

FACT SHEET

Commerce Preliminarily Finds Countervailing Duties on Coated Free Sheet Paper From the People's Republic of China

- On March 30, the Commerce Department announced its affirmative preliminary determination in the countervailing duty (CVD or anti-subsidy) investigation on imports of coated free sheet paper from China. Subsidies are financial assistance from foreign governments that benefit the production, manufacture, or exportation of goods.
- Commerce preliminarily determined that Chinese producers/exporters have received net countervailable subsidies ranging from 10.90 to 20.35 percent. As a result of this preliminary determination, Commerce will instruct U.S. Customs and Border Protection to suspend liquidation of entries of subject merchandise and to collect a cash deposit or bond based on these preliminary rates.
- In this case, Commerce is departing from its 23-year, bipartisan practice of not applying the CVD law to non-market economies such as China, which was upheld by the U.S. Court of Appeals for the Federal Circuit in its 1986 decision, *Georgetown Steel*.
- In this preliminary determination, Commerce explains that *Georgetown Steel* no longer applies to China of because of the vast differences between the characteristics of the non-market economies of the 1980s Soviet-bloc countries and China's economy today.
- NewPage Corporation (OH) is the petitioner for this investigation.
- The scope of the investigation includes coated free sheet paper and paperboard of a kind used for writing, printing, or other graphic purposes (coated free sheet paper).
- Excluded from the scope of the investigation 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, the Department's written description of the scope of this investigation is dispositive.

NEXT STEPS

- Commerce is currently scheduled to make its final determination on or about June 13, 2007, although this deadline can be postponed through mid-October.

Preliminary Countervailable Subsidy Rate:

Producer/Exporter	SUBSIDY RATE
Shandong Chenming Paper Holdings, Ltd.	10.90%
Gold East Paper (Jiangsu) Co., Ltd.	20.35%
All Others	18.16%

Case Calendar:

EVENT	DATE
Petition Filed	October 31, 2006
DOC Initiation Date	November 20, 2006
ITC Preliminary Determination	December 15, 2006
DOC Preliminary Determination	March 30, 2007
DOC Final Determination*	June 13, 2007
ITC Final Determination**	July 30, 2007
Issuance of Order***	August 6, 2007

* This deadline may be extended under the governing statute.

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

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

Import Statistics:

China	2004	2005	2006
Volume (kg)	29,281,506	99,181,692	264,025,608
Value (\$US)	\$21,499,613	\$80,876,145	\$224,016,372

Source: U.S. International Trade Commission, Dataweb (HTS 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)