

FOR FURTHER INFORMATION CONTACT:

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Final Determination

We determine that LWTP 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:**Case History**

The Department published its preliminary determination of sales at LTFV on May 13, 2008. *See Lightweight Thermal Paper From the People’s Republic of China: Preliminary Determination of Sales at Less Than Fair Value and Postponement of Final Determination*, 73 FR 27504 (May 13, 2008) (“*Preliminary Determination*”). Additionally, the Department postponed the deadline for the final determination by 60 days to September 25, 2008. *See Preliminary Determination*, at 27504. On May 28, 2008, Appleton Papers, Inc. (“petitioner”) submitted comments regarding Guanhao’s eligibility for a separate rate. From June 2 through 13, 2008, the Department conducted verifications of Hanhong International Limited, Shanghai Hanhong Paper Co., Ltd., and Hong Kong Hanhong Ltd. (collectively (“Hanhong”)) and Guangdong Guan hao High-Tech Co., Ltd. (“Guanhao”) and released its verification reports for both companies on July 16, 2008. *See* the “Verification” section below for additional information. On June 12, 2008, petitioner filed a timely request for a public hearing. On June 23, 2008, petitioner and Guan hao submitted surrogate value information for the record. On July 2, 2008, the Department placed its updated wage rate calculations on the record. On July 24, 2008, case briefs were filed by both petitioner and Hanhong. On July 29, 2008, Hanhong and Guan hao each filed rebuttal briefs. On August 14, 2008, petitioner withdrew its request for a hearing.

Targeted Dumping

On May 5, 2008, petitioner filed an allegation of targeted dumping with respect to patterns of Hanhong’s

constructed export prices (“CEPs”) for comparable merchandise that differ significantly among purchases and periods of time. Petitioner limited its targeted dumping allegation to patterns of prices found in Hanhong’s CEP sales. In our *Preliminary Determination*, we found that Hanhong was not affiliated with its U.S. customer, and based our margin analysis on Hanhong’s export price (“EP”) sales. As a result, petitioner’s targeted dumping allegation was inapplicable to our margin calculations. Since the *Preliminary Determination*, no interested party has provided any argument or information on the record concerning petitioner’s targeted dumping allegation. In our final determination, we have continued to find Hanhong unaffiliated with its U.S. customer, and consequently, based our margin calculations on Hanhong’s EP sales. As a result, petitioner’s allegation of targeted dumping is not applicable to our margin analysis. Therefore, we did not address it in this final determination.

Period of Investigation

The period of investigation (“POI”) is January 1, 2007, through June 30, 2007. This period corresponds to the two most recent fiscal quarters prior to the month of the filing of the petition, which was September 2007. *See* 19 CFR 351.204(b)(1).

Verification

As provided in section 782(i) of the Act, we verified the information submitted by Hanhong and Guan hao for use in our final determination. *See* the Department’s verification reports on the record of this investigation in the Central Records Unit (“CRU”), Room 1117 of the main Department building, with respect to these entities. 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.

Analysis of Comments Received

All issues raised in the case and rebuttal briefs by parties to this investigation are addressed in the “Investigation of Lightweight Thermal Paper from the People’s Republic of China: Issues and Decision Memorandum,” dated concurrently with this notice and hereby adopted by this notice (“Issues and Decision Memorandum”). 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 Appendix I. The Issues and Decision

DEPARTMENT OF COMMERCE**International Trade Administration**

[A-570-920]

Lightweight Thermal Paper From the People’s Republic of China: Final Determination of Sales at Less Than Fair Value

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

EFFECTIVE DATE: October 2, 2008.

SUMMARY: On May 13, 2008, the Department of Commerce (the “Department”) published its preliminary determination of sales at less than fair value (“LTFV”) in the antidumping investigation of lightweight thermal paper (“LWTP”) from the People’s Republic of China (“PRC”). The period of investigation (“POI”) is January 1, 2007, to June 30, 2007. 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.

Memorandum is a public document on file in the CRU and accessible on the Web at *ia.ita.doc.gov/frn*. The paper copy and electronic version of the memorandum are identical in content.

Changes Since the Preliminary Determination

- *Financial statements*—In the *Preliminary Determination*, we calculated financial ratios based on two Indian producers' financial statements (*i.e.*, Parag Copigraph Pvt. Ltd. ("Parag") and Alpha Carbonless Paper Ltd. for the fiscal year ending March 31, 2006. For the final determination, we have determined to use only Parag's financial statement for the fiscal year ending March 31, 2007. See Comment 2.

- *Financial ratios*—For the final determination, we made certain changes to the financial ratio calculations from the *Preliminary Determination*. We excluded the line items for freight and cartage-outward, and freight and cartage-export from the Selling, General, and Administrative expenses ("SG&A") ratio calculation obtained from Parag's financial statement. Additionally, we included Parag's line items for miscellaneous income, other income, and interest revenue (because all of Parag's interest revenue was on current assets) as an offset to the SG&A ratio calculation and we have continued to include export expense in our calculation of the surrogate financial ratio for SG&A. See Comment 3.

- *Base paper surrogate value*—For the *Preliminary Determination*, we calculated Guanhao's surrogate value for base paper using WTA import statistics. For the final determination, we have continued to calculate Guanhao's surrogate value using WTA import statistics; however, we have excluded imports into India from the United States. See Comment 9.

- *Guanhao minor corrections*—We made the following minor corrections to Guanhao's sales data: (1) We changed the reported gross weight for two observations; and (2) we changed the reported payment date for six observations. See Memorandum entitled, "Verification of the Sales and Factors Responses of Guangdong Guanhao High Tech Co., Ltd. in the Antidumping Investigation of Lightweight Thermal Paper from the People's Republic of China," dated July 16, 2008.

- *Hanhong minor corrections*—We made the following minor corrections to Hanhong's sales and factors-of-production ("FOP") data: (1) We changed the reported destination for one observation; (2) we changed the reported per-unit gross weight for

certain observations; and (3) we changed the reported capped distance for certain FOPs. See Memorandum entitled, "Verification of the Sales and Factors Responses of Hanhong International Limited, Shanghai Hanhong Paper Co., Ltd., Hong Kong Hanhong Co., Ltd. in the Antidumping Investigation of Lightweight Thermal Paper from the People's Republic of China," dated July 16, 2008.

Scope of Investigation

The merchandise covered by this investigation includes certain lightweight thermal paper, which is thermal paper with a basis weight of 70 grams per square meter (g/m²) (with a tolerance of ±4.0 g/m²) or less; irrespective of dimensions;¹ with or without a base coat² on one or both sides; with thermal active coating(s)³ on one or both sides that is a mixture of the dye and the developer that react and form an image when heat is applied; with or without a top coat;⁴ and without an adhesive backing. Certain lightweight thermal paper is typically (but not exclusively) used in point-of-sale applications such as ATM receipts, credit card receipts, gas pump receipts, and retail store receipts. The merchandise subject to this investigation may be classified in the Harmonized Tariff Schedule of the United States ("HTSUS") under subheadings 4811.90.8040, 4811.90.9090, 3703.10.60, 4811.59.20, 4820.10.20, and 4823.40.00.⁵ Although HTSUS subheadings are provided for

¹ LWTP is typically produced in jumbo rolls that are slit to the specifications of the converting equipment and then converted into finished slit rolls. Both jumbo and converted rolls (as well as LWTP in any other form, presentation, or dimension) are covered by the scope of these investigations.

² A base coat, when applied, is typically made of clay and/or latex and like materials and is intended to cover the rough surface of the paper substrate and to provide insulating value.

³ A thermal active coating is typically made of sensitizer, dye, and co-reactant.

⁴ A top coat, when applied, is typically made of polyvinyl acetone, polyvinyl alcohol, and/or like materials and is intended to provide environmental protection, an improved surface for press printing, and/or wear protection for the thermal print head.

⁵ HTSUS subheading 4811.90.8000 was a classification used for LWTP until January 1, 2007. Effective that date, subheading 4811.90.8000 was replaced with 4811.90.8020 (for gift wrap, a nonsubject product) and 4811.90.8040 (for "other" including LWTP). HTSUS subheading 4811.90.9000 was a classification for LWTP until July 1, 2005. Effective that date, subheading 4811.90.9000 was replaced with 4811.90.9010 (for tissue paper, a nonsubject product) and 4811.90.9090 (for "other," including LWTP). Petitioner indicated that, from time to time, LWTP also may have been entered under HTSUS subheading 3703.90, HTSUS heading 4805, and perhaps other subheadings of the HTSUS, including HTSUS subheadings: 3703.10.60, 4811.59.20, 4820.10.20, and 4823.40.00.

convenience and customs purposes, the written description of the scope of this investigation is dispositive.

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 level of economic development comparable to that of the PRC; and (3) we have reliable data from India that we can use to value the FOPs. See *Preliminary Determination*. For the final determination, we received and reviewed comments from interested parties; however, we made no changes to our findings with respect to the selection of India as 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 19 CFR 351.107(d).

In the *Preliminary Determination*, we found that Hanhong and Guanhao demonstrated their eligibility for separate-rate status. For the final determination, we continue to find that the evidence placed on the record of this investigation by Hanhong and Guanhao 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. See Comment 7.

Facts Available and the PRC-wide Entity

Sections 776(a)(1) and (2) of the Act provide that the Department shall apply "facts otherwise available" if, *inter alia*, necessary information is not on the record or 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, as provided by section 782(i) of the Act.

Where the Department determines that a response to a request for information does not comply with the request, section 782(d) of the Act provides that the Department will so inform the party submitting the response and will, to the extent practicable, provide that party the opportunity to remedy or explain the deficiency. If the party fails to remedy the deficiency within the applicable time limits, subject to section 782(e) of the Act, the Department may disregard all or part of the original and subsequent responses, as appropriate. 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.

In the *Preliminary Determination*, we determined that two companies, Xiamen Anne Paper Co., Ltd. ("Anne Paper") and Yalong Paper Product (Kunshan) Co., Ltd. ("Yalong"), which did not respond to any of the Department's requests for information, did not cooperate to the best of their ability.⁶ As a result, we determined that they failed to demonstrate that they operate free of government control and that they are entitled to a separate rate.⁷ Thus, we considered Anne Paper and Yalong to be part of the PRC-wide entity. Because the PRC-wide entity, including Anne Paper and Yalong, did not provide any information, we determined that sections 782(d) and (e) of the Act are not relevant to our analysis. Therefore, in the *Preliminary Determination*, we determined that there were exports of the merchandise subject to this investigation from PRC exporters/producers that did not respond to the Department's shipment questionnaire. Because the PRC-wide entity did not cooperate to the best of its ability in responding to our requests for information, we determined that use of facts available pursuant to section 776(a)(2)(A) and (B) of the Act was

warranted for the PRC-wide entity, which includes Anne Paper and Yalong.⁸

Section 776(b) of the Act provides that if an interested party fails to cooperate by not acting to the best of its ability to comply with requests for information, the Department may employ adverse inferences.⁹ We found that, because the PRC-wide entity did not respond to our request for information, it failed to cooperate to the best of its ability. Therefore, in the *Preliminary Determination*, the Department determined that, in selecting from among the facts available, an adverse inference is appropriate. There have been no changes to the information on the record concerning the PRC-wide entity which includes Anne Paper and Yalong. Therefore, we have made no changes in our analysis for the final determination. Consequently, we determine that the use of adverse facts available ("AFA") for the PRC-wide entity, which includes Anne Paper and Yalong, is warranted for the final determination.

Selection of the Adverse Facts Available Rate

In deciding which facts to use as AFA, section 776(b) of the Act and 19 CFR 351.308(c)(1) provide that the Department may rely on information derived from (1) the petition, (2) a final determination in the investigation, (3) any previous review or determination, or (4) any information placed on the record. In selecting a rate for AFA, the Department selects a rate that is sufficiently adverse "as to effectuate the purpose of the facts available rule to induce respondents to provide the Department with complete and accurate information in a timely manner."¹⁰ It is also the Department's practice to select a rate that ensures "that the party does not obtain a more favorable result by failing to cooperate than if it had cooperated fully."¹¹

Generally, the Department finds selecting the highest rate in any segment of the proceeding as AFA to be

⁸ See, e.g., *Final Determination of Sales at Less Than Fair Value: Certain Artist Canvas from the People's Republic of China*, 71 FR 16116 (March 30, 2006) ("Artist Canvas").

⁹ See, e.g., *Artist Canvas*, 71 FR 16116, 16118 (March 30, 2006). See also, Statement of Administrative Action accompanying the URAA, H.R. Rep. No. 103-316 ("SAA") at 870.

¹⁰ See Notice of Final Determination of Sales at Less than Fair Value: Static Random Access Memory Semiconductors From Taiwan, 63 FR 8909, 8932 (February 23, 1998).

¹¹ See *Brake Rotors From the People's Republic of China: Final Results and Partial Rescission of the Seventh Administrative Review; Final Results of the Eleventh New Shipper Review*, 70 FR 69937, 69939 (November 18, 2005); see also, SAA at 870.

appropriate.¹² It is the Department's practice to select, as AFA, the higher of the (a) highest margin alleged in the petition, or (b) the highest calculated rate of any respondent in the investigation.¹³ In the instant investigation, as AFA, we have assigned to the PRC-wide entity, including Anne Paper and Yalong, the highest rate on the record of this proceeding, which in this case is the calculated margin for Hanhong. The Department determines that this information is the most appropriate from the available sources to effectuate the purposes of AFA.

Corroboration

Section 776(c) of the Act provides that, when the Department relies on secondary information rather than on information obtained in the course of an investigation as facts available, it must, to the extent practicable, corroborate that information from independent sources reasonably at its disposal. Secondary information is described as "information derived from the petition that gave rise to the investigation or review, the final determination concerning merchandise subject to this investigation, or any previous review under section 751 concerning the merchandise subject to this investigation."¹⁴ To "corroborate" means simply that the Department will satisfy itself that the secondary information to be used has probative value.¹⁵ Independent sources used to corroborate may include, for example, published price lists, official import statistics and customs data, and information obtained from interested parties during the particular investigation.¹⁶ To corroborate secondary information, the Department will, to the extent practicable, examine

¹² See, e.g., *Certain Cased Pencils from the People's Republic of China; Preliminary Results of Antidumping Duty Administrative Review and Intent to Rescind in Part*, 70 FR 76755, 76761 (December 28, 2005) Unchanged in *Certain Cased Pencils from the People's Republic of China; Final Results and Partial Rescission of Antidumping Duty Administrative Review*, 71 FR 38366, (July 6, 2006), and accompanying *Issues and Decision Memorandum* at Comment 10.

¹³ See *Final Determination of Sales at Less Than Fair Value: Certain Cold-Rolled Carbon Quality Steel Products from the People's Republic of China*, 65 FR 34660 (May 21, 2000), and accompanying *Issues and Decision Memorandum* at "Facts Available."

¹⁴ See *Final Determination of Sales at Less Than Fair Value: Sodium Hexametaphosphate From the People's Republic of China*, 73 FR 6479, 6481 (February 4, 2008); see also, SAA at 870.

¹⁵ See *id.*

¹⁶ See *id.*

⁶ See *Preliminary Determination* at 73 FR 27508.

⁷ See *Preliminary Determination* at 73 FR 27508.

the reliability and relevance of the information used.¹⁷

As we did not rely upon secondary information, no corroboration was required under section 776(c) of the Act; rather we used a rate calculated for a respondent in this investigation as the AFA rate for this investigation. ¹⁸ See the "Final Determination" section of this notice below.

The PRC-wide rate applies to all entries of the merchandise under investigation except for entries from respondents, Hanhong and Guanhao as they have demonstrated eligibility for a separate rate. These companies and their corresponding antidumping duty cash deposit rates are listed below in the "Final Determination" section of this

notice. Accordingly, we find that the rate of xx.xx percent is corroborated within the meaning of section 776(c) of the Act.

Combination Rates

In the *Initiation Notice*, the Department stated that it would calculate combination rates for certain respondents that are eligible for a separate rate in this investigation.¹⁹ This practice is described in the *Separate Rate Policy Bulletin*.²⁰

Adjustment for Export Subsidies

Consistent with our practice, where the product under investigation is also subject to a concurrent countervailing duty investigation, we instruct U.S. Customs and Border Protection ("CBP")

to require a cash deposit or posting of a bond equal to the amount by which the normal value exceeds the EP, less the amount of the countervailing duty determined to constitute an export subsidy. Accordingly, for cash deposit purposes for Guanhao, we will subtract from the antidumping applicable cash deposit rate that portion of the rate attributable to the export subsidies found in the affirmative countervailing duty determination (*i.e.*, 0.13 percent). After the adjustment for the export subsidies, the resulting cash deposit rate will be 19.64 for Guanhao.

Final Determination

The weighted-average dumping margin percentages are as follows:

Exporter/producer combination	Percent margin
Exporter: Shanghai Hanhong Paper Co., Ltd, also known as, Hanhong International Limited	115.29
Producer: Shanghai Hanhong Paper Co., Ltd.	
Exporter: Guangdong Guanhao High-Tech Co., Ltd	19.77
Producer: Guangdong Guanhao High-Tech Co., Ltd.	
PRC-Wide Entity*	115.29

* Includes Anne Paper and Yalong.

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).

Continuation of Suspension of Liquidation

In accordance with section 735(c)(1)(B) of the Act, we are directing CBP to continue to suspend liquidation of all imports of subject merchandise entered or withdrawn from warehouse, for consumption on or after the following dates: (1) For Guanhao and Hanhong, on or after May 13, 2008, the date of publication of the *Preliminary Determination in the Federal Register*, (2) for the PRC-wide entity, on or after May 13, 2008, 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, within 45 days 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. 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: September 25, 2008.

Stephen J. Claeys,
Acting Assistant Secretary for Import Administration.

Appendix I—List of Issues

I. GENERAL ISSUES
Comment 1: Surrogate Country

¹⁷ See *Tapered Roller Bearings and Parts Thereof, Finished and Unfinished, from Japan, and Tapered Roller Bearings, Four Inches or Less in Outside Diameter, and Components Thereof, from Japan; Preliminary Results of Antidumping Duty Administrative Reviews and Partial Termination of Administrative Reviews*, 61 FR 57391, 57392 (November 6, 1996), unchanged in *Tapered Roller Bearings and Parts Thereof, Finished and*

Unfinished, From Japan, and Tapered Roller Bearings, Four Inches or Less in Outside Diameter, and Components Thereof, From Japan; Final Results of Antidumping Duty Administrative Reviews and Termination in Part, 62 FR 11825 (March 13, 1997).

¹⁸ See *Final Determination of Sales at Less Than Fair Value: Sodium Hexametaphosphate From the*

People's Republic of China, 73 FR 6479 (February 4, 2008).

¹⁹ See *Initiation Notice*, 72 FR at 62435.

²⁰ See Memorandum entitled "Separate-Rates Practice and Application of Combination Rates in Antidumping Investigations Involving Non-Market Economy Countries" dated April 5, 2005, available at <http://ia.ita.doc.gov/policy/index.html>.

Comment 2: Financial Statements

Comment 3: Financial Ratios

Comment 4: New NME Wage Rate

Comment 5: Zeroing

Comment 6: Exchange Rates

II. ISSUES SPECIFIC TO GUANHAO

Comment 7: Separate Rate Eligibility

Comment 8: Vertical Integration

Comment 9: Base Paper Surrogate Value

III. ISSUES SPECIFIC TO HANHONG

Comment 10: Coated Jumbo Rolls

Surrogate Value

Comment 11: Invoice Date

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