



## FACT SHEET

### **Commerce Finds Unfair Dumping and Subsidization of Coated Free Sheet Paper from the People's Republic of China**

- On October 18, the Commerce Department announced its affirmative final determinations in the antidumping duty (AD) and countervailing duty (CVD) investigations on imports of coated free sheet paper from the People's Republic of China (China).
- Dumping is when a foreign company sells a product in the United States at less than fair market value. Subsidies are financial assistance from foreign governments that benefit the production, manufacture, or exportation of goods.
- Commerce has determined that Chinese producers/exporters sold coated free sheet paper in the United States at 21.12 to 99.65 percent less than fair value, and received net countervailable subsidies ranging from 7.40 to 44.25 percent.
- As a result of the final AD determination, Commerce will instruct U.S. Customs and Border Protection (CBP) to continue to collect a cash deposit or bond based on the final rates.
- In accordance with U.S. law, CBP will collect cash deposits for countervailing duties if Commerce issues a CVD order.
- Consistent with its preliminary finding, Commerce determined that the CVD law can be applied to non-market economies such as China.
- Shandong Chenming's rates of 99.65 percent in the AD investigation and 44.25 percent in the CVD investigation are based on total adverse facts available because it withdrew its participation and did not cooperate to the best of its ability in these investigations. Commerce has also determined that Yanzhou Tianzhang has demonstrated an absence of government control, a requirement for separate-rate status.
- NewPage Corporation (OH) is the petitioner for these investigations.
- The scope of the investigations includes coated free sheet paper and paperboard of a kind used for writing, printing, or other graphic purposes (coated free sheet paper), for example, the high quality paper used in art books, textbooks, annual reports, and prestige magazines and catalogues.
- Excluded from the scope of the investigations 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, Commerce's written description of the scope of these investigations is dispositive.

## NEXT STEPS

- The ITC is scheduled to make its final injury determination on or about November 30. If the ITC issues an affirmative determination, Commerce will issue antidumping and countervailing duty orders. If the ITC makes a negative injury determination, the investigations will be terminated.

## Final Countervailable Subsidy Rate:

Producer/Exporter	Subsidy Rate
Gold East Paper (Jiangsu) Co., Ltd.	7.40%
Shandong Chenming Paper Holdings, Ltd.	44.25%
All Others	7.40%

## Final Dumping Rate:

Producer/Exporter	Dumping Rate
Gold East Paper (Jiangsu) Co. Ltd./ Gold Hua Sheng Paper (Suzhou Industry Park) Co. Ltd./ China Union (Macao Commercial Offshore) Company Ltd.)	21.12%
Shandong Chenming Paper Holdings Ltd. *	99.65%
Yanzhou Tianzhang Paper Industry Co. Ltd.	21.12%
China-Wide Rate	99.65%

\*Shandong Chengming withdrew from the AD investigation, did not qualify for a separate rate, and received the China-Wide rate.

## Case Calendar:

EVENT	CVD Investigation	AD Investigation
Petitions Filed	October 31, 2006	October 31, 2006
DOC Initiation Date	November 20, 2006	November 20, 2006
ITC Preliminary Determination	December 15, 2006	December 15, 2006
DOC Preliminary Determinations	March 29, 2007	May 29, 2007
DOC Final Determinations	October 17, 2007	October 17, 2007
ITC Final Determination	November 30, 2007	November 30, 2007
Issuance of Orders*	December 7, 2007	December 7, 2007

\* This will take place only in the event of a final affirmative determination by 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. ITC Dataweb (HTSUS 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)