.

machines, involving far greater use of manual labor than those employed by U.S. manufacturers.³⁴ Preliminary phase record evidence indicated that CLPSS are produced in Indonesia using “automatic machines,”³⁵ whereas production in India ranged from “manual to fully automatic,” with the majority of manufacturers using a “semi-automatic” process.³⁶

DOMESTIC LIKE PRODUCT ISSUES

In its original determinations, the Commission defined the domestic like product as to include all lined paper products regardless of dimension, encompassing LPP as well as outsized lined paper products.³⁷ In its notice of institution in these current five-year reviews, the Commission solicited comments from interested parties regarding the appropriate domestic like product and domestic industry.³⁸ In its response to the notice of institution, the AASPS indicated that it agrees with the domestic like product definition used by the Commission in the original investigations;³⁹ however, in its prehearing brief, the AASPS stated that the Commission should exclude legal pads without covers from the domestic like product definition in these reviews.⁴⁰ At the hearing, the AASPS again modified its position, stating that CLPSS should be classified as a separate like product.⁴¹ The AASPS contends that since the time of the original determinations, OLPP have become distinct products from CLPSS and should not be included in the definition of the domestic like product.⁴² Both the Indian and Indonesian respondents agree that the domestic like product should continue to be defined as LPP.⁴³

U.S. MARKET PARTICIPANTS

U.S. Producers

During the original investigations, ten firms supplied the Commission with information on their U.S. operations with respect to LPP. These firms accounted for virtually all known U.S. production of LPP in 2005.⁴⁴ In these current reviews, the Commission issued producers’ questionnaires to 12 firms, eight of which provided the Commission with information on their LPP operations. These firms are believed to account for virtually all known U.S. production of LPP in 2011. Presented in table I-8 is a list

³⁴ Chinese respondents’ postconference brief, p. 34.

³⁵ ***.

³⁶ Indian respondents’ postconference brief, exh. 1.

³⁷ *Certain Lined Paper School Supplies from China, India, and Indonesia*, Inv. Nos. 701-TA-442-443 and 731-TA-1095-1097 (Final), USITC Publication 3884 (September 2006), p. 11.

³⁸ *Certain Lined Paper School Supplies From China, India, and Indonesia-Institution of Five-Year Reviews Concerning the Countervailing Duty Orders on Certain Lined Paper School Supplies From India and Indonesia and the Antidumping Duty Orders on Certain Lined Paper School Supplies From China, India, and Indonesia*, 76 FR 45851, August 1, 2011.

³⁹ AASPS’ response to the notice of institution, August 31, 2011, p. 24.

⁴⁰ AASPS’ prehearing brief, p. 7 and exhibit 2.

⁴¹ Hearing transcript, p. 104 (Price).

⁴² AASPS’ posthearing brief, Exhibit 1, pp. 86-93.

⁴³ Tjiwi Kimia’s prehearing brief, p. 14, and Indian producers’ prehearing brief, p. 4.

⁴⁴ Eight of the ten firms that supplied the Commission with information in the final investigations have provided responses in the current reviews. American Scholar was excluded from the domestic industry in the final investigations under the related parties provision and ***. Attempts to contact U.S. producer *** were undeliverable. ***.

of current domestic producers of LPP and each company's position on continuation of the orders, production location(s), related and/or affiliated firms, and share of reported production of LPP in 2011.

As indicated in the table below, *** related to foreign producers of CLPSS and none are related to U.S. importers of the subject merchandise. In addition, as discussed in greater detail in Part III, five U.S. producers directly import the subject merchandise and three purchase the subject merchandise from U.S. importers.

Table I-8

LPP: U.S. producers, positions on the orders, U.S. production locations, and shares of 2011 reported U.S. production

Firm	Position on continuation of the orders	U.S. production location(s)	Share of 2011 production (percent)
Esselte ¹	***	Melville, NY	***
Kurtz Bros.	***	Clearfield, PA	***
Mead ²	***	Kettering, OH; Alexandria, PA; Sidney, NY	***
Norcom ³	***	Griffin, GA	***
Pacon ⁴	***	Appleton, WI	***
Roaring Spring	***	Roaring Spring, PA	***
TOPS ⁵	***	Downers Grove, IL	***
Top Flight	***	Chattanooga, TN	***

1 ***
2 ***
3 ***
4 ***
5 ***

Note.—Because of rounding, shares may not total to 100.0 percent.

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

U.S. Importers

In the original investigations, 49 U.S. importing firms, nine of which were also U.S. producers, supplied the Commission with usable information on their operations involving the importation of CLPSS, accounting for 39 percent of the value of total U.S. imports of CLPSS in 2005.

In these current reviews, the Commission issued importers' questionnaires to 67 firms believed to be importers of subject CLPSS, as well as to all U.S. producers of LPP. Usable questionnaire responses were received from 25 companies, representing 29.7 percent of total subject imports from China, India, and Indonesia.⁴⁵ Table I-9 lists all responding U.S. importers of LPP, their headquarter locations, and their shares of U.S. imports in 2011.

⁴⁵ Coverage was calculated using the quantity of U.S. imports of CLPSS from China, India, and Indonesia reported by responding U.S. importers in 2011 – 13.251 million pieces, compared to the quantity from official import statistics – 44.575 million pieces (based on the five HTS subheadings, 4811.90.9050, 4811.90.9090, 4820.10.2030, 4820.10.2040, and 4820.10.2050).

Table I-9

LPP: U.S. importers, U.S. headquarters, and shares of reported imports in 2011

Firm	Headquarters	Share of imports (percent)					
		CLPSS China	CLPSS India	CLPSS Indonesia	Total CLPSS Subject	OLPP China, India, and Indonesia	LPP All Other Sources
Big Lots Stores	Columbus, OH	***	***	***	***	***	***
Carolina Pad	Charlotte, NC	***	***	***	***	***	***
CBI Distributing	Hoffman Estates, IL	***	***	***	***	***	***
DaySpring	Siloam Springs, AR	***	***	***	***	***	***
Dolgen	Goodlettsville, TN	***	***	***	***	***	***
Educational Products	Carrollton, TX	***	***	***	***	***	***
Greenbrier	Chesapeake, VA	***	***	***	***	***	***
iScholar	Lindenhurst, NY	***	***	***	***	***	***
Kittrich	La Mirada, CA	***	***	***	***	***	***
Kurtz Bros.	Clearfield, PA	***	***	***	***	***	***
Mead	Kettering, OH	***	***	***	***	***	***
Michaels	Irving, TX	***	***	***	***	***	***
Norcom	Griffin, GA	***	***	***	***	***	***
NuCarta	Stillwater, MN	***	***	***	***	***	***
Oriental Trading	Omaha, NE	***	***	***	***	***	***
Sears	Hoffman Estates, IL	***	***	***	***	***	***
Staples	Framingham, MA	***	***	***	***	***	***
Target	Minneapolis, MN	***	***	***	***	***	***
TOPS	Downers Grove, IL	***	***	***	***	***	***
Top Flight	Chattanooga, TN	***	***	***	***	***	***
Tri-Coastal Design	Wharton, NJ	***	***	***	***	***	***
UPD	Grandview, MO	***	***	***	***	***	***
U.S. Toy	Vernon, CA	***	***	***	***	***	***
Walgreen	Deerfield, IL	***	***	***	***	***	***
Walmart	Bentonville, AR	***	***	***	***	***	***
Total		100.0	100.0	none	100.0	100.0	100.0

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

U.S. Purchasers

The Commission sent purchasers' questionnaires to approximately 55 firms believed to have purchased LPP during the period 2006-11. Twenty-six purchasers, two of which are U.S. producers of LPP, and eight of which are importers of CLPSS, provided purchaser questionnaire responses, accounting for 35 percent of U.S. apparent consumption of LPP in 2011. Twenty of the responding purchasers reported that they were retailers, eight reported that they were distributors, and one reported that it was a wholesaler. The top three largest purchasers in 2011 were retailers ***.

APPARENT U.S. CONSUMPTION AND MARKET SHARES

Data concerning apparent U.S. consumption and market shares of LPP during the period for which data were collected in these reviews are shown in tables I-10 through I-13, and in figures I-1 and I-2. As previously discussed, imports contained under HTS subheading 4820.10.2060 include out of scope product. Apparent consumption tables are presented using official import statistics both including and without this HTS subheading.⁴⁶

⁴⁶ Staff notes that because HTS subheading 4820.10.2060 was created in July 2009 as an expanded statistical breakout, import data contained in tables I-10-11 and figure I-1 will be overstated across all years of the period. Import data contained in tables I-12-13 and figure I-2 will be overstated for years 2006 through 2009 (half-year).

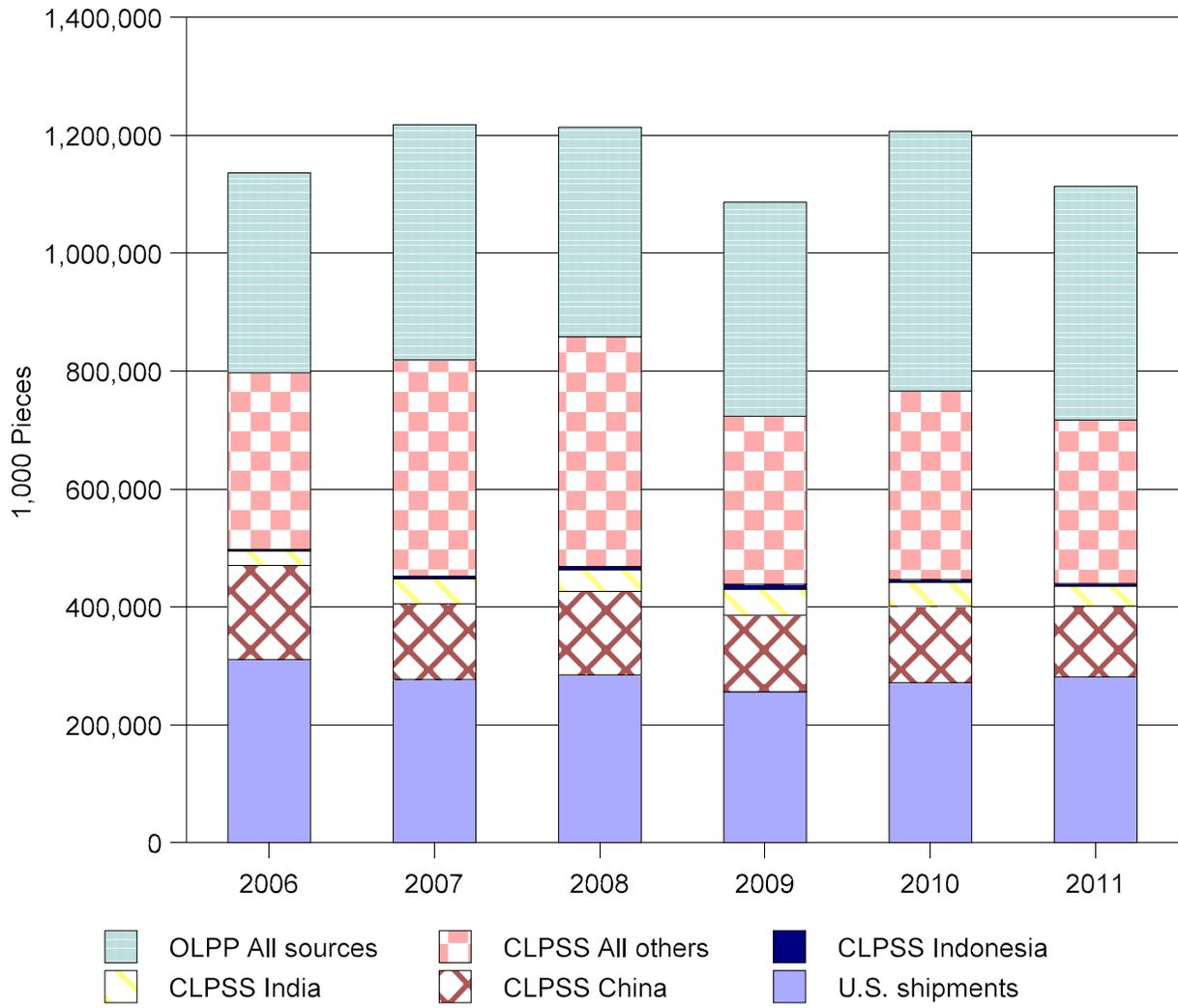
Table I-10
LPP: U.S. shipments of domestic product, U.S. imports, and apparent U.S. consumption, 2006-11

Item	Calendar year					
	2006	2007	2008	2009	2010	2011
Quantity (1,000 pieces)						
U.S. producers' U.S. shipments	310,747	276,940	284,470	256,208	271,675	281,308
U.S. CLPSS imports from—						
China	159,562	128,262	141,967	129,796	129,581	120,247
India	24,240	42,421	36,882	43,940	40,568	33,994
Indonesia	3,207	4,415	4,956	8,315	4,933	4,369
Subtotal, subject imports	187,009	175,097	183,804	182,052	175,083	158,610
All other sources	299,506	367,145	390,036	285,059	319,606	277,336
Subtotal, total CLPSS imports	486,515	542,243	573,840	467,111	494,688	435,947
U.S. OLPP imports (all sources)	338,716	399,065	355,426	363,371	440,408	396,623
Total imports	825,231	941,308	929,266	830,482	935,097	832,570
Apparent U.S. consumption	1,135,979	1,218,248	1,213,736	1,086,690	1,206,771	1,113,877
Value (1,000 dollars)						
U.S. producers' U.S. shipments	242,670	236,262	235,031	234,240	223,749	235,657
U.S. CLPSS imports from—						
China	109,795	112,295	123,715	98,172	118,835	111,941
India	10,659	24,680	19,401	23,370	21,970	17,774
Indonesia	1,034	1,560	1,651	2,628	2,169	1,672
Subtotal, subject imports	121,489	138,535	144,768	124,171	142,974	131,387
All other sources	200,642	248,189	272,694	209,458	219,582	195,959
Subtotal, total CLPSS imports	322,131	386,724	417,461	333,629	362,556	327,346
U.S. OLPP imports (all sources)	175,776	210,797	194,451	142,597	168,370	173,099
Total imports	497,907	597,520	611,912	476,226	530,926	500,446
Apparent U.S. consumption	740,577	833,782	846,942	710,466	754,675	736,103
<p>Note.—Because of rounding, figures may not add to the totals shown. CLPSS import data are based on HTS subheadings 4811.90.9050, 4811.90.9090, 4820.10.2030, 4820.10.2040, 4820.10.2050, and 4820.10.2060. OLPP import data are based on HTS subheading 4820.10.2020.</p> <p>Source: Compiled from data submitted in response to Commission questionnaires and from official Commerce statistics.</p>						

Table I-11
LPP: U.S. consumption and market shares, 2006-11

Item	Calendar year					
	2006	2007	2008	2009	2010	2011
Quantity (1,000 pieces)						
Apparent U.S. consumption	1,135,979	1,218,248	1,213,736	1,086,690	1,206,771	1,113,877
Value (1,000 dollars)						
Apparent U.S. consumption	740,577	833,782	846,942	710,466	754,675	736,103
Share of quantity (percent)						
U.S. producers' U.S. shipments	27.4	22.7	23.4	23.6	22.5	25.3
U.S. CLPSS imports from–						
China	14.0	10.5	11.7	11.9	10.7	10.8
India	2.1	3.5	3.0	4.0	3.4	3.1
Indonesia	0.3	0.4	0.4	0.8	0.4	0.4
Subtotal, subject imports	16.5	14.4	15.1	16.8	14.5	14.2
All other sources	26.4	30.1	32.1	26.2	26.5	24.9
Subtotal, total CLPSS imports	42.8	44.5	47.3	43.0	41.0	39.1
U.S. OLPP imports (all sources)	29.8	32.8	29.3	33.4	36.5	35.6
Total imports	72.6	77.3	76.6	76.4	77.5	74.7
Share of value (percent)						
U.S. producers' U.S. shipments	32.8	28.3	27.8	33.0	29.6	32.0
U.S. CLPSS imports from–						
China	14.8	13.5	14.6	13.8	15.7	15.2
India	1.4	3.0	2.3	3.3	2.9	2.4
Indonesia	0.1	0.2	0.2	0.4	0.3	0.2
Subtotal, subject imports	16.4	16.6	17.1	17.5	18.9	17.8
All other sources	27.1	29.8	32.2	29.5	29.1	26.6
Subtotal, total CLPSS imports	43.5	46.4	49.3	47.0	48.0	44.5
U.S. OLPP imports (all sources)	23.7	25.3	23.0	20.1	22.3	23.5
Total imports	67.2	71.7	72.2	67.0	70.4	68.0
<p>Note.—Because of rounding, figures may not add to the totals shown. CLPSS import data are based on HTS subheadings 4811.90.9050, 4811.90.9090, 4820.10.2030, 4820.10.2040, 4820.10.2050, and 4820.10.2060. OLPP import data are based on HTS subheading 4820.10.2020.</p> <p>Source: Compiled from data submitted in response to Commission questionnaires and from official Commerce statistics.</p>						

Figure I-1
LPP: Apparent U.S. consumption, by sources, 2006-11



Source: Table I-10.

Table I-12

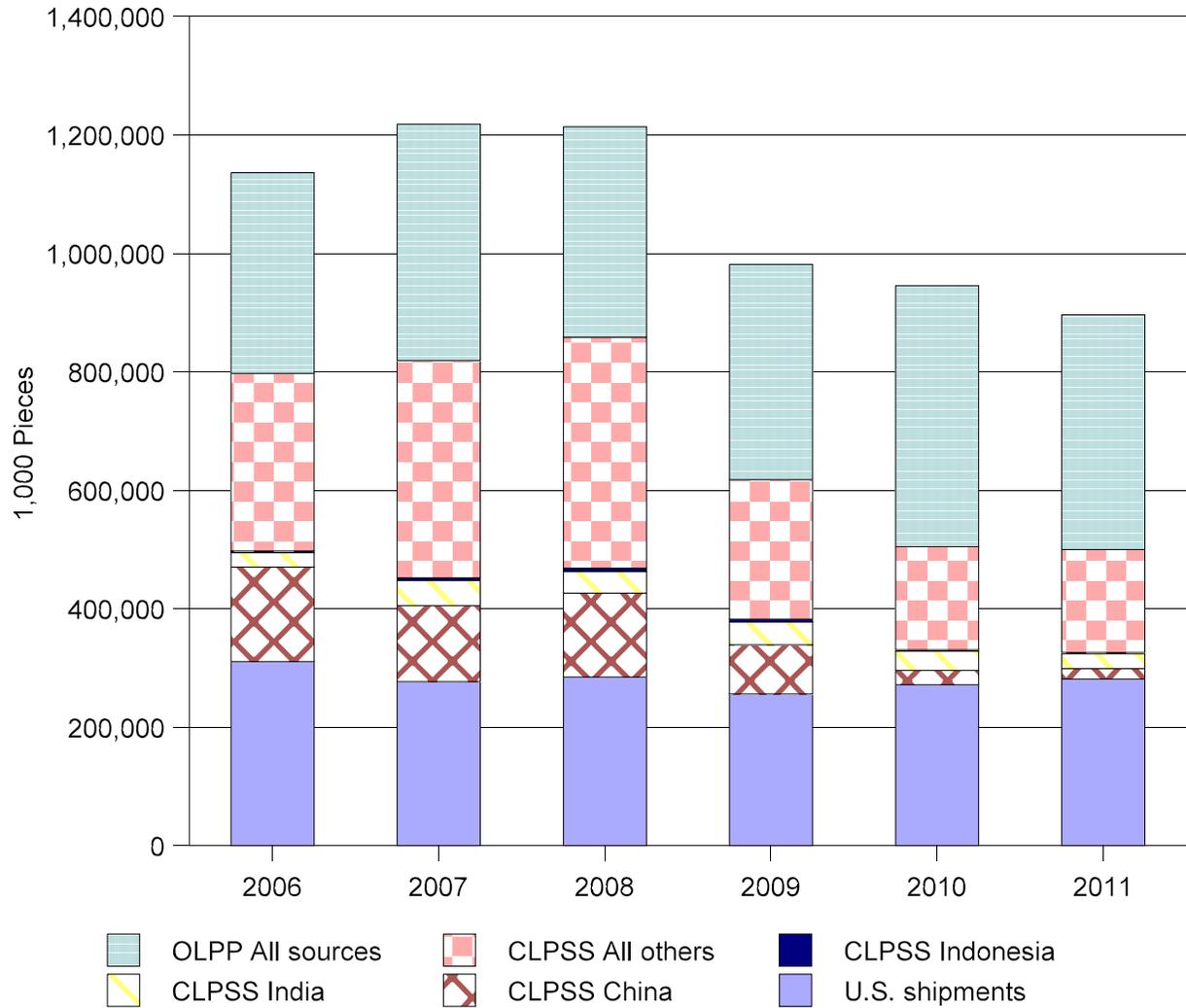
LPP: U.S. shipments of domestic product, U.S. imports (excluding HTS subheading 4820.10.2060), and apparent U.S. consumption, 2006-11

Item	Calendar year					
	2006	2007	2008	2009	2010	2011
Quantity (1,000 pieces)						
U.S. producers' U.S. shipments	310,747	276,940	284,470	256,208	271,675	281,308
U.S. CLPSS imports from—						
China	159,562	128,262	141,967	82,688	24,023	17,457
India	24,240	42,421	36,882	38,393	32,779	25,521
Indonesia	3,207	4,415	4,956	5,481	2,173	1,597
Subtotal, subject imports	187,009	175,097	183,804	126,563	58,976	44,575
All other sources	299,506	367,145	390,036	235,121	174,382	173,842
Subtotal, total CLPSS imports	486,515	542,243	573,840	361,684	233,357	218,417
U.S. OLPP imports (all sources)	338,716	399,065	355,426	363,371	440,408	396,623
Total imports	825,231	941,308	929,266	725,055	673,766	615,040
Apparent U.S. consumption	1,135,979	1,218,248	1,213,736	981,263	945,441	896,348
Value (1,000 dollars)						
U.S. producers' U.S. shipments	242,670	236,262	235,031	234,240	223,749	235,657
U.S. CLPSS imports from—						
China	109,795	112,295	123,715	69,168	38,496	33,656
India	10,659	24,680	19,401	20,424	17,606	12,513
Indonesia	1,034	1,560	1,651	2,138	1,539	1,081
Subtotal, subject imports	121,489	138,535	144,768	91,730	57,641	47,250
All other sources	200,642	248,189	272,694	178,742	142,593	133,025
Subtotal, total CLPSS imports	322,131	386,724	417,461	270,473	200,234	180,274
U.S. OLPP imports (all sources)	175,776	210,797	194,451	142,597	168,370	173,099
Total imports	497,907	597,520	611,912	413,070	368,605	353,374
Apparent U.S. consumption	740,577	833,782	846,942	647,309	592,354	589,031
<p>Note.—Because of rounding, figures may not add to the totals shown. CLPSS import data are based on HTS subheadings 4811.90.9050, 4811.90.9090, 4820.10.2030, 4820.10.2040, and 4820.10.2050. OLPP import data are based on HTS subheading 4820.10.2020. Import data prior to the HTS statistical subheading breakout of 4820.10.2050 in July 2009 are overstated.</p> <p>Source: Compiled from data submitted in response to Commission questionnaires and from official Commerce statistics.</p>						

Table I-13
LPP: U.S. consumption and market shares (excluding imports under HTS subheading 4820.10.2060), 2006-11

Item	Calendar year					
	2006	2007	2008	2009	2010	2011
Quantity (1,000 pieces)						
Apparent U.S. consumption	1,135,979	1,218,248	1,213,736	981,263	945,441	896,348
Value (1,000 dollars)						
Apparent U.S. consumption	740,577	833,782	846,942	647,309	592,354	589,031
Share of quantity (percent)						
U.S. producers' U.S. shipments	27.4	22.7	23.4	26.1	28.7	31.4
U.S. CLPSS imports from–						
China	14.0	10.5	11.7	8.4	2.5	1.9
India	2.1	3.5	3.0	3.9	3.5	2.8
Indonesia	0.3	0.4	0.4	0.6	0.2	0.2
Subtotal, subject imports	16.5	14.4	15.1	12.9	6.2	5.0
All other sources	26.4	30.1	32.1	24.0	18.4	19.4
Subtotal, total CLPSS imports	42.8	44.5	47.3	36.9	24.7	24.4
U.S. OLPP imports (all sources)	29.8	32.8	29.3	37.0	46.6	44.2
Total imports	72.6	77.3	76.6	73.9	71.3	68.6
Share of value (percent)						
U.S. producers' U.S. shipments	32.8	28.3	27.8	36.2	37.8	40.0
U.S. CLPSS imports from–						
China	14.8	13.5	14.6	10.7	6.5	5.7
India	1.4	3.0	2.3	3.2	3.0	2.1
Indonesia	0.1	0.2	0.2	0.3	0.3	0.2
Subtotal, subject imports	16.4	16.6	17.1	14.2	9.7	8.0
All other sources	27.1	29.8	32.2	27.6	24.1	22.6
Subtotal, total CLPSS imports	43.5	46.4	49.3	41.8	33.8	30.6
U.S. OLPP imports (all sources)	23.7	25.3	23.0	22.0	28.4	29.4
Total imports	67.2	71.7	72.2	63.8	62.2	60.0
<p>Note.—Because of rounding, figures may not add to the totals shown. CLPSS import data are based on HTS subheadings 4811.90.9050, 4811.90.9090, 4820.10.2030, 4820.10.2040, and 4820.10.2050. OLPP import data are based on HTS subheading 4820.10.2020. Import data prior to the HTS statistical subheading breakout of 4820.10.2050 in July 2009 are overstated.</p> <p>Source: Compiled from data submitted in response to Commission questionnaires and from official Commerce statistics.</p>						

Figure I-2
LPP: Apparent U.S. consumption (excluding imports under HTS subheading 4820.10.2060), by sources, 2006-11



Source: Table I-12.

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

U.S. MARKET CHARACTERISTICS

LPP is sold in three main forms: spiral-bound or wireless notebooks (with or without pockets and/or dividers); hole-punched filler paper; and composition books. The paper may be wide-ruled or college-ruled and is typically white in color, while notebook covers may be plain or consist of fashion graphics. The product is primarily used for note-taking and assignments by students in school, although it may also be used for business purposes.

Most sales of LPP are to retailers, including general merchandise superstores, office supply stores, and grocery chains and pharmacies. According to AASPS, sales of LPP have become more concentrated since the original investigations, with a few retailers purchasing the majority of LPP.^{1 2} Based on questionnaire responses, the five largest purchasers (***) accounted for *** percent of total purchases of LPP in 2011 (approximately *** percent of apparent consumption). Of the 26 responding purchasers, eight reported that at least some of their imported CLPSS was imported directly from foreign producers in China, India, and Indonesia, with four of the five largest purchasers reporting direct imports during the period of review. According to AASPS, these large retailers have buying offices overseas and deal directly with the factories in order to capture the lowest price.³

Demand for LPP tends to be highly seasonal, peaking in the second and third quarters as retailers stock up for back-to-school promotions. According to AASPS, purchasers of LPP often sell LPP at or below cost during back-to-school promotions. LPP is often used as a loss leader, which is a product that is considered a necessity and draws people into the store for other products that are discretionary and have a higher markup, such as back-to-school clothes.⁴

CHANNELS OF DISTRIBUTION

U.S. producers and importers sell LPP to distributors, retailers, and end users. As shown in table II-1, U.S. producers and importers of CLPSS from China shipped the majority of their product to retailers. However, importers of CLPSS from India and Indonesia sold their product primarily to end users during the period of review.⁵

Table II-1

LPP: Channels of distribution for commercial shipments of domestic LPP and subject imports of CLPSS sold in the U.S. market, by year and by source, 2006-11¹

* * * * *

¹ Hearing transcript, p. 87 (Price).

² There were three major acquisitions of significant purchasers of lined paper during the period of review. In 2008, Staples acquired Corporate Express, a large supplier of office products to businesses and institutions. Also in 2008, CVS acquired Longs Drug Stores, which operated 521 drug stores in the Western United States. In 2010, Walgreens' purchased Duane Reade, a major drug store chain with 257 stores in the New York area. AASPS posthearing brief, p. 50.

³ Hearing transcript, pp. 129-130 (Robinson).

⁴ Hearing transcript, pp. 71 and 114-115 (Robinson and Kaplan).

⁵ The shift in channels of distribution of U.S. shipments from India between 2010 and 2011 is primarily the result of two large importers. *** reported no U.S. shipments of CLPSS from subject countries for 2011, which decreased the reported U.S. shipments of CLPSS from India to end users. *** was the only firm to report U.S. shipments of CLPSS from India to distributors and significantly increased its imports of CLPSS from India over the period.

GEOGRAPHIC DISTRIBUTION

U.S. producers and importers, as a whole, reported nationwide sales. All six responding producers reported selling to all regions within the contiguous United States, five of which also sold product to all “other” regions.⁶ Six of the seven responding importers of CLPSS from China reported selling CLPSS to all regions within the contiguous United States, and the remaining importer of CLPSS from China reported serving primarily the Southeast, Midwest, and Northeast regions. All four responding importers of CLPSS from India reported that they sold to all regions within the contiguous United States. The sole responding importer of CLPSS from Indonesia reported selling CLPSS to all regions within the contiguous United States.⁷

SUPPLY AND DEMAND CONSIDERATIONS

U.S. Supply

Domestic Production

Based on available information, U.S. producers have the ability to respond to changes in demand with large changes in the quantity of shipments of U.S.-produced LPP to the U.S. market. The main factors contributing to the large degree of responsiveness of supply are substantial unused capacity, large and increasing inventories, and production alternatives tempered by low export levels.

Industry capacity

Capacity for U.S. producers of LPP increased from 547.9 million pieces in 2006 to 601.3 million pieces in 2011. Capacity utilization decreased from 55.7 percent in 2006 to 39.5 percent in 2009 before rising to 45.8 percent in 2010 and 55.0 percent in 2011.

Alternative markets

Exports of LPP decreased irregularly from *** percent of U.S. producers’ total shipments in 2006 to *** percent in 2011. *** responding producers reported that they have a limited ability to shift sales of LPP between the U.S. market and alternative country markets. *** reported that many countries have different product standards and use metric sizing which would require significant changes to its equipment in order to significantly increase its export opportunities. *** reported that they sell primarily in the U.S. market and have not established export channels of LPP. *** reported that subject imports are being dumped in other regions of the world which limits *** ability to export to those markets.

Inventory levels

U.S. producers’ inventories as a ratio of their total LPP shipments fluctuated during 2006-2011. U.S. producers’ inventories increased irregularly from *** percent in 2006 to *** percent in 2008, then fell to *** percent in 2009 and *** percent in 2010 before rising to *** percent in 2011.

⁶ “Other” includes all other markets not in the contiguous United States, such as Alaska, Hawaii, Puerto Rico, and the U.S. Virgin Islands.

⁷ Importers that reported purchasing CLPSS from different subject countries were counted separately for each country.

Production alternatives

Three producers reported that they produce other products on the same equipment and machinery, such as phone message books, business notebooks, unlined pads and tablets, drawing paper, and construction paper.⁸ *** reported that it is able to switch a limited amount of production to these other products in response to relative price changes; however, because the machines are engineered to produce LPP, they are less efficient when producing other products.

Supply constraints

U.S. producers, importers, and purchasers were asked if there have been any changes in factors affecting the supply of U.S.-produced LPP.⁹ Five of 6 responding producers indicated “yes.” Two producers cited the reduced supply of subject imports as the result of the antidumping and countervailing duty orders which they asserted had increased U.S. production of LPP.¹⁰ One producer cited increased fuel and transportation costs. One producer noted the increase in paper prices as well as a shift away from sales through traditional school distribution channels to consumer retail sales due to the reduction in school budgets. *** reported that it has invested in equipment to domestically manufacture composition books which has increased domestic capacity. *** also noted that it believes another U.S. producer has recently purchased a wire binding machine.

Seven of 18 importers and seven of 22 purchasers reported changes in factors that affect supply of U.S.-produced LPP. Four importers and three purchasers reported increased transportation costs (noting both ocean freight and inland transportation costs), increased raw material costs, increased labor costs, and fluctuating exchange rates. *** noted that there has been an increase in the availability of various raw material components. *** noted the Forest Stewardship Council (FSC) certification which certifies an environmental and corporate social responsibility standard.

When asked about anticipated changes in the availability of U.S.-produced LPP in the U.S. market, three of six responding producers reported that they anticipate that U.S. supply will remain unchanged. Two producers reported that they anticipate that U.S. supply will increase. *** reported that it is evaluating purchasing an additional CLPSS machine as long as the orders are not revoked. *** reported that it is currently engaged in capital improvement projects that will increase its production capacity of CLPSS, particularly reinforced filler paper; however, it noted that revocation of the orders would threaten these expansion projects.

Supply of Subject Imports

The sensitivity of supply of CLPSS imports from China, India, and Indonesia to changes in price in the U.S. market depends upon such factors as the existence of excess capacity, the levels of inventories, and the existence of export markets. The Commission received no questionnaire responses from Chinese suppliers in these reviews. Relevant information for India and Indonesia follows.

⁸ All three producers reported that capacity and workers were allocated to LPP or other products based on sales.

⁹ Factors identified as affecting supply include changes in the availability or prices of energy or labor; transportation conditions; production capacity and/or methods of production; technology; export markets; or alternative production opportunities that affected the availability of U.S.-produced lined paper products in the U.S. market since 2006.

¹⁰ U.S. production of LPP fell from 2006 to 2009 but rose in 2010 and 2011, resulting in an overall increase of 8.3 percent during the period of review.

Supply of subject imports from India

The Commission received eight usable questionnaire responses from Indian suppliers.¹¹ Based on available information, Indian producers have the ability to respond to changes in demand with large changes in the quantity of shipments of CLPSS to the U.S. market. The main contributing factors to the large degree of responsiveness of supply are unused capacity and the existence of alternate markets, tempered by moderate levels of inventories.

Industry capacity

Capacity for reporting producers nearly doubled during the period increasing from 44.0 million pieces in 2006 to 85.1 million pieces in 2011. Capacity utilization increased irregularly from 69.8 percent in 2006 to 83.1 percent in 2011.

Inventory levels

Responding Indian producers' inventories, relative to total shipments, increased irregularly from 10.6 percent in 2006 to 15.8 percent in 2011.

Alternative markets

Seven of the eight responding Indian producers reported that approximately half of their products were shipped primarily to the home market during the period (figure II-1). The eight responding Indian producers' export shipments to the United States, as a share of total shipments of CLPSS, increased from 10.5 percent in 2006 to 26.8 percent in 2011.

Figure II-1
CLPSS: Shares of total shipments of CLPSS by Indian producers, by destination, 2006-2011

* * * * *

Supply of subject imports from Indonesia

The Commission received one questionnaire response from Indonesian producer Tjiwi Kimia.¹² Based on available information, Tjiwi Kimia has the ability to respond to changes in demand with moderate changes in the quantity of shipments of CLPSS to the U.S. market.¹³ The main contributing factors to the moderate degree of responsiveness of supply are the existence of alternate markets and large inventories constrained by high levels of capacity utilization.

¹¹ The eight responding producers accounted for approximately *** percent of Indian production of CLPSS in 2011.

¹² Tjiwi Kimia accounted for approximately *** percent of Indonesian production of CLPSS in 2011.

¹³ Tjiwi Kimia contends that the supply responsiveness was overstated because reported inventory volumes reflect product made for specific customer orders and cannot be shipped to the U.S. market because they are not produced to U.S. size standards. Tjiwi Kimia's prehearing brief, p. 29. Staff has revised the supply responsiveness from "moderately high" to "moderate."

Industry capacity

Tjiwi Kimia's reported capacity for CLPSS increased from *** million pieces in 2006 to *** million pieces in 2011.¹⁴ Capacity utilization increased from *** percent in 2006 to *** percent in 2011.¹⁵

Inventory levels

Tjiwi Kimia's inventories, as a share of total shipments, fell from *** percent in 2006 to *** percent in 2011.¹⁶

Alternative markets

Tjiwi Kimia's exports, as a share of total shipments, fell from *** percent in 2006 to *** percent in 2011. Tjiwi Kimia *** export shipments to the United States during the period of review (figure II-2).

Figure II-2
CLPSS: Shares of total shipments of CLPSS by Indonesian producer Tjiwi Kimia, by destination, 2006-2011

* * * * *

Supply constraints

When asked if there have been any changes in factors that affect the supply of subject product, two of eight Indian producers and the *** reported "yes." Both Indian producers reported that labor and energy prices have increased. Indian producers reported raw material constraints, including agricultural waste material.¹⁷ Indian producers also reported a chronic shortage of paper in India, and stated that the Indian industry imports at least 30 percent of its paper requirements.¹⁸

The sole Indonesian producer, Tjiwi Kimia, reported that environmental concerns and FSC certification now required by major U.S. purchasers have severely limited demand for its products in the U.S. market.¹⁹ Mead also noted that major purchasers of LPP in Europe have established sustainable forestry requirements for all suppliers which has reduced shipments of CLPSS from subject countries, particularly Indonesia, to the EU.

All 16 responding importers and six of eight foreign producers reported that they anticipate the supply of subject imports from China, India, and Indonesia to remain unchanged. However, several firms

¹⁴ Tjiwi Kimia asserts that it has not increased its capacity to produce CLPSS since the order. It contends that "changes from year-to-year in reported "units" of capacity and/or units of production do not necessarily reflect any real change in actual capacity of production volumes. It may simply reflect changes in product mix, i.e., the same volume of paper simply is cut to a different size or bound with a different number of sheets." Tjiwi Kimia's prehearing brief, p. 16 and p. 29.

¹⁵ Tjiwi Kimia does not have any plans to expand its LPP capacity in the near future. Hearing transcript, p. 269 (Shor).

¹⁶ Tjiwi Kimia contends that the CLPSS products currently in inventory are metric sized, and, therefore, not suitable for sale in the U.S. market. Tjiwi Kimia's prehearing brief, p. 28.

¹⁷ India produces the great majority of its paper from recycled paper, straw, bagasse (sugarcane waste), and other agricultural waste products due to a lack of forest resources and by law. Indian producers' posthearing brief, p. 19.

¹⁸ Indian producers' posthearing brief, p. 18.

¹⁹ Hearing transcript, p. 218 (Gupta).

reported that if the orders were revoked, they would anticipate a “large” increase in the availability of subject imports in the U.S. market. One Indian producer reported that it anticipates the supply from India to decrease due to increasing prices in labor, electricity, and other raw material costs. Two foreign producers reported that the supply of CLPSS from India will remain unchanged because of the limited availability of raw materials and their limited conversion capacity.

Nonsubject Imports

Based on official Commerce statistics which overstate imports of CLPSS, U.S. imports of CLPSS from nonsubject countries accounted for 61.6 percent of the quantity of total U.S. imports in 2006, fluctuated within a narrow range during the intervening years, and accounted for 63.6 percent in 2011.

The majority of producers (four of six) and six of 17 responding importers reported that the availability of LPP imported from nonsubject countries has changed since 2006. Firms noted an increase in supply from Brazil, Egypt, Mexico, Taiwan, and, in particular, Vietnam. *** reported that Brazil and Vietnam have continued to invest in production equipment; however, Vietnam’s import prices are competitive with U.S. prices and Brazil is currently focused on its home market and its products are not competitively priced for sales in the U.S. market. *** also reported that U.S. imports from Vietnam, Brazil, Mexico, and Egypt have increased since 2006.

New Suppliers

Seven of 23 responding purchasers indicated that new suppliers have entered the U.S. market since 2006. Purchasers cited Aclor (Mexico), Bazic (China), Bei Bang Stationary (Vietnam), Girl of All Work (U.S.), iScholar (India), Kejriwal Paper (India), Lodha (India), Super Impex (India), Roselle (U.S.), Unison (India), and Urman (India). *** reported that it has seen new suppliers from Egypt, Mexico, Taiwan, and Vietnam.

U.S. Demand

Based on available information, the overall demand for LPP is likely to experience moderately small changes in response to changes in price. The main contributing factor is the lack of close substitute products.

Apparent U.S. Consumption

Apparent U.S. consumption of LPP fluctuated during the period. According to the data in Table 1-12, apparent consumption increased from 1,136.0 million pieces in 2006 to 1,213.7 million pieces in 2008 then decreasing to 896.3 million pieces in 2011.

Business Cycles

The demand for LPP tends to be highly seasonal, peaking in the second and third quarters as retailers stock up for back-to-school promotions. The generally accepted back-to-school season runs for four to ten weeks, from mid-July through September. There is also a smaller peak in demand occurring in January for second semester sales. The vast majority of producers, and all responding importers and purchasers reported that the business cycles or conditions of competition have not changed since 2006. However, *** reported that conditions of competition have changed due to the reduction of imports from subject countries.

Demand Characteristics

According to AASPS, “the market for CLPSS is mature and stable.”²⁰ LPP is used primarily for note-taking and assignments by students in school, although it may also be used for business purposes. The limited availability of substitutes for LPP discussed below indicates that demand for this product is likely to be slightly price inelastic. The population of school-age children is a significant determiner of the demand for LPP.²¹ When asked how overall demand for LPP has changed within the United States since 2006, a plurality of producers reported that demand has fluctuated, and a plurality of importers, purchasers, and foreign producers reported that demand for LPP has remained unchanged since 2006 (table II-2). U.S. producers Mead and Top Flight stated that demand for LPP has not grown over the period, and they predict demand to remain stable over the next few years.²² Of those firms that reported a decrease in demand, an increased use of electronic devices for note taking was the primary factor identified. Reported factors that led to fluctuating demand include: the economy; retail competition; price of paper and other raw materials; and freight charges. When asked about anticipated changes in LPP demand in the United States, a plurality of producers indicated that they believed demand would fluctuate, and pluralities of other market participants indicated that they anticipated that demand for LPP will not change.

Table II-2

LPP: U.S. producer, importer, purchaser, and foreign producer responses regarding the demand for LPP in the United States

Item	Number of firms reporting			
	Increase	No Change	Decrease	Fluctuate
Demand since 2006				
U.S. producers	1	2	0	3
Importers	2	8	3	3
Purchasers	3	9	5	4
Foreign producers	1	5	2	1
Anticipated demand changes				
U.S. producers	1	2	0	3
Importers	2	8	3	3
Purchasers	2	9	4	3
Foreign producers	2	6	0	1

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

²⁰ AASPS posthearing brief, p. 52.

²¹ Hearing transcript, pp. 106 and 109 (McLachlan and Kaplan).

²² Hearing transcript, pp. 106-107 (McLachlan and Robinson).

Substitute Products

While there are reported substitutes for LPP, the potential for substitution is limited. Nonetheless, *** cited alternative products including legal pads, unlined copy paper, journals, and stenopads.

SUBSTITUTABILITY ISSUES

The degree of substitution between domestically produced and imported LPP depends upon such factors as relative prices, quality (e.g., grade standards, reliability of supply, etc.), and conditions of sale (e.g., price discounts/rebates, lead times between order and delivery dates, payment terms, product services, etc.). Based on available data, staff believes that there may be some differences between domestic and imported LPP, but overall, there is a moderate to high degree of substitution between LPP produced in the United States and LPP from subject countries and other import sources.

Factors Affecting Purchasing Decisions

Purchasers were asked a variety of questions to determine what factors influence their decisions when buying LPP. Information obtained from their responses indicates that availability, lead times, quality, and price are important factors.

Knowledge of Country Sources

Nineteen of 24 responding purchasers indicated they had marketing/pricing knowledge of domestic LPP, 9 of Chinese product, 8 of Indian, 3 of Indonesian, 9 of Vietnamese, and 7 of other nonsubject countries. As shown in table II-3, most purchasers (and their customers) “sometimes” or “never” make purchasing decisions based on producer or country of origin.

Table II-3
LPP: Purchaser responses to questions regarding the origin of their purchases

Purchaser/customer decision	Always	Usually	Sometimes	Never
Purchaser makes decision based on producer	3	4	7	10
Purchaser's customer makes decision based on producer	0	2	8	11
Purchaser makes decision based on country	2	2	1	17
Purchaser's customer makes decision based on country	0	0	3	15

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

Major Factors in Purchasing

Available information indicates that purchasers consider a variety of factors as important in the purchasing decision for LPP. While price and quality were cited most frequently as being important factors, other factors such as availability are also important considerations. Price was most frequently cited as the first most important factor (12 firms), quality was the most frequently reported second most important factor (11), and reliability was the most frequently reported third most important factor (7) (table II-4).

Table II-4**LPP: Ranking factors used in purchasing decisions, as reported by U.S. purchasers**

Factor	Number of firms reporting			
	First	Second	Third	Total
Price	12	7	5	24
Quality	9	11	1	21
Availability	1	6	3	10
Reliability	1	1	7	9
Other ¹	2	1	9	12

¹ Other factors include range of product line and country of origin for the first factor; production meets product specifications for the second factor; and country of origin, credit, shipping costs, brand, range of product line, delivery, demand, product meets minimum quality standards, and vendor's performance history for the third factor.

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

More than half of purchasers (14 of 25) reported that they “always” or “usually” purchase the lowest-priced LPP, while 5 reported “sometimes” and 6 reported “never.” Fourteen purchasers also reported that they purchase higher-priced LPP from one source although a comparable product was available at a lower price from another source. Purchasers most frequently identified quality, on-time delivery, and availability as reasons for choosing higher-priced LPP. Other reasons included consistency, production capacity, terms of service, minimum order size, specialty items and non-seasonal purchases, transportation cost, support from suppliers, and country of origin.

Only one of 24 purchasers reported that certain grades/types/sizes of CLPSS were available from only one source. Purchaser *** reported that certain suppliers have licensed products that can be purchased only through them, regardless of the paper's country of origin.

The majority of purchasers (18 of 21) reported that domestically produced LPP “always” or “usually” meets minimum quality specifications; the remaining three purchasers reported that they did not know the quality of domestic product. More than half of responding purchasers reported that they were unaware of the quality or specifications of LPP imported from subject countries. However, of those purchasers with knowledge of subject imports, the majority of purchasers reported that imported subject LPP “always” or “usually” meets minimum quality specifications for their uses. Three purchasers reported that nonsubject imports from Italy and Vietnam “always” or “usually” met minimum quality specifications.

Importance of Specified Purchase Factors

Purchasers were asked to rate the importance of 21 factors when making their purchasing decisions (table II-5). The factors listed as “very important” by more than three-quarters of the responding 25 firms were quality meets industry standards (25); availability (24); reliability of supply (24); delivery time (23); price (23); product consistency (23); and delivery terms (18).

Table II-5
LPP: Importance of purchase factors, reported by U.S. purchasers

Factor	Very important	Somewhat important	Not important
	<i>Number of firms responding</i>		
Availability	24	1	0
Delivery terms	18	6	1
Delivery time	23	2	0
Discounts offered	14	7	4
Extension of credit	10	8	7
Marketing and merchandising support	6	9	8
Minimum quantity requirements	7	15	3
Packaging	13	11	1
Price	23	2	0
Product consistency	23	2	0
Quality meets industry standards	25	0	0
Quality exceeds industry standards	9	12	4
Paper brightness	15	9	0
Paper weight	17	7	0
Paper made of virgin fibers	3	14	7
Product range	5	15	5
Rebates	5	6	14
Reliability of supply	24	1	0
Return policy	6	8	11
Technical support/service	3	10	12
U.S. transportation costs	11	12	1

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

Factors determining quality

U.S. purchasers identified various principal factors they considered in determining the quality of LPP. Reported factors principally included brightness and paper weight, but also included packaging, consistency of lines, quality of wire binding, graphics, and smoothness of surface.

Purchasers were asked to indicate how interchangeable certain paper specifications (paper brightness, weight, and fiber) are in their firms' purchases of lined paper products. Purchasers' knowledge and their perspective on the ability to interchange paper of varying brightness, weight, and fiber were mixed. A plurality of purchasers had no familiarity with the interchangeability of the listed paper specifications. Table II-6 indicates purchasers' responses.

Table II-6

LPP: Interchangeability of low and high paper quality, reported by U.S. purchasers

Paper specification	Always	Frequently	Sometimes	Never	No familiarity
Brightness: 75-85 TAPPI vs 86-95 TAPPI	1	3	5	7	9
Paper weight: less than 56 gsm vs more than 56 gsm	0	3	8	6	8
Material: virgin fibers vs non-virgin fibers	1	2	9	4	9

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

Supplier certification

Ten of 25 purchasers reported that they require suppliers of LPP to become certified or pre-qualified for all of their purchases. One purchaser reported that it requires suppliers to become certified for some of its purchases, but did not indicate the share. Thirteen purchasers reported that they do not require suppliers to become certified or qualified. Ten purchasers provided information on the time necessary to qualify a supplier, ranging from one week to 6 months, with 6 purchasers reporting ranges from 7 to 30 days and 3 purchasers reporting ranges from 45 to 180 days.

When asked if any domestic or foreign suppliers had failed to obtain certification, three of 19 purchasers reported “yes.” ***, ***, and *** were listed as suppliers who had failed to become certified or qualified due to quality issues.

Environmental certification

The importance of environmentally certified paper as a purchasing factor was disputed by parties. AASPS contends that environments/forest sustainability policies of most large retailers are hortatory rather than mandatory.²³ *** reported that none of its customers require an environmental certification of the paper, and that it is aware of only Staples having a written environmental policy against procuring product made with paper produced by Asian Pulp & Paper.²⁴ Both Mead and Top Flight stated that while they do use certified paper, they do not promote this feature and they receive no pricing premiums as a result of the environmental certification.²⁵ *** stated that whenever possible, it purchases paper that has some sort of certification.²⁶ AASPS asserts that while many major retailers have policies that encourage high environmental standards and social responsibility, these policies rarely require a particular environmental certification.²⁷

However, Tjiwi Kimia reports that environmental and sustainability factors caused it to lose Staples, its largest U.S. customer in 2008, ***. ***. Tjiwi Kimia stated that not only has it lost other customers,²⁸ it anticipates that ongoing environmental/sustainability issues will deter U.S. retailers from buying significant quantities of CLPSS from Indonesia for the foreseeable future.²⁹ According to Indian respondents, most U.S. purchasers do not request an environmental certification for LPP produced in India because the product is made from recycled paper or non-wood pulp.³⁰

²³ AASPS posthearing brief, p. 21.

²⁴ Hearing transcript, p. 81 (Robinson); AASPS posthearing brief, p. 21.

²⁵ Hearing transcript, pp. 111-112 (Robinson and McLachlan).

²⁶ Hearing transcript, p. 110 (Rahn).

²⁷ AASPS posthearing brief, p. 21 and exhibit 7.

²⁸ ***. Posthearing brief, p. Q-3.

²⁹ Tjiwi Kimia posthearing brief, p. 1 and 6.

³⁰ Hearing transcript, p. 217 (Sampat).

Lead times

Of the six responding producers, 94.2 percent of their sales came from inventories in 2011, with lead times ranging from 6 to 10 days. The remaining 5.8 percent of producers' sales were produced-to-order in 2011, with lead times ranging from 21 to 60 days. The majority of importers reported that the majority of their sales came from U.S. inventories, with 9 responding importers indicating that over 90 percent of their sales came from inventories. Importers reported lead times that ranged from 7 to 90 days for sales from U.S. inventories. Two importers reported that 100 percent of their sales were produced-to-order with lead times ranging from 105 to 120 days. All six responding Indian producers reported that all of their sales of CLPSS to U.S. customers were produced-to-order in 2011, with lead times ranging from 45 days to 120 days.

Changes in purchasing patterns

Purchasers were asked to indicate how their purchasing patterns for LPP from different sources have changed since 2006. While purchase patterns for domestic and nonsubject product varied, the majority of purchasers reported that they had not purchased LPP produced from subject countries (table II-7). Reasons reported for changes in sourcing included duties, creating a strategic alignment with a particular producer, and licensed and fashion manufacturers moved to other countries.

Table II-7
LPP: Changes in purchase patterns from U.S., subject, and nonsubject countries

Source	Decreased	Increased	Constant	Fluctuated	Did not purchase
United States	3	8	6	4	0
China	5	0	0	0	11
India	5	1	0	0	9
Indonesia	1	1	0	0	13
Other	1	6	3	2	5

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

Seventeen of 24 responding purchasers reported that they had changed suppliers since 2006. These purchasers identified a variety of considerations including competitive pricing, quality, credit terms, licenses, shipping costs, and reliability of supply. Additionally, two purchasers, ***, reported that they hold annual bids and their business is split between several suppliers.

Of the 24 purchasers, 10 purchased LPP weekly, 3 purchased monthly, 3 purchased quarterly, 2 purchased daily, 2 purchased annually, 1 purchased bi-weekly, 1 purchased twice a year, and 2 purchased on an as-needed basis. When asked if purchasers expected their purchasing pattern to change in the next two years, all 24 purchasers responded "no."

The majority of purchasers (16 of 22) contact at least three suppliers before making a purchase, with 7 of these purchasers contacting five or more suppliers. The remainder reported contacting between 1 and 2 suppliers. Seventeen of 24 purchasers reported negotiations between the supplier and the purchaser when purchasing LPP. The majority of purchasers reported that negotiations are based on price, quality, delivery time, product specifications, and quantity. Four of 23 responding purchasers reported that they vary their purchases from a given supplier within a specified time period based on the price offered for that period.

Importance of purchasing domestic product

The majority of purchasers (22 of 25) reported that buying U.S. product is not an important factor in their firms' purchases of LPP. One purchaser (***) reported that buying domestic product was

required by its customers. Purchaser *** reported that 50 percent of its purchases are of domestic product which it buys for “competitive reasons.” Purchaser *** reported that while buying domestic product is important to its customers, it does not purchase U.S. product at this time because it is not competitively priced.

Comparisons of Domestic Product, Subject Imports, and Nonsubject Imports

Purchasers were asked a number of questions comparing LPP produced in the United States, China, India, Indonesia, and nonsubject countries. First, purchasers were asked for a country-by-country comparison on the 21 factors for which they were asked to rate the importance of various purchasing factors (table II-8).

At least half of purchasers reported that U.S. product was superior to Chinese product in terms of delivery terms, delivery time, and marketing/merchandising support. Most responding purchasers identified U.S. product and Chinese product as comparable for all other characteristics except for price, for which the product from China was rated as superior. When comparing U.S. product to Indian and Indonesian product, most responding purchasers reported that U.S. product was comparable to product from India³¹ and Indonesia³² for all characteristics except for price, for which the product from India was rated as superior, and delivery time, for which U.S. product was rated as superior.

³¹ Purchaser responses indicated no clear majority rating when comparing delivery terms, marketing/merchandising support, paper brightness, rebates, technical support, and U.S. transportation costs of U.S. product and product from India.

³² Purchaser responses indicated no clear majority rating when comparing delivery terms, discounts offered, marketing/merchandising support, price, and rebates of U.S. product and product from Indonesia.

Table II-8
LPP: Comparisons of product by source country, as reported by U.S. purchasers

Factor	U.S. vs. China			U.S. vs. India			U.S. vs. Indonesia		
	S	C	I	S	C	I	S	C	I
Availability	3	8	0	2	8	0	1	6	0
Delivery terms	6	5	0	5	5	0	3	3	0
Delivery time	8	3	0	7	3	0	4	2	0
Discounts offered	3	8	0	4	6	0	3	3	0
Extension of credit	3	8	0	3	6	1	3	4	0
Marketing/merchandising support	6	5	0	4	4	1	3	3	0
Minimum quantity requirements	5	6	1	4	6	1	3	4	0
Packaging	2	8	1	2	7	2	1	5	1
Price ¹	2	3	6	2	3	6	2	2	3
Product consistency	2	9	1	4	6	1	3	4	0
Quality meets industry standards	1	10	0	2	8	1	1	6	0
Quality exceeds industry standards	3	7	1	4	6	1	2	5	0
Paper brightness	2	9	0	4	5	1	2	5	0
Paper weight	2	9	0	2	7	1	1	6	0
Paper made of virgin fibers	2	8	0	2	6	1	1	5	0
Product range	1	9	1	1	7	2	1	5	1
Rebates	3	7	0	3	4	1	2	3	1
Reliability of supply	4	7	0	3	7	1	1	6	0
Return policy	5	6	0	4	6	1	3	4	0
Technical support/service	4	6	1	3	5	2	2	4	1
U.S. transportation costs ¹	4	7	0	4	5	1	3	4	0

Table continued on the following page.

Table II-8-Continued**LPP: Comparisons of product by source country, as reported by U.S. purchasers**

Factor	China vs. India			China vs. Indonesia		
	S	C	I	S	C	I
Availability	1	9	1	0	5	1
Delivery terms	2	7	1	1	5	0
Delivery time	2	7	1	1	5	0
Discounts offered	0	9	0	0	5	0
Extension of credit	0	9	0	0	5	0
Marketing/merchandising support	1	7	1	1	4	0
Minimum quantity requirements	0	10	0	0	6	0
Packaging	2	7	1	1	5	0
Price ¹	0	9	1	0	6	0
Product consistency	3	7	0	1	4	1
Quality meets industry standards	1	9	0	0	6	0
Quality exceeds industry standards	0	9	1	0	6	0
Paper brightness	4	6	0	1	4	1
Paper weight	1	9	0	0	5	1
Paper made of virgin fibers	1	9	1	0	6	0
Product range	2	8	0	2	5	0
Rebates	0	9	0	0	6	0
Reliability of supply	2	8	0	1	6	0
Return policy	0	9	0	0	6	0
Technical support/service	0	10	0	0	7	0
U.S. transportation costs ¹	1	8	1	0	6	1

Table continued on the following page.

Table II-8-Continued

LPP: Comparisons of product by source country, as reported by U.S. purchasers

Factor	India vs. Indonesia			U.S. vs. nonsubject countries		
	S	C	I	S	C	I
Availability	0	7	0	4	6	0
Delivery terms	1	5	1	6	4	0
Delivery time	1	5	1	8	2	0
Discounts offered	0	6	0	4	6	0
Extension of credit	0	6	0	4	6	0
Marketing/merchandising support	1	5	0	4	4	1
Minimum quantity requirements	0	7	0	4	5	1
Packaging	0	6	1	1	9	0
Price ¹	0	7	0	2	5	3
Product consistency	0	5	2	1	9	0
Quality meets industry standards	0	5	2	0	10	0
Quality exceeds industry standards	0	5	2	1	9	0
Paper brightness	0	5	2	1	9	0
Paper weight	0	5	2	0	10	0
Paper made of virgin fibers	0	4	2	0	9	0
Product range	0	7	0	0	9	1
Rebates	0	6	0	3	6	0
Reliability of supply	0	6	1	2	8	0
Return policy	0	6	0	4	5	0
Technical support/service	0	6	1	3	7	0
U.S. transportation costs ¹	1	5	1	3	7	0

¹ A rating of superior means that price/U.S. transportation cost is generally lower. For example, if a firm reported "U.S. superior", it meant that the price of the U.S. product was generally lower than the price of the imported product.

Note.--S=first listed country's product is superior; C=both countries' products are comparable; I=first listed country's product is inferior.

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

When comparing subject product, most responding purchasers reported that Chinese product was comparable to product from India and Indonesia for all characteristics. Additionally, most responding purchasers identified product from India and Indonesia as comparable for all characteristics. When comparing U.S. product with product from nonsubject countries, at least half of the responding purchasers reported that U.S. product was superior to product from nonsubject countries in terms of delivery terms and delivery time. At least half of the responding purchasers identified U.S. product and product from nonsubject countries as comparable for all other characteristics.³³

To determine whether U.S.-produced LPP can generally be used in the same applications as LPP from both subject and nonsubject countries, U.S. producers, importers, and purchasers were asked whether LPP can "always," "frequently," "sometimes," or "never" be used interchangeably. Five of six responding U.S. producers reported that domestic and imported product from subject countries are "always" or "frequently" interchangeable. The majority of importers and purchasers reported that

³³ Purchaser responses indicated no clear majority rating when comparing marketing/merchandising support.

domestic and imported product from subject countries are “always” or “frequently” interchangeable (table II-9).³⁴

The majority of U.S. producers, importers, and purchasers reported that domestic and imported product from nonsubject subject countries are “always” or “frequently” interchangeable. In addition, the majority of firms generally reported a high frequency of interchangeability between subject country comparisons.

Table II-9
LPP: Perceived interchangeability of products produced in the United States and in other countries, by country pairs

Country pair	U.S. producers				U.S. importers				U.S. purchasers			
	A	F	S	N	A	F	S	N	A	F	S	N
U.S. vs. subject countries												
U.S. vs. China	3	2	0	1	10	4	1	0	8	3	2	0
U.S. vs. India	3	2	0	1	8	3	0	0	8	3	2	0
U.S. vs. Indonesia	3	2	0	1	6	2	0	0	8	1	2	0
U.S. vs. nonsubject countries												
U.S. vs. nonsubject	3	2	0	1	6	5	0	0	6	3	2	0
Subject country comparisons												
China vs. India	3	2	0	1	8	3	0	0	8	2	1	1
China vs. Indonesia	3	2	0	1	6	2	0	0	7	2	1	0
India vs. Indonesia	3	2	0	1	6	2	0	0	7	2	1	0
China vs. nonsubject	3	2	0	1	6	5	0	0	5	4	1	0
India vs. nonsubject	3	2	0	1	6	4	0	0	5	3	1	0
Indonesia vs. nonsubject	3	2	0	1	6	3	0	0	5	2	1	0
Note.--A = Always, F = Frequently, S = Sometimes, N = Never.												
Source: Compiled from data submitted in response to Commission questionnaires.												

In addition, producers, importers, and purchasers were asked to assess how often differences other than price were significant in sales of LPP from the United States, subject, or nonsubject countries (table II-10). Four of 6 responding U.S. producers reported that differences other than price were “sometimes” important for any subject country combination, and the remaining two producers reported that differences other than price were “never” important.

The majority of responding importers reported that differences other than price were “sometimes” or “never” a significant factor. However, responses from purchasers were varied, with nearly half of the responding purchasers reporting that differences other than price between U.S.-produced and imported LPP are “always” or “frequently” a significant factor. *** stated that there are no substitutes for some brands, such as Mead Five Star, which has a high market share and resonance with the customers. *** also noted that some licensed character products can only be obtained from the license holder.

When comparing the United States to nonsubject countries, all five responding producers and the majority of responding importers reported that differences other than price are “sometimes” or “never” a

³⁴ The Indian respondents contend that LPP produced domestically is not interchangeable with product produced in India. Because LPP produced in India is produced with paper made largely from agricultural waste pulp (non-wood pulp), the product is not smooth and white. The Indian respondents argue that these physical differences limit the interchangeability. Hearing transcript, p. 196 (Davis).

significant factor. Responses from purchasers were mixed, with more than half of the responding firms reporting that differences other than price are “sometimes” or “never” a significant factor.³⁵

Table II-10
LPP: Perceived significance of differences other than price between products produced in the United States and in other countries, by country pairs

Country pair	U.S. producers				U.S. importers				U.S. purchasers			
	A	F	S	N	A	F	S	N	A	F	S	N
U.S. vs. subject countries												
U.S. vs. China	0	0	4	2	2	1	6	5	4	2	5	3
U.S. vs. India	0	0	4	2	1	1	5	3	4	2	5	2
U.S. vs. Indonesia	0	0	4	2	1	1	3	2	4	2	4	2
U.S. vs. nonsubject countries												
U.S. vs. nonsubject	0	0	4	1	1	1	6	2	3	1	6	1
Subject country comparisons												
China vs. India	0	0	4	2	1	1	5	3	4	1	5	2
China vs. Indonesia	0	0	4	2	1	1	3	2	4	1	4	1
India vs. Indonesia	0	0	4	2	1	1	3	2	4	1	4	1
China vs. nonsubject	0	0	4	1	1	1	5	2	3	0	6	1
India vs. nonsubject	0	0	4	1	1	1	5	2	3	0	6	1
Indonesia vs. nonsubject	0	0	4	1	1	1	4	1	3	0	5	1
Note.--A = Always, F = Frequently, S = Sometimes, N = Never.												
Source: Compiled from data submitted in response to Commission questionnaires.												

ELASTICITY ESTIMATES

This section discusses elasticity estimates; although parties were requested to comment on these estimates in their prehearing or posthearing brief, none commented.

U.S. Supply Elasticity³⁶

The domestic supply elasticity for LPP measures the sensitivity of the quantity supplied by the U.S. producers to changes in the U.S. market price of LPP. The elasticity of domestic supply depends on several factors including the level of excess capacity, the existence of inventories, and the availability of alternate markets for U.S.-produced LPP. Previous analysis of these factors indicates that the U.S.

³⁵ Only one purchaser (***) identified factors other than price which are always or frequently a significant factor in the firm’s purchases of LPP. *** noted that purchasing domestic LPP has much lower freight cost than China, India, Indonesia, and Brazil. It stated that countries such as India do not have paper with a “bright white”, but LPP in Brazil is predominantly “high bright.” It reported that “countries such as Indonesia have factories that have been reported to be destroying forests.” It noted that countries such as Brazil have low availability of LPP during the Back-To-School periods. It also stated that the duties on CLPSS from China and India make it highly improbable to purchase products from those countries. Purchaser questionnaire response, section IV-3.

³⁶ A supply function is not defined in the case of a non-competitive market.

industry has a substantial ability to increase or decrease shipments to the U.S. market based on unused capacity and production flexibilities. An estimate in the range of 4 to 6 is suggested.

U.S. Demand Elasticity

The U.S. demand elasticity for LPP measures the sensitivity of the overall quantity demanded to a change in the U.S. market price of LPP. This estimate depends on factors discussed earlier such as the existence, availability, and commercial viability of substitute products. Because of a lack of close, broadly accepted substitutes, it is likely that the aggregate demand for LPP is moderately inelastic, with values ranging between -0.5 to -1.5.

Substitution Elasticity

The elasticity of substitution depends upon the extent of product differentiation between the domestic product and subject imports. Product differentiation, in turn, depends upon such factors as quality and condition of sale (availability, delivery, etc.). Based on available information indicating that the domestic and imported products can frequently be used interchangeably, the elasticity of substitution between U.S.-produced LPP and CLPSS from subject countries is likely to be in the range of 3 to 5.

PART III: CONDITION OF THE U.S. INDUSTRY

OVERVIEW

Background

In the current reviews, the Commission issued U.S. producer questionnaires to 12 firms identified as possible producers of LPP in the United States. Eight firms provided the Commission with U.S. producer questionnaires.¹ The list of these firms, each company's position on continuation of the orders, headquarters location, related and/or affiliated forms, and share of reported production of LPP in 2011, is presented in part I.²

Changes Experienced in Operations

U.S. LPP producers were asked to indicate whether their firms have experienced any plant openings, closings, relocations, expansions, acquisitions, consolidations, closures, prolonged shutdowns or production curtailments, revised labor agreements, or any other change in the character of their operations or organization relating to the production of LPP since January 1, 2006. Table III-1 summarizes important industry events that have taken place in the U.S. industry since 2006.

Table III-1
LPP: Survey of industry events since 2006

Year	Company	Description of event (acquisition, bankruptcy, merger, shutdown)
2006	Mead (formerly MeadWestvaco)	Closed its Garden Grove, CA manufacturing plant. ¹ Workers were certified as eligible to receive assistance under the Trade Adjustment Assistance Act. ²
2008	Norcom	Moved its corporate headquarters and distribution facility from Norcross, GA to Griffin, GA. ³
2008	Norcom	Purchased and installed a wirebound notebook production line ⁴ ***.
2006-08	***	***.
2010	Esselte	Acquired American Pad & Paper, LLC ("Ampad"). ⁵
2011	Esselte	Closed its Mattoon, IL plant. ⁶ ***. Workers were certified as eligible to receive assistance under the Trade Adjustment Assistance Act ⁷
2011	Norcom	Acquired and installed a composition book production line, ⁸ ***.
2011	Pacon	Purchased by Mason Wells, a Milwaukee, WI-based private equity firm. ⁹

Table continued on next page.

¹ One firm, ***, certified that it has not produced LPP since 2006; one firm, ***, did not respond to the Commission's questionnaire or staff follow-up; and two questionnaires sent to *** were returned as undeliverable.

² ***.

Table III-1--Continued
LPP: Survey of industry events since 2006

Year	Company	Description of event (acquisition, bankruptcy, merger, shutdown)
May 2012	Mead	MeadWestvaco's Consumer & Office Products business completed the spin-off and merger with ACCO Brands Corporation. ¹⁰
<p>¹ "Paper Products Maker Cuts in Garden Grove," Orange County Business Journal, December 4, 2006, p. 3. ² U.S. Department of Labor, TAA Decision 61878, January 4, 2008, found at http://www.doleta.gov/tradeact/taa/taadecisions/taadecision.cfm?taw=61878. ³ "Norcom Acquires Griffin Industrial Bldg. for \$4M," CoStar Group, September 18, 2008, found at http://www.costar.com/News/Article/Norcom-Acquires-Griffin-Industrial-Bldg-for-\$4M/105521, retrieved on May 7, 2012. ⁴ Hearing transcript, p. 25 (Rahn). ⁵ "Esselte Acquires Ampad," June 7, 2010, found at http://www.pendaflex.com/enUS/PressRelease/Esselte_Acquires_Ampad.html, retrieved on May 7, 2012. ⁶ "Ampad to close Mattoon facility; 129 people to lose their jobs," Herald-Review, December 3, 2010, found at http://herald-review.com/business/local/article_cc2d3bf0-d398-50e8-be33-d77ae4cd8f75.html, retrieved on May 7, 2012. ⁷ U.S. Department of Labor, TAA Decision 75080, March 9, 2011, found at http://www.doleta.gov/tradeact/taa/taadecisions/taadecision.cfm?taw=75080. ⁸ Hearing transcript, p. 25 (Rahn). ⁹ "Milwaukee firm purchases Pacon Corporation," October 31, 2011, found at http://www.pacon.com/about/images/MasonWellsPurchasesPaconPR.jpg, retrieved on May 7, 2012. ¹⁰ "MWV Completes Spin-Off and Merger of Consumer & Office Products Business with ACCO Brands Corporation," May 1, 2012, found at http://www.meadwestvaco.com/mwv/groups/content/@corp/@newsevtvts/documents/document/mwv037912.pdf, retrieved on May 7, 2012.</p> <p>Note.—In addition, ***.</p> <p>Source: Compiled from cited sources and questionnaire responses.</p>		

Anticipated Changes in Operations

The Commission asked whether domestic producers anticipate any changes in the character of their operations relating to the production of LPP in the future. Only one producer, ***, anticipates changes in the future. It is ***. While *** indicated that it does not anticipate changes in its future operations, it stated that it is ***. In addition, *** stated that it is ***.

U.S. CAPACITY, PRODUCTION, AND CAPACITY UTILIZATION

U.S. producers' capacity, production, and capacity utilization data for LPP are presented in table III-2. Total reported capacity for LPP increased by 9.7 percent from 2006 to 2011, and total production increased by 8.3 percent during the same period. Three firms, ***, reported producing only CLPSS, while the remaining firms produced both CLPSS and OLPP.

While most producers have reported LPP capacity based on operating year round, CLPSS production is seasonal and produced for the back-to-school season, typically between January and May. According to the AASPS, full-year CLPSS capacity utilization is not necessarily possible, or expected.³

³ AASPS' posthearing brief, Exhibit 1, p. 39.

Table III-2
LPP: U.S. capacity, production, and capacity utilization, 2006-11

Item	Calendar year					
	2006	2007	2008	2009	2010	2011
Capacity (1,000 pieces)	547,915	540,808	555,892	561,910	569,482	601,280
Production (1,000 pieces)	305,048	290,428	279,511	222,102	260,753	330,475
Capacity utilization (percent)	55.7	53.7	50.3	39.5	45.8	55.0
Note.—*** reported capacity (production capability) based on operating 120 hours per week and 52 weeks per year. *** reported capacity (production capability) based on operating 40 hours per week and 40 weeks per year. *** reported capacity (production capability) based on operating 168 hours per week and 52 weeks per year. *** reported capacity (production capability) based on operating 120 hours per week and 49 weeks per year. *** reported capacity (production capability) based on operating 40 hours per week and 52 weeks per year.						
Source: Compiled from data submitted in response to Commission questionnaires.						

The Commission asked domestic producers to report the constraints on their capacity to produce LPP. The primary constraint on production, as reported by four producers, is machine capacity. One firm stated that some individual machines are tooled to produce only a narrow band of products, and one firm mentioned that it would need to purchase additional binding/printing equipment to make covers. Other constraints mentioned by producers are the lack of skilled labor, strict union work rules, and the availability of raw materials.

All firms reported that it is not feasible to switch production between LPP and other products. One firm, ***, reported that while it is technically possible, it is not practical because most of its machines are tooled to produce only a very narrow band of goods. While retooling is possible, it is a significant cost and inefficient use of the machinery. *** stated that its lining and ruling equipment is fixed and will operate as needed to fill orders for lined papers, while other equipment such as sheeters and trimmers are multi-use and can be adapted for other products within several hours.

Four firms reported producing or anticipate producing other products on the same equipment and machinery as in the production of LPP and using the same production and related workers. In 2011, companies that produced other products on the same equipment as LPP reported an overall production capacity of 182.8 million pieces. The other products produced were drawing paper, unlined school and home office paper, and construction paper.

U.S. PRODUCERS' SHIPMENTS

Data on U.S. producers' shipments of LPP are presented in table III-3. The quantity of U.S. producers' U.S. shipments of LPP declined from 2006 to 2011, by 9.5 percent over the entire period, and the value decreased by 2.9 percent.

Table III-3
LPP: U.S. producers' shipments, by types, 2006-11

Item	Calendar year					
	2006	2007	2008	2009	2010	2011
Quantity (1,000 pieces)						
Commercial shipments	***	***	***	***	***	***
Internal consumption	***	***	***	***	***	***
U.S. shipments	310,747	276,940	284,470	256,208	271,675	281,308
Export shipments	***	***	***	***	***	***
Total shipments	***	***	***	***	***	***
Value (1,000 dollars)						
Commercial shipments	***	***	***	***	***	***
Internal consumption	***	***	***	***	***	***
U.S. shipments	242,670	236,262	235,031	234,240	223,749	235,657
Export shipments	***	***	***	***	***	***
Total shipments	***	***	***	***	***	***
Unit value (per piece)						
Commercial shipments	***	***	***	***	***	***
Internal consumption	***	***	***	***	***	***
U.S. shipments	0.78	0.85	0.83	0.91	0.82	0.84
Export shipments	***	***	***	***	***	***
Total shipments	***	***	***	***	***	***
Share of quantity (percent)						
Commercial shipments	***	***	***	***	***	***
Internal consumption	***	***	***	***	***	***
U.S. shipments	***	***	***	***	***	***
Export shipments	***	***	***	***	***	***
Total shipments	100.0	100.0	100.0	100.0	100.0	100.0
Note.—Because of rounding, figures may not add to the totals shown.						
Source: Compiled from data submitted in response to Commission questionnaires.						

U.S. PRODUCERS' INVENTORIES

Table III-4 presents end-of-period inventories for LPP.⁴ It shows that inventories fluctuated in each year, but was up overall by *** percent from 2006 to 2011. The ratio of inventories to production increased by *** percentage points, while the ratio of inventories to total shipments increased by *** percentage points over the period. The LPP industry is highly seasonal and most of the product is sold for the back-to-school season.⁵ U.S. producers hold smaller volumes of OLPP inventories than CLPSS inventories, which are needed to act as a buffer for capacity.⁶

Table III-4
LPP: U.S. producers' end-of-period inventories, 2006-11

* * * * *

U.S. PRODUCERS' IMPORTS AND PURCHASES

U.S. producers' imports and purchases of LPP are presented in tables III-5 through III-7. Five U.S. producers, ***, reported that they imported CLPSS from subject sources, and three producers, ***, reported that they purchased imports of CLPSS from subject sources.

Table III-5
CLPSS: U.S. producers' imports and purchases, 2006-11

* * * * *

Table III-6
OLPP: U.S. producers' imports from subject countries, 2006-11

* * * * *

Table III-7
LPP: U.S. producers' imports and purchases from nonsubject sources, 2006-11

* * * * *

U.S. EMPLOYMENT, WAGES, AND PRODUCTIVITY

Data provided by U.S. producers on the number of production and related workers ("PRWs"), involved in the production of LPP, the total hours worked by such workers, and wages paid to such PRWs during the period for which data were collected in these reviews are presented in table III-8. Employment fluctuated between 2006 and 2011; PRWs increased in that period by 5.2 percent and total hours worked increased by 10.4 percent, while hourly wages and productivity decreased by 2.0 and 1.9 percent respectively.

⁴ Data obtained from U.S. producers concerning inventories, production, and shipments do not reconcile; several producers provided various reasons on why their data do not reconcile.

⁵ Hearing transcript, pp. 119-120 (Price).

⁶ AASPS' posthearing brief, Exhibit 1, pp. 43-44.

Table III-8
LPP: U.S. producers' employment-related data, 2006-11

Item	Calendar year					
	2006	2007	2008	2009	2010	2011
Production and related workers (PRWs)	498	506	500	485	519	524
Hours worked by PRWs (<i>1,000 hours</i>)	853	868	869	846	879	942
Hours worked per PRW	1,713	1,715	1,738	1,744	1,694	1,798
Wages paid to PRWs (<i>1,000 dollars</i>)	24,385	24,675	24,172	24,177	25,712	26,392
Hourly wages	\$28.59	\$28.43	\$27.82	\$28.58	\$29.25	\$28.02
Productivity (<i>pieces produced per hour</i>)	357.6	334.6	321.6	262.5	296.6	350.8
Unit labor costs (<i>per piece</i>)	\$0.08	\$0.08	\$0.09	\$0.11	\$0.10	\$0.08
Source: Compiled from data submitted in response to Commission questionnaires.						

FINANCIAL EXPERIENCE OF THE U.S. PRODUCERS

Introduction

Seven firms provided financial results on their domestic operations producing LPP.⁷ These firms are believed to account for the vast majority of the domestic production volume of LPP during 2011. *** reported a small amount of affiliated party transactions, accounting for less than *** percent of total sales (quantity and value) from 2006 through 2011. Accordingly, these data are not presented separately. Financial data on CLPSS and OLPP are presented in appendix C.

On May 1, 2012, MeadWestvaco completed the spinoff of its consumer office products division (which includes LPP) to ACCO Brands. In November 2011, MeadWestvaco agreed to this transaction in a deal valued at \$860 million. This new subsidiary of ACCO Brands is called Mead Products, LLC.⁸

Operations on LPP

Income-and-loss data for U.S. producers on their operations on LPP are presented in table III-9. Selected financial data, by firm, are presented in table III-10. The domestic industry experienced an overall increase in operating income from 2006-09, followed by moderate declines in 2010 and 2011 that returned the industry to a level of operating income similar to the level achieved in 2008. Net sales quantities declined irregularly from 2006-09 by 17.8 percent, then consistently increased by 10.3 percent from 2009-11. In contrast, net sales values continually declined by 8.3 percent from 2006-10, then increased by 5.4 percent from 2010-11. These fluctuations in overall net sales quantity and value resulted in generally increasing per-unit values from 2006-09, followed by a decline in 2010 and a modest increase in 2011.

Per-unit operating income improved from 2006-09 as the changes in per-unit net sales value increasingly offset the more moderate changes in per-unit operating expenses (cost of goods sold (“COGS”) and selling, general, and administrative (“SG&A”) expenses, combined). In 2010, per-unit revenue declined more than per-unit operating expenses, while in 2011 per-unit revenue increased less than per-unit operating expenses. Thus, in the last two years of the period for which data were collected, per-unit operating income declined.^{9 10}

⁷ The U.S. producers and their fiscal year ends if other than December 31 are: ***.

⁸ “MeadWestvaco closes on spinoff of unit to Acco,” May 1, 2012, found at http://www.cbsnews.com/8301-505245_162-57425405/meadwestvaco-closes-on-spinoff-of-unit-to-acco, retrieved on May 3, 2012. *See also* Mead’s U.S. producers’ questionnaire, question II-2.

⁹ Per-unit data should be used with caution due to differences in per-unit measures (e.g., per notebook, per package) and product mix. Due to the variability of product mix during the period examined, a variance analysis is not presented in this report.

¹⁰ The reported financial data for CLPSS and OLPP reveal relatively higher operating income margins for CLPSS during the first half of the period examined, followed by relatively higher operating income margins for OLPP during the second half of the period examined. Operating income margins for CLPSS were *** (2006), *** (2007), *** (2008), *** (2009), *** (2010), and *** (2011). In contrast, operating income margins for OLPP were *** (2006), *** (2007), *** (2008), *** (2009), *** (2010), and *** (2011). Net sales quantities of CLPSS declined by *** percent from 2006-09, then increased by *** percent from 2009-11. Net sales quantities of OLPP declined by *** percent from 2006-09 and continued to decline by *** percent from 2009-11. *See also* appendix C.

Table III-9
LPP: Results of operations of U.S. producers, 2006-11

Item	Fiscal year					
	2006	2007	2008	2009	2010	2011
Quantity (1,000 pieces)						
Total net sales	320,883	287,499	294,387	263,608	279,577	290,696
Value (\$1,000)						
Total net sales	251,668	245,824	244,344	240,215	230,800	243,276
COGS	191,350	189,892	182,644	170,775	162,736	179,048
Gross profit	60,318	55,932	61,700	69,440	68,064	64,228
SG&A expenses	25,992	24,141	23,662	25,298	25,016	26,842
Operating income	34,326	31,791	38,038	44,142	43,048	37,386
Interest expense	6,027	7,047	5,005	4,377	3,661	3,880
CDSOA income	0	61	2,527	405	263	761
Other income/(expense)	427	432	219	166	552	1,099
Net income	28,726	25,237	35,779	40,336	40,202	35,366
Depreciation	6,783	4,769	4,169	4,019	3,691	3,669
Cash flow	35,509	30,006	39,948	44,355	43,893	39,035
Ratio to net sales (percent)						
COGS:						
Raw materials	53.0	56.0	54.8	51.2	51.6	54.9
Direct labor	6.1	6.4	6.2	6.2	6.1	6.2
Other factory costs	17.0	14.9	13.7	13.8	12.8	12.4
Total COGS	76.0	77.2	74.7	71.1	70.5	73.6
Gross profit	24.0	22.8	25.3	28.9	29.5	26.4
SG&A expenses	10.3	9.8	9.7	10.5	10.8	11.0
Operating income	13.6	12.9	15.6	18.4	18.7	15.4
Net income	11.4	10.3	14.6	16.8	17.4	14.5
Value (per piece)¹						
Total net sales	\$0.78	\$0.86	\$0.83	\$0.91	\$0.83	\$0.84
COGS:						
Raw materials	0.42	0.48	0.46	0.47	0.43	0.46
Direct labor	0.05	0.05	0.05	0.06	0.05	0.05
Other factory costs	0.13	0.13	0.11	0.13	0.11	0.10
Total COGS	0.60	0.66	0.62	0.65	0.58	0.62
Gross profit	0.19	0.19	0.21	0.26	0.24	0.22
SG&A expenses	0.08	0.08	0.08	0.10	0.09	0.09
Operating income	0.11	0.11	0.13	0.17	0.15	0.13
Net income	0.09	0.09	0.12	0.15	0.14	0.12
Number of firms reporting						
Operating losses	1	0	0	0	1	0
Data	6	6	6	6	7	7
¹ Per-unit data should be used with caution due to differences in per-unit measures (e.g., per notebook, per package) and product mix.						
Source: Compiled from data submitted in response to Commission questionnaires.						

Table III-10
LPP: Results of operations of U.S. producers, by firm, 2006-11

* * * * *

An analysis of the data as a percentage of net sales value reveals somewhat different trends in the data. In absolute terms, COGS declined more than net sales value from 2006-10; therefore, as a ratio to net sales, COGS declined, which led to increased gross profit and operating income as a percentage of sales during this time. The gross profit margin and operating income margin both declined from 2010-11 as the absolute increase in COGS was greater than the absolute increase in net sales value. SG&A expenses as a percentage of net sales were relatively stable during the period for which data were collected. While the gross profit margin and operating income margin had similar trends, SG&A expenses moderated the change in the operating income margin (as compared to the gross profit margin) in some periods.

Capital Expenditures and Research and Development Expenses

The responding firms' aggregate data on capital expenditures are shown in table III-11. Aggregate capital expenditures *** from 2006-08, *** in 2009, then *** in 2010 and 2011. *** accounted for the majority of reported capital expenditures during the period examined.¹¹ In total, six firms reported capital expenditure data. No firms reported R&D expenses.

Table III-11
LPP: Capital expenditures and research and development expenses of U.S. producers, 2006-11

* * * * *

Assets and Return on Investment

Data on the U.S. LPP producers' total assets and their ROI are presented in table III-12. The total assets utilized in the production, warehousing, and sale of LPP declined from \$125.6 million in 2006 to \$99.5 million in 2011.¹² From 2006 to 2010, the ROI continuously increased from 27.3 percent to 43.0 percent, then declined somewhat to 37.6 percent in 2011.

¹¹ ***. See also table III-1.

¹² ***. E-mail correspondence from *** , June 20, 2012, and Domestic Interested Parties' posthearing brief, exh. 1, pp. 45-47. In their posthearing brief, the Domestic Interested Parties asserted that the high ROI for the period of review is due in part to the relatively lower receivables and inventories that occur in the fourth calendar quarter for a highly seasonal business, and that total assets at the end of the second calendar quarter may be *** percent higher than year-end assets as reported to the Commission. Ibid.

Table III-12

LPP: Value of assets and return on investment of U.S. producers, 2006-11

Item	Fiscal year					
	2006	2007	2008	2009	2010	2011
Value of assets:	Value (\$1,000)					
Total assets	125,573	114,355	106,408	105,193	100,112	99,530
Operating income or (loss)	34,326	31,791	38,038	44,142	43,048	37,386
	Share (percent)					
Return on investment	27.3	27.8	35.7	42.0	43.0	37.6
Source: Compiled from data submitted in response to Commission questionnaires.						

PART IV: U.S. IMPORTS AND THE FOREIGN INDUSTRY

U.S. IMPORTS

Overview

The Commission issued questionnaires to 67 firms believed to have imported CLPSS between 2006 and 2011 as well as to all U.S. producers of LPP.¹ Twenty-five firms provided data and information in response to the questionnaires, while seven firms indicated that they had not imported CLPSS during the period for which data were collected.² Firms responding to the Commission's questionnaire accounted for 29.7 percent of subject imports during 2011.³ Firms responding to the Commission's questionnaire accounted for the following shares of individual subject country subject imports during the review period: 2.8 percent of the subject imports from China during 2011;⁴ 50.0 percent of the subject imports from India during 2011;⁵ and 0.0 percent of the subject imports from Indonesia during 2011.⁶

U.S. import data are based on official Commerce import statistics of CLPSS. As discussed in part I, import data for CLPSS are based on HTS statistical reporting numbers 4811.90.9050 (reported in kilograms), 4811.90.9090 (reported in kilograms), 4820.10.2030 (reported in pieces), 4820.10.2040 (reported in pieces), 4820.10.2050 (reported in pieces), and 4820.10.2060 (reported in pieces).⁷ Import data for OLPP are based on HTS statistical reporting number 4820.10.2020 (reported in pieces).

HTS subheading 4811.90.9090 changed to 4811.90.9050 in January 2009; and 4820.10.2050 changed to 4820.10.2030, 4820.10.2040, and 4820.10.2060 in July 2009. Because 4820.10.2060 contains out of scope product, import tables that exclude this number are also presented.

¹ Confidential Customs data indicates that CLPSS imported under all HTS subheadings identified in Commerce's scope from subject sources were imported by over *** firms from 2006 to 2011. Importer questionnaires were issued to all firms that imported more than *** percent of total imports of CLPSS from China, *** percent from India, and *** percent from Indonesia from 2006 to 2011.

² Questionnaire responses were received from the *** largest importers from China, *** of the largest ten importers from India, and *** of the largest ten importers from Indonesia.

³ Coverage was calculated using the quantity of U.S. imports of CLPSS from China, India, and Indonesia reported by responding U.S. importers in 2011 – 13.251 million pieces, compared to the quantity from official import statistics – 44.575 million pieces (based on the five HTS subheadings, 4811.90.9050, 4811.90.9090, 4820.10.2030, 4820.10.2040, and 4820.10.2050).

⁴ Coverage was calculated using the quantity of U.S. imports of CLPSS from China by responding U.S. importers – 496,000 pieces, compared to the quantity from official import statistics – 17.457 million pieces (based on the five HTS subheadings, 4811.90.9050, 4811.90.9090, 4820.10.2030, 4820.10.2040, and 4820.10.2050).

⁵ Coverage was calculated using the quantity of U.S. imports of CLPSS from India by responding U.S. importers – 12.754 million pieces, compared to the quantity from official import statistics – 25.521 million pieces (based on the five HTS subheadings, 4811.90.9050, 4811.90.9090, 4820.10.2030, 4820.10.2040, and 4820.10.2050).

⁶ While the Commission received questionnaires from *** firms that were identified by Customs data as importers of CLPSS from Indonesia in 2006-11, these firms reported their imports as OLPP, or did not import in 2011. ***, the largest importer of CLPSS from Indonesia, reported importing ***.

⁷ Kilograms are converted to pieces using the conversion factor used in the final investigations. It reflects the per-unit weight of the most common imported looseleaf filler paper package (150-count, at 0.491262 kg). Tjiwi Kimia argues that this conversion factor is no longer appropriate for Indonesia after the order, exports in subheading 4811.90.90 are all non-CLPSS products that vary widely without a single appropriate conversion factor. Tjiwi Kimia's prehearing brief, p. 21. The Indian producers also note that imposing a single conversion factor over the period is problematic because the conversion factor varies over time with the overall product mix. Indian Producers' prehearing brief, p. 9.

Imports from Subject and Nonsubject Countries

Tables IV-1 presents data for U.S. imports of CLPSS from China, India, Indonesia and all other sources, based on six HTS subheadings, and table IV-2 presents data for U.S. imports of CLPSS from China, India, Indonesia and all other sources, based on five HTS subheadings.^{8 9} Imports of CLPSS from China decreased from 2006 to 2011, by 24.6 percent, while imports from India increased by 40.2 percent, and imports from Indonesia increased by 36.2 percent. China was the largest source of imports in 2011, representing 34.2 percent of the value of total imports.

Table IV-3 presents data for U.S. imports of CLPSS from nonsubject sources. Vietnam was the second largest source of all CLPSS imports and the leading source of nonsubject imports, representing 22.3 percent of the value of total imports in 2011.

Table IV-1
CLPSS: U.S. imports, by source, 2006-11

Source	Calendar year					
	2006	2007	2008	2009	2010	2011
Quantity (1,000 pieces)						
China	159,562	128,262	141,967	129,796	129,581	120,247
India	24,240	42,421	36,882	43,940	40,568	33,994
Indonesia	3,207	4,415	4,956	8,315	4,933	4,369
Subtotal	187,009	175,097	183,804	182,052	175,083	158,610
Other sources	299,506	367,145	390,036	285,059	319,606	277,336
Total	486,515	542,243	573,840	467,111	494,688	435,947
Value (1,000 dollars)¹						
China	109,795	112,295	123,715	98,172	118,835	111,941
India	10,659	24,680	19,401	23,370	21,970	17,774
Indonesia	1,034	1,560	1,651	2,628	2,169	1,672
Subtotal	121,489	138,535	144,768	124,171	142,974	131,387
Other sources	200,642	248,189	272,694	209,458	219,582	195,959
Total	322,131	386,724	417,461	333,629	362,556	327,346

Table continued on next page.

⁸ Tjiwi Kimia states that HTS numbers 4811.90.9050 and 4811.90.9090 are basket categories and contain many out-of-scope products, including index cards, scrapbook paper, and origami kits, and asks that the Commission look at Customs import data where AD/CVD duties were paid on imports. Tjiwi Kimia's prehearing brief, pp. 20-21. Customs data for 2006-2011 show that ***.

⁹ Appendix E presents import data by individual HTS number.

Table IV-1--Continued
CLPSS: U.S. imports, by sources, 2006-11

Source	Calendar year					
	2006	2007	2008	2009	2010	2011
Unit value (per piece)						
China	\$0.69	\$0.88	\$0.87	\$0.76	\$0.92	\$0.93
India	0.44	0.58	0.53	0.53	0.54	0.52
Indonesia	0.32	0.35	0.33	0.32	0.44	0.38
Subtotal	0.65	0.79	0.79	0.68	0.82	0.83
Other sources	0.67	0.68	0.70	0.73	0.69	0.71
Total	0.66	0.71	0.73	0.71	0.73	0.75
Share of quantity (percent)						
China	32.8	23.7	24.7	27.8	26.2	27.6
India	5.0	7.8	6.4	9.4	8.2	7.8
Indonesia	0.7	0.8	0.9	1.8	1.0	1.0
Subtotal	38.4	32.3	32.0	39.0	35.4	36.4
Other sources	61.6	67.7	68.0	61.0	64.6	63.6
Total	100.0	100.0	100.0	100.0	100.0	100.0
Share of value (percent)						
China	34.1	29.0	29.6	29.4	32.8	34.2
India	3.3	6.4	4.6	7.0	6.1	5.4
Indonesia	0.3	0.4	0.4	0.8	0.6	0.5
Subtotal	37.7	35.8	34.7	37.2	39.4	40.1
Other sources	62.3	64.2	65.3	62.8	60.6	59.9
Total	100.0	100.0	100.0	100.0	100.0	100.0
¹ Landed, duty-paid. Note.—Conversion factor: 0.491262 kg = 1 piece. Source: Compiled from official Commerce statistics. CLPSS import data are based on HTS subheadings 4811.90.9050, 4811.90.9090, 4820.10.2030, 4820.10.2040, 4820.10.2050, and 4820.10.2060.						

Table IV-2
CLPSS: U.S. imports (excluding HTS 4820.10.2060), by source, 2006-11

Source	Calendar year					
	2006	2007	2008	2009	2010	2011
Quantity (1,000 pieces)						
China	159,562	128,262	141,967	82,688	24,023	17,457
India	24,240	42,421	36,882	38,393	32,779	25,521
Indonesia	3,207	4,415	4,956	5,481	2,173	1,597
Subtotal	187,009	175,097	183,804	126,563	58,976	44,575
Other sources	299,506	367,145	390,036	235,121	174,382	173,842
Total	486,515	542,243	573,840	361,684	233,357	218,417
Value (1,000 dollars)¹						
China	109,795	112,295	123,715	69,168	38,496	33,656
India	10,659	24,680	19,401	20,424	17,606	12,513
Indonesia	1,034	1,560	1,651	2,138	1,539	1,081
Subtotal	121,489	138,535	144,768	91,730	57,641	47,250
Other sources	200,642	248,189	272,694	178,742	142,593	133,025
Total	322,131	386,724	417,461	270,473	200,234	180,274
Unit value (per piece)						
China	\$0.69	\$0.88	\$0.87	\$0.84	\$1.60	\$1.93
India	0.44	0.58	0.53	0.53	0.54	0.49
Indonesia	0.32	0.35	0.33	0.39	0.71	0.68
Subtotal	0.65	0.79	0.79	0.72	0.98	1.06
Other sources	0.67	0.68	0.70	0.76	0.82	0.77
Total	0.66	0.71	0.73	0.75	0.86	0.83

Table continued on next page.

Table IV-2--Continued
CLPSS: U.S. imports (excluding HTS 4820.10.2060), by sources, 2006-11

Source	Calendar year					
	2006	2007	2008	2009	2010	2011
Share of quantity (percent)						
China	32.8	23.7	24.7	22.9	10.3	8.0
India	5.0	7.8	6.4	10.6	14.0	11.7
Indonesia	0.7	0.8	0.9	1.5	0.9	0.7
Subtotal	38.4	32.3	32.0	35.0	25.3	20.4
Other sources	61.6	67.7	68.0	65.0	74.7	79.6
Total	100.0	100.0	100.0	100.0	100.0	100.0
Share of value (percent)						
China	34.1	29.0	29.6	25.6	19.2	18.7
India	3.3	6.4	4.6	7.6	8.8	6.9
Indonesia	0.3	0.4	0.4	0.8	0.8	0.6
Subtotal	37.7	35.8	34.7	33.9	28.8	26.2
Other sources	62.3	64.2	65.3	66.1	71.2	73.8
Total	100.0	100.0	100.0	100.0	100.0	100.0
¹ Landed, duty-paid. Note.—Conversion factor: 0.491262 kg = 1 piece. Source: Compiled from official Commerce statistics. CLPSS import data are based on HTS subheadings 4811.90.9050, 4811.90.9090, 4820.10.2030, 4820.10.2040, and 4820.10.2050.						

Table IV-3
CLPSS: U.S. imports from nonsubject countries, by source, 2006-11

Source	Calendar year					
	2006	2007	2008	2009	2010	2011
Value (1,000 dollars)¹						
Vietnam	7,826	37,474	89,602	65,702	88,901	73,003
Mexico	16,133	29,188	32,308	22,687	21,995	30,794
Egypt	253	5,581	9,705	15,996	15,366	18,656
Brazil	84,532	56,066	38,044	25,792	22,347	17,119
Taiwan	17,053	34,605	11,378	8,067	9,144	11,363
Canada	10,140	6,962	12,039	10,959	7,544	5,744
Singapore	683	2,424	1,189	381	810	4,874
Italy	9,504	10,920	7,174	5,363	3,774	4,149
Germany	6,708	11,079	11,315	7,352	8,005	4,100
Malaysia	584	2,418	4,285	3,420	3,861	3,819
All other nonsubject	47,226	51,472	55,654	43,740	37,836	22,338
Total nonsubject	200,642	248,189	272,694	209,458	219,582	195,959
Share of value (percent)						
Vietnam	3.9	15.1	32.9	31.4	40.5	37.3
Mexico	8.0	11.8	11.8	10.8	10.0	15.7
Egypt	0.1	2.2	3.6	7.6	7.0	9.5
Brazil	42.1	22.6	14.0	12.3	10.2	8.7
Taiwan	8.5	13.9	4.2	3.9	4.2	5.8
Canada	5.1	2.8	4.4	5.2	3.4	2.9
Singapore	0.3	1.0	0.4	0.2	0.4	2.5
Italy	4.7	4.4	2.6	2.6	1.7	2.1
Germany	3.3	4.5	4.1	3.5	3.6	2.1
Malaysia	0.3	1.0	1.6	1.6	1.8	1.9
All other nonsubject	23.5	20.7	20.4	20.9	17.2	11.4
Total nonsubject	100.0	100.0	100.0	100.0	100.0	100.0
¹ Landed, duty-paid. Source: Compiled from official Commerce statistics. CLPSS import data are based on HTS subheadings 4811.90.9050, 4811.90.9090, 4820.10.2030, 4820.10.2040, 4820.10.2050, and 4820.10.2060.						

U.S. IMPORTERS' IMPORTS SUBSEQUENT TO DECEMBER 31, 2011

The Commission requested importers to indicate whether they had imported or arranged for the importation of CLPSS from China, India, Indonesia, and all other sources for delivery after December 31, 2011. Four importers responded that they have imported or arranged for the imports of CLPSS from China in 2012; eight from India, one from Indonesia, and eight from all other sources. Data on U.S. importers' actual and arranged imports for 2012 are presented in table IV-4.

Table IV-4
CLPSS: Actual and arranged imports, 2012

Source	Calendar year 2012				
	Jan-Mar	Apr-Jun	Jul-Sept	Oct-Dec	Total
Quantity (1,000 pieces)					
China	***	***	***	***	***
India	***	***	***	***	***
Indonesia	***	***	***	***	***
All other sources	***	***	***	***	***
Total	***	***	***	***	***
Source: Compiled from data submitted in response to Commission questionnaires.					

U.S. IMPORTERS' INVENTORIES

Table IV-5 presents data for inventories of U.S. imports of CLPSS from China, India, Indonesia, and all other sources held in the United States.

Table IV-5
CLPSS: U.S. importers' end-of-period inventories of imports, by source, 2006-11

* * * * * * *

ANTIDUMPING INVESTIGATIONS IN THIRD-COUNTRY MARKETS

There are no known antidumping or countervailing duty investigations or determinations on certain lined paper school supplies in any other country.

CUMULATION CONSIDERATIONS

In assessing whether subject imports are likely to compete with each other and with the domestic like product with respect to cumulation, the Commission generally has considered the following four factors: (1) the degree of fungibility, including specific customer requirements and other quality-related questions; (2) presence of sales or offers to sell in the same geographic markets; (3) common channels of distribution; and (4) simultaneous presence in the market. A discussion of the degree of fungibility and channels of distribution was presented in Part II. Additional information concerning geographical markets, and simultaneous presence in the market is presented below.

Geographic Markets

As indicated in Part II, U.S.-produced LPP is sold throughout the United States. While imports of CLPSS from the subject countries may enter specific Customs districts, the product is then generally sold nationwide. Table IV-6 presents the value of U.S. imports of CLPSS from subject countries during the 2006-11 period, by Customs district. CLPSS imports from China entered through 40 different Customs districts; CLPSS from India through 30; and CLPSS from Indonesia through 19.

Table IV-6
CLPSS: U.S. imports, by Customs district, 2006-11 aggregated

Customs district	China	India	Indonesia
Value¹ (\$1,000)			
Los Angeles, CA	178,529	21,463	5,197
New York, NY	103,467	35,373	730
Chicago, IL	96,801	3,687	0
Savannah, GA	49,313	10,632	3,602
Great Falls, MT	40,094	665	0
All others	206,552	46,034	1,185
¹ Landed, duty-paid. Source: Compiled from official Commerce statistics.			

Presence in the Market

Table IV-7 presents monthly import statistics for CLPSS from subject and nonsubject sources during 2006-11, by value. Imports of CLPSS from China, India, and Indonesia were present in the United States in each month of this period.

Table IV-7
CLPSS: Monthly U.S. imports, by source, 2006-11

Value (\$1,000)

Month	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2006												
China	8,635	5,193	11,482	8,321	13,759	14,264	7,745	10,064	7,115	9,395	7,514	6,309
India	901	532	256	127	730	1,564	2,526	2,395	283	182	425	738
Indonesia	352	44	94	171	61	67	35	98	26	3	8	75
Subtotal	9,888	5,769	11,832	8,620	14,550	15,894	10,305	12,557	7,424	9,580	7,947	7,123
All others	7,080	7,255	9,980	17,376	30,574	38,007	34,725	14,509	9,536	11,554	11,761	8,286
Total	16,969	13,023	21,811	25,996	45,124	53,901	45,031	27,066	16,960	21,133	19,708	15,408
2007												
China	7,010	7,723	7,791	9,096	12,080	12,368	10,379	8,136	11,516	11,081	7,269	7,846
India	472	203	1,395	1,742	3,940	4,134	4,990	5,089	618	933	961	202
Indonesia	18	147	55	151	231	291	50	277	190	3	106	40
Subtotal	7,501	8,074	9,241	10,989	16,251	16,792	15,420	13,501	12,324	12,017	8,336	8,088
All others	12,093	12,914	16,876	28,918	32,928	36,187	31,677	19,736	10,715	15,158	14,806	16,180
Total	19,594	20,988	26,118	39,907	49,179	52,980	47,097	33,238	23,039	27,174	23,142	24,269
2008												
China	7,646	9,487	5,568	8,481	12,789	17,905	14,488	8,551	10,540	10,097	9,901	8,261
India	231	310	636	1,363	3,936	5,471	2,500	1,397	747	630	1,452	728
Indonesia	52	70	325	450	100	190	310	10	15	16	70	41
Subtotal	7,929	9,867	6,530	10,295	16,825	23,566	17,298	9,957	11,302	10,744	11,424	9,031
All others	11,170	13,091	20,274	31,751	41,525	47,261	30,414	20,742	12,417	16,795	12,978	14,274
Total	19,100	22,957	26,803	42,046	58,350	70,828	47,712	30,699	23,720	27,539	24,402	23,305

Table continued on next page.

Table IV-7--Continued
CLPSS: Monthly U.S. imports, by source, 2006-11

Value (\$1,000)

Month	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2009												
China	6,651	5,806	5,876	8,714	11,219	13,239	9,560	8,069	8,270	6,856	6,574	7,338
India	926	740	4,557	4,371	3,258	3,370	3,127	698	617	623	503	581
Indonesia	92	2	272	141	336	528	473	173	176	71	220	144
Subtotal	7,669	6,548	10,704	13,226	14,813	17,137	13,160	8,940	9,063	7,550	7,297	8,063
All others	11,741	8,283	15,812	27,877	39,484	36,877	21,094	14,895	9,721	6,246	6,670	10,758
Total	19,410	14,831	26,516	41,103	54,297	54,014	34,254	23,836	18,784	13,796	13,967	18,822
2010												
China	6,339	6,574	8,011	7,082	11,637	16,292	12,342	10,498	9,856	10,929	9,620	9,654
India	352	966	3,654	1,650	3,472	4,872	3,167	1,453	572	744	807	260
Indonesia	125	246	333	244	46	323	99	436	98	64	55	99
Subtotal	6,815	7,786	11,998	8,976	15,156	21,488	15,607	12,388	10,526	11,738	10,483	10,013
All others	9,823	13,894	15,562	17,746	34,503	37,200	36,653	18,920	10,571	9,053	8,651	7,007
Total	16,638	21,680	27,560	26,722	49,658	58,688	52,260	31,308	21,097	20,791	19,134	17,020
2011												
China	9,437	10,082	4,574	9,895	14,915	14,183	10,659	6,322	7,928	8,755	6,089	9,103
India	1,013	702	1,200	1,349	3,464	3,609	1,972	1,360	993	646	644	820
Indonesia	334	86	164	68	256	98	97	52	105	12	262	140
Subtotal	10,784	10,870	5,938	11,311	18,634	17,890	12,729	7,734	9,025	9,413	6,994	10,064
All others	11,513	15,308	16,745	22,679	43,367	32,264	19,557	7,694	4,289	5,810	8,388	8,346
Total	22,297	26,178	22,683	33,991	62,001	50,154	32,285	15,428	13,314	15,223	15,382	18,410
Source: Compiled from official Commerce statistics. CLPSS import data are based on HTS subheadings 4811.90.9050, 4811.90.9090, 4820.10.2030, 4820.10.2040, 4820.10.2050, and 4820.10.2060.												

THE INDUSTRY IN CHINA

In 2008, China surpassed the United States as the world's largest paper and paperboard producer.¹⁰ Despite a huge and growing domestic market, China has transitioned from being a net importer to a net exporter of paper products, producing an estimated 96.5 million metric tons of paper and paperboard in 2010, compared to just 36.4 million metric tons in 2001 (a 165 percent increase).¹¹ Thousands of paper mills in China are very small and rely on non-wood fiber such as straw and bagasse. However, the government has targeted the small, inefficient mills for closure while large, modern high capacity mills and papermaking machines have come on line over the past decade. In 2010, China produced 23 million metric tons of printing and writing paper of the kind used to manufacture LPP, having increased production of such paper by over 14 million metric tons in the previous ten years.¹² Information on the proportion of Chinese printing and writing paper production utilized for CLPSS, OLPP, and total LPP is not available.

At the time of the Commission's original investigations, usable questionnaire responses were received from three firms. The responding firms' production in 2005 was *** pieces and their total capacity was *** pieces. Exports accounted for *** percent of all shipments, and exports to the United States accounted for *** of responding producers' total shipments.¹³

In these reviews, the Commission issued foreign producer questionnaires to 17 Chinese firms believed to produce CLPSS. No Chinese producer responded to the Commission's questionnaire. The Chinese government's current "five-year plan" explicitly labeled the paper industry a new source of economic growth.¹⁴ In addition, parties have suggested that Chinese paper is now being sent to Vietnam to be converted into lined paper products, resulting in the large increase of CLPSS imports from Vietnam over the period of review.¹⁵

THE INDUSTRY IN INDIA

Overview

The paper and paperboard industry in India is highly fragmented with about 600 operating mills, many of which are small.¹⁶ Indian government regulations state that any CLPSS producer that is not designated as a "small-scale" producer¹⁷ is required to match any domestic sales with an equivalent export.¹⁸ Indian respondents further report that producers remain small scale so as to ensure participation

¹⁰ FAOSTAT, Food and Agriculture Organization of the United Nations (FAO), accessed May 9, 2012.

¹¹ Ibid.

¹² Ibid.

¹³ Commission Report, August 15, 2006, pp. VII-2-VII-5.

¹⁴ "Industry Special: Paper industry on track to grow with government support," China Daily, May 3, 2012, found at http://www.chinadaily.com.cn/cndy/2012-05/03/content_15193298.htm.

¹⁵ Indian producers' prehearing brief, pp. 12-13 and hearing transcript, p. 240-241 (Gupta).

¹⁶ Rushton, Mark. "Tamil Nadu's expanding jewel in an Indian crown." Pulp & Paper International Magazine, RISI. May 2, 2011. Available at: <http://www.risiinfo.com/technologyarchives/papermaking/An-expanding-jewel-in-an-Indian-crown.html>.

¹⁷ Small-scale producers are defined as manufacturers that have a limit on investment of Rs. 50 million, or the equivalent of about \$1 million.

¹⁸ Indian producers' posthearing brief, Response to Commissioners' Questions, pp. 15-16 and hearing transcript, p. 163 (Sampat).

in the growing domestic market. In contrast, AASPS views the regulation as encouraging exports.¹⁹ AASPS also believes that Indian exporters consolidate for export CLPSS from smaller producers otherwise not engaged in the export markets.²⁰

Indian paper and paperboard production in 2010 totaled 10.3 million metric tons, compared to 4.2 million metric tons in 2001 (an increase of 140 percent).²¹ Approximately 40 percent (4.2 million metric tons) of total paper and paperboard production is in printing and writing segments that include the types of products used in the production of LPP.²² Information on the proportion of Indian printing and writing paper production utilized for CLPSS, OLPP, and total LPP is not available. Because wood fiber is limited, India's industry is highly dependent on non-wood raw material. An estimated 70 percent of the raw material used in India's pulp and paper industry consists of agricultural residues, such as bagasse and straw, and recovered paper.²³ According to the Indian respondents, India is required by lack of resources and by law to produce the great majority of its paper from recycled paper, straw, bagasse (sugarcane waste), and other agricultural waste products.²⁴

CLPSS Operations

At the time of the Commission's original investigations, usable questionnaire responses were received from eight firms. In these reviews, the Commission issued foreign producer questionnaires to 13 Indian firms believed to produce CLPSS. Questionnaire responses were received from eight firms²⁵ that are believed to account for *** percent²⁶ of Indian production of CLPSS in 2010.²⁷ Each responding firm provided data for the entire 2006-11 period. Table IV-8 presents 2011 production, and U.S. export data for the responding Indian firms.

¹⁹ Petitioner's Posthearing Brief, Exhibit 1, pp. 5-6.

²⁰ Ibid.

²¹ FAOSTAT.

²² Ibid.

²³ See Indian Pulp & Paper Technical Association. Presentation by N. Gopalratnam, Agm & Seminar - Chennai, February 5, 2010. Available at: <http://www.spbltd.com/pdf/IPPTA%20AGM%20-%20CHENNAI%20-%20FEB%2005%202010.pdf>.

²⁴ Indian respondents posthearing brief, Response to Commissioners' Questions, p. 19.

²⁵ The five firms that did not submit questionnaires are: ***. The responding Indian producers note that ***. Indian Producers' posthearing brief, Exhibit 3. In addition, the AASPS identified the following Indian producers with the capacity to produce CLPSS: Sundaram Multipap Ltd., 120 tonnes per day; Blue Bird (India) Limited, 71 million tons per year. It has also identified Ballapur Industries Limited, Indian Tobacco Company and JK Paper Ltd. as Indian companies with plans to increase CLPSS capacity. AASPS' prehearing brief, pp. 42-44. In addition, Indian producers ***. AASPS' posthearing brief, p. 6.

²⁶ Indian respondents' response to the notice of institution, August 31, 2011, p. 12.

²⁷ The eight responding Indian producers account for 91.0 of total Indian exports to the United States in 2011. Coverage was calculated using the quantity of reported Indian exports to the United States (23.221 million pieces) compared to the quantity of U.S. imports from India, based on five HTS subheadings (25.521 million pieces).

Table IV-8
CLPSS: Responding Indian manufactures' reported production and U.S. exports, by firm, 2011

Producer	Production (1,000 pieces)	Share of reported 2011 production in India (percent)	Exports to the U.S. (1,000 pieces)	Share of reported 2011 exports to the U.S. (percent)
FFI International ("FFI")	***	***	***	***
Lodha Offset	***	***	***	***
Marisa International ("Marisa") ¹	***	***	***	***
Navneet Publications ("Navneet")	***	***	***	***
Pioneer Stationery ("Pioneer")	***	***	***	***
Riddhi Enterprises ("Riddhi")	***	***	***	***
SAB International ("SAB")	***	***	***	***
SGM Paper Products ("SGM Paper")	***	***	***	***
Total	70,758	100.0	23,221	100.0
¹ Marisa International ***.				
Source: Compiled from data submitted in response to Commission questionnaires.				

Indian producers were asked to indicate whether their firms had experienced any plant openings, closing, relocations, expansions, acquisitions, consolidations, prolonged shutdowns or curtailments, revised labor agreements, or any other change in the character of their operations or organization relating to the production of CLPSS since 2006. One firm, ***, reported that it closed its factory in ***, and relocated to ***. *** also reported a manufacturing plant relocation to ***. Three expansions were reported by ***.

Information on reported Indian producers' production capacity, production, shipments and inventories is presented in table IV-9. The data show an increase in capacity and production by 93.4 and 130.4 percent respectively from 2006 to 2011. Export shipments to the United States have also increased by over 600 percent.

Table IV-9
CLPSS: India's reported capacity, production, shipments, and inventories, 2006-11

Item	Calendar year					
	2006	2007	2008	2009	2010	2011
Quantity (1,000 pieces)						
Capacity	44,002	51,868	59,767	64,784	76,554	85,115
Production	30,708	43,163	52,025	51,063	70,355	70,758
End of period inventories	3,219	4,938	11,017	7,867	10,882	13,689
Home market shipments	18,687	24,228	27,066	29,054	38,539	42,003
Exports: United States	3,196	8,225	6,448	10,583	21,565	23,221
European Union	***	***	***	***	***	***
Asia	***	***	***	***	***	***
All other markets	8,451	11,632	17,046	12,650	14,701	17,389
Total exports	11,783	20,242	25,058	26,712	40,966	44,623
Total shipments	30,470	44,470	52,124	55,766	79,505	86,626
Value (\$1,000)						
Home market shipments	6,273	7,761	10,122	12,820	15,286	16,182
Exports: United States	1,142	5,032	3,841	7,386	10,014	9,207
European Union	***	***	***	***	***	***
Asia	***	***	***	***	***	***
All other markets	2,549	4,221	6,748	5,646	6,604	6,999
Total exports	3,857	9,397	11,048	14,265	17,903	17,308
Total shipments	10,130	17,158	21,170	27,085	33,189	33,490

Table continued on next page.

Table IV-9--Continued
CLPSS: India's reported capacity, production, shipments, and inventories, 2006-11

Item	Calendar year					
	2006	2007	2008	2009	2010	2011
Average unit value (dollars per piece)						
Home market shipments	0.34	0.32	0.37	0.44	0.40	0.39
Exports:						
United States	0.36	0.61	0.60	0.70	0.46	0.40
European Union	***	***	***	***	***	***
Asia	(¹)	(¹)	***	***	***	***
All other markets	0.30	0.36	0.40	0.45	0.45	0.40
Total exports	0.33	0.46	0.44	0.53	0.44	0.39
Total shipments	0.33	0.39	0.41	0.49	0.42	0.39
Ratios and shares (percent)						
Capacity utilization	69.8	83.2	87.0	78.8	91.9	83.1
Inventories to production	10.5	11.4	21.2	15.4	15.5	19.3
Inventories to total shipments	10.6	11.1	21.1	14.1	13.7	15.8
Share of total shipment quantity:						
Home market	61.3	54.5	51.9	52.1	48.5	48.5
Exports to United States	10.5	18.5	12.4	19.0	27.1	26.8
Exports to European Union	***	***	***	***	***	***
Exports to Asia	***	***	***	***	***	***
Exports to all other markets	27.7	26.2	32.7	22.7	18.5	20.1
Total exports	38.7	45.5	48.1	47.9	51.5	51.5
1 ***						
Source: Compiled from data submitted in response to Commission questionnaires.						

THE INDUSTRY IN INDONESIA

Overview

In 2010, Indonesia was the seventh largest producer of paper and paperboard products, behind China, the United States, Japan, Germany, Canada, and Finland.²⁸ Paper and paperboard production totaled 11.5 million metric tons, of which 55 percent (6.3 million metric tons) was in printing and writing grades that include the types of products used in the production of LPP.²⁹ However, information on the proportion of Indonesia's printing and writing paper production utilized for CLPSS, OLPP and total LPP is not available. Indonesia's pulp and paper industry is based primarily on virgin wood fiber, the majority of which is derived from forest plantations.

CLPSS Operations

At the time of the Commission's original investigations, one questionnaire response was received from PT. Pabrik Kertas Tjiwi Kimia ("Tjiwi Kimia"). In these reviews, the Commission received a foreign producer questionnaire from Tjiwi Kimia, which is believed to account for *** percent of Indonesian production of CLPSS in 2011, and states that it ***.^{30 31} Tjiwi Kimia is part of the Asia Pulp and Paper Group,³² and started operating in 1978. Its annual paper and board production capacity is 1.2 million metric tons, and its stationery converting capacity is 320,000 metric tons.³³ Tjiwi Kimia produces all of its lined paper products from base paper it also produces, using wood fiber from Indonesia.³⁴

Tjiwi Kimia *** changes in operations since 2006. Tjiwi Kimia has no plans to add any additional lined paper conversion machinery, or to improve its existing machinery, nor does it have the space to add additional machinery in its existing lined paper conversion buildings.³⁵ Information on Tjiwi Kimia's total reported capacity for LPP is presented in table IV-10. Information on Tjiwi Kimia's reported production capacity, production, shipments and inventories for CLPSS is presented in table IV-11.

Table IV-10
LPP: Tjiwi Kimia's reported overall capacity and production

* * * * *

Table IV-11
CLPSS: Tjiwi Kimia's reported capacity, production, shipments, and inventories, 2006-11

* * * * *

²⁸ FAOSTAT.

²⁹ Ibid.

³⁰ Questionnaire response of Tjiwi Kimia.

³¹ While Tjiwi Kimia contends that ***, the AASPS has identified several Indonesian producers of LPP, including ***. AASPS prehearing brief, pp. 24-25.

³² Hearing transcript, p. 266 (Shor).

³³ Tjiwi Kimia, The Company, found at <http://www.tjiwi.co.id/index.php/the-company>, retrieved on June 21, 2012.

³⁴ Tjiwi Kimia's posthearing brief, p. Q-9.

³⁵ Tjiwi Kimia's posthearing brief, p. Q-18.

GLOBAL MARKET

CLPSS are produced in a number of countries in addition to the United States, China, India, and Indonesia. However, trade statistics do not allow an accurate assessment of trade flows of CLPSS because the subject product is included in categories that also include nonsubject paper products. Table IV-12 presents world imports of paper products classified in the three six-digit HS subheadings (HS 4810.22, 4811.90, and 4820.10) that include most lined paper supplies, by country. Table IV-13 presents world exports of paper products classified in the three six-digit HS subheadings (HS 4810.22, 4811.90, and 4820.10) that include most lined paper supplies, by country.

Table IV-12
Paper products: World imports, by country, 2006-11

Country	Calendar Year					
	2006	2007	2008	2009	2010	2011
	Value (\$1,000)					
United States	2,110,226	1,975,923	2,017,855	1,408,977	1,453,424	1,613,073
Germany	1,005,596	1,129,464	1,185,068	867,312	817,383	926,057
France	834,443	951,948	916,862	698,038	771,496	861,530
United Kingdom	776,725	900,113	826,974	681,523	767,448	811,172
Japan	276,816	208,363	216,642	347,456	374,277	504,727
Italy	528,563	597,395	589,207	447,237	480,352	482,601
Belgium	367,483	416,081	484,115	379,551	408,194	461,716
Australia	290,038	338,846	388,090	332,067	419,897	432,165
Canada	421,553	402,695	386,057	308,980	335,146	350,260
Poland	241,454	306,925	342,297	237,476	313,857	331,102
All others	4,285,446	4,773,187	5,176,988	3,901,078	4,483,546	4,739,762
World total	11,138,342	12,000,941	12,530,155	9,609,694	10,625,020	11,514,165

Note.--Data reflect imports for GTIS reporting countries only.

Source: GTIS Global Trade Atlas, 4810.22 ("Paper, Light-Weight Coated, Used For Writing, Printing Or Other Graphic Purposes, Over 10% (Wt.) Mechanical Fibers, In Rolls Or Sheets"), 4811.90 ("Paper, Paperboard, Cellulose Wadding And Webs Of Cellulose Fibers, Coated, Impregnated, Etc. Nesoi, In Rolls Or Sheets"), and 4820.10 ("Registers, Account Books, Notebooks, Order Books, Receipt Books, Letter Pads, Memorandum Pads, Diaries And Similar Articles Of Paper Or Paperboard"). Retrieved May 9, 2012.

Table IV-13
Paper products: World exports, by country, 2006-11

Country	Calendar Year					
	2006	2007	2008	2009	2010	2011
	Value (\$1,000)					
Germany	2,866,502	3,124,157	3,141,456	2,445,176	2,551,599	2,765,818
Finland	1,720,666	1,728,706	1,428,289	1,263,525	1,539,132	1,708,729
China	640,435	761,966	797,810	815,242	1,027,074	1,264,793
United States	757,146	779,898	848,156	682,260	792,556	866,141
Italy	715,231	776,133	858,835	674,647	735,406	821,921
Thailand	42,662	49,814	61,406	26,994	27,277	730,293
France	662,549	721,207	783,324	608,289	628,597	695,387
Belgium	490,231	522,876	599,050	384,107	421,165	443,788
Canada	714,814	639,250	546,186	415,839	375,689	402,296
United Kingdom	241,356	267,766	305,646	269,034	326,227	375,510
Sweden	384,143	388,299	460,225	371,375	320,512	350,641
Indonesia	51,861	57,127	66,801	273,582	410,362	348,517
Austria	244,102	263,943	248,192	256,874	281,157	296,745
Japan	315,950	335,568	381,026	259,065	292,814	250,501.0
Switzerland	271,430	296,606	280,726	212,215	193,367	220,030
Hong Kong	240,882	241,696	231,651	164,507	172,243	179,309
Poland	139,156	182,909	194,753	118,895	151,801	162,119
Spain	134,847	171,185	214,867	175,173	177,806	157,916
Netherlands	113,778	152,603	159,528	113,711	103,123	95,425
Singapore	253,068	342,127	217,555	68,112	76,201	87,473
Vietnam	(¹)	(¹)	(¹)	(¹)	79,443	81,778
India	30,640	44,726	57,856	86,266	86,860	(¹)
All others	599,581	613,619	640,308	459,963	471,452	553,234
World total	11,631,030	12,506,909	12,581,502	10,231,117	11,328,723	12,858,363

Note.--Data reflect exports for GTIS reporting countries only.

¹ Not available.

Source: GTIS Global Trade Atlas, 4810.22 ("Paper, Light-Weight Coated, Used For Writing, Printing Or Other Graphic Purposes, Over 10% (Wt.) Mechanical Fibers, In Rolls Or Sheets"), 4811.90 ("Paper, Paperboard, Cellulose Wadding And Webs Of Cellulose Fibers, Coated, Impregnated, Etc. Nesoi, In Rolls Or Sheets"), and 4820.10 ("Registers, Account Books, Notebooks, Order Books, Receipt Books, Letter Pads, Memorandum Pads, Diaries And Similar Articles Of Paper Or Paperboard"). Retrieved May 9, 2012.

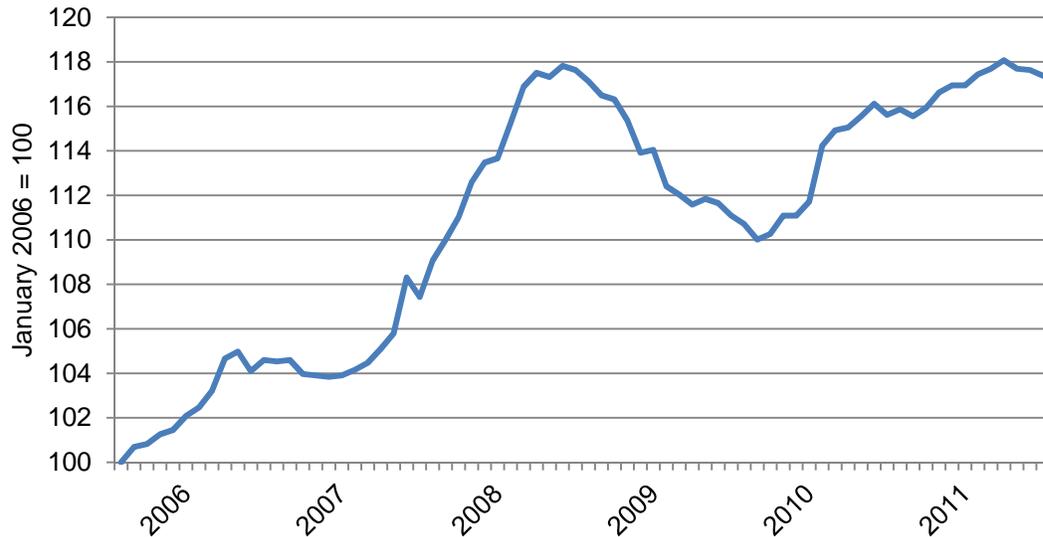
PART V: PRICING AND RELATED INFORMATION

FACTORS AFFECTING PRICES

Raw Material Costs

Raw materials constitute a substantial portion of the final costs of LPP. As discussed in greater detail in *Part III* of this report, raw material costs, as a percentage of the total costs of goods sold, increased from 69.7 percent in 2006 to 74.6 percent in 2011. The principal raw material input used to produce LPP is printing and writing paper.³⁷ Other raw materials include stainless steel wire, plastic-coated wire, cardboard and paperboard for backings, staples, stitching, glue, and film or other packaging materials. Public data show that prices of writing and printer papers relatively stable during 2006-07 but began to rise in 2008, with prices increasing by 17 percent between January 2006 and December 2011 (figure V-1).

Figure V-1
Material costs: Producer price index of writing and printing paper by months, January 2006-December 2011



Source: U.S. Bureau of Labor Statistics, <http://data.bls.gov/cgi-bin/dsrv>, retrieved May 7, 2012.

U.S. Inland Transportation Costs

All six producers and the majority of responding importers (14 of 17) indicated that their firms generally arrange for transportation to customers' locations. U.S. producers reported that U.S. inland transportation costs for LPP ranged from 4 to 9 percent of the delivered price. Eight responding importers of CLPSS reported that U.S. inland transportation costs of CLPSS ranged from 2 to 20 percent of the delivered price. Five of six responding producers reported shipping the majority of their sales in distances of 101 to 1,000 miles and one producer reported shipping the majority of its sales in distances

³⁷ Printing and writing paper includes three types of papers: uncoated free sheet; coated papers; and uncoated mechanical papers. LPP is primarily made from uncoated free sheet paper but can also be made from the other two types of paper for certain products.

greater than 1,000 miles. Seven of 9 responding importers reported shipping the majority of their sales in distances of 101 to 1,000 miles, and two importers reported shipping their sales equally among distances of 100 miles, 1001 miles, and greater than 1001 miles.

PRICING PRACTICES³⁸

Pricing Methods

The majority of firms (4 of 6 producers and 9 of 16 importers) quote prices of LPP on a delivered basis with the remaining firms quoting prices on an f.o.b. basis.³⁹ Producers' sales terms varied by firm with 2 producers reporting sales terms of net 30 days; one producer reported net 45 days; one producer reported 1/30 net 31 days; one producer reported 2/10 net 31 days; and one producer reported that its sales terms varies by customer. Importers' sales terms are primarily net 30 days. Three producers and 10 importers reported selling LPP on a transaction-by-transaction basis, three producers and five importers reported using set price lists,⁴⁰ one producer and two importers reported selling through contracts, and one producer reported "other."⁴¹

Sales Terms and Discounts

Three of six responding producers reported that they do not offer any discounts because they compete in bids or auctions to supply retailers. Two producers reported offering annual total volume discounts, and one producer reported that discounts are provided through "advertising allowances, payment terms, and specific customer programs." The majority of importers (9 of 16) reported that they do not offer any discounts. Two importers reported offering both quantity and annual total volume discounts, three importers reported offering only quantity discounts, and one producer reported offering only annual total volume discounts.

Contract vs. Spot Sales

U.S.-produced LPP is most commonly sold on a short-term contract basis. However, the majority of imported LPP is sold on a spot basis. Six U.S. producers and five importers reported their 2011 U.S. commercial shipments of LPP by type of sale; their shipment shares, based on value, are shown in table V-1.⁴²

³⁸ Questionnaire respondents were requested to separate their answers if their responses differ materially by CLPSS or OLPP. None of the responding firms reported any differences between CLPSS and OLPP in their responses.

³⁹ U.S. producer and importer *** reported that it quoted prices on both a delivered basis and f.o.b. basis.

⁴⁰ Both *** reported that while they generate price lists, actual prices are based on negotiations with their customers.

⁴¹ *** reported that sales prices are negotiated separately with each of its customers for multiple shipments over periods ranging from 6 months to 12 months.

⁴² Two Indian producers, ***, reported that more than *** percent of their sales of CLPSS to U.S. customers were on a short-term contract basis with spot sales accounting for the remaining sales in 2011.

Table V-1

LPP: U.S. producers' and importers' U.S. commercial shipments by type of sale, 2011

Type of sale	Shares of 2011 U.S. commercial shipments (<i>percent</i>)	
	U.S. producers	Importers ¹
Spot	27.4	100.0
Short-term contracts	72.6	0.0
Long-term contracts	0.0	0.0
Total	100.0	100.0

Note.—Because of rounding, figures may not add to the totals shown.

¹ Six additional importers (***) provided information on their sales but did not import CLPSS during 2011, such that they were not able to provide data for this table. Four of these six importers reported selling more than 70 percent of their product on a short-term contract basis and the remaining two reported selling the majority of their sales on a spot basis.

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

Two producers reported that their short-term contracts were typically for one year and one producer reported that its short-term contracts ranged from 60 days to 120 days. Two of the three producers reported that prices could not be renegotiated. All three producers reported that both price and quantity are initially fixed. Two producers reported that contracts generally contain meet-or-release provisions.

Four Indian foreign producers reported that their short-term contracts with U.S. customers typically ranged from 120 day to 180 days. All four Indian producers reported that price could not be renegotiated and that both price and quantity are initially fixed. Three of the four Indian producers reported that contracts generally do not contain meet-or-release provisions.

PRICE DATA

The Commission requested U.S. producers of LPP and importers of CLPSS provide quarterly data for the total quantity and f.o.b. value of the following CLPSS products shipped to unrelated U.S. customers during January 2006-December 2011.

Product 1 (CLPSS)-- 70-sheet count 10.5" x 8.0" wirebound notebook with paperboard cover and backing, no pockets/folders, and no fashion graphic

Product 2 (CLPSS)-- 150-sheet count 10.5" x 8.0" package of filler paper--college ruled or wide ruled

Product 3 (CLPSS)-- 180-sheet count 10.5" x 8.0" 5-subject wirebound notebook with paperboard cover and backing and no fashion graphics

Product 4 (CLPSS)-- 100-sheet count 9.75" x 7.5" composition book with a marbled cover and no fashion graphics

Product 5 (CLPSS)-- 100-sheet count 10.5" x 8.0" wire bound notebook with poly cover, no pockets/folders, and no fashion graphics

Five producers and ten importers provided price data. All five producers (***) provided price data for products 1 and 3; three producers (***) provided price data for products 2 and 5; and one producer (***) provided price data for product 4. Four importers of CLPSS from China (***) and seven

importers of CLPSS from India (***) reported usable price information, but not necessarily for all products or periods.⁴³ In addition, four retailers that imported CLPSS directly (***) provided their purchase price data.⁴⁴ By quantity, pricing data by responding firms accounted for approximately *** percent of U.S. producers' commercial shipments of CLPSS during January 2006-December 2011, *** percent of reported U.S. commercial shipments of subject imports from China,⁴⁵ *** percent of reported U.S. commercial shipments of subject imports from India,⁴⁶ and *** percent of U.S. commercial shipments of subject imports from Indonesia.⁴⁷

Price Trends

As show in tables V-2 through V-7 and in figures V-2 through V-6, weighted-average f.o.b. sale prices of all U.S.-produced LPP products fluctuated but generally increased from their 2006 levels.⁴⁸ Overall, the annual weighted sales price of most U.S.-produced products peaked in 2009. Prices of all U.S.-produced LPP and subject imports of CLPSS often fell during the third quarter of each year during the height of back-to-school promotions. Since sales of LPP are highly seasonal, comparing CLPSS prices in the first quarter of 2006 to CLPSS in the fourth quarter of 2011 may be misleading. Therefore, the trend analysis discussed below uses the annual quantity weighted average sales prices which may compensate for some of the seasonality issues by giving less weight to quarterly fluctuations.

Table V-2

LPP: Weighted-average f.o.b. prices and quantities of domestic and imported CLPSS product 1,¹ and margins of underselling/(overselling), by quarters, January 2006-December 2011

* * * * * * *

Table V-3

LPP: Weighted-average f.o.b. prices and quantities of domestic and imported CLPSS product 2,¹ and margins of underselling/(overselling), by quarters, January 2006-December 2011

* * * * * * *

⁴³ U.S. producers *** provided price data for their sales of products 4 and 5 imported from both China and India. By quantity, their price data accounted for *** percent of the total price data for product 4 from China, *** percent of the total price data for product 4 from India, *** percent of the total price data for product 5 from China, and *** percent of the total price data for product 5 from India. In appendix F, price data for imported products, as reported by U.S. producers only, are presented separately from price data as reported by importers only. The corresponding margins of underselling and overselling are also presented in appendix F.

⁴⁴ In tables V-2 through V-7, "purchase" data indicates direct retailer imports.

⁴⁵ Importer sales price data from China accounted for *** percent and retailer direct import purchase price data accounted for *** percent of reported U.S. commercial shipments of subject imports from China during the period.

⁴⁶ Importer sales price data from India accounted for *** percent and retailer direct import purchase price data accounted for *** percent of reported U.S. commercial shipments of subject imports from India during the period.

⁴⁷ No sales price data were reported for imports of CLPSS from Indonesia. *** reported direct imports of CLPSS from Indonesia in 2006. It noted that its purchase price data was "based on and limited to HTS codes and country of origin as declared to Customs at time of entry. Period of shipment was based on estimated arrival date, not actual entry date." ***.

⁴⁸ Price trends of products 1-4 from January 2003 to December 2011 are presented in appendix G. The price definition for product 5 changed between the final investigations and the current reviews, and therefore, is excluded.

Table V-4

LPP: Weighted-average f.o.b. prices and quantities of domestic and imported CLPSS product 3,¹ and margins of underselling/(overselling), by quarters, January 2006-December 2011

* * * * *

Table V-5

LPP: Weighted-average f.o.b. prices and quantities of domestic and imported CLPSS product 4,¹ and margins of underselling/(overselling), by quarters, January 2006-December 2011

* * * * *

Table V-6

LPP: Weighted-average f.o.b. prices and quantities of domestic and imported CLPSS product 5,¹ and margins of underselling/(overselling), by quarters, January 2006-December 2011

* * * * *

Figure V-2

LPP: Weighted-average quarterly f.o.b. selling prices and quantities of domestic and imported CLPSS product 1, by quarters, January 2006-December 2011

* * * * *

Figure V-3

LPP: Weighted-average quarterly f.o.b. selling prices and quantities of domestic and imported CLPSS product 2, by quarters, January 2006-December 2011

* * * * *

Figure V-4

LPP: Weighted-average quarterly f.o.b. selling prices and quantities of domestic and imported CLPSS product 3, by quarters, January 2006-December 2011

* * * * *

Figure V-5

LPP: Weighted-average quarterly f.o.b. selling prices and quantities of domestic and imported CLPSS product 4, by quarters, January 2006-December 2011

* * * * *

Figure V-6

LPP: Weighted-average quarterly f.o.b. selling prices and quantities of domestic and imported CLPSS product 5, by quarters, January 2005-June 2011

* * * * *

Table V-7

LPP: Summary of quarterly weighted-average f.o.b. prices for products 1-5 from the United States, China, and India

* * * * *

Table V-8
LPP: Annual weighted-average f.o.b. selling prices of domestic and imported CLPSS, by product, 2006-11

* * * * *

As seen in table V-8, the annual weighted average sale price of U.S.-produced product 1 increased by *** percent from 2006 to 2009, with a decrease of *** percent from 2009 to 2010 followed by a *** percent increase from 2010 to 2011. The annual weighted average sale price of product 1 imported from China was only available for 2011; therefore, price trends are not available.⁴⁹ Purchase price data for product 1 imported from China were reported in 2006 and 2007 and fell by *** percent. The annual weighted average sale price of product 1 imported from India decreased by *** percent from 2006 to 2008, peaked in 2009 increasing by *** percent from the previous year, and then decreased by *** percent from 2009 to 2011. The annual weighted average purchase price of product 1 imported from India increased by *** percent.⁵⁰

The annual weighted average sale price of U.S.-produced product 2 increased by *** percent from 2006 to 2009, decreased by *** percent during the following year, followed by a *** percent increase from 2010 to 2011. No price data were reported for product 2 imported from China. The annual weighted average sale price of product 2 from India fluctuated but increased overall by *** percent during the period. The annual weighted purchase price of product 2 from India also fluctuated, peaking in 2009, and increased overall by *** percent during the period for which data were provided.

The annual weighted average sale price of U.S.-produced product 3 increased by *** percent from 2006 to 2009, decreased by *** percent from 2009 to 2010, followed by a *** percent increase from 2010 to 2011. No price data were reported for product 3 imported from China. The annual weighted average sale price of product 3 from India fell by *** percent from 2008 to 2010 and then increased by *** percent in 2011.⁵¹

The annual weighted average sale price for U.S.-produced product 4 was only available for 2011; therefore, price trends are not available. The annual weighted average sale price of product 4 imported from China increased by *** percent from 2006 to 2008 and then fell by *** percent from 2008 to 2011.⁵² The annual weighted average sale price of product 4 from India peaked in 2009, increasing by *** percent from 2006 to 2009, and then decreased by *** percent from 2009 to 2011. The annual weighted average purchase price of product 4 from India fell by *** percent from 2007 to 2010 and then increased by *** percent in 2011.⁵³

The annual weighted average sale price of U.S.-produced product 5 decreased by *** percent from 2006 to 2008, increased by *** percent from 2008 to 2009, decreased by *** percent from 2009 to 2010, followed by a *** percent increase from 2010 to 2011. The annual weighted average sale price of product 5 imported from China increased incrementally for each year data were reported,⁵⁴ with an overall price increase of *** percent from 2006 to 2011. The annual weighted average sale price of product 5 from India increased by *** percent between 2007 and 2010 and then decreased by *** percent in 2011.⁵⁵ The annual weighted average purchase price of product 5 imported from India was only available for 2010; therefore, price trends are not available.

⁴⁹ Staff excluded *** value for sales of product 1 imported from China as reported by *** as it was deemed an outlier.

⁵⁰ Purchase price data for product 1 from India were only reported in 2007 and 2009-10.

⁵¹ Price data for product 3 imported from India were not reported during 2006 and 2007.

⁵² Price data for product 4 imported from China were not reported during 2009 and 2010.

⁵³ Purchase price data for product 4 from India were not reported during 2006 and 2008.

⁵⁴ Price data for product 5 imported from China were not reported during 2009 and 2010.

⁵⁵ Price data for product 5 imported from India were not reported for 2006 and 2008-09.

More than half of responding purchasers reported that prices of domestically produced LPP have changed by the same amount as the prices of subject product imported from China (table V-9). More than half of responding purchasers reported that U.S. prices have increased relative to the price of subject imports from India. For price comparisons between domestically produced LPP and subject product imported from Indonesia, two purchasers reported that prices of U.S.-produced LPP have changed by the same amount as prices of subject imports from Indonesia, and two purchasers reported that U.S. prices have increased relative to the price of subject imports from Indonesia.

Table V-9
LPP: Comparison of relative prices, by source, as reported by U.S. purchasers

Country pair	Prices have changed by same amount	U.S. prices have increased relative to source	U.S. prices have decreased relative to source
U.S. vs. China	5	3	1
U.S. vs. India	2	4	1
U.S. vs. Indonesia	2	2	0

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

Price Comparisons

Margins of underselling and overselling for the period are presented by pricing product and by year in table V-10 below. The data show that prices of imports from China were lower than the U.S. producers' price in 2 of 8 quarterly comparisons, with underselling margins ranging from *** percent, and an average margin of *** percent. The price of imports from China were higher than U.S. producers' prices in 6 quarterly comparison, with overselling margins ranging from *** percent, and an average margin of *** percent. The data show that prices of imports from India were lower than U.S. producers' prices in 26 of 61 quarterly comparisons, with underselling margins ranging from *** percent, and an average margin of *** percent. Underselling occurred primarily in ***, which was also the peak in Indian volume import levels for these products. The price of imports from India were higher than U.S. producers' prices in 35 of 61 quarterly comparisons, with overselling margins ranging from *** percent, and an average margin of *** percent.

Table V-10
LPP: Summary of underselling/(overselling) by product and by year from China and India, January 2006-December 2011¹

* * * * *

BID DATA

More than half of purchasers (14 of 26) reported that none or nearly none of their purchases were accounted for by auctions or bid sales in 2011. Three purchasers reported that 100 percent of their purchases were conducted by auction or bid sales in 2011. Three purchasers reported that approximately 60 percent or more of their purchases in 2011 were via a bid process. Two purchasers reported that 20 to

34 percent of their purchases were held through a bid process.⁵⁶ The top five largest purchasers (***) all reported engaging in some type of auction or bid at one point during the period of review.

Twelve purchasers described the types of auctions or bids they held. *** hold bids using a Request for Quote form (RFQ) that identifies the product specifications, anticipated volumes, and ship dates. *** reported that it conducts an annual bid process for Back-To-School products, including notebooks and filler paper; the bid process typically begins in late August, with bids due back in September, and awards are made between October and December for the following year's business. *** reported holding on-line auctions which entail three rounds of competitive bidding. *** negotiations occur both through a product line review process and by an online bid system, and only prequalified suppliers are allowed to bid. *** reported that negotiations begin with suppliers submitting product samples that are evaluated on quality; suppliers that meet quality specifications are allowed to participate in a closed auction process. *** has three rounds of bids, with suppliers receiving feedback throughout the process on their overall competitive position based on various criteria including shipping location, quantity, ship dates, and price. *** chooses its suppliers based on price and freight costs. *** reported that their suppliers are chosen based on price, quality, service and reputation. *** reported that it holds bids in preparation for Back-To-School and only reliable suppliers that it typically purchases from are allowed to participate. *** reported that its auctions are held online every two to three years and suppliers are chosen based on reputation, ability to comply to all vendor agreement requirements, and ability to meet volume requirements. *** reported that suppliers are chosen based primarily on price although reliability and quality are also considered if they meet the price threshold. The majority of firms reported that the product mix is based on current and projected sales trends.

Six purchasers reported holding an annual auction, particularly in preparation for the Back-To-School season; two purchasers (***) reported holding bids for two separate events which include Back-To-School and their in-line negotiation event; one purchaser reported holding bids twice a year; one purchaser reported that bids are held every two to three years; and two purchasers reported holding online auctions when needed.

Bid data were requested for the three largest purchases based on dollar value for 2011. Six purchasers provided usable bid data for sales of CLPSS (table V-11). Bid data are grouped by purchaser and include the initial and awarded bids. A total of 19 awarded bid contracts were reported for 2011, involving *** million pieces valued at \$ *** million (in winning bid values).⁵⁷ Of these contracts, *** percent of the value was awarded to U.S. producers, *** percent was awarded to Indian suppliers, and *** percent was awarded to nonsubject suppliers.⁵⁸ However, based on the bid data reported, *** percent of the value of contracts that were awarded to foreign suppliers were actually arranged through U.S. producers with foreign suppliers. In particular, *** accounted for *** percent of the value of contracts

⁵⁶ The number of purchasers that use auctions or bids as a method for making purchases has not significantly changed since the original investigations. During the original investigations, nineteen of 26 purchasers reported that none or nearly none of their purchases since January 2003 were via auction or bid. One purchaser reported that 100 percent of its purchases were via a bid process; four reported that approximately 70 percent or more of their purchases in 2005 were via bid; and two reported that approximately 40 to 50 percent of their purchases were via bid. *Certain Lined Paper School Supplies from China, India, and Indonesia, Inv. 701-TA-442-443 and 731-TA-1095-1097 (Final)*, USITC Publication 3884, September 2006. However, the types of auctions and bids have reportedly changed. According to Top Flight, while the use of live auctions and reverse auctions has decreased, "there are more multilevel bidding processes today than there were before." Hearing transcript, p. 132 (Robinson). AASPS also noted that the breadth of products that are purchased via auctions has also increased, and is not used only for key products anymore. AASPS posthearing brief, p. 51.

⁵⁷ Purchaser *** did not report its awarded bid values; however, its contract quantities were reported and are included in the total awarded bid contracts for 2011. Its awarded bid contracts accounted for *** percent of the quantity of total awarded bid contracts reported by purchasers for 2011.

⁵⁸ Purchaser *** was unable to provide the country of origin of its purchased CLPSS, but indicated that all of its bids were awarded to ***.

awarded to nonsubject suppliers, *** accounted for *** percent of the contracts awarded to nonsubject suppliers, and *** accounted for *** percent of the value awarded to nonsubject suppliers.

Table V-11
CLPSS: Bid information and sales to purchasers, 2011

* * * * *

APPENDIX A

***FEDERAL REGISTER* NOTICES AND THE COMMISSION'S
STATEMENT ON ADEQUACY**

the Act, interested parties are requested to respond to this notice by submitting the information specified below to the Commission;¹ to be assured of consideration, the deadline for responses is August 31, 2011. Comments on the adequacy of responses may be filed with the Commission by October 14, 2011. For further information concerning the conduct of these reviews and rules of general application, consult the Commission's Rules of Practice and Procedure, part 201, subparts A through E (19 CFR part 201), and part 207, subparts A, D, E, and F (19 CFR part 207), as most recently amended at 74 FR 2847 (January 16, 2009).

DATED: *Effective Date:* August 1, 2011.

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

SUPPLEMENTARY INFORMATION: *Background.*—On September 28, 2006, the Department of Commerce (“Commerce”) issued countervailing duty orders on certain lined paper school supplies from India and Indonesia and antidumping duty orders on certain lined paper school supplies from China, India, and Indonesia (71 FR 56949). On April 14, 2011, Commerce amended in part the antidumping duty order on subject imports from India (76 FR 20954). The Commission is conducting reviews to determine whether revocation of the orders would be likely to lead to continuation or recurrence of material injury to the domestic industry within a reasonably foreseeable time. It will assess the

¹ No response to this request for information is required if a currently valid Office of Management and Budget (OMB) number is not displayed; the OMB number is 3117–0016/USITC No. 11–5–254, expiration date June 30, 2014. Public reporting burden for the request is estimated to average 15 hours per response. Please send comments regarding the accuracy of this burden estimate to the Office of Investigations, U.S. International Trade Commission, 500 E Street, SW., Washington, DC 20436.

adequacy of interested party responses to this notice of institution to determine whether to conduct full or expedited reviews. The Commission's determinations in any expedited reviews will be based on the facts available, which may include information provided in response to this notice.

Definitions.—The following definitions apply to these reviews:

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

(2) The *Subject Countries* in these reviews are China, India, and Indonesia.

(3) The *Domestic Like Product* is the domestically produced product or products which are like, or in the absence of like, most similar in characteristics and uses with, the *Subject Merchandise*. In its original determinations, the Commission found one *Domestic Like Product* consisting of all lined paper products, regardless of dimension.

(4) The *Domestic Industry* is the U.S. producers as a whole of the *Domestic Like Product*, or those producers whose collective output of the *Domestic Like Product* constitutes a major proportion of the total domestic production of the product. In its original determinations, the Commission found one *Domestic Industry* consisting of all domestic producers of lined paper products. The Commission also found during the original investigations that circumstances were appropriate to exclude two domestic producers, American Scholar and CPP, from the domestic industry under the related parties provision.

(5) The *Order Date* is the date that the antidumping and countervailing duty orders under review became effective. In these reviews, the *Order Date* is September 28, 2006.

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

Participation in the reviews 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 reviews as parties must file an entry of appearance with the Secretary to the Commission, as provided in section 201.11(b)(4) of the Commission's rules, no later than 21 days after publication of this notice in

INTERNATIONAL TRADE COMMISSION

[Investigation Nos. 701–TA–442–443 and 731–TA–1095–1097 (Review)]

Certain Lined Paper School Supplies From China, India, and Indonesia—Institution of Five-Year Reviews Concerning the Countervailing Duty Orders on Certain Lined Paper School Supplies From India and Indonesia and the Antidumping Duty Orders on Certain Lined Paper School Supplies From China, India, and Indonesia

AGENCY: United States International Trade Commission.

ACTION: Notice.

SUMMARY: The Commission hereby gives notice that it has instituted reviews pursuant to section 751(c) of the Tariff Act of 1930 (19 U.S.C. 1675(c)) (the Act) to determine whether revocation of the countervailing duty orders on certain lined paper school supplies from India and Indonesia and the antidumping duty orders on certain lined paper school supplies from China, India, and Indonesia would be likely to lead to continuation or recurrence of material injury. Pursuant to section 751(c)(2) of

the **Federal Register**. The Secretary will maintain a public service list containing the names and addresses of all persons, or their representatives, who are parties to the reviews.

Former Commission employees who are seeking to appear in Commission five-year reviews are advised that they may appear in a review even if they participated personally and substantially in the corresponding underlying original investigation. The Commission's designated agency ethics official has advised that a five-year review is not considered the "same particular matter" as the corresponding underlying original investigation for purposes of 18 U.S.C. 207, the post employment statute for Federal employees, and Commission rule 201.15(b) (19 CFR 201.15(b)), 73 FR 24609 (May 5, 2008). This advice was developed in consultation with the Office of Government Ethics.

Consequently, former employees are not required to seek Commission approval to appear in a review under Commission rule 19 CFR 201.15, even if the corresponding underlying original investigation was pending when they were Commission employees. For further ethics advice on this matter, contact Carol McCue Verratti, Deputy Agency Ethics Official, at 202-205-3088.

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

Certification.—Pursuant to section 207.3 of the Commission's rules, any person submitting information to the Commission in connection with these reviews must certify that the information is accurate and complete to the best of the submitter's knowledge. In making the certification, the submitter will be deemed to consent, unless otherwise specified, for the Commission, its employees, and contract personnel to use the information provided in any other reviews or investigations of the same or comparable products which the

Commission conducts under Title VII of the Act, or in internal audits and investigations relating to the programs and operations of the Commission pursuant to 5 U.S.C. Appendix 3.

Written submissions.—Pursuant to section 207.61 of the Commission's rules, each interested party response to this notice must provide the information specified below. The deadline for filing such responses is August 31, 2011. Pursuant to section 207.62(b) of the Commission's rules, eligible parties (as specified in Commission rule 207.62(b)(1)) may also file comments concerning the adequacy of responses to the notice of institution and whether the Commission should conduct expedited or full reviews. The deadline for filing such comments is October 14, 2011. All written submissions must conform with the provisions of sections 201.8 and 207.3 of the Commission's rules and any submissions that contain BPI must also conform with the requirements of sections 201.6 and 207.7 of the Commission's rules. The Commission's rules do not authorize filing of submissions with the Secretary by facsimile or electronic means, except to the extent permitted by section 201.8 of the Commission's rules, as amended, 67 FR 68036 (November 8, 2002). Also, in accordance with sections 201.16(c) and 207.3 of the Commission's rules, each document filed by a party to the reviews must be served on all other parties to the reviews (as identified by either the public or APO service list as appropriate), and a certificate of service must accompany the document (if you are not a party to the reviews you do not need to serve your response).

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

INFORMATION TO BE PROVIDED IN RESPONSE TO THIS NOTICE OF INSTITUTION: If you are a domestic producer, union/worker group, or trade/business association; import/export

Subject Merchandise from more than one *Subject Country*; or produce *Subject Merchandise* in more than one *Subject Country*, you may file a single response. If you do so, please ensure that your response to each question includes the information requested for each pertinent *Subject Country*. As used below, the term "firm" includes any related firms.

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

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

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

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

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

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

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

(8) A list of known sources of information on national or regional prices for the *Domestic Like Product* or

the *Subject Merchandise* in the U.S. or other markets.

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

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

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

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

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

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

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

(a) The quantity and value (landed, duty-paid but not including antidumping or countervailing duties) of U.S. imports and, if known, an estimate of the percentage of total U.S.

imports of *Subject Merchandise* from each *Subject Country* accounted for by your firm's(s') imports;

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

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

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

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

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

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

(12) Identify significant changes, if any, in the supply and demand conditions or business cycle for the *Domestic Like Product* that have occurred in the United States or in the market for the *Subject Merchandise* in the *Subject Country(ies)* since the *Order Date*, and significant changes, if any, that are likely to occur within a reasonably foreseeable time. Supply conditions to consider include technology; production methods; development efforts; ability to increase

production (including the shift of production facilities used for other products and the use, cost, or availability of major inputs into production); and factors related to the ability to shift supply among different national markets (including barriers to importation in foreign markets or changes in market demand abroad). Demand conditions to consider include end uses and applications; the existence and availability of substitute products; and the level of competition among the *Domestic Like Product* produced in the United States, *Subject Merchandise* produced in the *Subject Country(ies)*, and such merchandise from other countries.

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

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

By order of the Commission.
Issued: July 26, 2011.

James R. Holbein,

Secretary to the Commission.

[FR Doc. 2011-19314 Filed 7-29-11; 8:45 am]

BILLING CODE 7020-02-P

DEPARTMENT OF COMMERCE

International Trade Administration

Initiation of Five-Year (“Sunset”) Review

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

SUMMARY: In accordance with section 751(c) of the Tariff Act of 1930, as amended (“the Act”), the Department of Commerce (“the Department”) is automatically initiating a five-year review (“Sunset Review”) of the antidumping and countervailing duty orders listed below. The International Trade Commission (“the Commission”) is publishing concurrently with this notice its notice of *Institution of Five-Year Review* which covers the same orders.

DATES: *Effective Date:* August 1, 2011.

FOR FURTHER INFORMATION CONTACT: The Department official identified in the *Initiation of Review* section below at AD/CVD Operations, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC 20230. For information from the Commission contact Mary Messer, Office of Investigations, U.S. International Trade Commission at (202) 205–3193.

SUPPLEMENTARY INFORMATION:

Background

The Department’s procedures for the conduct of Sunset Reviews are set forth in its *Procedures for Conducting Five-Year (“Sunset”) Reviews of*

Antidumping and Countervailing Duty Orders, 63 FR 13516 (March 20, 1998) and 70 FR 62061 (October 28, 2005). Guidance on methodological or analytical issues relevant to the Department's conduct of Sunset

Reviews is set forth in the Department's Policy Bulletin 98.3—*Policies Regarding the Conduct of Five-Year ("Sunset") Reviews of Antidumping and Countervailing Duty Orders: Policy Bulletin*, 63 FR 18871 (April 16, 1998).

Initiation of Review

In accordance with 19 CFR 351.218(c), we are initiating the Sunset Review of the following antidumping and countervailing duty orders:

DOC Case No.	ITC Case No.	Country	Product	Department Contact
A-570-601	731-TA-344	PRC	Tapered Roller Bearings and Parts Thereof, Finished and Unfinished (3rd Review).	Julia Hancock, (202) 482-1394.
A-570-828	731-TA-672	PRC	Silicomanganese (3rd Review)	Julia Hancock, (202) 482-1394.
A-351-824	731-TA-671	Brazil	Silicomanganese (3rd Review)	Dana Mermelstein, (202) 482-1391.
A-823-805	731-TA-673	Ukraine	Silicomanganese (3rd Review)	Dana Mermelstein, (202) 482-1391.
A-427-801	731-TA-392-A	France	Ball Bearings and Parts Thereof (3rd Review)	Dana Mermelstein, (202) 482-1391.
A-428-801	731-TA-391-A	Germany	Ball Bearings and Parts Thereof (3rd Review)	Dana Mermelstein, (202) 482-1391.
A-475-801	731-TA-393-A	Italy	Ball Bearings and Parts Thereof (3rd Review)	Dana Mermelstein, (202) 482-1391.
A-588-804	731-TA-394-A	Japan	Ball Bearings and Parts Thereof (3rd Review)	Dana Mermelstein, (202) 482-1391.
A-412-801	731-TA-399-A	United Kingdom	Ball Bearings and Parts Thereof (3rd Review)	Dana Mermelstein, (202) 482-1391.
A-570-901	731-TA-1095	PRC	Lined Paper Products (a.k.a. Lined Paper School Supplies).	David Goldberger, (202) 482-4136.
A-533-843	731-TA-1096	India	Lined Paper Products (a.k.a. Lined Paper School Supplies).	David Goldberger, (202) 482-4136.
A-560-818	731-TA-1097	Indonesia	Lined Paper Products (a.k.a. Lined Paper School Supplies).	David Goldberger, (202) 482-4136.
C-533-844	731-TA-442	India	Lined Paper Products (a.k.a. Lined Paper School Supplies).	David Goldberger, (202) 482-4136.
C-560-819	731-TA-443	Indonesia	Lined Paper Products (a.k.a. Lined Paper School Supplies).	David Goldberger, (202) 482-4136.

Filing Information

As a courtesy, we are making information related to Sunset proceedings, including copies of the pertinent statute and Department's regulations, the Department schedule for Sunset Reviews, a listing of past revocations and continuations, and current service lists, available to the public on the Department's Internet Web site at the following address: <http://ia.ita.doc.gov/sunset/>. All submissions in these Sunset Reviews must be filed in accordance with the Department's regulations regarding format, translation, and service of documents. These rules can be found at 19 CFR 351.303.

This notice serves as a reminder that any party submitting factual information in an AD/CVD proceeding must certify to the accuracy and completeness of that information. See section 782(b) of the Act. Parties are hereby reminded that revised certification requirements are in effect for company/government officials as well as their representatives in all AD/CVD investigations or proceedings initiated on or after March 14, 2011. See *Certification of Factual Information to Import Administration During Antidumping and Countervailing Duty*

Proceedings: Interim Final Rule, 76 FR 7491 (February 10, 2011) ("*Interim Final Rule*") amending 19 CFR 351.303(g)(1) and (2). The formats for the revised certifications are provided at the end of the *Interim Final Rule*. The Department intends to reject factual submissions in investigations/proceedings initiated on or after March 14, 2011 if the submitting party does not comply with the revised certification requirements.

Pursuant to 19 CFR 351.103(d), the Department will maintain and make available a service list for these proceedings. To facilitate the timely preparation of the service list(s), it is requested that those seeking recognition as interested parties to a proceeding contact the Department in writing within 10 days of the publication of the Notice of Initiation.

Because deadlines in Sunset Reviews can be very short, we urge interested parties to apply for access to proprietary information under administrative protective order ("APO") immediately following publication in the **Federal Register** of this notice of initiation by filing a notice of intent to participate. The Department's regulations on submission of proprietary information and eligibility to receive access to business proprietary information under

APO can be found at 19 CFR 351.304-351.306.

Information Required From Interested Parties

Domestic interested parties defined in section 771(9)(C), (D), (E), (F), and (G) of the Act and 19 CFR 351.102(b) wishing to participate in a Sunset Review must respond not later than 15 days after the date of publication in the **Federal Register** of this notice of initiation by filing a notice of intent to participate. The required contents of the notice of intent to participate are set forth at 19 CFR 351.218(d)(1)(ii). In accordance with the Department's regulations, if we do not receive a notice of intent to participate from at least one domestic interested party by the 15-day deadline, the Department will automatically revoke the order without further review. See 19 CFR 351.218(d)(1)(iii).

If we receive an order-specific notice of intent to participate from a domestic interested party, the Department's regulations provide that *all parties* wishing to participate in the Sunset Review must file complete substantive responses not later than 30 days after the date of publication in the **Federal Register** of this notice of initiation. The required contents of a substantive

response, on an order-specific basis, are set forth at 19 CFR 351.218(d)(3). Note that certain information requirements differ for respondent and domestic parties. Also, note that the Department's information requirements are distinct from the Commission's information requirements. Please consult the Department's regulations for information regarding the Department's conduct of Sunset Reviews.¹ Please consult the Department's regulations at 19 CFR part 351 for definitions of terms and for other general information concerning antidumping and countervailing duty proceedings at the Department.

This notice of initiation is being published in accordance with section 751(c) of the Act and 19 CFR 351.218 (c).

Dated: July 21, 2011.

Christian Marsh,

Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations.

[FR Doc. 2011-19402 Filed 7-29-11; 8:45 am]

BILLING CODE 3510-DS-P

**INTERNATIONAL TRADE
COMMISSION**

**[Investigation Nos. 701-TA-442-443 and
731-TA-1095-1097 (Review)]**

**Certain Lined Paper School Supplies
From China, India, and Indonesia;
Notice of Commission Determinations
To Conduct Full Five-Year Reviews**

AGENCY: United States International
Trade Commission.

ACTION: Notice.

SUMMARY: The Commission hereby gives notice that it will proceed with full reviews pursuant to section 751(c)(5) of the Tariff Act of 1930 (19 U.S.C. 1675(c)(5)) to determine whether revocation of the countervailing duty orders on certain lined paper school supplies from India and Indonesia and the antidumping duty orders on certain lined paper school supplies from China, India, and Indonesia would be likely to lead to continuation or recurrence of material injury within a reasonably foreseeable time. A schedule for the reviews will be established and announced at a later date. For further

¹ Chairman Deanna Tanner Okun did not participate.

² Commissioner Charlotte R. Lane dissented from the majority, instead finding that the respondent interested party group response was inadequate and determining to proceed to an expedited review.

information concerning the conduct of these reviews and rules of general application, consult the Commission's Rules of Practice and Procedure, part 201, subparts A through E (19 CFR part 201), and part 207, subparts A, D, E, and F (19 CFR part 207), as amended, 76 FR 61937 (October 6, 2011).

DATES: *Effective Date:* November 4, 2011.

FOR FURTHER INFORMATION CONTACT:

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

SUPPLEMENTARY INFORMATION: On November 4, 2011, the Commission determined that it should proceed to full reviews in the subject five-year reviews pursuant to section 751(c)(5) of the Act. The Commission found that the domestic interested party group response to its notice of institution (76 FR 45851, August 1, 2011) was adequate and that the respondent interested party group response with respect to the orders on subject merchandise from India was adequate, and decided to conduct full reviews of the antidumping and countervailing duty orders on certain lined paper school supplies from India. The Commission found that the respondent interested party group responses with respect to the orders on subject merchandise from China and Indonesia were inadequate. However, the Commission determined to conduct full reviews concerning the orders on certain lined paper school supplies from China and Indonesia to promote administrative efficiency in light of its decision to conduct full reviews with respect to the orders on subject merchandise from India.¹ A record of the Commissioners' votes, the Commission's statement on adequacy, and any individual Commissioner's

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

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

By order of the Commission.

Issued: November 16, 2011.

James R. Holbein,

Secretary to the Commission.

[FR Doc. 2011-30039 Filed 11-21-11; 8:45 am]

BILLING CODE 7020-02-P

¹ Commissioner Charlotte R. Lane dissented, instead finding that the respondent interested party group response with respect to India was inadequate and determining to conduct expedited reviews of all orders concerning certain lined paper school supplies from China, India, and Indonesia.

section 751(c) of the Tariff Act of 1930, as amended (“the Act”). See *Initiation of Five-Year (“Sunset”) Review*, 76 FR 45778 (August 1, 2011). The Department received a notice of intent to participate in this review from the Association of American School Paper Suppliers and its members (collectively, “Petitioners”), within the deadline specified in 19 CFR 351.218(d)(1)(i). Petitioners claimed interested party status for this review under section 771(9)(C) of the Act, as manufacturers of the domestic like product in the United States.

On August 31, 2011, the Department received a complete substantive response from Petitioners within the deadline specified in 19 CFR 351.218(d)(3)(i). We received no substantive responses from any respondent interested parties. As a result, pursuant to section 751(c)(3)(B) of the Act and 19 CFR 351.218(e)(1)(ii)(C)(2), the Department conducted an expedited sunset review of the CVD order.

Scope of the Order

The scope of the order includes certain lined paper products, typically school supplies,¹ composed of or including paper that incorporates straight horizontal and/or vertical lines on ten or more paper sheets,² including but not limited to such products as single- and multi-subject notebooks, composition books, wireless notebooks, looseleaf or glued filler paper, graph paper, and laboratory notebooks, and with the smaller dimension of the paper measuring 6 inches to 15 inches (inclusive) and the larger dimension of the paper measuring 8¾ inches to 15 inches (inclusive). Page dimensions are measured size (not advertised, stated, or “tear-out” size), and are measured as they appear in the product (*i.e.*, stitched and folded pages in a notebook are measured by the size of the page as it appears in the notebook page, not the size of the unfolded paper). However, for measurement purposes, pages with tapered or rounded edges shall be measured at their longest and widest points. Subject lined paper products may be loose, packaged or bound using any binding method (other than case bound through the inclusion of binders board, a spine strip, and cover wrap). Subject merchandise may or may not contain any combination of a front cover, a rear cover, and/or backing of

¹ For purposes of this scope definition, the actual use of or labeling these products as school supplies or non-school supplies is not a defining characteristic.

² There shall be no minimum page requirement for looseleaf filler paper.

DEPARTMENT OF COMMERCE

**International Trade Administration
[C–560–819]**

Certain Lined Paper Products From Indonesia: Final Results of the Expedited Sunset Review of the Countervailing Duty Order

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

DATES: *Effective Date:* November 29, 2011

SUMMARY: The Department has conducted an expedited sunset review of the countervailing duty (“CVD”) order on certain lined paper products (“lined paper”) from Indonesia. As a result of the review, the Department finds that revocation of the CVD order would be likely to lead to a continuation or recurrence of a countervailable subsidy at the rates identified in the “Final Results of Review” section of this notice.

FOR FURTHER INFORMATION CONTACT: Mary Kolberg, AD/CVD Operations, Office 1, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue NW., Washington, DC 20230; telephone (202) 482–1785.

SUPPLEMENTARY INFORMATION:

Background

On August 1, 2011, the Department published the notice of initiation of the first sunset review of the CVD order on lined paper from Indonesia, pursuant to

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

Specifically excluded from the scope of the order are: Unlined copy machine paper; writing pads with a backing (including but not limited to products commonly known as "tablets," "note pads," "legal pads," and "quadrille pads"), provided that they do not have a front cover (whether permanent or removable). This exclusion does not apply to such writing pads if they consist of hole-punched or drilled filler paper; three-ring or multiple-ring binders, or notebook organizers incorporating such a ring binder provided that they do not include subject paper; index cards; printed books and other books that are case bound through the inclusion of binders board, a spine strip, and cover wrap; newspapers; pictures and photographs; desk and wall calendars and organizers (including but not limited to such products generally known as "office planners," "time books," and "appointment books"); telephone logs; address books; columnar pads and tablets, with or without covers, primarily suited for the recording of written numerical business data; lined business or office forms, including but not limited to: preprinted business forms, lined invoice pads and paper, mailing and address labels, manifests, and shipping log books; lined continuous computer paper; boxed or packaged writing stationary (including but not limited to products commonly known as "fine business paper," "parchment paper," and "letterhead"), whether or not containing a lined header or decorative lines; Stenographic pads ("steno pads"), Gregg ruled,³ measuring 6 inches by 9 inches.

Also excluded from the scope of the order are the following trademarked

³ "Gregg ruling" consists of a single- or double-margin vertical ruling line down the center of the page. For a six-inch by nine-inch stenographic pad, the ruling would be located approximately three inches from the left of the book.

products: Fly™ lined paper products: A notebook, notebook organizer, loose or glued note paper, with papers that are printed with infrared reflective inks and readable only by a Fly™ pen-top computer. The product must bear the valid trademark Fly™.⁴ Zwipes™: A notebook or notebook organizer made with a blended polyolefin writing surface as the cover and pocket surfaces of the notebook, suitable for writing using a specially-developed permanent marker and erase system (known as a Zwipes™ pen). This system allows the marker portion to mark the writing surface with a permanent ink. The eraser portion of the marker dispenses a solvent capable of solubilizing the permanent ink allowing the ink to be removed. The product must bear the valid trademark Zwipes™.⁵ FiveStar®Advance™: A notebook or notebook organizer bound by a continuous spiral, or helical, wire and with plastic front and rear covers made of a blended polyolefin plastic material joined by 300 denier polyester, coated on the backside with PVC (poly vinyl chloride) coating, and extending the entire length of the spiral or helical wire. The polyolefin plastic covers are of specific thickness; front cover is .019 inches (within normal manufacturing tolerances) and rear cover is .028 inches (within normal manufacturing tolerances). Integral with the stitching that attaches the polyester spine covering, is captured both ends of a 1" wide elastic fabric band. This band is located 2³/₈" from the top of the front plastic cover and provides pen or pencil storage. Both ends of the spiral wire are cut and then bent backwards to overlap with the previous coil but specifically outside the coil diameter but inside the polyester covering. During construction, the polyester covering is sewn to the front and rear covers face to face (outside to outside) so that when the book is closed, the stitching is concealed from the outside. Both free ends (the ends not sewn to the cover and back) are stitched with a turned edge construction. The flexible polyester material forms a covering over the spiral wire to protect it and provide a comfortable grip on the product. The product must bear the valid trademarks FiveStar®Advance™,⁶ FiveStar Flex™: a notebook, a notebook organizer, or

⁴ Products found to be bearing an invalidly licensed or used trademark are not excluded from the scope.

⁵ Products found to be bearing an invalidly licensed or used trademark are not excluded from the scope.

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

binder with plastic polyolefin front and rear covers joined by 300 denier polyester spine cover extending the entire length of the spine and bound by a 3-ring plastic fixture. The polyolefin plastic covers are of a specific thickness; front cover is .019 inches (within normal manufacturing tolerances) and rear cover is .028 inches (within normal manufacturing tolerances). During construction, the polyester covering is sewn to the front cover face to face (outside to outside) so that when the book is closed, the stitching is concealed from the outside. During construction, the polyester cover is sewn to the back cover with the outside of the polyester spine cover to the inside back cover. Both free ends (the ends not sewn to the cover and back) are stitched with a turned edge construction. Each ring within the fixture is comprised of a flexible strap portion that snaps into a stationary post which forms a closed binding ring. The ring fixture is riveted with six metal rivets and sewn to the back plastic cover and is specifically positioned on the outside back cover. The product must bear the valid trademark FiveStar Flex™.⁷

Merchandise subject to the order is typically imported under headings 4810.22.5044, 4811.90.9035, 4811.90.9050, 4811.90.9080, 4811.90.9090, 4820.10.2010, 4820.10.2020, 4820.10.2030, 4820.10.2040, 4820.10.2050, 4820.10.2060, 4820.10.4000, and 4820.30.0040 of the Harmonized Tariff Schedule of the United States.

The tariff classifications are provided for convenience and U.S. Customs and Border Protection ("CBP") purposes; however, the written description of the scope of the order is dispositive.

Analysis of Comments Received

All issues raised in these reviews are addressed in the Issues and Decision Memorandum ("Decision Memorandum") from Christian Marsh, Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations, to Paul Piquado, Assistant Secretary for Import Administration, dated concurrently with this notice, which is hereby adopted by this notice. The issues discussed in the Decision Memorandum include the likelihood of continuation or recurrence of a countervailable subsidy if the order were revoked, the net countervailable subsidy likely to prevail if the order were revoked, and the nature of the subsidies. The Issues and Decision

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

Memorandum is a public document and is on file electronically via Import Administration's Antidumping and Countervailing Duty Centralized Electronic Service System ("IA ACCESS"). Access to IA Access is available in the Central Records Unit ("CRU"), room 7046 of the main Department of Commerce building. In addition, a complete version of the Issues and Decision Memorandum can be accessed directly on the internet at <http://www.trade.gov/ia/>. The signed Issues and Decision Memorandum and the electronic versions of the Issues and Decision Memorandum are identical in content.

Final Results of Review

Pursuant to sections 752(c)(1) and (3) of the Act, we determine that revocation of the CVD order on lined paper from Indonesia would be likely to lead to continuation or recurrence of the countervailable subsidy rates listed below:

Manufacturers/producers/exporters	Net countervailable subsidy (percent)
PT. Pabrik Kertas Tjiwi Kimia Tbk	40.55
All Others	40.55

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

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

Dated: November 16, 2011.

Paul Piquado,

Assistant Secretary for Import Administration.

[FR Doc. 2011-30773 Filed 11-28-11; 8:45 am]

BILLING CODE 3510-DS-P

SUMMARY: On August 1, 2011, the Department of Commerce (the Department) initiated a sunset review of the countervailing duty (CVD) order on certain lined paper products (CLPP) from India pursuant to section 751(c) of the Tariff Act of 1930, as amended (the Act). See *Initiation of Five-Year ("Sunset") Review*, 76 FR 45778 (August 1, 2011) (*Initiation Notice*). On the basis of a notice of intent to participate and an adequate substantive response filed on behalf of domestic interested parties and an inadequate response (in this case, no response) from respondent interested parties, the Department decided to conduct an expedited sunset review of this CVD order pursuant to section 751(c)(3)(B) of the Act and 19 CFR 351.218(e)(1)(ii)(C). As a result of this review, the Department finds that revocation of the CVD order would be likely to lead to continuation or recurrence of a countervailable subsidy at the level indicated in the "Final Results of Review" section of this notice.

DATES: *Effective Date:* December 6, 2011.

FOR FURTHER INFORMATION CONTACT: Eric Greynolds, AD/CVD Operations, Office 3, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street & Constitution Avenue NW., Washington, DC 20230; *telephone:* (202) 482-6071.

SUPPLEMENTARY INFORMATION:

Background

On August 1, 2011, the Department initiated a sunset review of the CVD order on LPP from India pursuant to section 751(c) of the Act. See *Initiation Notice*, 76 FR 45778 (August 1, 2011). The Department received a notice of intent to participate on behalf of the Association of American School Paper Suppliers (AASPS) and its individual members—MWV Consumer & Office Products (MWV), Norcom, Inc., and TopFlight, Inc. (collectively, petitioners), within the deadline specified in 19 CFR 351.218(d)(1)(i). The petitioners claimed interested party status under sections 771(9) (F) and 771(9)(C) of the Act, as an association of domestic producers of CLLP and domestic producers of CLPP, respectively.

The Department received a complete substantive response from the petitioners within the 30-day deadline specified in 19 CFR 351.218(d)(3)(i). However, the Department did not receive a substantive response from any respondent interested party to this proceeding. As a result, pursuant to section 751(c)(3)(B) of the Act and 19 CFR 351.218(e)(1)(ii)(C)(2), the

Department conducted an expedited review of this order.

Scope of the Order

The scope of this order includes certain lined paper products, typically school supplies,¹ composed of or including paper that incorporates straight horizontal and/or vertical lines on ten or more paper sheets,² including but not limited to such products as single- and multi-subject notebooks, composition books, wireless notebooks, looseleaf or glued filler paper, graph paper, and laboratory notebooks, and with the smaller dimension of the paper measuring 6 inches to 15 inches (inclusive) and the larger dimension of the paper measuring 8³/₄ inches to 15 inches (inclusive). Page dimensions are measured size (not advertised, stated, or "tear-out" size), and are measured as they appear in the product (*i.e.*, stitched and folded pages in a notebook are measured by the size of the page as it appears in the notebook page, not the size of the unfolded paper). However, for measurement purposes, pages with tapered or rounded edges shall be measured at their longest and widest points. Subject lined paper products may be loose, packaged or bound using any binding method (other than case bound through the inclusion of binders board, a spine strip, and cover wrap). Subject merchandise may or may not contain any combination of a front cover, a rear cover, and/or backing of any composition, regardless of the inclusion of images or graphics on the cover, backing, or paper. Subject merchandise is within the scope of this order whether or not the lined paper and/or cover are hole punched, drilled, perforated, and/or reinforced. Subject merchandise may contain accessory or informational items including but not limited to pockets, tabs, dividers, closure devices, index cards, stencils, protractors, writing implements, reference materials such as mathematical tables, or printed items such as sticker sheets or miniature calendars, if such items are physically incorporated, included with, or attached to the product, cover and/or backing thereto.

- Unlined copy machine paper;
- Writing pads with a backing (including but not limited to products commonly known as "tablets," "note pads," "legal pads," and "quadrille

¹ For purposes of this scope definition, the actual use or labeling of these products as school supplies or non-school supplies is not a defining characteristic.

² There shall be no minimum page requirement for looseleaf filler paper. the scope of this order are:

DEPARTMENT OF COMMERCE

International Trade Administration

[C-533-844]

Final Results of Expedited Sunset Review of Countervailing Duty Order: Certain Lined Paper Products From India

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

pads”), provided that they do not have a front cover (whether permanent or removable). This exclusion does not apply to such writing pads if they consist of hole-punched or drilled filler paper;

- Three-ring or multiple-ring binders, or notebook organizers incorporating such a ring binder provided that they do not include subject paper;

- Index cards;
- Printed books and other books that are case bound through the inclusion of binders board, a spine strip, and cover wrap;

- Newspapers;
- Pictures and photographs;
- Desk and wall calendars and organizers (including but not limited to such products generally known as “office planners,” “time books,” and “appointment books”);

- Telephone logs;
- Address books;
- Columnar pads & tablets, with or without covers, primarily suited for the recording of written numerical business data;

- Lined business or office forms, including but not limited to: preprinted business forms, lined invoice pads and paper, mailing and address labels, manifests, and shipping log books;

- Lined continuous computer paper;
- Boxed or packaged writing stationery (including but not limited to products commonly known as “fine business paper,” “parchment paper,” and “letterhead”), whether or not containing a lined header or decorative lines; and

- Stenographic pads (steno pads), Gregg ruled,³ measuring 6 inches by 9 inches.

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

- Fly™ lined paper products: A notebook, notebook organizer, loose or glued note paper, with papers that are printed with infrared reflective inks and readable only by a Fly™ pen-top computer. The product must bear the valid trademark Fly™.⁴

- Zwipes™: A notebook or notebook organizer made with a blended polyolefin writing surface as the cover and pocket surfaces of the notebook, suitable for writing using a specially-developed permanent marker and erase system (known as a Zwipes™ pen).

³ “Gregg ruling” consists of a single- or double-margin vertical ruling line down the center of the page. For a six-inch by nine-inch stenographic pad, the ruling would be located approximately three inches from the left of the book.

⁴ Products found to be bearing an invalidly licensed or used trademark are not excluded from the scope.

This system allows the marker portion to mark the writing surface with a permanent ink. The eraser portion of the marker dispenses a solvent capable of solubilizing the permanent ink allowing the ink to be removed. The product must bear the valid trademark Zwipes™.⁵

- FiveStar® Advance™: A notebook or notebook organizer bound by a continuous spiral, or helical, wire and with plastic front and rear covers made of a blended polyolefin plastic material joined by 300 denier polyester, coated on the backside with PVC (poly vinyl chloride) coating, and extending the entire length of the spiral or helical wire. The polyolefin plastic covers are of specific thickness; front cover is 0.019 inches (within normal manufacturing tolerances) and rear cover is 0.028 inches (within normal manufacturing tolerances). Integral with the stitching that attaches the polyester spine covering, is captured both ends of a 1” wide elastic fabric band. This band is located 2³/₈” from the top of the front plastic cover and provides pen or pencil storage. Both ends of the spiral wire are cut and then bent backwards to overlap with the previous coil but specifically outside the coil diameter but inside the polyester covering. During construction, the polyester covering is sewn to the front and rear covers face to face (outside to outside) so that when the book is closed, the stitching is concealed from the outside. Both free ends (the ends not sewn to the cover and back) are stitched with a turned edge construction. The flexible polyester material forms a covering over the spiral wire to protect it and provide a comfortable grip on the product. The product must bear the valid trademarks FiveStar® Advance™.⁶

- FiveStar Flex™: A notebook, a notebook organizer, or binder with plastic polyolefin front and rear covers joined by 300 denier polyester spine cover extending the entire length of the spine and bound by a 3-ring plastic fixture. The polyolefin plastic covers are of a specific thickness; front cover is 0.019 inches (within normal manufacturing tolerances) and rear cover is 0.028 inches (within normal manufacturing tolerances). During construction, the polyester covering is sewn to the front cover face to face (outside to outside) so that when the book is closed, the stitching is concealed from the outside. During

⁵ Products found to be bearing an invalidly licensed or used trademark are not excluded from the scope.

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

construction, the polyester cover is sewn to the back cover with the outside of the polyester spine cover to the inside back cover. Both free ends (the ends not sewn to the cover and back) are stitched with a turned edge construction. Each ring within the fixture is comprised of a flexible strap portion that snaps into a stationary post which forms a closed binding ring. The ring fixture is riveted with six metal rivets and sewn to the back plastic cover and is specifically positioned on the outside back cover. The product must bear the valid trademark FiveStar Flex™.⁷

Currently, merchandise subject to this order is typically imported under headings 4810.22.5044, 4811.90.9050, 4820.10.2010, 4820.10.2020, 4820.10.2030, 4820.10.2040, 4820.10.2060, and 4820.10.4000 of the Harmonized Tariff Schedule of the United States (HTSUS). The tariff classifications are provided for convenience and customs purposes; however, the written description of the scope of the order is dispositive.

Analysis of Comments Received

All issues raised in this review are addressed in the Issues and Decision Memorandum (Decision Memorandum) from Christian Marsh, Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations, to Paul Piquado, Assistant Secretary for Import Administration, dated concurrently with this notice, which is hereby adopted by this notice. Parties can find a complete discussion of all issues raised in this review and the corresponding recommendation in this public memorandum which is on file electronically via Import Administration’s Antidumping and Countervailing Duty Centralized Electronic Service System (IA ACCESS). Access to IA ACCESS is available in the Central Records Unit, room 7046, of the main Commerce building. In addition, a complete version of the Decision Memorandum can be accessed directly on the Web at <http://ia.ita.doc.gov/frn>. The electronic versions of the Decision Memorandum in IA ACCESS and on the Web are identical in content.

Final Results of Review

The Department determines that revocation of the countervailing duty order would be likely to lead to continuation or recurrence of a countervailable subsidy at the rates listed below:

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

⁸ Kejriwal Exports, a division of Kejriwal Paper Limited was excluded from the order on the basis

Producers/exporters	Net countervailable subsidy (percent)
Aero Exports	7.52
Navneet Publications	10.71
All Other Producers/Export- ers ⁸	9.89

Notification Regarding Administrative Protective Order

This notice serves as the only reminder to parties subject to administrative protective order (APO) of their responsibility concerning the return or destruction of proprietary information disclosed under APO in accordance with 19 CFR 351.305. Timely notification of 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 these final results and notice in accordance with sections 751(c), 752, and 777(i)(1) of the Act.

Dated: November 29, 2011.

Paul Piquado,

Assistant Secretary for Import Administration.

[FR Doc. 2011-31290 Filed 12-5-11; 8:45 am]

BILLING CODE 3510-DS-P

DEPARTMENT OF COMMERCE

International Trade Administration

[A-533-843, A-560-818, A-579-901]

Final Results of Expedited Sunset Review of Antidumping Duty Orders: Lined Paper Products From India, Indonesia, and the People's Republic of China

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

DATES: *Effective Date:* December 6, 2011.

SUMMARY: On August 1, 2011, the Department of Commerce (“the Department”) initiated a sunset review of the antidumping duty (“AD”) orders on lined paper products (“CLPP”) from India, Indonesia, and the People’s Republic of China (“PRC”) pursuant to section 751(c) of the Tariff Act of 1930, as amended (“the Act”). *See Initiation of Five-Year (“Sunset”) Review*, 76 FR 45778 (August 1, 2011). On the basis of a notice of intent to participate and an adequate substantive response filed on behalf of domestic interested parties and an inadequate response (in this case, no response) from respondent interested parties in each of these reviews, the Department decided to conduct expedited sunset reviews of these AD orders pursuant to section 751(c)(3)(B) of the Act and 19 CFR 351.218(e)(1)(ii)(A). As a result of these reviews, the Department finds that revocation of the antidumping duty orders would likely lead to a continuation or recurrence of dumping at the margins identified in the “Final Results of Review” section of this notice.

FOR FURTHER INFORMATION CONTACT: George McMahon, AD/CVD Operations, Office 3, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue NW., Washington, DC 20230; telephone (202) 482-1167.

SUPPLEMENTARY INFORMATION:

Background

On August 1, 2011, the Department initiated sunset reviews of the AD orders on CLPP from India, Indonesia, and the PRC pursuant to section 751(c) of the Act. *See Initiation of Five-Year (“Sunset”) Reviews*, 76 FR 45778 (August 1, 2011). The Department received a notice of intent to participate in each of these reviews from the Association of American School Paper Suppliers (“AASPS”) and its individual members—MWV Consumer & Office Products (“MWV”), Norcom, Inc., and

TopFlight, Inc. (collectively, “petitioners”), within the deadline specified in 19 CFR 351.218(d)(1)(i). The petitioners claimed interested party status for each of these reviews under section 771(9)(C) of the Act, as domestic producers of CLPP.

The Department received a complete substantive response from the petitioners for each of these reviews within the 30-day deadline specified in 19 CFR 351.218(d)(3)(i). However, the Department did not receive a substantive response from any respondent interested party to either of these proceedings. As a result, pursuant to section 751(c)(3)(B) of the Act and 19 CFR 351.218(e)(1)(ii)(C)(2), the Department conducted expedited reviews of these AD orders.

Scope of the Orders

The scope of these orders includes certain lined paper products, typically school supplies,¹ composed of or including paper that incorporates straight horizontal and/or vertical lines on ten or more paper sheets,² including but not limited to such products as single- and multi-subject notebooks, composition books, wireless notebooks, looseleaf or glued filler paper, graph paper, and laboratory notebooks, and with the smaller dimension of the paper measuring 6 inches to 15 inches (inclusive) and the larger dimension of the paper measuring 8¾ inches to 15 inches (inclusive). Page dimensions are measured size (not advertised, stated, or “tear-out” size), and are measured as they appear in the product (*i.e.*, stitched and folded pages in a notebook are measured by the size of the page as it appears in the notebook page, not the size of the unfolded paper). However, for measurement purposes, pages with tapered or rounded edges shall be measured at their longest and widest points. Subject lined paper products may be loose, packaged or bound using any binding method (other than case bound through the inclusion of binders board, a spine strip, and cover wrap). Subject merchandise may or may not contain any combination of a front cover, a rear cover, and/or backing of any composition, regardless of the inclusion of images or graphics on the cover, backing, or paper. Subject merchandise is within the scope of these orders whether or not the lined paper and/or cover are hole punched, drilled, perforated, and/or reinforced.

¹ For purposes of this scope definition, the actual use or labeling of these products as school supplies or non-school supplies is not a defining characteristic.

² There shall be no minimum page requirement for looseleaf filler paper.

Subject merchandise may contain accessory or informational items including but not limited to pockets, tabs, dividers, closure devices, index cards, stencils, protractors, writing implements, reference materials such as mathematical tables, or printed items such as sticker sheets or miniature calendars, if such items are physically incorporated, included with, or attached to the product, cover and/or backing thereto.

Specifically excluded from the scope of these orders are:

- Unlined copy machine paper;
- Writing pads with a backing (including but not limited to products commonly known as “tablets,” “note pads,” “legal pads,” and “quadrille pads”), provided that they do not have a front cover (whether permanent or removable). This exclusion does not apply to such writing pads if they consist of hole-punched or drilled filler paper;
 - Three-ring or multiple-ring binders, or notebook organizers incorporating such a ring binder provided that they do not include subject paper;
 - Index cards;
 - Printed books and other books that are case bound through the inclusion of binders board, a spine strip, and cover wrap;
 - Newspapers;
 - Pictures and photographs;
 - desk and wall calendars and organizers (including but not limited to such products generally known as “office planners,” “time books,” and “appointment books”);
 - Telephone logs;
 - Address books;
 - Columnar pads & tablets, with or without covers, primarily suited for the recording of written numerical business data;
 - Lined business or office forms, including but not limited to: preprinted business forms, lined invoice pads and paper, mailing and address labels, manifests, and shipping log books;
 - Lined continuous computer paper;
 - Boxed or packaged writing stationery (including but not limited to products commonly known as “fine business paper,” “parchment paper,” and “letterhead”), whether or not containing a lined header or decorative lines;
 - Stenographic pads (“steno pads”), Gregg ruled,³ measuring 6 inches by 9 inches;

Also excluded from the scope of these orders are the following trademarked products:

- Fly™ lined paper products: A notebook, notebook organizer, loose or glued note paper, with papers that are printed with infrared reflective inks and readable only by a Fly™ pen-top computer. The product must bear the valid trademark Fly™.⁴
- Zwipes™: A notebook or notebook organizer made with a blended polyolefin writing surface as the cover and pocket surfaces of the notebook, suitable for writing using a specially-developed permanent marker and erase system (known as a Zwipes™ pen). This system allows the marker portion to mark the writing surface with a permanent ink. The eraser portion of the marker dispenses a solvent capable of solubilizing the permanent ink allowing the ink to be removed. The product must bear the valid trademark Zwipes™.⁵
- FiveStar® Advance™: A notebook or notebook organizer bound by a continuous spiral, or helical, wire and with plastic front and rear covers made of a blended polyolefin plastic material joined by 300 denier polyester, coated on the backside with PVC (poly vinyl chloride) coating, and extending the entire length of the spiral or helical wire. The polyolefin plastic covers are of specific thickness; front cover is 0.019 inches (within normal manufacturing tolerances) and rear cover is 0.028 inches (within normal manufacturing tolerances). Integral with the stitching that attaches the polyester spine covering, is captured both ends of a 1” wide elastic fabric band. This band is located 2³/₈” from the top of the front plastic cover and provides pen or pencil storage. Both ends of the spiral wire are cut and then bent backwards to overlap with the previous coil but specifically outside the coil diameter but inside the polyester covering. During construction, the polyester covering is sewn to the front and rear covers face to face (outside to outside) so that when the book is closed, the stitching is concealed from the outside. Both free ends (the ends not sewn to the cover and back) are stitched with a turned edge construction. The flexible polyester material forms a covering over the spiral wire to protect it and provide a comfortable grip on the product. The

product must bear the valid trademarks FiveStar® Advance™.⁶

- FiveStar Flex™: A notebook, a notebook organizer, or binder with plastic polyolefin front and rear covers joined by 300 denier polyester spine cover extending the entire length of the spine and bound by a 3-ring plastic fixture. The polyolefin plastic covers are of a specific thickness; front cover is 0.019 inches (within normal manufacturing tolerances) and rear cover is 0.028 inches (within normal manufacturing tolerances). During construction, the polyester covering is sewn to the front cover face to face (outside to outside) so that when the book is closed, the stitching is concealed from the outside. During construction, the polyester cover is sewn to the back cover with the outside of the polyester spine cover to the inside back cover. Both free ends (the ends not sewn to the cover and back) are stitched with a turned edge construction. Each ring within the fixture is comprised of a flexible strap portion that snaps into a stationary post which forms a closed binding ring. The ring fixture is riveted with six metal rivets and sewn to the back plastic cover and is specifically positioned on the outside back cover. The product must bear the valid trademark FiveStar Flex™.⁷

Since the issuance of the PRC order, the Department has clarified the scope of the order in response to numerous scope inquiries. In addition, on September 23, 2011, the Department revoked, in part, the PRC AD order with respect to FiveStar® Advance™ notebooks and notebook organizers without PVC coatings. See *Certain Lined Paper Products From People's Republic of China: Final Results of Antidumping Duty Changed Circumstances Review and Revocation, in Part*, 76 FR 60803 (September 30, 2011).

Merchandise subject to these orders is typically imported under headings 4810.22.5044, 4811.90.9050, 4820.10.2010, 4820.10.2020, 4820.10.2030, 4820.10.2040, 4820.10.2060, and 4820.10.4000 of the Harmonized Tariff Schedule of the United States (“HTSUS”). The tariff classifications are provided for convenience and customs purposes; however, the written description of the scope of the orders is dispositive.

³ “Gregg ruling” consists of a single- or double-margin vertical ruling line down the center of the page. For a six-inch by nine-inch stenographic pad, the ruling would be located approximately three inches from the left of the book.

⁴ Products found to be bearing an invalidly licensed or used trademark are not excluded from the scope.

⁵ Products found to be bearing an invalidly licensed or used trademark are not excluded from the scope.

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

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

Analysis of Comments Received

All issues raised in these reviews are addressed in the Issues and Decision Memorandum (“Decision Memorandum”) from Christian Marsh, Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations, to Paul Piquado, Assistant Secretary for Import Administration, dated concurrently with this notice, which is hereby adopted by this notice. Parties can find a complete discussion of all issues raised in this review and the corresponding recommendation in this public memorandum which is on file electronically via Import Administration’s Antidumping and

Countervailing Duty Centralized Electronic Service System (“IA ACCESS”). Access to IA ACCESS is available in the Central Records Unit, room 7046, of the main Commerce building. In addition, a complete version of the Decision Memorandum can be accessed directly on the Web at <http://ia.ita.doc.gov/frn>. The electronic versions of the Decision Memorandum in IA ACCESS and on the Web are identical in content.

Final Results of Review

Pursuant to sections 752(c)(1) and (3) of the Act, we determine that revocation of the antidumping duty orders on CLPP from India, Indonesia, and the PRC

would be likely to lead to continuation or recurrence of dumping at the following weighted-average percentage margins:

Country manufacturer/exporter	Margin (percent)
India:	
Aero Exports	23.17
Kejriwal Paper Limited	3.91
Navneet Publications (India) Ltd.	23.17
All Others	3.91
Indonesia:	
PT. Pabrik Kertas Tjiwi Kimia Tbk	118.63
All Others	97.85
PRC	

Exporter	Producer	Margin (percent)
Shanghai Lian Li Paper Products Co., Ltd	Shanghai Lian Li Paper Products Co., Ltd	94.91
Shanghai Lian Li Paper Products Co., Ltd	Sentian Paper Products Co., Ltd	94.91
Shanghai Lian Li Paper Products Co., Ltd	Shanghai Miaopaofang Paper Products Co., Ltd	94.91
Shanghai Lian Li Paper Products Co., Ltd	Shanghai Pudong Wenbao Paper Products Co., Ltd	94.91
Shanghai Lian Li Paper Products Co., Ltd	Changshu Changjiang Printing Co., Ltd	94.91
Shanghai Lian Li Paper Products Co., Ltd	Shanghai Loutang Stationery Factory	94.91
Shanghai Lian Li Paper Products Co., Ltd	Shanghai Beijia Paper Products Co., Ltd	94.91
Ningbo Guangbo Imports and Exports Co. Ltd	Ningbo Guangbo Plastic Products Manufacture Co., Ltd	78.38
Yalong Paper Products (Kunshan) Co., Ltd	Yalong Paper Products (Kunshan) Co., Ltd	78.38
Suzhou Industrial Park Asia Pacific Paper Converting Co., Ltd	Suzhou Industrial Park Asia Pacific Paper Converting Co., Ltd	78.38
Sunshine International Group (HK) Ltd	Dongguan Shipai Tonzex Electronics Plastic Stationery Factory	78.38
Sunshine International Group (HK) Ltd	Dongguan Kwong Wo Stationery Co., Ltd	78.38
Suzhou Industrial Park You-You Trading Co., Ltd	Hua Lian Electronics Plastic Stationery Co., Ltd	78.38
Suzhou Industrial Park You-You Trading Co., Ltd	Linqing YinXing Paper Co., Ltd	78.38
Suzhou Industrial Park You-You Trading Co., Ltd	Jiaxing Seagull Paper Products Co., Ltd	78.38
Suzhou Industrial Park You-You Trading Co., Ltd	Shenda Paper Product Factory	78.38
Suzhou Industrial Park You-You Trading Co., Ltd	Lianyi Paper Product Factory	78.38
Suzhou Industrial Park You-You Trading Co., Ltd	Changhang Paper Product Factory	78.38
Suzhou Industrial Park You-You Trading Co., Ltd	Tianlong Paper Product Factory	78.38
Suzhou Industrial Park You-You Trading Co., Ltd	Rugao Paper Printer Co., Ltd	78.38
Suzhou Industrial Park You-You Trading Co., Ltd	Yinlong Paper Product Factory	78.38
You You Paper Products (Suzhou) Co., Ltd	You You Paper Products (Suzhou) Co., Ltd	78.38
Haijing Stationery (Shanghai) Co., Ltd	Haijing Stationery (Shanghai) Co., Ltd	78.38
Orient International Holding Shanghai Foreign Trade Co., Ltd ..	Yalong Paper Products (Kunshan) Co., Ltd	78.38
Orient International Holding Shanghai Foreign Trade Co., Ltd ..	Shanghai Comwell Stationery Co., Ltd	78.38
Orient International Holding Shanghai Foreign Trade Co., Ltd ..	Yuezhou Paper Co., Ltd	78.38
Orient International Holding Shanghai Foreign Trade Co., Ltd ..	Changshu Guangming Stationery Co., Ltd	78.38
Shanghai Foreign Trade Enterprise Co., Ltd	Shanghai Xin Zhi Liang Culture Products Co., Ltd	78.38
Shanghai Foreign Trade Enterprise Co., Ltd	Shangyu Zhongsheng Paper Products Co., Ltd	78.38
Shanghai Foreign Trade Enterprise Co., Ltd	Shanghai Miaoxi Paper Products Factory	78.38
Shanghai Foreign Trade Enterprise Co., Ltd	Shanghai Xueya Stationery Co., Ltd	78.38
Anhui Light Industries International Co., Ltd	Shanghai Pudong Wenbao Paper Products Factory	78.38
Anhui Light Industries International Co., Ltd	Foshan City Wenhai Paper Factory	78.38
Fujian Hengda Group Co., Ltd	Fujian Hengda Group Co., Ltd	78.38
Changshu Changjiang Printing Co., Ltd	Changshu Changjiang Paper Industry Co., Ltd	78.38
Jiaxing Te Gao Te Paper Products Co., Ltd	Jiaxing Te Gao Te Paper Products Co., Ltd	78.38
Jiaxing Te Gao Te Paper Products Co., Ltd	Jiaxing Seagull Paper Products Co., Ltd	78.38
Jiaxing Te Gao Te Paper Products Co., Ltd	Jiaxing Boshi Paper Products Co., Ltd	78.38
Chinapack Ningbo Paper Products Co., Ltd	Jiaxing Te Gao Te Paper Products Co., Ltd	78.38
Linqing Silver Star Paper Products Co., Ltd	Linqing Silver Star Paper Products Co., Ltd	78.38
Wah Kin Stationery and Paper Product Limited	Shenzhen Baoan Waijing Development Company	78.38
Shanghai Pudong Wenbao Paper Products Factory	Shanghai Pudong Wenbao Paper Products Factory	78.38
Shanghai Pudong Wenbao Paper Products Factory	Linqing Glistar Paper Products Co., Ltd	78.38
Shanghai Pudong Wenbao Paper Products Factory	Changshu Changjiang Printing Co., Ltd	78.38
Shanghai Pudong Wenbao Paper Products Factory	Linqing Silver Star Paper Products Co., Ltd	78.38
Paperline Limited	Shanghai Pudong Wenbao Paper Products Factory	78.38
Paperline Limited	Linqing Glistar Paper Products Co., Ltd	78.38
Paperline Limited	Changshu Changjiang Printing Co., Ltd	78.38
Paperline Limited	Linqing Silver Star Paper Products Co., Ltd	78.38
Paperline Limited	Jiaxing Te Gao Te Paper Products Co., Ltd	78.38
Paperline Limited	Yantai License Printing & Making Co., Ltd	78.38

Exporter	Producer	Margin (percent)
Yantai License Printing & Making Co., Ltd	Yantai License Printing & Making Co., Ltd	78.38
Paperline Limited	Anhui Jinhua Import & Export Co., Ltd	78.38
Essential Industries Limited	Dongguan Yizhi Gao Paper Products Ltd	78.38
MGA Entertainment (H.K.) Limited	Kon Dai (Far East) Packaging Co., Ltd	78.38
MGA Entertainment (H.K.) Limited	Dong Guan Huang Giang Rong Da Printing Factory	78.38
MGA Entertainment (H.K.) Limited	Dong Guan Huang Giang Da Printing Co., Limited	78.38
Excel Sheen Limited	Dongguan Shipai Fuda Stationery Factory	78.38
Maxleaf Stationery Ltd	Maxleaf Stationery Ltd	78.38
PRC Entity*	258.21

*Including Atico, Planet International, the companies that did not respond to the Q&V questionnaire in the underlying investigation, and Watanabe Paper Products.

Notification Regarding Administrative Protective Order

This notice also serves as the only reminder to parties subject to administrative protective order (“APO”) of their responsibility concerning the return or destruction of proprietary information disclosed under APO in accordance with 19 CFR 351.305.

Timely notification of the return or destruction of APO materials or conversion to judicial protective orders is hereby requested. Failure to comply with the regulations and terms of an APO is a violation which is subject to sanction.

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

Dated: November 29, 2011.

Paul Piquado,

Assistant Secretary for Import Administration.

[FR Doc. 2011-31286 Filed 12-5-11; 8:45 am]

BILLING CODE 3510-DS-P

school supplies from China, India, and Indonesia would be likely to lead to continuation or recurrence of material injury within a reasonably foreseeable time. The Commission has determined that these reviews are extraordinarily complicated, and will therefore exercise its authority to extend the review period by up to 90 days pursuant to 19 U.S.C. 1675(c)(5)(B). For further information concerning the conduct of these reviews and rules of general application, consult the Commission's Rules of Practice and Procedure, part 201, subparts A through E (19 CFR part 201), and part 207, subparts A, D, E, and F (19 CFR part 207).

DATES: *Effective Date:* January 26, 2012.

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 reviews may be viewed on the Commission's electronic docket (EDIS) at <http://edis.usitc.gov>.

SUPPLEMENTARY INFORMATION:

Background.—On November 4, 2011, the Commission determined that responses to its notice of institution of the subject five-year reviews were such that full reviews pursuant to section 751(c)(5) of the Act should proceed (76 FR 72213, November 22, 2011). A record of the Commissioners' votes, the Commission's statement on adequacy, and any individual Commissioner's statements are available from the Office of the Secretary and at the Commission's Web site.

Participation in the reviews 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 these reviews 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, by 45 days after publication of this notice. A party that filed a notice of appearance following publication of the Commission's notice of institution of the reviews need not file an additional notice of appearance.

**INTERNATIONAL TRADE
COMMISSION**

**[Investigation Nos. 701-TA-442-443 and
731-TA-1095-1097 (Review)]**

**Certain Lined Paper School Supplies
From China, India, and Indonesia;
Scheduling of Full Five-Year Reviews**

AGENCY: United States International
Trade Commission.

ACTION: Notice.

SUMMARY: The Commission hereby gives notice of the scheduling of full reviews pursuant to section 751(c)(5) of the Tariff Act of 1930 (19 U.S.C. 1675(c)(5)) (the Act) to determine whether revocation of the countervailing duty orders on certain lined paper school supplies from India and Indonesia and/or the revocation of the antidumping duty orders on certain lined paper

The Secretary will maintain a public service list containing the names and addresses of all persons, or their representatives, who are parties to the reviews.

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 these reviews available to authorized applicants under the APO issued in the reviews, provided that the application is made by 45 days after publication of this notice. Authorized applicants must represent interested parties, as defined by 19 U.S.C. 1677(9), who are parties to the reviews. A party granted access to BPI following publication of the Commission's notice of institution of the reviews 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 these reviews will be placed in the nonpublic record on May 22, 2012, and a public version will be issued thereafter, pursuant to section 207.64 of the Commission's rules.

Hearing.—The Commission will hold a hearing in connection with the reviews beginning at 9:30 a.m. on June 12, 2012, 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 June 6, 2012. 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 June 8, 2012, 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), 207.24, and 207.66 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.

Written submissions.—Each party to the reviews may submit a prehearing brief to the Commission. Prehearing briefs must conform with the provisions of section 207.65 of the Commission's rules; the deadline for filing is June 1, 2012. 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 207.67 of the Commission's rules. The deadline for filing posthearing briefs is June 21, 2012; 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 reviews may submit a written statement of information pertinent to the subject of the reviews on or before June 21, 2012. On July 23, 2012, 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 July 25, 2012, but such final comments must not contain new factual information and must otherwise comply with section 207.68 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. Please be aware that the Commission's rules with respect to electronic filing have been amended. The amendments took effect on November 7, 2011. See 76 FR 61937 (Oct. 6, 2011) and the newly revised Commission's Handbook on E-Filing, available on the Commission's Web site at <http://edis.usitc.gov>.

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 reviews must be served on all other parties to the reviews (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 reviews are being conducted under authority of title VII of the Tariff Act of 1930; this notice is published pursuant to section 207.62 of the Commission's rules.

Issued: January 26, 2012.

By order of the Commission.

James R. Holbein,
Secretary to the Commission.

[FR Doc. 2012-2146 Filed 1-31-12; 8:45 am]

BILLING CODE 7020-02-P

EXPLANATION OF COMMISSION DETERMINATIONS ON ADEQUACY

in

Lined Paper School Supplies from China, India, and Indonesia
Inv. Nos. 701-TA-442-443 and 731-TA-1095-1097 (Review)

On November 4, 2011, the Commission determined that it should proceed to full reviews in each of the subject five-year reviews pursuant to section 751(c)(5) of the Tariff Act of 1930, as amended, 19 U.S.C. § 1675(c)(5).¹

The Commission received one response to the notice of institution filed by domestic interested parties, which was filed by the Association of American School Paper Suppliers (“AASPS”), a trade association whose membership consists of three U.S. producers of lined paper school supplies (“lined paper”). These are MWV Consumer & Office Products, Norcom, Inc., and Top Flight, Inc. The Commission found the individual response of AASPS to be adequate. Because the membership of AASPS represents a substantial proportion of domestic production of lined paper, the Commission further determined that the domestic interested party group response was adequate with respect to all reviews.

With respect to the review of the antidumping duty order and countervailing duty order on lined paper from India, the Commission received a response to the notice of institution jointly filed by eight firms that identify themselves as producers and/or exporters of the subject merchandise from India. These Indian Respondents are FFI International, Lodha Offset Limited, Marisa International, Navneet Publications (India) Ltd., Pioneer Stationery Pvt. Ltd., Riddhi Enterprises, Sab International, and SGM Paper Products. The Commission found the response of each individual Indian Respondent to be adequate. Because the record in the adequacy phase of these reviews indicates that Indian Respondents collectively accounted for a substantial share of 2010 exports of the subject merchandise from India, and that the subject industry in India is highly fragmented, the Commission further determined that the respondent interested party group response for the reviews on subject merchandise from India was adequate. The Commission accordingly determined to conduct full reviews of the orders on lined paper from India.

The Commission received no response to the notice of institution from respondent interested parties with respect to the review of the antidumping duty order on subject merchandise from China and therefore determined that the respondent interested party group response from China was inadequate. The Commission nevertheless determined to conduct a full review of the order on lined paper from China in order to promote administrative efficiency in light of its decision to conduct full reviews of the orders on lined paper from India.

¹ Commissioner Charlotte R. Lane dissenting. Commissioner Lane found that the respondent interested party group response for the reviews on subject merchandise from India was inadequate because the responding Indian producers did not account for a substantial portion of total Indian production. In the absence of an adequate respondent interested party group response or any other circumstances warranting full reviews, she would have conducted expedited reviews of the orders on subject merchandise from India. In the absence of an adequate respondent interested party group response for the reviews concerning subject imports from China and Indonesia or any other circumstances warranting full reviews, she would have conducted expedited reviews of the orders on subject merchandise from China and Indonesia.

The Commission received no response to the notice of institution from respondent interested parties with respect to the reviews of the antidumping duty order and countervailing duty order on subject merchandise from Indonesia and therefore determined that the respondent interested party group response from Indonesia was inadequate. The Commission nevertheless determined to conduct full reviews of the orders on lined paper from Indonesia in order to promote administrative efficiency in light of its decision to conduct full reviews of the orders on lined paper from India.

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

APPENDIX B
HEARING WITNESSES

CALENDAR OF PUBLIC HEARING

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

Subject: Certain Lined Paper School Supplies from China, India, and Indonesia

Inv. Nos.: 701-TA-442-443 and 731-TA-1095-1097 (Review)

Date and Time: June 12, 2012 - 9:30 a.m.

Sessions were held in connection with these investigations in the Main Hearing Room (room 101), 500 E Street, S.W., Washington, D.C.

OPENING REMARKS:

In Support of Continuation of Orders (**Alan H. Price**,
Wiley Rein LLP)

In Opposition to Continuation of Orders (**Michael T. Shor**,
Arnold & Porter LLP *and* **Mark D. Davis**, Davis & Leiman P.C.)

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

Wiley Rein LLP
Washington, D.C.
on behalf of

The Association of American School Paper Suppliers ("AASPS")

Neil A. McLachlan, Executive Vice President,
Mead Products LLC

James Mitchell, Senior Vice President,
Mead Products LLC

Hal A. Rahn, President, Norcom, Inc.

**In Support of the Continuation of
the Antidumping and Countervailing
Duty Orders (continued):**

George Y. Robinson, Vice President of
Sales, Top Flight, Inc.

Leeann Foster, Assistant to the International
President, United Steelworkers

Dr. Seth T. Kaplan, Senior Economic Advisor,
Capital Trade, Inc.

Alan H. Price)
Timothy C. Brightbill) – OF COUNSEL
Maureen R. Thorson)

**In Opposition to the Continuation of
the Antidumping and Countervailing
Duty Orders:**

Arnold & Porter LLP
Washington, D.C.
on behalf of

Pt. Pabrik Kertas Tjiwi Kimia, Tbk. (“Tjiwi Kimia”)

Martinus Alfian, Business Unit Head, Sales and
Marketing Stationery Export, Tjiwi Kimia

Dr. Brian Kelly, Economist, Brian Kelly Incorporated

Arvind Gupta, Director, Tjiwi Kimia

Ferry Harijadi, Business Unit Manager, Office
Products Converting Division, Tjiwi Kimia

**In Opposition to the Continuation of
the Antidumping and Countervailing
Duty Orders:**

Tom Lawlor, Director of Sales and Marketing,
Charta Global

Michael T. Shor)
) – OF COUNSEL
Matthew Roessing)

Davis & Leiman P.C.
Washington, D.C.
on behalf of

FFI International; Lodha Offset Limited;
Marisa International; Navneet Publications (India) Ltd.;
Pioneer Stationery Pvt. Ptd.; Riddhi Enterprises;
Sab International and SGM Paper Products
("Indian Producers")

Dilip Sampat, President, Navneet Publications (India) Ltd.

Bruce Malashevich, President, Economic Consulting
Services, LLC

Lauren Visek, Staff Economist, Economic
Consulting Services, LLC

Mark D. Davis) – OF COUNSEL

REBUTTAL/CLOSING REMARKS:

In Support of Continuation of Orders (**Timothy C. Brightbill**,
Wiley Rein LLP; *and* **Dr. Seth T. Kaplan**, Capital Trade, Inc.)

In Opposition to Continuation of Orders (**Michael T. Shor**,
Arnold & Porter LLP *and* **Mark. D. Davis**,
Davis & Leiman P.C.)

-END-

APPENDIX C
SUMMARY DATA

Table C-1
Lined paper products (LPP): Summary data concerning the U.S. market, 2006-11

(Quantity=1,000 pieces, value=1,000 dollars, unit values, unit labor costs, and unit expenses are per piece; period changes=percent, except where noted)

Item	Reported data						Period changes					
	2006	2007	2008	2009	2010	2011	2006-11	2006-07	2007-08	2008-09	2009-10	2010-11
U.S. consumption quantity:												
Amount	1,135,979	1,218,248	1,213,736	1,086,690	1,206,771	1,113,877	-1.9	7.2	-0.4	-10.5	11.1	-7.7
Producers' share (1)	27.4	22.7	23.4	23.6	22.5	25.3	-2.1	-4.6	0.7	0.1	-1.1	2.7
Importers' share [CLPSS] (1):												
China	14.0	10.5	11.7	11.9	10.7	10.8	-3.3	-3.5	1.2	0.2	-1.2	0.1
India	2.1	3.5	3.0	4.0	3.4	3.1	0.9	1.3	-0.4	1.0	-0.7	-0.3
Indonesia	0.3	0.4	0.4	0.8	0.4	0.4	0.1	0.1	0.0	0.4	-0.4	-0.0
Subtotal (subject)	16.5	14.4	15.1	16.8	14.5	14.2	-2.2	-2.1	0.8	1.6	-2.2	-0.3
All other sources	26.4	30.1	32.1	26.2	26.5	24.9	-1.5	3.8	2.0	-5.9	0.3	-1.6
Total	42.8	44.5	47.3	43.0	41.0	39.1	-3.7	1.7	2.8	-4.3	-2.0	-1.9
Importers' share [OLPP] (1)	29.8	32.8	29.3	33.4	36.5	35.6	5.8	2.9	-3.5	4.2	3.1	-0.9
Importers' share (total) (1)	72.6	77.3	76.6	76.4	77.5	74.7	2.1	4.6	-0.7	-0.1	1.1	-2.7
U.S. consumption value:												
Amount	740,577	833,782	846,942	710,466	754,675	736,103	-0.6	12.6	1.6	-16.1	6.2	-2.5
Producers' share (1)	32.8	28.3	27.8	33.0	29.6	32.0	-0.8	-4.4	-0.6	5.2	-3.3	2.4
Importers' share [CLPSS] (1):												
China	14.8	13.5	14.6	13.8	15.7	15.2	0.4	-1.4	1.1	-0.8	1.9	-0.5
India	1.4	3.0	2.3	3.3	2.9	2.4	1.0	1.5	-0.7	1.0	-0.4	-0.5
Indonesia	0.1	0.2	0.2	0.4	0.3	0.2	0.1	0.0	0.0	0.2	-0.1	-0.1
Subtotal (subject)	16.4	16.6	17.1	17.5	18.9	17.8	1.4	0.2	0.5	0.4	1.5	-1.1
All other sources	27.1	29.8	32.2	29.5	29.1	26.6	-0.5	2.7	2.4	-2.7	-0.4	-2.5
Total	43.5	46.4	49.3	47.0	48.0	44.5	1.0	2.9	2.9	-2.3	1.1	-3.6
Importers' share [OLPP] (1)	23.7	25.3	23.0	20.1	22.3	23.5	-0.2	1.5	-2.3	-2.9	2.2	1.2
Importers' share (total) (1)	67.2	71.7	72.2	67.0	70.4	68.0	0.8	4.4	0.6	-5.2	3.3	-2.4
U.S. imports of CLPSS from:												
China:												
Quantity	159,562	128,262	141,967	129,796	129,581	120,247	-24.6	-19.6	10.7	-8.6	-0.2	-7.2
Value	109,795	112,295	123,715	98,172	118,835	111,941	2.0	2.3	10.2	-20.6	21.0	-5.8
Unit value	\$0.69	\$0.88	\$0.87	\$0.76	\$0.92	\$0.93	35.3	27.2	-0.5	-13.2	21.2	1.5
Ending inventory quantity	***	***	***	***	***	***	***	***	***	***	***	***
India:												
Quantity	24,240	42,421	36,882	43,940	40,568	33,994	40.2	75.0	-13.1	19.1	-7.7	-16.2
Value	10,659	24,680	19,401	23,370	21,970	17,774	66.7	131.5	-21.4	20.5	-6.0	-19.1
Unit value	\$0.44	\$0.58	\$0.53	\$0.53	\$0.54	\$0.52	18.9	32.3	-9.6	1.1	1.8	-3.5
Ending inventory quantity	***	***	***	***	***	***	***	***	***	***	***	***
Indonesia:												
Quantity	3,207	4,415	4,956	8,315	4,933	4,369	36.2	37.7	12.3	67.8	-40.7	-11.4
Value	1,034	1,560	1,651	2,628	2,169	1,672	61.7	50.9	5.8	59.2	-17.5	-22.9
Unit value	\$0.32	\$0.35	\$0.33	\$0.32	\$0.44	\$0.38	18.7	9.6	-5.7	-5.1	39.1	-13.0
Ending inventory quantity	***	***	***	***	***	***	***	***	***	***	***	***
Subtotal (subject):												
Quantity	187,009	175,097	183,804	182,052	175,083	158,610	-15.2	-6.4	5.0	-1.0	-3.8	-9.4
Value	121,489	138,535	144,768	124,171	142,974	131,387	8.1	14.0	4.5	-14.2	15.1	-8.1
Unit value	\$0.65	\$0.79	\$0.79	\$0.68	\$0.82	\$0.83	27.5	21.8	-0.5	-13.4	19.7	1.4
Ending inventory quantity	***	***	***	***	***	***	***	***	***	***	***	***
All other sources:												
Quantity	299,506	367,145	390,036	285,059	319,606	277,336	-7.4	22.6	6.2	-26.9	12.1	-13.2
Value	200,642	248,189	272,694	209,458	219,582	195,959	-2.3	23.7	9.9	-23.2	4.8	-10.8
Unit value	\$0.67	\$0.68	\$0.70	\$0.73	\$0.69	\$0.71	5.5	0.9	3.4	5.1	-6.5	2.8
Ending inventory quantity	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)
Total U.S. imports [CLPSS]:												
Quantity	486,515	542,243	573,840	467,111	494,688	435,947	-10.4	11.5	5.8	-18.6	5.9	-11.9
Value	322,131	386,724	417,461	333,629	362,556	327,346	1.6	20.1	7.9	-20.1	8.7	-9.7
Unit value	\$0.66	\$0.71	\$0.73	\$0.71	\$0.73	\$0.75	13.4	7.7	2.0	-1.8	2.6	2.5
Ending inventory quantity	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)
Total U.S. imports [OLPP]:												
Quantity	338,716	399,065	355,426	363,371	440,408	396,623	17.1	17.8	-10.9	2.2	21.2	-9.9
Value	175,776	210,797	194,451	142,597	168,370	173,099	-1.5	19.9	-7.8	-26.7	18.1	2.8
Unit value	\$0.52	\$0.53	\$0.55	\$0.39	\$0.38	\$0.44	-15.9	1.8	3.6	-28.3	-2.6	14.2
Ending inventory quantity	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)
Total U.S. imports:												
Quantity	825,231	941,308	929,266	830,482	935,097	832,570	0.9	14.1	-1.3	-10.6	12.6	-11.0
Value	497,907	597,520	611,912	476,226	530,926	500,446	0.5	20.0	2.4	-22.2	11.5	-5.7
Unit value	\$0.60	\$0.63	\$0.66	\$0.57	\$0.57	\$0.60	-0.4	5.2	3.7	-12.9	-1.0	5.9
Ending inventory quantity	***	***	***	***	***	***	***	***	***	***	***	***

Table continued on next page.

Table C-1--Continued

Lined paper products (LPP): Summary data concerning the U.S. market, 2006-11

(Quantity=1,000 pieces, value=1,000 dollars, unit values, unit labor costs, and unit expenses are per piece; period changes=percent, except where noted)

Item	Reported data						Period changes					
	2006	2007	2008	2009	2010	2011	2006-11	2006-07	2007-08	2008-09	2009-10	2010-11
U.S. producers:												
Average capacity quantity	547,915	540,808	555,892	561,910	569,482	601,280	9.7	-1.3	2.8	1.1	1.3	5.6
Production quantity	305,048	290,428	279,511	222,102	260,753	330,475	8.3	-4.8	-3.8	-20.5	17.4	26.7
Capacity utilization (1)	55.7	53.7	50.3	39.5	45.8	55.0	-0.7	-2.0	-3.4	-10.8	6.3	9.2
U.S. shipments:												
Quantity	310,747	276,940	284,470	256,208	271,675	281,308	-9.5	-10.9	2.7	-9.9	6.0	3.5
Value	242,670	236,262	235,031	234,240	223,749	235,657	-2.9	-2.6	-0.5	-0.3	-4.5	5.3
Unit value	\$0.78	\$0.85	\$0.83	\$0.91	\$0.82	\$0.84	7.3	9.2	-3.2	10.7	-9.9	1.7
Export shipments:												
Quantity	10,136	10,558	9,917	7,401	9,020	8,495	-16.2	4.2	-6.1	-25.4	21.9	-5.8
Value	8,998	9,562	9,313	5,976	7,052	7,618	-15.3	6.3	-2.6	-35.8	18.0	8.0
Unit value	\$0.89	\$0.91	\$0.94	\$0.81	\$0.78	\$0.90	1.0	2.0	3.7	-14.0	-3.2	14.7
Ending inventory quantity												
Inventories/total shipments (1)	23.4	31.8	30.0	22.1	17.3	34.0	10.6	8.4	-1.8	-8.0	-4.8	16.7
Production workers	498	506	500	485	519	524	5.2	1.6	-1.2	-3.0	7.0	1.0
Hours worked (1,000s)	853	868	869	846	879	942	10.4	1.8	0.1	-2.6	3.9	7.2
Wages paid (\$1,000)	24,385	24,675	24,172	24,177	25,712	26,392	8.2	1.2	-2.0	0.0	6.3	2.6
Hourly wages	\$28.59	\$28.43	\$27.82	\$28.58	\$29.25	\$28.02	-2.0	-0.6	-2.2	2.7	2.4	-4.2
Productivity (pieces per hour)	357.6	334.6	321.6	262.5	296.6	350.8	-1.9	-6.4	-3.9	-18.4	13.0	18.3
Unit labor costs	\$0.08	\$0.08	\$0.09	\$0.11	\$0.10	\$0.08	-0.1	6.3	1.8	25.9	-9.4	-19.0
Net sales:												
Quantity	320,883	287,499	294,387	263,608	279,577	290,696	-9.4	-10.4	2.4	-10.5	6.1	4.0
Value	251,668	245,824	244,344	240,215	230,800	243,276	-3.3	-2.3	-0.6	-1.7	-3.9	5.4
Unit value	\$0.78	\$0.86	\$0.83	\$0.91	\$0.83	\$0.84	6.7	9.0	-2.9	9.8	-9.4	1.4
Cost of goods sold (COGS)	191,350	189,892	182,644	170,775	162,736	179,048	-6.4	-0.8	-3.8	-6.5	-4.7	10.0
Gross profit or (loss)	60,318	55,932	61,700	69,440	68,064	64,228	6.5	-7.3	10.3	12.5	-2.0	-5.6
SG&A expenses	25,992	24,141	23,662	25,298	25,016	26,842	3.3	-7.1	-2.0	6.9	-1.1	7.3
Operating income or (loss)	34,326	31,791	38,038	44,142	43,048	37,386	8.9	-7.4	19.7	16.0	-2.5	-13.2
Capital expenditures	***	***	***	***	***	***	***	***	***	***	***	***
Unit COGS	\$0.60	\$0.66	\$0.62	\$0.65	\$0.58	\$0.62	3.3	10.8	-6.1	4.4	-10.2	5.8
Unit SG&A expenses	\$0.08	\$0.08	\$0.08	\$0.10	\$0.09	\$0.09	14.0	3.7	-4.3	19.4	-6.8	3.2
Unit operating income or (loss)	\$0.11	\$0.11	\$0.13	\$0.17	\$0.15	\$0.13	20.2	3.4	16.9	29.6	-8.0	-16.5
COGS/sales (1)	76.0	77.2	74.7	71.1	70.5	73.6	-2.4	1.2	-2.5	-3.7	-0.6	3.1
Operating income or (loss)/ sales (1)	13.6	12.9	15.6	18.4	18.7	15.4	1.7	-0.7	2.6	2.8	0.3	-3.3

(1) "Reported data" are in percent and "period changes" are in percentage points.

(2) Not applicable.

Note.--Financial data are reported on a fiscal year basis and may not necessarily be comparable to data reported on a calendar year basis. Because of rounding, figures may not add to the totals shown. Unit values and shares are calculated from the unrounded figures.

Source: Compiled from data submitted in response to Commission questionnaires and from official Commerce statistics. CLPSS import data are based on HTS subheadings 4811.90.9050, 4811.90.9090, 4820.10.2030, 4820.10.2040, 4820.10.2050, and 4820.10.2060.

Table C-2
Certain lined paper school supplies (CLPSS): Summary data concerning the U.S. market, 2006-11

(Quantity=1,000 pieces, value=1,000 dollars, unit values, unit labor costs, and unit expenses are per piece; period changes=percent, except where noted)

Item	Reported data						Period changes					
	2006	2007	2008	2009	2010	2011	2006-11	2006-07	2007-08	2008-09	2009-10	2010-11
U.S. consumption quantity:												
Amount	***	***	***	***	***	***	***	***	***	***	***	***
Producers' share (1)	***	***	***	***	***	***	***	***	***	***	***	***
Importers' share (1):												
China	***	***	***	***	***	***	***	***	***	***	***	***
India	***	***	***	***	***	***	***	***	***	***	***	***
Indonesia	***	***	***	***	***	***	***	***	***	***	***	***
Subtotal (subject)	***	***	***	***	***	***	***	***	***	***	***	***
All other sources	***	***	***	***	***	***	***	***	***	***	***	***
Total imports	***	***	***	***	***	***	***	***	***	***	***	***
U.S. consumption value:												
Amount	***	***	***	***	***	***	***	***	***	***	***	***
Producers' share (1)	***	***	***	***	***	***	***	***	***	***	***	***
Importers' share (1):												
China	***	***	***	***	***	***	***	***	***	***	***	***
India	***	***	***	***	***	***	***	***	***	***	***	***
Indonesia	***	***	***	***	***	***	***	***	***	***	***	***
Subtotal (subject)	***	***	***	***	***	***	***	***	***	***	***	***
All other sources	***	***	***	***	***	***	***	***	***	***	***	***
Total imports	***	***	***	***	***	***	***	***	***	***	***	***
U.S. imports from:												
China:												
Quantity	159,562	128,262	141,967	129,796	129,581	120,247	-24.6	-19.6	10.7	-8.6	-0.2	-7.2
Value	109,795	112,295	123,715	98,172	118,835	111,941	2.0	2.3	10.2	-20.6	21.0	-5.8
Unit value	\$0.69	\$0.88	\$0.87	\$0.76	\$0.92	\$0.93	35.3	27.2	-0.5	-13.2	21.2	1.5
Ending inventory quantity	***	***	***	***	***	***	***	***	***	***	***	***
India:												
Quantity	24,240	42,421	36,882	43,940	40,568	33,994	40.2	75.0	-13.1	19.1	-7.7	-16.2
Value	10,659	24,680	19,401	23,370	21,970	17,774	66.7	131.5	-21.4	20.5	-6.0	-19.1
Unit value	\$0.44	\$0.58	\$0.53	\$0.53	\$0.54	\$0.52	18.9	32.3	-9.6	1.1	1.8	-3.5
Ending inventory quantity	***	***	***	***	***	***	***	***	***	***	***	***
Indonesia:												
Quantity	3,207	4,415	4,956	8,315	4,933	4,369	36.2	37.7	12.3	67.8	-40.7	-11.4
Value	1,034	1,560	1,651	2,628	2,169	1,672	61.7	50.9	5.8	59.2	-17.5	-22.9
Unit value	\$0.32	\$0.35	\$0.33	\$0.32	\$0.44	\$0.38	18.7	9.6	-5.7	-5.1	39.1	-13.0
Ending inventory quantity	***	***	***	***	***	***	***	***	***	***	***	***
Subtotal (subject):												
Quantity	187,009	175,097	183,804	182,052	175,083	158,610	-15.2	-6.4	5.0	-1.0	-3.8	-9.4
Value	121,489	138,535	144,768	124,171	142,974	131,387	8.1	14.0	4.5	-14.2	15.1	-8.1
Unit value	\$0.65	\$0.79	\$0.79	\$0.68	\$0.82	\$0.83	27.5	21.8	-0.5	-13.4	19.7	1.4
Ending inventory quantity	4,900	955	450	300	370	338	-93.1	-80.5	-52.9	-33.2	23.1	-8.5
All other sources:												
Quantity	299,506	367,145	390,036	285,059	319,606	277,336	-7.4	22.6	6.2	-26.9	12.1	-13.2
Value	200,642	248,189	272,694	209,458	219,582	195,959	-2.3	23.7	9.9	-23.2	4.8	-10.8
Unit value	\$0.67	\$0.68	\$0.70	\$0.73	\$0.69	\$0.71	5.5	0.9	3.4	5.1	-6.5	2.8
Ending inventory quantity	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)
All sources:												
Quantity	486,515	542,243	573,840	467,111	494,688	435,947	-10.4	11.5	5.8	-18.6	5.9	-11.9
Value	322,131	386,724	417,461	333,629	362,556	327,346	1.6	20.1	7.9	-20.1	8.7	-9.7
Unit value	\$0.66	\$0.71	\$0.73	\$0.71	\$0.73	\$0.75	13.4	7.7	2.0	-1.8	2.6	2.5
Ending inventory quantity	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)

Table continued on next page.

Table C-2--Continued
Certain lined paper school supplies (CLPSS): Summary data concerning the U.S. market, 2006-11

(Quantity=1,000 pieces, value=1,000 dollars, unit values, unit labor costs, and unit expenses are per piece; period changes=percent, except where noted)

Item	Reported data						Period changes					
	2006	2007	2008	2009	2010	2011	2006-11	2006-07	2007-08	2008-09	2009-10	2010-11
U.S. producers:												
Average capacity quantity	***	***	***	***	***	***	***	***	***	***	***	***
Production quantity	***	***	***	***	***	***	***	***	***	***	***	***
Capacity utilization (1)	***	***	***	***	***	***	***	***	***	***	***	***
U.S. shipments:												
Quantity	***	***	***	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***	***	***	***
Export shipments:												
Quantity	***	***	***	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***	***	***	***
Ending inventory quantity	***	***	***	***	***	***	***	***	***	***	***	***
Inventories/total shipments (1)	***	***	***	***	***	***	***	***	***	***	***	***
Production workers	***	***	***	***	***	***	***	***	***	***	***	***
Hours worked (1,000s)	***	***	***	***	***	***	***	***	***	***	***	***
Wages paid (\$1,000)	***	***	***	***	***	***	***	***	***	***	***	***
Hourly wages	***	***	***	***	***	***	***	***	***	***	***	***
Productivity (pieces per hour)	***	***	***	***	***	***	***	***	***	***	***	***
Unit labor costs	***	***	***	***	***	***	***	***	***	***	***	***
Net sales:												
Quantity	***	***	***	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***	***	***	***
Cost of goods sold (COGS)	***	***	***	***	***	***	***	***	***	***	***	***
Gross profit or (loss)	***	***	***	***	***	***	***	***	***	***	***	***
SG&A expenses	***	***	***	***	***	***	***	***	***	***	***	***
Operating income or (loss)	***	***	***	***	***	***	***	***	***	***	***	***
Capital expenditures	***	***	***	***	***	***	***	***	***	***	***	***
Unit COGS	***	***	***	***	***	***	***	***	***	***	***	***
Unit SG&A expenses	***	***	***	***	***	***	***	***	***	***	***	***
Unit operating income or (loss)	***	***	***	***	***	***	***	***	***	***	***	***
COGS/sales (1)	***	***	***	***	***	***	***	***	***	***	***	***
Operating income or (loss)/ sales (1)	***	***	***	***	***	***	***	***	***	***	***	***

(1) "Reported data" are in percent and "period changes" are in percentage points.
(2) Not available/not applicable.

Note.--Financial data are reported on a fiscal year basis and may not necessarily be comparable to data reported on a calendar year basis. Because of rounding, figures may not add to the totals shown. Unit values and shares are calculated from the unrounded figures.

Source: Compiled from data submitted in response to Commission questionnaires and from official Commerce statistics.
CLPSS import data are based on HTS subheadings 4811.90.9050, 4811.90.9090, 4820.10.2030, 4820.10.2040, 4820.10.2050, and 4820.10.2060.

Table C-3

Other lined paper products (OLPP): Summary data concerning the U.S. market, 2006-11

(Quantity=1,000 pieces, value=1,000 dollars, unit values, unit labor costs, and unit expenses are per piece; period changes=percent, except where noted)

Item	Reported data						Period changes					
	2006	2007	2008	2009	2010	2011	2006-11	2006-07	2007-08	2008-09	2009-10	2010-11
U.S. consumption quantity:												
Amount	***	***	***	***	***	***	***	***	***	***	***	***
Producers' share (1)	***	***	***	***	***	***	***	***	***	***	***	***
Importers' share (1):												
China	***	***	***	***	***	***	***	***	***	***	***	***
India	***	***	***	***	***	***	***	***	***	***	***	***
Indonesia	***	***	***	***	***	***	***	***	***	***	***	***
Subtotal	***	***	***	***	***	***	***	***	***	***	***	***
All other sources	***	***	***	***	***	***	***	***	***	***	***	***
Total imports	***	***	***	***	***	***	***	***	***	***	***	***
U.S. consumption value:												
Amount	***	***	***	***	***	***	***	***	***	***	***	***
Producers' share (1)	***	***	***	***	***	***	***	***	***	***	***	***
Importers' share (1):												
China	***	***	***	***	***	***	***	***	***	***	***	***
India	***	***	***	***	***	***	***	***	***	***	***	***
Indonesia	***	***	***	***	***	***	***	***	***	***	***	***
Subtotal	***	***	***	***	***	***	***	***	***	***	***	***
All other sources	***	***	***	***	***	***	***	***	***	***	***	***
Total imports	***	***	***	***	***	***	***	***	***	***	***	***
U.S. imports from:												
China:												
Quantity	182,846	212,919	211,549	208,003	234,845	265,266	45.1	16.4	-0.6	-1.7	12.9	13.0
Value	117,385	125,037	132,563	99,441	116,584	121,358	3.4	6.5	6.0	-25.0	17.2	4.1
Unit value	\$0.64	\$0.59	\$0.63	\$0.48	\$0.50	\$0.46	-28.7	-8.5	6.7	-23.7	3.8	-7.8
Ending inventory quantity	***	***	***	***	***	***	***	***	***	***	***	***
India:												
Quantity	1,809	9,070	3,259	3,780	3,462	6,331	250.0	401.4	-64.1	16.0	-8.4	82.9
Value	1,148	4,249	1,915	1,949	1,712	3,331	190.1	270.0	-54.9	1.8	-12.2	94.6
Unit value	\$0.63	\$0.47	\$0.59	\$0.52	\$0.49	\$0.53	-17.1	-26.2	25.4	-12.2	-4.1	6.4
Ending inventory quantity	***	***	***	***	***	***	***	***	***	***	***	***
Indonesia:												
Quantity	59,289	59,620	26,556	6,023	10,729	10,925	-81.6	0.6	-55.5	-77.3	78.1	1.8
Value	13,277	13,864	7,636	1,664	2,704	2,970	-77.6	4.4	-44.9	-78.2	62.6	9.8
Unit value	\$0.22	\$0.23	\$0.29	\$0.28	\$0.25	\$0.27	21.4	3.8	23.7	-3.9	-8.8	7.9
Ending inventory quantity	***	***	***	***	***	***	***	***	***	***	***	***
Subtotal:												
Quantity	243,944	281,608	241,364	217,806	249,036	282,522	15.8	15.4	-14.3	-9.8	14.3	13.4
Value	131,810	143,149	142,114	103,053	121,001	127,660	-3.1	8.6	-0.7	-27.5	17.4	5.5
Unit value	\$0.54	\$0.51	\$0.59	\$0.47	\$0.49	\$0.45	-16.4	-5.9	15.8	-19.6	2.7	-7.0
Ending inventory quantity	***	***	***	***	***	***	***	***	***	***	***	***
All other sources:												
Quantity	94,772	117,457	114,062	145,566	191,372	114,101	20.4	23.9	-2.9	27.6	31.5	-40.4
Value	43,965	67,647	52,337	39,544	47,369	45,439	3.4	53.9	-22.6	-24.4	19.8	-4.1
Unit value	\$0.46	\$0.58	\$0.46	\$0.27	\$0.25	\$0.40	-14.2	24.1	-20.3	-40.8	-8.9	60.9
Ending inventory quantity	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)
All sources:												
Quantity	338,716	399,065	355,426	363,371	440,408	396,623	17.1	17.8	-10.9	2.2	21.2	-9.9
Value	175,776	210,797	194,451	142,597	168,370	173,099	-1.5	19.9	-7.8	-26.7	18.1	2.8
Unit value	\$0.52	\$0.53	\$0.55	\$0.39	\$0.38	\$0.44	-15.9	1.8	3.6	-28.3	-2.6	14.2
Ending inventory quantity	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)

Table continued on next page.

Table C-3--Continued

Other lined paper products (OLPP): Summary data concerning the U.S. market, 2006-11

(Quantity=1,000 pieces, value=1,000 dollars, unit values, unit labor costs, and unit expenses are per piece; period changes=percent, except where noted)

Item	Reported data						Period changes					
	2006	2007	2008	2009	2010	2011	2006-11	2006-07	2007-08	2008-09	2009-10	2010-11
U.S. producers:												
Average capacity quantity	***	***	***	***	***	***	***	***	***	***	***	***
Production quantity	***	***	***	***	***	***	***	***	***	***	***	***
Capacity utilization (1)	***	***	***	***	***	***	***	***	***	***	***	***
U.S. shipments:												
Quantity	***	***	***	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***	***	***	***
Export shipments:												
Quantity	***	***	***	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***	***	***	***
Ending inventory quantity	***	***	***	***	***	***	***	***	***	***	***	***
Inventories/total shipments (1)	***	***	***	***	***	***	***	***	***	***	***	***
Production workers	***	***	***	***	***	***	***	***	***	***	***	***
Hours worked (1,000s)	***	***	***	***	***	***	***	***	***	***	***	***
Wages paid (\$1,000)	***	***	***	***	***	***	***	***	***	***	***	***
Hourly wages	***	***	***	***	***	***	***	***	***	***	***	***
Productivity (pieces per hour)	***	***	***	***	***	***	***	***	***	***	***	***
Unit labor costs	***	***	***	***	***	***	***	***	***	***	***	***
Net sales:												
Quantity	***	***	***	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***	***	***	***
Cost of goods sold (COGS)	***	***	***	***	***	***	***	***	***	***	***	***
Gross profit or (loss)	***	***	***	***	***	***	***	***	***	***	***	***
SG&A expenses	***	***	***	***	***	***	***	***	***	***	***	***
Operating income or (loss)	***	***	***	***	***	***	***	***	***	***	***	***
Capital expenditures	***	***	***	***	***	***	***	***	***	***	***	***
Unit COGS	***	***	***	***	***	***	***	***	***	***	***	***
Unit SG&A expenses	***	***	***	***	***	***	***	***	***	***	***	***
Unit operating income or (loss)	***	***	***	***	***	***	***	***	***	***	***	***
COGS/sales (1)	***	***	***	***	***	***	***	***	***	***	***	***
Operating income or (loss)/ sales (1)	***	***	***	***	***	***	***	***	***	***	***	***

(1) "Reported data" are in percent and "period changes" are in percentage points.
 (2) Not available/not applicable.

Note.--Financial data are reported on a fiscal year basis and may not necessarily be comparable to data reported on a calendar year basis. Because of rounding, figures may not add to the totals shown. Unit values and shares are calculated from the unrounded figures.

Source: Compiled from data submitted in response to Commission questionnaires and from official Commerce statistics.
 CLPSS import data are based on HTS subheadings 4811.90.9050, 4811.90.9090, 4820.10.2030, 4820.10.2040, 4820.10.2050, and 4820.10.2060.

APPENDIX D

**RESPONSES OF U.S. PRODUCERS, U.S. IMPORTERS, U.S. PURCHASERS,
AND FOREIGN PRODUCERS CONCERNING THE SIGNIFICANCE OF THE
ANTIDUMPING DUTY AND COUNTERVAILING DUTY ORDERS AND THE
LIKELY EFFECTS OF REVOCATION**

**U.S. PRODUCERS' COMMENTS REGARDING THE SIGNIFICANCE OF THE
ANTIDUMPING DUTY AND COUNTERVAILING DUTY ORDERS AND THE LIKELY
EFFECTS OF REVOCATION**

The Commission requested U.S. producers to describe any changes in the character of their operations or organizations relating to the production of LPP in the future if the countervailing duty orders (India and Indonesia) and/or antidumping duty orders (China, India, and Indonesia) on CLPSS were to be revoked. (Question II-4). The following are quotations from the responses of U.S. producers.

* * * * *

The Commission requested U.S. producers to describe the significance of the existing countervailing duty orders (India and Indonesia) and/or antidumping duty orders (China, India, and Indonesia) covering imports of CLPSS in terms of its effect on their firm's production capacity, production, U.S. shipments, inventories, purchases, employment, revenues, costs, profits, cash flow, capital expenditures, research and development expenditures, and asset values. (Question II-15.) The following are quotations from the responses of U.S. producers.

* * * * *

The Commission requested U.S. producers to describe any anticipated changes in their production capacity, production, U.S. shipments, inventories, purchases, employment, revenues, costs, profits, cash flow, capital expenditures, research and development expenditures, and asset values relating to the production of LPP in the future if the countervailing duty orders (India and Indonesia) and/or antidumping duty orders (China, India, and Indonesia) on CLPSS were revoked. (Question II-16.) The following are quotations from the responses of U.S. producers.

* * * * *

**U.S. IMPORTERS' COMMENTS REGARDING THE SIGNIFICANCE OF THE
ANTIDUMPING DUTY AND COUNTERVAILING DUTY ORDERS AND THE LIKELY
EFFECTS OF REVOCATION**

The Commission requested U.S. importers to describe any anticipated changes to the character of their operations or organizations relating to the importation of CLPSS in the future if the countervailing duty orders (India and Indonesia) and/or antidumping duty orders (China, India, and Indonesia) were to be revoked. (Question II-4.) The following are quotations from the responses of U.S. importers.

* * * * *

The Commission requested U.S. importers to describe the significance of the existing countervailing duty orders (India and Indonesia) and/or antidumping duty orders (China, India, and Indonesia) covering imports of CLPSS in terms of its effect on their imports, U.S. shipments of imports, and inventories. (Question II-9). The following are quotations from the responses of importers.

* * * * *

The Commission requested U.S. importers to describe any anticipated changes in their imports, U.S. shipments of imports, or inventories of CLPSS in the future if the existing countervailing duty orders (India and Indonesia) and/or antidumping duty orders (China, India, and Indonesia) were revoked. (Question II-10). The following are quotations from the responses of importers.

* * * * *

**U.S. PURCHASERS' COMMENTS REGARDING THE SIGNIFICANCE OF THE
ANTIDUMPING DUTY AND COUNTERVAILING DUTY ORDERS AND THE LIKELY
EFFECTS OF REVOCATION**

The Commission asked U. S. purchasers to comment on the likely effect of any revocation of the countervailing duty orders (India and Indonesia) and/or antidumping duty orders (China, India, and Indonesia) covering CLPSS. They were asked to discuss the potential effects of revocation of the orders in terms of the future activities of their firm (Question III-28 (1)). Their responses are as follows.

* * * * *

The Commission asked U. S. purchasers to comment on the likely effect of any revocation of the countervailing duty orders (India and Indonesia) and/or antidumping duty orders (China, India, and Indonesia) covering CLPSS. They were asked to discuss the potential effects of revocation of the orders in terms of the U.S. market as a whole. (Question III-28 (2)). Their responses are as follows.

* * * * *

**FOREIGN PRODUCERS' COMMENTS REGARDING THE SIGNIFICANCE OF THE
ANTIDUMPING DUTY AND COUNTERVAILING DUTY ORDERS AND THE LIKELY
EFFECTS OF REVOCATION**

The Commission requested foreign producers to describe any changes in the character of their operations or organizations relating to the production of CLPSS in the future if the countervailing duty orders (India and Indonesia) and/or antidumping duty orders (China, India, and Indonesia) on CLPSS were to be revoked. (Question II-4). The following are quotations from the responses of foreign producers.

* * * * *

The Commission requested foreign producers to describe the significance of the existing countervailing duty orders (India and Indonesia) and/or antidumping duty orders (China, India, and Indonesia) covering imports of CLPSS in terms of its effect on their firm's production capacity, production, home market shipments, exports to the United States and other markets, and inventories. (Question II-12.) The following are quotations from the responses of foreign producers.

* * * * *

The Commission requested foreign producers to describe any anticipated changes in their production capacity, production, home market shipments, exports to the United States and other markets, or inventories relating to the production of CLPSS in the future if the countervailing duty orders (India and Indonesia) and/or antidumping duty orders (China, India, and Indonesia) on CLPSS were revoked. (Question II-13.) The following are quotations from the responses of foreign producers.

* * * * *

APPENDIX E
U.S. IMPORTS BY HTS NUMBER

Table E-1
CLPSS: U.S. imports, by HTS number and source, 2006-11

Source	Calendar year					
	2006	2007	2008	2009	2010	2011
<i>Value (1,000 dollars)¹</i>						
China:						
4811.90.9050	0	0	0	31,349	30,475	14,001
4811.90.9090	27,894	49,503	47,203	0	0	0
4820.10.2030	0	0	0	341	1,168	1,913
4820.10.2040	0	0	0	1,798	6,854	17,742
4820.10.2050	81,902	62,792	76,512	35,680	0	0
Total (5 HTS numbers)	109,795	112,295	123,715	69,168	38,496	33,656
4820.10.2060	0	0	0	29,004	80,339	78,286
Total (6 HTS numbers)	109,795	112,295	123,715	98,172	118,835	111,941
India:						
4811.90.9050	0	0	0	4,965	5,737	942
4811.90.9090	1,877	2,125	3,554	0	0	0
4820.10.2030	0	0	0	867	4,305	5,542
4820.10.2040	0	0	0	1,078	7,564	6,029
4820.10.2050	8,782	22,554	15,848	13,515	0	0
Total (5 HTS numbers)	10,659	24,680	19,401	20,424	17,606	12,513
4820.10.2060	0	0	0	2,946	4,364	5,261
Total (6 HTS numbers)	10,659	24,680	19,401	23,370	21,970	17,774
Indonesia:						
4811.90.9050	0	0	0	1,476	1,333	752
4811.90.9090	108	605	498	0	0	0
4820.10.2030	0	0	0	0	0	0
4820.10.2040	0	0	0	5	206	328
4820.10.2050	926	955	1,153	657	0	0
Total (5 HTS numbers)	1,034	1,560	1,651	2,138	1,539	1,081
4820.10.2060	0	0	0	490	630	591
Total (6 HTS numbers)	1,034	1,560	1,651	2,628	2,169	1,672

Table continued on next page.

Table E-1--Continued
CLPSS: U.S. imports, by HTS number and source, 2006-11

Source	Calendar year					
	2006	2007	2008	2009	2010	2011
Value (1,000 dollars)¹						
Subject sources:						
4811.90.9050	0	0	0	37,790	37,544	15,695
4811.90.9090	29,879	52,234	51,255	0	0	0
4820.10.2030	0	0	0	1,208	5,473	7,455
4820.10.2040	0	0	0	2,881	14,624	24,100
4820.10.2050	91,609	86,301	93,513	49,852	0	0
Total (5 HTS numbers)	121,489	138,535	144,768	91,730	57,641	47,250
4820.10.2060	0	0	0	32,441	85,333	84,137
Total (6 HTS numbers)	121,489	138,535	144,768	124,171	142,974	131,387
Other sources:						
4811.90.9050	0	0	0	52,220	46,767	23,139
4811.90.9090	60,047	71,467	76,592	0	0	0
4820.10.2030	0	0	0	3,398	23,942	31,798
4820.10.2040	0	0	0	13,571	71,884	78,087
4820.10.2050	140,596	176,722	196,102	109,554	0	0
Total (5 HTS numbers)	200,642	248,189	272,694	178,742	142,593	133,025
4820.10.2060	0	0	0	30,716	76,989	62,935
Total (6 HTS numbers)	200,642	248,189	272,694	209,458	219,582	195,959
All sources:						
4811.90.9050	0	0	0	90,009	84,311	38,835
4811.90.9090	89,926	123,701	127,847	0	0	0
4820.10.2030	0	0	0	4,605	29,415	39,253
4820.10.2040	0	0	0	16,451	86,508	102,187
4820.10.2050	232,205	263,023	289,614	159,406	0	0
Total (5 HTS numbers)	322,131	386,724	417,461	270,473	200,234	180,274
4820.10.2060	0	0	0	63,157	162,321	147,072
Total (6 HTS numbers)	322,131	386,724	417,461	333,629	362,556	327,346
¹ Landed, duty-paid.						
Note.--HTS item 4811.90.9050 effective 01/09-12/11; HTS item 4811.90.9090 effective 01/06-12/08; HTS items 4820.10.2030, 4820.10.2040, 4810.10.2060 effective 07/09-12/11; HTS item 4820.10.2050 effective 01/06-06/09.						
Source: Compiled from official Commerce statistics.						

APPENDIX F

**WEIGHTED-AVERAGE PRICES AND QUANTITIES OF PRODUCTS 4-5,
PRODUCED AND IMPORTED BY *DOMESTIC PRODUCERS ONLY*, AND
WEIGHTED-AVERAGE PRICES AND QUANTITIES OF PRODUCTS 4-5
IMPORTED BY *NON-PRODUCER IMPORTERS ONLY*, AND MARGINS OF
UNDERSELLING/(OVERSELLING)**

Table F-1

LPP: Weighted-average prices and quantities of CLPSS product 4, produced and imported by *domestic producers only*, and margins of underselling/(overselling), by quarters, January 2006-December 20011

* * * * *

Table F-2

LPP: Weighted-average prices and quantities of CLPSS product 5, produced and imported by *domestic producers only*, and margins of underselling/(overselling), by quarters, January 2006-December 20011

* * * * *

Table F-3

LPP: Summary of underselling/(overselling) for products 4-5, produced and imported by *domestic producers only*, January 2006-December 2011

* * * * *

Table F-4

LPP: Weighted-average prices and quantities of CLPSS product 4, both domestic sales and imports imported by *non-producer importers only*, and margins of underselling/(overselling), by quarters, January 2006-December 20011

* * * * *

Table F-5

LPP: Weighted-average prices and quantities of CLPSS product 5, both domestic sales and imports imported by *non-producer importers only*, and margins of underselling/(overselling), by quarters, January 2006-December 20011

* * * * *

Table F-6

LPP: Summary of underselling/(overselling) for products 4-5, imported by *non-producer importers only*, January 2006-December 2011¹

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APPENDIX G

**WEIGHTED-AVERAGE PRICES AND QUANTITIES OF PRODUCTS 1-4,
JANUARY 2003-DECEMBER 2011**

Table G-1

LPP: Weighted-average f.o.b. prices and quantities of domestic and imported CLPSS product 1,¹ and margins of underselling/(overselling), by quarters, January 2003-December 2011

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Table G-2

LPP: Weighted-average f.o.b. prices and quantities of domestic and imported CLPSS product 2,¹ and margins of underselling/(overselling), by quarters, January 2003-December 2011

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Table G-3

LPP: Weighted-average f.o.b. prices and quantities of domestic and imported CLPSS product 3,¹ and margins of underselling/(overselling), by quarters, January 2003-December 2011

* * * * *

Table G-4

LPP: Weighted-average f.o.b. prices and quantities of domestic and imported CLPSS product 4,¹ and margins of underselling/(overselling), by quarters, January 2003-December 2011

* * * * *

Figure G-1

LPP: Weighted-average quarterly f.o.b. selling prices and quantities of domestic and imported CLPSS product 1, by quarters, January 2003-December 2011

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Figure G-2

LPP: Weighted-average quarterly f.o.b. selling prices and quantities of domestic and imported CLPSS product 2, by quarters, January 2003-December 2011

* * * * *

Figure G-3

LPP: Weighted-average quarterly f.o.b. selling prices and quantities of domestic and imported CLPSS product 3, by quarters, January 2003-December 2011

* * * * *

Figure G-4

LPP: Weighted-average quarterly f.o.b. selling prices and quantities of domestic and imported CLPSS product 4, by quarters, January 2006-December 2011

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