

FACT SHEET

Commerce Initiates Countervailing Duty Investigation on Coated Free Sheet Paper from the People's Republic of China

- On November 21, the Department of Commerce (Department) announced its decision to initiate a countervailing duty (CVD) investigation on imports of coated free sheet paper from China.
- This is the first CVD petition against China since 1991, when the Department initiated investigations on lugnuts and ceiling fans. The initiation of this investigation will require the Department to review its long-standing policy of not applying the CVD law to non-market economies (NMEs). However, we have not at this time made any determination regarding the applicability of CVD law to NMEs in our initiation. We will make this determination in the context of the investigation.
- 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 (hereinafter "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

- The U.S. International Trade Commission (ITC) is scheduled to make its preliminary injury determination on or about December 15, 2006.
- If the ITC determines that there is a reasonable indication that imports from China are materially injuring, or threatening material injury to, the domestic industry, the investigation will continue, and the Department will be scheduled to make its preliminary countervailing duty determination in January 2007.

Estimated Countervailable Subsidy Rate:

COUNTRY	SUBSIDY RATE
China	<i>Above de minimis*</i>

* *de minimis* = less than 1% for developed countries; less than 2% for developing countries.

Case Calendar:

EVENT	DATE
Petition Filed	October 31, 2006
DOC Initiation Date	November 20, 2006
ITC Preliminary Determination	December 15, 2006
DOC Preliminary Determination*	January 24, 2007
DOC Final Determination*	April 9, 2007
ITC Final Determination**	August 7, 2007
Issuance of Order***	August 14, 2007

* These deadlines 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	2003	2004	2005
Volume (kilograms)	49,576,970	29,281,506	99,181,692
Value (\$US)	\$37,026,173	\$21,499,613	\$80,876,145

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)