
DEPARTMENT OF COMMERCE
International Trade Administration

[A-580-856]

Notice of Final Determination of Sales at Less Than Fair Value: Coated Free Sheet Paper from the Republic of Korea

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

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

EFFECTIVE DATE: October 25, 2007.

FOR FURTHER INFORMATION CONTACT:

Stephanie Moore (Moorim Paper Co., Ltd. Moorim SP Co., Ltd. and Moorim USA Inc. (collectively, "Moorim"); Dennis McClure (EN Paper Mfg. Co., Ltd. and Shinoho USA, Inc. (collectively "EN Paper"); and (Kyesung Paper Co., Ltd. and Namhan Paper Co. Ltd. (collectively "Kyesung")); or Joy Zhang (Hankuk Paper Mfg. Co., Ltd.) ("Hankuk"), and Hansol Paper Co., Ltd.) ("Hansol"), AD/CVD Operations, Office 3, Import Administration—Room B-099, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC 20230; telephone: (202) 482-3692, (202) 482-5973, or (202) 482-1168, respectively.

SUPPLEMENTARY INFORMATION:**Background**

On June 4, 2007, the Department published in the **Federal Register** the

preliminary determination of sales at LTFV in the antidumping duty investigation of CFS paper from the Republic of Korea. See *Coated Free Sheet Paper from the Republic of Korea: Notice of Preliminary Determination of Sales at Less Than Fair Value and Postponement of Final Determination*, 72 FR 30766 (June 4, 2007) ("Preliminary Determination"). Since the *Preliminary Determination*, the following events have occurred. From July 9, 2007, through August 15, 2007, we verified the sales and cost questionnaire responses of Moorim, EN Paper, Hansol, Hankuk, and Kyesung (hereafter collectively referred to as "the Korean respondents"). On August 15, 27, 28, 30, and 31, and September 4, 2007, the Department issued its verification reports. We provided the interested parties an opportunity to comment on the *Preliminary Determination* and the Department's verification findings.

On June 29, 2007, the petitioner¹ requested a hearing, and from July 2 through 9, 2007, the Korean respondents also requested a hearing to discuss issues addressed in their case and rebuttal briefs.

On August 28, 2007, the petitioner requested that the Department clarify the scope of the investigation of CFS paper from Korea and placed on the record of this review information to support its request.

On September 10, 2007, the Department responded to the petitioner's targeting allegations that were filed on April 26, 2007. The petitioner alleged that Hansol targeted sales into a region and Moorim and Hankuk targeted specific customers. In the *Preliminary Determination*, the Department stated that although petitioner's allegations were timely, the Department did not have sufficient time to fully analyze them for purposes of the preliminary determination. The Department also stated that it would fully consider this issue for purposes of the final determination. See *Preliminary Determination* 72 FR 30766, 30767. Therefore, these allegations were addressed after the preliminary determination. See Memorandum to David M. Spooner, Assistant Secretary for Import Administration, from Stephen J. Claeys, Deputy Assistant Secretary for Import Administration, regarding *Antidumping Duty Investigation of Coated Free Sheet Paper from South Korea - Post-Preliminary Analysis on Targeting* ("Post-Preliminary Determination"), dated

September 10, 2007, which is on file in the Central Records Unit ("CRU"), room B-099 of the main Department building. We provided the interested parties an opportunity to comment on the Department's *Post-Preliminary Determination*. See also "Targeted Dumping" discussion infra.

On September 12, 2007, the petitioner filed its case brief on the scope clarification issue. On September 14, 2007, the Korean respondents filed a rebuttal brief on this issue. A scope hearing was held on September 26, 2007. The hearing comprised a public session, a closed session for the antidumping investigation from Korea, and a closed session for the countervailing duty investigation from the People's Republic of China.

On September 17, 2007, the petitioner and the Korean respondents submitted case briefs. On September 24, 2007, both the petitioner and the Korean respondents submitted rebuttal briefs. On September 25, 2007, a closed hearing was held at the Department.

Targeted Dumping

We find that there is a pattern of export prices for comparable merchandise that differs significantly among purchasers and regions; moreover, such differences cannot be taken into account using the average-to-average comparison methodology. See section 777A(d)(1)(B) of the Tariff Act of 1930, as amended (the Act). Accordingly, we used the transaction-to-average methodology for these sales.

In the *Post-Preliminary Determination*, the Department employed the average-to-average comparison methodology used in the *Preliminary Determination* for non-targeted sales. See *Post-Preliminary Determination*; see also, *Preliminary Determination*, 72 FR 30766, 30768. As required by section 777A(d)(1)(B) of the Act, we determined that the pattern of price differences could not be taken into account using the average-to-average comparison methodology for targeted sales because that methodology, by averaging the high prices with the low prices, has the effect of masking the extent of sales at LTFV. Thus, consistent with 19 CFR 351.414(f)(2), we limited our application of the average-to-transaction methodology to the targeted sales under 19 CFR 351.414(f)(1).

When calculating a respondent's specific weighted-average margin, we combined the margin calculated for the targeted sales using the average-to-transaction methodology with the margin calculated for the non-targeted sales using the average-to-average methodology. In combining the margins

¹ The petitioner in this investigation is NewPage Corporation.

for the targeted and non-targeted U.S. sales databases, we have not offset any margins found among the targeted U.S. sales. We have adopted the methodology established in the *Post-Preliminary Determination* for purposes of our final determination.

Period of Investigation

The period of investigation (“POI”) is October 1, 2005, through September 30, 2006. This period corresponds to the four most recent fiscal quarters prior to the month of the filing of the petition.

Analysis of Comments Received

All issues raised in the case and rebuttal briefs submitted by the parties to this investigation are addressed in the “Issues and Decision Memorandum” (“*Decision Memo*”) from Stephen J. Claeys, Deputy Assistant Secretary for Import Administration, to David M. Spooner, Assistant Secretary for Import Administration, dated October 17, 2007, which is hereby adopted by this notice. A list of the issues that parties have raised and to which we have responded, all of which are in the *Decision Memo*, is attached to this notice as an appendix. Parties can find a complete discussion of all issues raised in this investigation, and the corresponding recommendations in this public memorandum, on file in the CRU. In addition, a complete version of the *Decision Memo* can be accessed directly on the Web at <http://ia.ita.doc.gov/frn>. The paper copy and electronic version of the *Decision Memo* are identical in content.

Scope of Investigation

The merchandise covered by this investigation includes coated free sheet paper and paperboard of a kind used for writing, printing or other graphic purposes. Coated free sheet paper is produced from not-more-than 10 percent by weight mechanical or combined chemical/mechanical fibers. Coated free sheet paper is coated with kaolin (China clay) or other inorganic substances, with or without a binder, and with no other coating. Coated free sheet paper may be surface-colored, surface-decorated, printed (except as described below), embossed, or perforated. The subject merchandise includes single- and double-side-coated free sheet paper; coated free sheet paper in both sheet or roll form; and is inclusive of all weights, brightness levels, and finishes. The terms “wood free” or “art” paper may also be used to describe the imported product.

Excluded from the scope are: (1) coated free sheet paper that is imported

printed with final content printed text or graphics; (2) base paper to be sensitized for use in photography; and (3) paper containing by weight 25 percent or more cotton fiber.

Coated free sheet paper is classifiable under subheadings 4810.13.1900, 4810.13.2010, 4810.13.2090, 4810.13.5000, 4810.13.7040, 4810.14.1900, 4810.14.2010, 4810.14.2090, 4810.14.5000, 4810.14.7040, 4810.19.1900, 4810.19.2010, and 4810.19.2090 of the Harmonized Tariff Schedule of the United States (HTSUS). While HTSUS subheadings are provided for convenience and customs purposes, our written description of the scope of this investigation is dispositive.

Scope Comments

On August 20, August 28, and September 10, 2007, the petitioner requested that the Department clarify the scope of the antidumping and countervailing duty investigations of CFS paper from Indonesia, Korea and the People’s Republic of China. Specifically, the petitioner asked the Department to “clarify that the scope of the investigation includes coated free sheet paper containing hardwood BCTMP.”

Because this was a general issue pertaining to all six investigations, the Department set up a general issues file to handle this scope request. After considering the comments submitted by the parties to these investigations, we have determined not to adopt the scope clarification sought by the petitioner. See Memorandum to Stephen J. Claeys, Deputy Assistant Secretary for Import Administration, entitled “Scope Clarification Request: NewPage Corporation” dated concurrently with this notice, which is appended to “Issues and Decision Memorandum for the Final Determination in the Countervailing Duty Investigation of Coated Free Sheet Paper from the People’s Republic of China.”

Changes Since the Preliminary Determination

Based on our analysis of the comments received and our findings at verification, we have made certain changes to the margin calculations for the Korean Respondents. For a discussion of these changes, see the “Margin Calculations” section of the *Decision Memo*.

Verification

As provided in section 782(i) of the Act, we verified the sales and cost information submitted by the Korean respondents for use in our final

determination. We used standard verification procedures including an examination of relevant accounting and production records, and original source documents provided by the Korean respondents. Our sales and cost verification results are outlined in separate verification reports. See August 27, 28, and 31, 2007, and September 4, 2007, cost verification reports, and August 15, 30, and 31, 2007, sales verification reports for the Korean respondents.

Continuation of Suspension of Liquidation

In accordance with section 735(c)(1)(B) of the Act, we are directing U.S. Customs and Border Protection (“CBP”) to continue to suspend liquidation of all imports of subject merchandise with the exception of those exported by Hansol, Moorim, and Hankuk, that are entered or withdrawn from warehouse, for consumption on or after June 4, 2007, the date of publication of the preliminary determination in the **Federal Register**. We will instruct CBP to continue to require a cash deposit or the posting of a bond for all companies for which we have calculated an above *de minimis* margin based on the estimated weighted-average dumping margins shown below. The suspension of liquidation instructions will remain in effect until further notice.

Final Determination Margins

We determine that the following weighted-average dumping margins exist for the period October 1, 2005, through September 30, 2006:

Manufacturer/Exporter	Weighted Average Margin (percent)
Hansol	0.97 (<i>de minimis</i>)
Hankuk	0.47 (<i>de minimis</i>)
Moorim	1.05 (<i>de minimis</i>)
EN Paper	12.31
Kyesung	31.55
All Others	18.70

Section 735(c)(5)(A) of the Act provides that the estimated “All Others” rate shall be an amount equal to the weighted average of the estimated weighted-average dumping margins established for exporters and producers individually investigated, excluding any zero and *de minimis* margins, and any margins determined entirely under section 776 of the Act.

Disclosure

We will disclose the calculations performed within five days of the date of publication of this notice to parties in

this proceeding in accordance with 19 CFR 351.224(b).

International Trade Commission (ITC) Notification

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

Return or Destruction of Proprietary Information

This notice will serve as the only reminder to parties subject to administrative protective order ("APO") of their responsibility concerning the destruction of proprietary information disclosed under APO in accordance with 19 CFR 351.305(a)(3). Timely written notification of return/destruction of APO materials or conversion to judicial protective order is hereby requested. Failure to comply with the regulations and the terms of an APO is a sanctionable violation. We are issuing and publishing this determination and notice in accordance with sections 735(d) and 777(i) of the Act.

Dated: October 17, 2007.

David M. Spooner,
Assistant Secretary for Import Administration.

Appendix—Issues in Decision Memo Comments

A. General Comments

Targeting

Comment 1: Standard and Appropriate Statistical Techniques

Comment 2: Validity of Certain Pasta from Italy

Comment 3: Statistical Significance Requirement

Comment 4: Whether the Average-to-Average Method Can Account for Targeted Dumping

Comment 5: Statutory Application of Transaction-to-Transaction Methodology

Comment 6: Discretionary Application of Transaction-to-Transaction Methodology

Comment 7: Margin Calculation of Targeted and Non-Targeted Sales

Comment 8: Proposed Transaction-to-Transaction Margin Program

Cost of Production

Comment 9: Application of Partial Facts Available to Hansol, Moorim, and Hankuk's Total Cost of Manufacture

Comment 10: Differences in Merchandise Were Not Verified

B. Company-Specific Comments

Hansol

Comment 1: Treatment of Constructed Export Price (CEP) Offset

Comment 2: Treatment of Indirect Selling Expenses Incurred in Korea (DINDIRSU)

Comment 3: Treatment of Missing U.S. Payment Dates

Comment 4: Treatment of U.S. Repacking

Comment 5: Adjustment of Hansol's Reported U.S. Rebates

Comment 6: Production Quantities Were Not Verified

Comment 7: General and Administrative Expense Rate

Comment 8: Financial Expense Rate

Kyesung

Comment 9: Price Adjustment Related to the U.S. Price

Comment 10: Request to Apply Partial Adverse Facts Available

Moorim

Comment 11: Moorim's Pulp Costs Remain Unexplained

Hankuk

Comment 12: Timeliness of Targeted Dumping Allegation concerning Hankuk Paper

Comment 13: Standard Costs for Hankuk

EN Paper

Comment 14: Credit Balance for Bad Debt Allowance
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DEPARTMENT OF COMMERCE

International Trade Administration

A-570-906

Final Determination of Sales at Less Than Fair Value: Coated Free Sheet Paper from the People's Republic of China

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

EFFECTIVE DATE: October 25, 2007.

SUMMARY: On June 4, 2007, the Department of Commerce (the "Department") published its preliminary determination of sales at less than fair value ("LTFV") in the antidumping investigation of coated free sheet paper ("CFS") from the People's Republic of China ("PRC"). The period of investigation ("POI") is April 1, 2006, through September 30, 2006. We invited interested parties to comment on our preliminary determination of sales at LTFV. Based on our analysis of the comments we received, we have made changes to our calculations for the mandatory respondents. The final dumping margins for this investigation are listed in the "Final Determination Margins" section below.

FOR FURTHER INFORMATION CONTACT: Magd Zalok or Drew Jackson, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-4162 and 482-4406, respectively.

Final Determination

We determine that CFS from the PRC is being, or is likely to be, sold in the United States at LTFV as provided in section 735 of the Tariff Act of 1930, as amended ("the Act"). The estimated margins of sales at LTFV are shown in the "Final Determination Margins" section of this notice.

SUPPLEMENTARY INFORMATION:

Background

The Department published its preliminary determination of sales at LTFV on June 4, 2007. *See Preliminary Determination of Sales at Less Than Fair Value: Coated Free Sheet Paper from the People's Republic of China*, 72 FR 30758 (June 4, 2007) ("Preliminary Determination"). Between June 18, 2007, and July 13, 2007, the Department conducted verifications of the collapsed entity Gold East Co. Ltd. (Gold East Paper (Jiangsu) Co. Ltd., Gold Hua Sheng Paper (Suzhou Industry Park) Co. Ltd., and China Union (Macao

Commercial Offshore) Company Ltd.) (collectively "Gold East") and its U.S. affiliate, and separate rates applicant Yanzhou Tianzhang Paper Industry Co. Ltd. ("Yanzhou Tianzhang"), and its U.S. importer. See the "Verification" section below for additional information.

We invited parties to comment on the Preliminary Determination. On August 31, 2007, petitioner,¹ the Bureau of Fair Trade, Ministry of Commerce, People's Republic of China ("BOFT"), Yanzhou Tianzhang, and Gold East filed case briefs. Petitioner and Gold East filed rebuttal briefs on September 7, 2007. Additionally, on September 12, 2007, petitioner, Gold East, Yanzhou Tianzhang, and BOFT, along with other interested parties in concurrent CFS investigations, submitted comments regarding the scope of the instant investigation. These parties filed rebuttal scope comments on September 20, 2007. In response to requests from interested parties, the Department held a hearing on the scope of the investigation on September 26, 2007.

Analysis of Comments Received

With the exception of the scope issue, all issues raised in the case and rebuttal briefs by parties to this investigation are addressed in the "Investigation of Coated Free Sheet Paper from the People's Republic of China: Issues and Decision Memorandum," dated October 17, 2007, which is hereby adopted by this notice ("Issues and Decision Memorandum"). The scope issue is addressed in a separate memorandum. See "Scope Comments" section, below. A list of the issues which parties raised and to which we respond in the Issues and Decision Memorandum is attached to this notice as an Appendix. The Issue and Decision Memorandum is a public document and is on file in the Central Records Unit ("CRU"), Main Commerce Building, Room B-099, and is accessible on the Web at <http://ia.ita.doc.gov/frn>. The paper copy and electronic version of the memorandum are identical in content. Additionally, because some of the issues that parties raised and to which we respond contain proprietary information, there is a separate proprietary version of the Issues and Decision Memorandum. See "Investigation of Coated Free Sheet Paper from the People's Republic of China: Issues and Decision Memorandum, Comments and Department of Commerce's Positions Containing Proprietary Information," dated October 17, 2007.

Changes Since the Preliminary Determination

Based on our analysis of the comments received, we have changed the margin calculation for Gold East. Those changes include the following:

1. We revised our calculation of the per-unit cost of Gold East's self-produced electricity and did not value steam used in production.
2. Based on verification findings, (a) we revised the average market-economy price reported for a type of pulp; (b) recalculated the net unit price of constructed export price ("CEP") sales to account for unreported selling expenses; (c) reclassified one export price sale as a CEP sale and adjusted the sale's price to reflect CEP expenses; and (d) based the dumping margin of one unreported sale on adverse facts available ("AFA").
3. We did not value certain reported factors based on our finding that these factors are used in the maintenance of machines, and are properly classified as overhead items.
4. We revised surrogate values for certain factors of production.
5. We valued certain inputs used by Gold East to treat water.
6. We revised the surrogate values for factory overhead, selling, general and administrative ("SG&A"), and profit.
7. We corrected a ministerial error involving one of Gold East's self-produced inputs.

For a detailed analysis of Gold East's margin calculation, see "Final Determination in the Investigation of Coated Free Sheet Paper from the People's Republic of China: Analysis Memorandum for Gold East", dated October 17, 2007.

We assigned separate rates applicant Yanzhou Tianzhang the revised final margin calculated for Gold East, the only mandatory respondent to fully participate in this investigation.

We assigned the PRC-wide rate, as total AFA, to Shandong Chenming Paper Holdings Limited ("Chenming"), because it ceased participating in this investigation prior to the scheduled verification and, consequently, did not demonstrate its entitlement to a separate rate.

Scope of Investigation

The merchandise covered by this investigation includes coated free sheet paper and paperboard of a kind used for writing, printing or other graphic purposes. Coated free sheet paper is produced from not-more-than 10

percent by weight mechanical or combined chemical/mechanical fibers. Coated free sheet paper is coated with kaolin (China clay) or other inorganic substances, with or without a binder, and with no other coating. Coated free sheet paper may be surface-colored, surface-decorated, printed (except as described below), embossed, or perforated. The subject merchandise includes single- and double-side-coated free sheet paper; coated free sheet paper in both sheet or roll form; and is inclusive of all weights, brightness levels, and finishes. The terms "wood free" or "art" paper may also be used to describe the imported product.

Excluded from the scope are: (1) Coated free sheet paper that is imported printed with final content printed text or graphics; (2) base paper to be sensitized for use in photography; and (3) paper containing by weight 25 percent or more cotton fiber. Coated free sheet paper is classifiable under subheadings 4810.13.1900, 4810.13.2010, 4810.13.2090, 4810.13.5000, 4810.13.7040, 4810.14.1900, 4810.14.2010, 4810.14.2090, 4810.14.5000, 4810.14.7040, 4810.19.1900, 4810.19.2010, and 4810.19.2090 of the Harmonized Tariff Schedule of the United States ("HTSUS"). While HTSUS subheadings are provided for convenience and customs purposes, our written description of the scope of this investigation is dispositive.

Scope Comments

On August 20, August 28, and September 10, 2007, the petitioner requested that the Department clarify the scope of the antidumping and countervailing duty investigations of CFS paper from Indonesia, Korea and the People's Republic of China. Specifically, the petitioner asked the Department to "clarify that the scope of the investigation includes coated free sheet paper containing hardwood BCTMP."

Because this was a general issue pertaining to all six investigations, the Department set up a general issues file to handle this scope request. A hearing on the scope request was held on September 26, 2007. The hearing comprised a public session, a closed session for the antidumping investigation from Korea, and a closed session for the countervailing duty investigation from the PRC. After considering the comments submitted by the parties to these investigations, we have determined not to adopt the scope clarification sought by the petitioner. See Memorandum to Stephen J. Claes, Deputy Assistant Secretary for Import

¹ Petitioner in this investigation is NewPage Corporation.

Administration, entitled "Scope Clarification Request: NewPage Corporation" dated concurrently with this notice, which is appended to "Issues and Decision Memorandum for the Final Determination in the Countervailing Duty Investigation of Coated Free Sheet Paper from the People's Republic of China."

Adverse Facts Available

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

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

On June 7, 2007, six days before the commencement of verification, counsel for Chenming informed Department officials that Chenming would not continue its participation in the instant investigation. See Memorandum to the File through Howard Smith, Program Manager, Office 4, concerning "Telephone Conversation with Counsel for Shandong Chenming Paper Holdings Co., Ltd.," dated June 7, 2007; see also Chenming's letter to the Department, concerning, "Coated Free Sheet Paper from the People's Republic of China; Withdrawal of Shandong Chenming Paper Holdings Limited and Withdrawal of Consent to Access Proprietary Information," dated June 11, 2007.

Because Chenming ceased participation in the instant investigation, the Department was not able to conduct its scheduled verification of Chenming's responses. Verification is integral to the Department's analysis because it allows the Department to satisfy itself that it is relying upon accurate information and calculating dumping margins as accurately as possible. By failing to participate in verification, Chenming prevented the Department from verifying its reported information, including separate rates information,

and significantly impeded the proceeding. Moreover, by not permitting verification, Chenming failed to prove that it is free of government control and entitled to a separate rate. Additionally, Chenming's refusal to participate in verification demonstrates that it failed to cooperate by not acting to the best of its ability to comply with a request from the Department. Section 776(b) of the Act authorizes the Department to use an adverse inference with respect to an interested party if the Department finds that the party failed to cooperate by not acting to the best of its ability to comply with a request for information. See, e.g., *Certain Welded Carbon Steel Pipes and Tubes From Thailand: Final Results of Antidumping Duty Administrative Review*, 62 FR 53808, 53819–20 (October 16, 1997); see also *Crawfish Processors Alliance v. United States*, 343 F. Supp.2d 1242 (CIT 2004) (approving use of AFA when respondent refused to participate in verification). Therefore, pursuant to sections 776(a)(2)(C) and (D) and 776(b) of the Act, we have, as AFA, treated Chenming as part of the PRC-wide entity and assigned Chenming the PRC-wide rate of 99.65 percent. See the sections entitled "The PRC-Wide Rate" and "Corroboration," below, for a discussion of the selection and corroboration of the PRC-Wide rate.

Verification

As provided in section 782(i) of the Act, we conducted verifications in the PRC and the United States of the information submitted by the respondent and the separate rate applicant for use in our final determination. See the Department's verification reports on the record of this investigation in the CRU with respect to Gold East and Yanzhou Tianzhang. For all verified companies, we used standard verification procedures, including examination of relevant accounting and production records, as well as original source documents provided by respondents.

Surrogate Country

In the *Preliminary Determination*, we stated that we had selected India as the appropriate surrogate country to use in this investigation for the following reasons: (1) it is a significant producer of comparable merchandise; (2) it is at a similar level of economic development pursuant to 773(c)(4) of the Act; and (3) we have reliable data from India that we can use to value the factors of production. See *Preliminary Determination*. For the final determination, we received no comments and made no changes to our

findings with respect to the selection of a surrogate country.

Separate Rates

In proceedings involving non-market-economy ("NME") countries, the Department begins with a rebuttable presumption that all companies within the country are subject to government control and, thus, should be assigned a single antidumping duty deposit rate. It is the Department's policy to assign all exporters of merchandise subject to an investigation in an NME country this single rate unless an exporter can demonstrate that it is sufficiently independent so as to be entitled to a separate rate. See *Final Determination of Sales at Less Than Fair Value: Sparklers from the People's Republic of China*, 56 FR 20588 (May 6, 1991) ("Sparklers"), as amplified by *Notice of Final Determination of Sales at Less Than Fair Value: Silicon Carbide from the People's Republic of China*, 59 FR 22585 (May 2, 1994) ("Silicon Carbide"), and Section 351.107(d) of the Department's regulations.

In the *Preliminary Determination*, we found that Gold East and the separate rate applicant, Yanzhou Tianzhang, demonstrated their eligibility for separate-rate status. No party has commented on the eligibility of Gold East or Yanzhou Tianzhang for separate-rate status. For the final determination, we continue to find that the evidence placed on the record of this investigation by Gold East and Yanzhou Tianzhang demonstrate both a *de jure* and *de facto* absence of government control, with respect to their respective exports of the merchandise under investigation and thus are eligible for separate rate status.

The PRC-Wide Rate

In the *Preliminary Determination*, the Department found that certain companies and the PRC-wide entity did not respond to our requests for information. In the *Preliminary Determination*, we treated these PRC producers/exporters as part of the PRC-wide entity because they did not demonstrate that they operate free of government control over their export activities. No additional information has been placed on the record with respect to these entities after the **Preliminary Determination**. The PRC-wide entity has not provided the Department with the requested information; therefore, pursuant to section 776(a)(2)(A) of the Act, the Department continues to find that the use of facts available is appropriate to determine the PRC-wide rate. Section 776(b) of the Act provides that, in selecting from among the facts

otherwise available, the Department may employ an adverse inference if an interested party fails to cooperate by not acting to the best of its ability to comply with requests for information. See *Notice of Final Determination of Sales at Less Than Fair Value: Certain Cold-Rolled Flat-Rolled Carbon-Quality Steel Products from the Russian Federation*, 65 FR 5510, 5518 (February 4, 2000). See also, "Statement of Administrative Action" accompanying the URAA, H.R. Rep. No. 103-316, vol. 1, at 870 (1994). We determine that because the PRC-wide entity has failed to cooperate to the best of its ability because it did not respond to our request for information. Therefore, the Department finds that, in selecting from among the facts otherwise available, an adverse inference is appropriate for the PRC-wide entity.

Because we begin with the presumption that all companies within a NME country are subject to government control and because only the companies listed under the "Final Determination Margins" section below have overcome that presumption, we are applying a single antidumping rate - the PRC-wide rate - to all other exporters of subject merchandise from the PRC. Such companies did not demonstrate entitlement to a separate rate. See, e.g., *Synthetic Indigo from the People's Republic of China: Notice of Final Determination of Sales at Less Than Fair Value*, 65 FR 25706 (May 3, 2000). The PRC-wide rate applies to all entries of subject merchandise except for entries from the respondents which are listed in the "Final Determination Margins" section below (except as noted).

Corroboration

At the *Preliminary Determination*, we corroborated our AFA margin by comparing the range of control number-specific dumping margins calculated for the preliminary determination to the dumping margin alleged in the petition. For the final determination, we conducted a similar analysis and continue to find that the margin of 99.65 percent has probative value. See Memorandum to the File: "Corroboration of the PRC-Wide Facts Available Rate for the Final Determination in the Antidumping Duty Investigation of Coated Free Sheet Paper from the People's Republic of China", dated October 17, 2007. In addition, no party to this investigation has commented on our selection of this rate as AFA. Accordingly, we find that the rate of 99.65 percent is corroborated within the meaning of section 776(c) of the Act.

Final Determination Margins

We determine that the following weighted-average dumping margins exist for the period April 1, 2006, through September 30, 2006:

Manufacturer/Exporter	Weighted Average Margin (percent)
GE's Collapsed Entity: (Gold East Paper (Jiangsu) Co. Ltd.-Gold Hua Sheng Paper. (Suzhou Industry Park) Co. Ltd.-China Union. (Macao Commercial Offshore) Company Ltd. Yanzhou Tianzhang Paper Industry Co. Ltd.	21.12
PRC-Wide Rate	99.65

Disclosure

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

Continuation of Suspension of Liquidation

In accordance with section 735(c)(1)(B) of the Act, we are directing U.S. Customs and Border Protection ("CBP") to continue to suspend liquidation of all imports of subject merchandise that are entered or withdrawn from warehouse, for consumption on or after June 4, 2007, the date of publication of the preliminary determination in the **Federal Register**. We will instruct CBP to continue to require a cash deposit or the posting of a bond for all companies based on the estimated weighted-average dumping margins shown above. The suspension of liquidation instructions will remain in effect until further notice.

ITC Notification

In accordance with section 735(d) of the Act, we have notified the International Trade Commission ("ITC") of our final determination of sales at LTFV. As our final determination is affirmative, in accordance with section 735(b)(2) of the Act, the ITC will determine whether the domestic industry in the United States is materially injured, or threatened with material injury, by reason of imports or sales (or the likelihood of sales) for importation of the subject merchandise within 45 days of this final determination. If the ITC determines that material injury or threat of material injury does not exist, the proceeding will be terminated and all securities posted will be refunded or canceled. If the ITC determines that such injury

does exist, the Department will issue an antidumping duty order directing CBP to assess antidumping duties on all imports of the subject merchandise entered, or withdrawn from warehouse, for consumption on or after the effective date of the suspension of liquidation.

Notification Regarding APO

This notice also serves as a reminder to the parties subject to administrative protective order ("APO") of their responsibility concerning the disposition of proprietary information disclosed under APO in accordance with 19 CFR 351.305. Timely notification of return or 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. This determination and notice are issued and published in accordance with sections 735(d) and 777(i)(1) of the Act.

Dated: October 17, 2007.

David M. Spooner,
Assistant Secretary for Import Administration.

Appendix I

Parties' Comments

Comment 1: Whether to Reconsider China's Non-Market Economy (NME) Status and Whether to Treat Certain PRC Companies as Market Oriented Enterprises
Comment 2: Alleged Double Remedy in Concurrent NME AD and CVD Proceedings
Comment 3: The Appropriate Surrogate Financial Statements to use to Calculate Financial Ratios
Comment 4: Whether to Adjust the Financial Ratios by Allocating Wages and Salaries Between Non-manufacturing and Manufacturing Expenses
Comment 5: Whether to Adjust the Financial Ratios by Allocating "Stores and Spares" Expenses Between Direct Material Costs and Overhead Expenses
Comment 6: Whether to Value Certain Materials Claimed to be Overhead Expenses
Comment 7: Whether to Value Self-Produced Electricity Used to Produce Electricity
Comment 8: Whether to Value Steam That is a By-Product of Self-Produced Electricity
Comment 9: Whether to Value Certain Inputs used in Treating Water
Comment 10: Whether GE Incorrectly Reported the Unit Price of Certain Purchases
Comment 11: Whether the Department Erred in Calculating the Value of a Self-Produced Input

Comment 12: Whether Certain Pulp Purchases Should be Treated as Market-Economy Purchases

Comment 13: Whether it is Appropriate to Value Labor Using the Expected Wage Rate Calculated by the Department

Comment 14: The Appropriate Surrogate Value For A Ground Calcium Carbonate Input

Comments 15: The Appropriate Surrogate Value for a Proprietary Material

Comment 16: The Appropriate Surrogate Value for a Proprietary Material

Comment 17: The Appropriate Surrogate Value for Hydrochloric Acid

Comment 18: The Appropriate Surrogate Values For Other Paper Chemicals

Comment 19: The Appropriate Surrogate Value For Steam Coal

Comment 20: The Appropriate Surrogate Value for Certain PET Packing Materials

Comment 21: The Appropriate Surrogate Value for a Proprietary Material

Comment 22: How to Account for Certain Unreported Expenses

Comment 23: Whether the Department Should Base the Dumping Margin for One Unreported Sale on Total Adverse Facts Available

Comment 24: Whether to Reclassify One Sale as a CEP Sale

Comment 25: Whether to Adjust the Market-Economy Purchase Price of NBKP

[FR Doc. E7-21041 Filed 10-24-07; 8:45 am]

BILLING CODE 3510-DS-S

DEPARTMENT OF COMMERCE

International Trade Administration

A-560-820

Notice of Final Determination of Sales at Less Than Fair Value: Coated Free Sheet Paper from Indonesia

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

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

EFFECTIVE DATE: October 25, 2007.

FOR FURTHER INFORMATION CONTACT: Brian C. Smith or Gemal Brangman, AD/CVD Operations, Office 2, Import

Administration—Room B-099, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC 20230; telephone: (202) 482-1766 or (202) 482-3773, respectively.

SUPPLEMENTARY INFORMATION:

Background

On June 4, 2007, the Department published in the *Federal Register* the *Preliminary Determination* of sales at LTFV in the antidumping duty investigation of CFS paper from Indonesia. See *Coated Free Sheet Paper from Indonesia: Notice of Preliminary Determination of Sales at Less Than Fair Value and Postponement of Final Determination*, 72 FR 30753 (June 4, 2007) ("*Preliminary Determination*").

On June 13, 2007,¹ PT. Pindo Deli Pulp & Paper Mills ("PD"), PT. Pabrik Kertas Tjiwi Kimia, Tbk ("TK"), and their affiliates PT. Cakrawala Mega Indah ("CMI"), PT Indah Kiat Pulp & Paper Tbk ("IK"), PT. Lontar Papyrus Pulp & Paper Industries ("Lontar"), PT Arara Abadi ("AA") and PT. Wirakarya Sakti ("WKS") (hereafter collectively referred to as "the Indonesian Respondents")² submitted a revised cost of production ("COP") database for TK which incorporated corrections found prior to the start of verification. On June 27, 2007, the Indonesian Respondents submitted a revised COP database for PD which incorporated corrections submitted at the start of PD's cost verification on June 22, 2007.

From June 20 through July 20, 2007, we verified the sales and cost questionnaire responses of the Indonesian Respondents. On August 20, 27, and 28, 2007, the Department issued its verification reports. We provided the interested parties an opportunity to comment on the *Preliminary Determination* and the Department's verification findings.

On June 29, 2007, the petitioner³ requested a hearing to discuss issues addressed by the interested parties in their case and rebuttal briefs.

On August 28, 2007, the petitioner requested that the Department clarify the scope of the investigation of CFS paper from Indonesia and placed on the record of this review information to support its request.

¹ June 13, 2007, is seven days prior to the start of the cost verification.

² PD and TK are CFS paper producers, whereas CMI is a reseller of paper products produced by PD and TK. IK and Lontar are pulp producers, whereas AA and WKS are forestry companies.

³ The petitioner in this investigation is NewPage Corporation.

On September 5, 2007, the petitioner and the Indonesian Respondents submitted case briefs. On September 6, 2007, the petitioner withdrew its request for a hearing. Because the petitioner was the only interested party to request a hearing and it subsequently withdrew its request, no hearing was held on issues raised in the September 5, 2007, case briefs. On September 10, 2007, both the petitioner and the Indonesian Respondents submitted rebuttal briefs.

Also on September 10, 2007, the Department rejected the petitioner's August 28, 2007, scope clarification submission because it contained untimely filed new factual information. The petitioner refiled its submission with the new factual information redacted on September 10, 2007.

On September 12, 2007, the petitioner and Indonesian Respondents filed case briefs on the scope issue. On September 14, 2007, the Department rejected the Indonesian Respondents' case brief on the scope issue because it contained untimely filed new factual information. The Indonesian Respondents refiled this case brief with the new factual information redacted on September 17, 2007.

On September 17, 2007, the Department rejected the Indonesian Respondents' September 10, 2007, rebuttal brief because it contained untimely filed new argument. The Indonesian Respondents refiled their rebuttal brief with the new argument redacted on September 18, 2007.

On September 20, 2007, the petitioner and Indonesian Respondents filed rebuttal briefs on the scope issue. A hearing on the scope issue was held on September 26, 2007.

Period of Investigation

The period of investigation is October 1, 2005, through September 30, 2006. This period corresponds to the four most recent fiscal quarters prior to the month of the filing of the petition.

Analysis of Comments Received

All issues raised in the case and rebuttal briefs submitted by the parties to this investigation are addressed in the "Issues and Decision Memorandum" ("*Decision Memo*") from Stephen J. Claeys, Deputy Assistant Secretary for Import Administration, to David M. Spooner, Assistant Secretary for Import Administration, dated October 17, 2007, which is hereby adopted by this notice. A list of the issues that parties have raised and to which we have responded, all of which are in the *Decision Memo*, is attached to this notice as an appendix. Parties can find a complete

discussion of all issues raised in this investigation and the corresponding recommendations in this public memorandum which is on file in the Central Records Unit, room B-099 of the main Department building. In addition, a complete version of the *Decision Memo* can be accessed directly on the Web at <http://ia.ita.doc.gov/frn>. The paper copy and electronic version of the *Decision Memo* are identical in content.

Scope of Investigation

The merchandise covered by this investigation includes coated free sheet paper and paperboard of a kind used for writing, printing or other graphic purposes. Coated free sheet paper is produced from not-more-than 10 percent by weight mechanical or combined chemical/mechanical fibers. Coated free sheet paper is coated with kaolin (China clay) or other inorganic substances, with or without a binder, and with no other coating. Coated free sheet paper may be surface-colored, surface-decorated, printed (except as described below), embossed, or perforated. The subject merchandise includes single- and double-side-coated free sheet paper; coated free sheet paper in both sheet or roll form; and is inclusive of all weights, brightness levels, and finishes. The terms "wood free" or "art" paper may also be used to describe the imported product.

Excluded from the scope are: (1) coated free sheet paper that is imported printed with final content printed text or graphics; (2) base paper to be sensitized for use in photography; and (3) paper containing by weight 25 percent or more cotton fiber.

Coated free sheet paper is classifiable under subheadings 4810.13.1900, 4810.13.2010, 4810.13.2090, 4810.13.5000, 4810.13.7040, 4810.14.1900, 4810.14.2010, 4810.14.2090, 4810.14.5000, 4810.14.7040, 4810.19.1900, 4810.19.2010, and 4810.19.2090 of the Harmonized Tariff Schedule of the United States ("HTSUS"). While HTSUS subheadings are provided for convenience and customs purposes, our written description of the scope of this investigation is dispositive.

Scope Comments

On August 20, August 28, and September 10, 2007, the petitioner requested that the Department clarify the scope of the antidumping and countervailing duty investigations of CFS paper from Indonesia, Korea and the People's Republic of China. Specifically, the petitioner asked the Department to "clarify that the scope of the investigation includes coated free

sheet paper containing hardwood BCTMP."

Because this was a general issue pertaining to all six investigations, the Department set up a general issues file to handle this scope request. A hearing on the scope request was held on September 26, 2007. The hearing comprised a public session, a closed session for the antidumping investigation from Korea, and a closed session for the countervailing duty investigation from the PRC. After considering the comments submitted by the parties to these investigations, we have determined not to adopt the scope clarification sought by the petitioner. See Memorandum to Stephen J. Claeys, Deputy Assistant Secretary for Import Administration, entitled "Scope Clarification Request: NewPage Corporation" dated concurrently with this notice, which is appended to "Issues and Decision Memorandum for the Final Determination in the Countervailing Duty Investigation of Coated Free Sheet Paper from the People's Republic of China."

Changes Since the Preliminary Determination

Based on our analysis of the comments received and our findings at verification, we have made certain changes to the margin calculations for the Indonesian Respondents. For a discussion of these changes, see the "Margin Calculations" section of the *Decision Memo*.

Verification

As provided in section 782(i) of the Act, we verified the sales and cost information submitted by the Indonesian Respondents for use in our final determination. We used standard verification procedures including an examination of relevant accounting and production records, and original source documents provided by the Indonesian Respondents. Our sales and cost verification results are outlined in separate verification reports. See August 20, 2007, cost verification report, and August 27 and 28, 2007, sales verification reports for the Indonesian Respondents.

Continuation of Suspension of Liquidation

In accordance with section 735(c)(1)(B) of the Act, we are directing U.S. Customs and Border Protection ("CBP") to continue to suspend liquidation of all imports of subject merchandise that are entered or withdrawn from warehouse, for consumption on or after June 4, 2007, the date of publication of the

Preliminary Determination in the **Federal Register**. We will instruct CBP to continue to require a cash deposit or the posting of a bond for all companies based on the estimated weighted-average dumping margins shown below. The suspension of liquidation instructions will remain in effect until further notice.

Final Determination Margins

We determine that the following weighted-average dumping margins exist for the period October 1, 2005, through September 30, 2006:

Manufacturer/Exporter	Weighted Average Margin (percent)
PT. Pabrik Kertas Tjiwi Kimia Tbk, PT. Pindo Deli Pulp and Paper Mills, and PT. Indah Kiat Pulp and Paper Tbk (collectively, PD/TK/IK)	8.63
All Others	8.63

Section 735(c)(5)(A) of the Act provides that the estimated "All Others" rate shall be an amount equal to the weighted average of the estimated weighted-average dumping margins established for exporters and producers individually investigated, excluding any zero and de minimis margins, and any margins determined entirely under section 776 of the Act. The collapsed entity PD/TK/IK⁴ is the only respondent in this investigation for which the Department has calculated a company-specific rate. Therefore, for purposes of determining the "All Others" rate and pursuant to section 735(c)(5)(A) of the Act, we are using the weighted-average dumping margin calculated for PD/TK/IK, as referenced above.

Disclosure

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

⁴In the *Preliminary Determination*, we determined it appropriate to treat PD, TK and IK as one entity for margin calculation purposes because they met the regulatory criteria for collapsing. See May 29, 2007, Memorandum from the Team to Stephen J. Claeys, Deputy Assistant Secretary for Import Administration, entitled "Treatment of Data Reported by Affiliated Parties in the Antidumping Duty Investigation of Coated Free Sheet Paper from Indonesia." No party commented on this preliminary determination and we found nothing at verification that would otherwise compel us to reverse this determination. Therefore, we have continued to treat these affiliated companies as one entity in the final determination.

ITC Notification

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

Return or Destruction of Proprietary Information

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

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

Dated: October 17, 2007.

David M. Spooner,

Assistant Secretary for Import Administration.

Appendix—Issues in Decision Memo**Comments**

Issue 1: *Whether to Adjust Export Price for Amounts Paid by TK to an Unaffiliated Company*

Issue 2: *Application of Major Input Rule to Logs Used to Produce Pulp by IK*

Issue 3: *Application of Major Input Rule to Pulp Produced by Lontar*

Issue 4: *Selection of Market Price Used for Testing of Purchases of Pulp from Lontar*

Issue 5: *Application of Transactions Disregarded Rule for Purchases of Electricity*

Issue 6: *Treatment of Miscellaneous Expenses in Financial Expense Calculation*

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