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**BEFORE THE
INTERNATIONAL TRADE ADMINISTRATION
UNITED STATES DEPARTMENT OF COMMERCE
AND THE UNITED STATES INTERNATIONAL TRADE COMMISSION**

IN THE MATTER OF

**CERTAIN UNCOATED PAPER FROM
AUSTRALIA, BRAZIL, THE PEOPLE'S
REPUBLIC OF CHINA, INDONESIA,
AND PORTUGAL**

**PETITIONS FOR THE IMPOSITION
OF ANTIDUMPING AND
COUNTERVAILING DUTIES**

**VOLUME I: GENERAL
INFORMATION AND INJURY**

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United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union; Domtar Corporation; Finch Paper LLC; P.H. Glatfelter Company; and Packaging Corporation of America

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- Exhibit I-20** “‘Make it Recycled’ partnership will boost recycled paper,” Australia Paper Press Release (Public)

**PETITIONS FOR THE IMPOSITION OF ANTIDUMPING
DUTIES ON IMPORTS OF CERTAIN UNCOATED PAPER FROM
AUSTRALIA, BRAZIL, CHINA, INDONESIA, AND PORTUGAL AND
COUNTERVAILING DUTIES ON IMPORTS FROM CHINA AND INDONESIA**

I. INTRODUCTION

These petitions are filed on behalf of the United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union (“USW”), Domtar Corporation (“Domtar”), Finch Paper LLC (“Finch”), P.H. Glatfelter Company (“Glatfelter”), and Packaging Corporation of America (“PCA”) (“Petitioners”) seeking the imposition of antidumping duties on imports of Certain Uncoated Paper (as defined in the proposed scope of investigations) from Australia, Brazil, China, Indonesia, and Portugal and countervailing duties on imports of Certain Uncoated Paper from China and Indonesia. Petitioners file these petitions before the International Trade Administration of the U.S. Department of Commerce (the “Department”) and the U.S. International Trade Commission (the “ITC” or the “Commission”) on behalf of the domestic industry producing Certain Uncoated Paper, pursuant to Sections 701 and 731 of the Tariff Act of 1930, as amended (“the Act”), 19 U.S.C. §§ 1671 and 1673. These petitions set forth the information reasonably available to Petitioners in support of these allegations.

II. GENERAL INFORMATION

A. The Petitioners

The USW represents workers employed in the U.S. mills of Domtar, Finch, Flambeau River Papers LLC, Georgia-Pacific LLC, International Paper, Glatfelter, PCA, Mohawk Fine Papers, Inc., and Neenah Papers, Inc. that produce Certain Uncoated Paper. The USW, therefore, is an interested party within the meaning of 19 U.S.C. § 1677(9)(D). The mills where USW members are employed are identified in **Exhibit I-1**. As shown in that exhibit, the USW

Business Proprietary Information Has Been Deleted

represents workers employed by nine of the eleven U.S. companies that currently produce Certain Uncoated Paper. Based on the capacity to produce Certain Uncoated Paper at the mills operated by the nine companies where the USW has representation, the USW accounted for approximately 86.66 percent of the domestic industry's capacity in 2013.

Domtar, Finch, Glatfelter, and PCA ("Petitioning Producers") produce Certain Uncoated Paper and are thus interested parties within the meaning of 19 U.S.C. § 1677(9)(C). The addresses and additional contact information for USW, Petitioning Producers, and other U.S. producers of Certain Uncoated Paper are provided in **Exhibit I-2**. As shown in **Exhibit I-3**, Petitioning Producers accounted for [] percent of the domestic industry's U.S. shipments in 2013.

Certain Uncoated Paper includes only unprinted paper that is in finished sheet form (whether cut-size or folio) and that meets the brightness, basis weight, and other physical characteristics provided for in the scope definition.

B. Description Of The Domestic Industry

The domestic industry consists of all U.S. producers of Certain Uncoated Paper, the domestic like product.

C. Degree Of Industry Support For The Petition

Sections 702(c)(4)(A) and 732(c)(4)(A) of the Tariff Act of 1930, as amended (the Act), state that the administering authority shall determine that a petition has been filed by or on behalf of the industry if the domestic producers or workers who support the petition account for (1) at least 25 percent of the total production of the domestic like product and (2) more than 50 percent of the production of the domestic like product produced by that portion of the industry expressing support for, or opposition to, the petition.

Business Proprietary Information Has Been Deleted

Petitioners are filing these petitions on behalf of the domestic industry producing Certain Uncoated Paper. The Department typically determines whether there is sufficient industry support with reference to *production* over a 12-month period. Petitioners are unaware of any reasonably available public data source that reports on U.S. production of Certain Uncoated Paper for the U.S. industry as a whole. Petitioners note that the Department has accepted shipment data in lieu of production data where the petitioners in prior cases were able to establish that shipments were a reasonable proxy for production data to measure industry support.¹ Shipment data for the U.S. industry as a whole is available from public sources for 2013.² In order to determine the extent to which shipment data are a reasonable proxy for production data, Petitioners compared shipment data to production data for the four producers of Certain Uncoated Paper that are Petitioners. During each of the past three calendar years and January–September 2014, the Petitioning Producers' total shipments of Certain Uncoated Paper equaled within [] percent of their total production of Certain Uncoated Paper.³ Because Petitioning Producers' total shipments of Certain Uncoated Paper closely approximate their production of Certain Uncoated Paper, shipments of Certain Uncoated Paper are a reasonable proxy for production.

The domestic industry's U.S. shipments of the domestic like product totaled 4,168,100 short tons in 2013, based on data collected by the American Forest & Paper Association

¹ See, e.g., *Polyethylene Retail Carrier Bags From Indonesia, Taiwan, and the Socialist Republic of Vietnam: Initiation of Antidumping Duty Investigations*, 74 Fed. Reg. 19049, 19050 (April 27, 2009).

² See Exhibit I-3. Such data are not available for calendar year 2014.

³ See **Exhibit I-4**.

Business Proprietary Information Has Been Deleted

(“AF&PA”). The Petitioning Producers accounted for [] percent of the domestic industry’s U.S. shipments in 2013.⁴

In addition, the USW represents workers employed in the mills of the following U.S. producers of Certain Uncoated Paper: Domtar, Finch, Flambeau River Papers LLC, Georgia-Pacific LLC, International Paper, Glatfelter, PCA, Mohawk Fine Papers, Inc., and Neenah Papers, Inc. Thus, the USW represents workers in nine of the eleven U.S. mills that currently produce Certain Uncoated Paper. Petitioners estimate that the USW represents workers in facilities accounting for 86.66 percent of U.S. capacity to produce Certain Uncoated Paper.⁵ Thus, Petitioners represented well over [] percent of the domestic industry’s production in 2013.

D. Previous Requests For Import Relief For The Merchandise

Petitioners have not filed for relief under Section 337 of the Tariff Act of 1930 (19 U.S.C. §§ 1337, 1671a), Sections 201 or 301 of the Trade Act of 1974 (19 U.S.C. §§ 2251, 2411), or Section 232 of the Trade Expansion Act of 1962 (19 U.S.C. § 1862), with respect to Certain Uncoated Paper.

E. Detailed Description Of The Subject Merchandise

1. Physical characteristics, specifications, and uses

Certain Uncoated Paper consists of uncoated paper in the form of finished sheets; weighing at least 40 grams per square meter (“gsm”) but not more than 150 gsm; that either is a white paper with a GE brightness level of 85 or higher or is a colored paper; whether or not

⁴ See Exhibit I-3.

⁵ See Exhibit I-1.

surface-decorated, printed (except as described below), embossed, perforated, or punched; irrespective of the smoothness of the surface; and irrespective of dimensions.

Certain Uncoated Paper produced in the United States is typically uncoated freesheet (“UFS”) paper, that is, paper made primarily with chemical pulp or a combination of chemical and recycled pulp. UFS paper is sometimes known as uncoated woodfree paper (“UWF”). Producers in some other countries, including China and Indonesia, may produce some Certain Uncoated Paper from bleached chemi-thermomechanical pulp (“BCTMP”). BCTMP is considered a groundwood pulp, rather than a chemical pulp. Certain Uncoated Paper produced with BCTMP is indistinguishable from UFS and is substitutable for all the same end uses.

According to RISI, over 95 percent of Certain Uncoated Paper is sheeted by the paper manufacturer. Typically, independent converters only convert sheeter rolls for specialty cut size products such as those with perforations or punched holes or special size folio sheets.⁶ Thus, only a very minor portion of Certain Uncoated Paper is sold in the form of sheeter rolls to independent converters who then convert the paper into finished sheets.

Certain Uncoated Paper is typically (but not exclusively) used for office reprographics (copy and printer paper), books, business forms, instruction manuals, inserts, flyers, brochures, and maps. Certain Uncoated Paper is used in office and home printers/copiers, as well as sheet-fed printing presses, including but not limited to offset presses, digital color presses, color printers, and color copiers.

Certain Uncoated Paper consists of cut-size sheets and folio sheets. Cut-size sheets are produced in the following standard sizes: 8½ x 11 inches (letter size), 8½ x 14 inches (legal

⁶ RISI Global Outlook for Cut Size Uncoated Freesheet Paper Markets, at 25, attached as **Exhibit I-5**.

size), and 11 x 17 inches.⁷ Folio sheets have various dimensions and are larger than cut size sheets. According to the AF&PA, cut-size sheets account for over 90 percent of U.S. shipments of Certain Uncoated Paper. Letter and legal size sheets alone account for over 84 percent of U.S. shipments of Certain Uncoated Paper.⁸

2. U.S. tariff classification numbers

Certain Uncoated Paper enters the United States under the following statistical reporting numbers of the Harmonized Tariff Schedule of the United States (“HTSUS”)⁹:

HTSUS Classification of Certain Uncoated Paper			
HTSUS Number	Dimension	Weight	Other Specifics
4802.56.1000	sheets with one side exceeding 360 mm and the other side exceeding 150 mm in the unfolded state, but not exceeding 435 mm on one side and/or 297 mm on the other side	weighing 40 gsm or more but not more than 150 gsm	writing and cover paper
4802.56.2000			drawing paper
4802.56.3000			India or bible paper
4802.56.4000			other
4802.56.6000	sheets with one side not exceeding 360 mm and/or the other side not exceeding 150 mm	weighing 40 gsm or more but not more than 150 gsm	Basic paper to be sensitized for use in photography

⁷ Outside the United States, where metric measurements are more predominant, typical cut-size sheets are A4 paper (210 x 297 mm, 8.3 x 11.7 inches) and A3 paper (297 x 420 mm, 11.7 x 16.5 inches).

⁸ American Forest & Paper Association, 2013 Uncoated Free Sheet Survey p. 4, provided in Exhibit I-3 (Attachment A).

⁹ Papers classified under HTSUS six-digit categories 4802.56 and 4802.57 are made from pulp that does not contain more than 10 percent mechanical and chemi-mechanical pulp. Papers classified under HTSUS six-digit categories 4802.62 and 4802.69 are made from pulp that contains 10 percent or more mechanical and chemi-mechanical pulp. Substantially all Certain Uncoated Paper enters the United States under HTS categories 4802.56 and 4802.57.

Exhibit I-6 contains the relevant pages from the HTSUS.

4802.56.7020	sheets with one side not exceeding 360 mm and/or the other side not exceeding 150 mm	weighing 40 gsm or more but not more than 150 gsm	Containing by weight 25 percent or more cotton fiber
4802.56.7040	sheets with one side not exceeding 360 mm and/or the other side not exceeding 150 mm	weighing 40 gsm or more but not more than 150 gsm	other
4802.57.1000	sheets with one side exceeding 435 mm and/or the other side exceeding 297 mm	weighing 40 gsm or more but not more than 150 gsm	writing and cover paper
4802.57.2000			drawing paper
4802.57.3000			India or bible paper
4802.57.4000			other
4802.62.1000	sheets with one side exceeding 360 mm and/or the other side exceeding 150 mm in the unfolded state, but not exceeding 435 mm on one side and/or 297 mm on the other side	weighing 40 gsm or more but not more than 150 gsm	writing and cover paper
4802.62.2000			drawing paper
4802.62.3000			other
4802.62.5000	sheets with one side not exceeding 360 mm and/or the other side not exceeding 150 mm	weighing 40 gsm or more but not more than 150 gsm	Basic paper to be sensitized for use in photography
4802.62.6020	sheets with one side not exceeding 360 mm and/or the other side not exceeding 150 mm	weighing 40 gsm or more but not more than 150 gsm	Containing by weight 25 percent or more cotton fiber
4802.62.6040	sheets with one side not exceeding 360 mm and/or the other side not exceeding 150 mm	weighing 40 gsm or more but not more than 150 gsm	other
4802.69.1000	sheets with one side exceeding 435 mm and/or the other side exceeding 297 mm	weighing 40 gsm or more but not more than 150 gsm	writing and cover paper
4802.69.2000			drawing paper
4802.69.3000			other

3. Production methods

Many of the production facilities of the domestic industry are integrated operations which produce both pulp and paper. Sheeting and packaging of the final paper product occurs off-line in separate sheeting facilities which can be located at the paper mill or off site.¹⁰

The manufacturing process begins with the removal of the bark from the hardwood and softwood logs in a debarking machine. The logs are then chipped into small uniformly sized chips in a chipper. The wood chips next undergo a chemical pulping process whereby they are cooked under pressure with water and chemicals in a digester cooking vessel to separate the cellulose fibers from the lignin, the glue that holds the fibers together, and other impurities. The resulting wood pulp is washed and bleached to attain a level of whiteness and brightness required for the grade of paper being produced and then refined to enable the wood fibers to mesh together and to increase their bonding properties. The paper is made from both hardwood pulp and softwood pulp. The short hardwood fibers help to provide a good printing surface, while the longer softwood fibers provide strength to the sheet. Different materials are added to the pulp, including kaolin clay and calcium carbonate for brightness, opacity, and smoothness; dyes for shade control; optical brighteners for whiteness; and sizing agents for moisture control. The exact proportions of these materials are determined by the specifications for the particular type of paper that is being produced. A large volume of water is also added.

At this stage of the manufacturing process, the pulp mixture is 99.5 percent water and is ready to be run continuously through a paper machine. A paper machine has three major parts – the base sheet forming section (the wet end), the press section, and the dryer section. The

¹⁰ Some U.S. producers also repulp recycled paper and use this recycled pulp, solely or in combination with virgin pulp, in the production of some their paper. Other companies may also purchase chemical pulp or bleached chemi-thermomechanical pulp (discussed below) on the open market to supplement their own pulp production.

mixture is pumped out onto a continuously moving wire web that is usually oriented horizontally and which loops around rollers at both ends. As the wire web moves along, water drains through it, the fibers begin to bond, and a sheet (web) of paper begins to form on the wire. The web at this point has an 80 percent water content. The web of paper leaves the moving wire and enters the press section, where steel rollers squeeze more water out of the web, reducing its water content to about 65 percent. The web then proceeds into the dryer section and passes over and under successive steam-heated drying cylinders. This drying process removes most of the remaining water from the web of paper.

At the end of the paper machine, the large reels of paper (known as “parent rolls”) are typically cut to the appropriate width for the sheeters. The various widths of these narrower “sheeter rolls” are dictated by the sheet sizes into which they will be cut in order to minimize waste in the sheeting process. Sheeter rolls typically have diameters of at least 50 inches and widths of 52 to 103 inches, which are efficient sizes for cutting standard 8.5 inch wide letter and legal size sheets. The sheeter rolls are processed on a sheeting and packaging production line, which slits the rolls to the desired width (typically 8.5 inches), cuts the rolls into sheets, performs a quality check on the surface of the paper, removes defective sheets, counts and packages the sheets in ream quantities, places them in cartons, and stacks them on pallets ready for delivery.

4. Proposed scope of investigation

Petitioners propose the following scope for these investigations:

The merchandise covered by this investigation includes certain paper in sheet form that has not been coated on either side; weighing at least 40 grams per square meter but not more than 150 grams per square meter; that either is a white paper with a GE brightness level of 85 or higher or is a colored paper¹¹; whether or

¹¹ One of the key measurements of any grade of paper is brightness. Generally speaking, the brighter the paper the better the contrast between the paper and the ink. Brightness is measured using a GE Reflectance Scale, which measures the reflection of light off a grade of

not surface-decorated, printed (except as described below), embossed, perforated, or punched; irrespective of the smoothness of the surface; and irrespective of dimensions (“Certain Uncoated Paper”).

Certain Uncoated Paper includes (a) uncoated free sheet paper that meets this scope definition; (b) uncoated groundwood paper produced from bleached chemi-thermo-mechanical pulp (“BCTMP”) that meets this scope definition; and (c) any other uncoated paper that meets this scope definition regardless of the type of pulp used to produce the paper.

Specifically excluded from the scope are imports of paper printed with final content of printed text or graphics.

Imports of the subject merchandise are provided for under HTSUS categories 4802.56.1000, 4802.56.2000, 4802.56.3000, 4802.56.4000, 4802.56.6000, 4802.56.7020, 4802.56.7040, 4802.57.1000, 4802.57.2000, 4802.57.3000, and 4802.57.4000. Some imports of subject merchandise may also be classified under 4802.62.1000, 4802.62.2000, 4802.62.3000, 4802.62.5000, 4802.62.6020, 4802.62.6040, 4802.69.1000, 4802.69.2000, and 4802.69.3000. While HTSUS subheadings are provided for convenience and customs purposes, the written description of the scope of the investigations is dispositive.

F. Class Or Kind Of Merchandise And Domestic Like Product

There is a single class or kind of merchandise that consists of Certain Uncoated Paper as defined herein. Pursuant to 19 U.S.C. § 1677(10), the product which is “like, or in the absence of like, most similar in characteristics and uses with the article subject to investigation” is Certain Uncoated Paper. Accordingly, the product that is like the subject merchandise is Certain Uncoated Paper.

paper. One is the lowest reflection, or what would be given to a totally black grade, and 100 is the brightest measured grade. “Colored paper” as used in this scope definition means a paper with a hue other than white that reflects one of the primary colors of magenta, yellow, and cyan (red, yellow, and blue) or a combination of such primary colors.

Business Proprietary Information Has Been Deleted

G. Countries Of Exportation

The countries of origin of the subject imports of Certain Uncoated Paper are Australia, Brazil, China, Indonesia, and Portugal.

Although official import statistics show imports of Certain Uncoated Paper from Hong Kong, there is no known Hong Kong production of paper products, including Certain Uncoated Paper.¹² One Chinese producer, Shandong Chenming Paper Holdings Ltd., has been transshipping subject merchandise through Hong Kong since June 2012. *See* Petition Volume VII, Section 5 (China Antidumping Petition). Thus, all imports reported entered as Hong Kong in origin are believed to originate from China.

H. Producers And Exporters Of Subject Merchandise

The names, addresses, phone numbers, and other available contact information of companies that produce or export subject merchandise are provided in **Exhibit I-7**.¹³

I. Names, Addresses, And Phone Numbers Of Importers Of Subject Merchandise

The names, addresses, phone numbers, and other available contact information of companies that may be U.S. importers of subject merchandise are provided in **Exhibit I-8**.

¹² *See* Volume VII at Exhibit VII-14 ([

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¹³ Petitioners certify that each item of information specified in 19 C.F.R. § 207.11(b)(2) that is not included in these petitions was not reasonably available to Petitioners. *See* 19 C.F.R. § 207.11(3).

J. Proposed Products For Collection Of Pricing Information

Petitioners recommend that the Commission collect product-specific pricing information for the following products in the preliminary investigations:

Product 1 – Uncoated paper, weighing 20 lb. (75 gsm), with dimensions of 8 1/2 x 11 inches, and with GE brightness greater than 90

Product 2 – Uncoated paper, weighing 50 - 60 lb. (74-89 gsm), with dimensions of 23 x 35 inches and with GE brightness greater than 90

Product 3 – Uncoated paper, weighing 50 - 60 lb. (74-89 gsm), with dimensions of 25 x 38 inches and with GE brightness greater than 90

III. THE DOMESTIC LIKE PRODUCT AND INDUSTRY DEFINITIONS

A. The Domestic Like Product Is Certain Uncoated Paper

The domestic like product is defined as the product that is “like, or in the absence of like, most similar in characteristics and uses with the article subject to investigation.” 19 U.S.C. § 1677(10). The Commission should define the domestic like product in these investigations as co-extensive with the scope of investigations.

The starting point for the like product analysis is the scope definition. The domestic like product is the product that is “like, or in the absence of like, most similar in characteristics and uses with, the article subject to an investigation.” This petition defines the scope as:

The merchandise covered by this investigation includes uncoated paper in sheet form; weighing at least 40 grams per square meter but not more than 150 grams per square meter; that either is a white paper with a GE brightness level of 85 or higher or is a colored paper¹⁴; whether or not surface-decorated, printed (except

¹⁴ One of the key measurements of any grade of paper is brightness. Generally speaking, the brighter the paper the better the contrast between the paper and the ink. Brightness is measured using a GE Reflectance Scale, which measures the reflection of light off a grade of paper. One is the lowest reflection, or what would be given to a totally black grade, and 100 is the brightest measured grade. “Colored paper” as used in this scope definition means a paper with a hue other than white that reflects one of the primary colors of magenta, yellow, and cyan (red, yellow, and blue) or a combination of such primary colors.

as described below), embossed, perforated, or punched; irrespective of the smoothness of the surface; and irrespective of dimensions ("Certain Uncoated Paper").

Certain Uncoated Paper includes (a) uncoated free sheet paper that meets this scope definition; (b) uncoated groundwood paper produced from bleached chemi-thermo-mechanical pulp ("BCTMP") that meets this scope definition; and (c) any other uncoated paper that meets this scope definition regardless of the type of pulp used to produce the paper.

Specifically excluded from the scope are imports of paper printed with final content of printed text or graphics.

Imports of the subject merchandise are provided for under HTSUS categories 4802.56.1000, 4802.56.2000, 4802.56.3000, 4802.56.4000, 4802.56.6000, 4802.56.7020, 4802.56.7040, 4802.57.1000, 4802.57.2000, 4802.57.3000, and 4802.57.4000. Some imports of subject merchandise may also be classified under 4802.62.1000, 4802.62.2000, 4802.62.3000, 4802.62.5000, 4802.62.6020, 4802.62.6040, 4802.69.1000, 4802.69.2000, and 4802.69.3000. While HTSUS subheadings are provided for convenience and customs purposes, the written description of the scope of the investigations is dispositive.

Based on the plain language of the scope, the Commission's like product analysis, and prior Commission determinations, the Commission should find that there is a single like product that is co-extensive with the scope and that does not include any other type or form of paper.

1. Physical characteristics and end uses

All Certain Uncoated Paper shares the same physical characteristics and end uses. As described above, Certain Uncoated Paper typically is produced with chemical pulp (sometimes referred to as kraft pulp) or BCTMP (which has many of the physical characteristics as a chemical pulp, but is technically considered a mechanical pulp), and may also be produced with recycled pulp. In the United States, Certain Uncoated Paper typically is made with chemical pulp, which would classify the paper as UFS.

Certain Uncoated Paper is unlike coated paper in terms of physical characteristics and uses. In *Coated Free Sheet Paper*, the Commission found that the coating on coated freesheet paper gives it a better printing surface – in terms of brightness, smoothness, and gloss – than Certain Uncoated Paper.¹⁵ Moreover, for a given basis weight, Certain Uncoated Paper is “bulkier than coated . . . paper, consumes more ink, and has inferior printing surfaces . . . {while coated paper} has higher print performance and fidelity due to superior ink retention (*i.e.*, hold out).”¹⁶

Certain Uncoated Paper also is unlike groundwood paper in terms of physical characteristics and uses. In *Coated Groundwood Paper*, the Commission found groundwood paper and free sheet paper to be distinct in their physical characteristics¹⁷ and uses.¹⁸ In particular, groundwood papers (excluding those produced with BCTMP) are produced with

¹⁵ *Coated Free Sheet Paper from China, Indonesia, and Korea*, Inv. Nos. 701-TA-444-446 (Preliminary) and 731-TA-1107-1109 (Preliminary), USITC Pub. 3900 (Dec. 2006) at 6, I-10-11 (“*Coated Free Sheet Paper from China, Indonesia, and Korea (Preliminary)*”).

¹⁶ *Id.*

¹⁷ *Coated Groundwood Paper From Belgium, Finland, France, Germany, and the United Kingdom*, Inv. Nos. 731-TA-487, -488, -489, -490, -494 (Final), USITC Pub. 2467 (Dec. 1991) at 4, A-4, n.4 (“{T}wo broad categories of printing paper have emerged in recent periods – groundwood paper, with mechanically obtained fibers constituting more than 10 percent of its total fiber weight; and freesheet paper, with mechanically obtained fibers constituting 10 percent or less of its total fiber weight.”) (“*Coated Groundwood Paper From Belgium, Finland, France, Germany, and the United Kingdom (Final)*”).

¹⁸ *Id.* at 4, A-6. The Commission described coated and uncoated free sheet paper as being used “primarily for *more permanent* and high priced publications, such as premium magazines, gift books, and art reproductions” and “finer drawing and handwritten paper, commercial correspondence paper, letterhead, carbonizing base, and wallpaper base,” respectively. *Id.* (emphasis supplied). By contrast, the Commission described coated groundwood paper as being used for “multi-colored publications that commonly *remain in use from several days to a month* – primarily magazines and merchandizing catalogues, but also better quality newspaper inserts, direct mail advertisements, and coupons.” *Id.* (emphasis supplied).

mechanical pulp, which is pulp produced by a mechanical grinding process, in which heat may also be applied. Mechanical pulp content is important because “significant mechanical pulp content causes paper to discolor with age.”¹⁹ In addition, uncoated groundwood paper is generally not sold in sheet form.

Certain Uncoated Paper also is unlike rolls of uncoated paper in terms of physical characteristics and end uses. Certain Uncoated Paper consists of sheets of generally standardized dimensions that are packaged and sold for use in sheet fed printers and copiers. Thus, Certain Uncoated Paper cannot be used in web offset printers. Conversely, rolls of uncoated paper cannot be used in sheet fed printers and copiers without first being converted to finished sheets. Petitioners are not aware of any imports of rolls that are converted into finished sheets meeting the scope definition of Certain Uncoated Paper.

Certain Uncoated Paper with a basis weight within the scope of the petition (*i.e.*, paper weighing at least 40 gsm but not more than 150 gsm) is unlike uncoated paper of less than 40 gsm or more than 150 gsm in terms of physical characteristics and end uses. For example, Certain Uncoated Paper has different weight, stiffness, thickness, opacity, strength (*i.e.*, tensile/tear resistance) than does uncoated paper of less than 40 gsm or more than 150 gsm. In particular, uncoated paper of less than 40 gsm has lower strength and stability than Certain Uncoated Paper; is difficult to sheet; and will not perform in common imaging equipment. Uncoated paper of more than 150 gsm is heavier and stiffer than Certain Uncoated Paper, and is not economical in high volume applications like copying or imaging.

Uncoated paper of less than 40 gsm or more than 150 gsm also has different uses than does Certain Uncoated Paper. In particular, uncoated paper of less than 40 gsm is used for high

¹⁹ *Coated Free Sheet Paper from China, Indonesia, and Korea (Preliminary)* at 6.

page count books (such as bibles and reference books) and certain financial publications and pharmaceutical inserts. Uncoated paper of more than 150 gsm is used for file folders, tag stock, posters, menus, and report covers, among other things.

2. Interchangeability

All Certain Uncoated Paper is generally interchangeable. By contrast, Certain Uncoated Paper is rarely substituted for coated paper because of the unique printing characteristics of each.²⁰ Certain Uncoated Paper also is infrequently substituted for groundwood paper.²¹ According to the Commission in *Certain Groundwood Paper*, “most buyers decide upon the printing effect, both visual and tangible, they wish to achieve and select a paper accordingly. Switching may occur, if another type of paper better suits their needs or constraints, but most publishers – particularly those of recurring products like magazines and catalogues – are neither indifferent nor capricious as to their choice of paper.”²²

Certain Uncoated Paper is not interchangeable with uncoated paper in rolls. Rolls cannot be used in sheet-fed presses and copiers, and Certain Uncoated Paper cannot be used in web presses.

Certain Uncoated Paper also is not interchangeable with uncoated paper of less than 40 gsm or more than 150 gsm. Uncoated paper of less than 40 gsm cannot be interchanged with Certain Uncoated Paper because of the difficulty of running the lighter weight paper through a digital copier or printer and due to the sheet handling and flimsy feel of the lighter weight paper. Uncoated paper of more than 150 gsm is not interchangeable with Certain Uncoated Paper, as the

²⁰ *Id.* at 6, I-12.

²¹ *Coated Groundwood Paper From Belgium, Finland, France, Germany, and the United Kingdom (Final)* at 4, A-9.

²² *Id.*

stiffness of the heavier paper makes it difficult to run through a digital copier or printer. In addition, uncoated paper of more than 150 gsm is sold at a higher price per sheet than Certain Uncoated Paper.

3. Channels of distribution

All Certain Uncoated Paper is sold in the same channels of distribution, specifically to office superstores (such as Office Depot and Staples), club stores (such as Sam's Club, Costco, and BJ's), retailers (such as Wal-Mart, Target, Rite-Aid, Kroger, Walgreen's, CVS, and Best Buy), paper merchants, and end users (such as commercial printers, offices, and schools). Certain Uncoated Paper is marketed under various brands and labels. Certain Uncoated Paper produced by U.S. manufacturers can be sold as private label product which has the customer's brand/label on the box (*e.g.*, Staples, Office Depot, Wal-Mart). Certain Uncoated Paper can be mill branded product which is sold under the brands that are owned and marketed by the manufacturing mills. Certain Uncoated Paper can also be OEM branded, which is a private label brand for an Office Equipment Manufacturer (*e.g.*, Xerox, Canon, HP).

Certain Uncoated Paper and coated paper are both sold through distributors and end users,²³ but coated paper "is sold directly to users such as magazine, catalogue, and book publishers, whereas direct sales of uncoated free sheet often go to envelope and forms converters and office supply stores in addition to book publishers."²⁴

Certain Uncoated Paper is not sold in the same channels of distribution as uncoated groundwood paper, which is sold primarily to newspaper printers and publishers.

²³ *Coated Free Sheet Paper from China, Indonesia, and Korea (Preliminary)* at 6.

²⁴ *Id.* at I-13.

Certain Uncoated Paper is sold in different channels of distribution than uncoated rolls. Web rolls frequently are sold to publishers or advertisers, who contract with printers for printing jobs. Web rolls are typically produced in smaller runs to customers' specification and are not held in inventory. By contrast, Certain Uncoated Paper is a standard commodity product that is not produced to order, is sold in large volumes to office supply stores, retailers, and paper merchants, and is frequently held in inventory.

Finally, Certain Uncoated Paper is sold through different channels of distribution than uncoated paper of less than 40 gsm or more than 150 gsm. As described above, Certain Uncoated Paper is sold through office superstores, club stores, retailers, and paper merchants. Uncoated paper of less than 40 gsm is sold through paper merchants or brokers or directly to paper converters to print, coat, or otherwise convert the paper into office products, but the purchasers are a small group of specialized printers. Uncoated paper of more than 150 gsm is primarily sold in smaller volumes through paper merchants; there are few direct sales to printers or other users.

4. Customer and producer perceptions

All Certain Uncoated Paper shares the same customer and producer perceptions. By contrast, customers and producers view Certain Uncoated Paper as distinct from coated paper. As pointed out by the Commission in *Coated Free Sheet Paper*, "the general perception is that {coated free sheet paper} is a superior product {to uncoated free sheet paper} because it prints better than uncoated free sheet {paper}."²⁵

Customers and producers also view Certain Uncoated Paper as different from groundwood paper. As described above, Certain Uncoated Paper is made by a chemical pulping

²⁵ *Coated Free Sheet Paper from China, Indonesia, and Korea (Preliminary)* at I-12.