

## SUPPLEMENTARY INFORMATION:

## Background

On February 1, 2006, the Department of Commerce ("the Department") published the initiation of the administrative review of the antidumping duty order on honey from the People's Republic of China ("PRC"). See *Notice of Initiation of Antidumping and Countervailing Duty Administrative Reviews and Request for Revocation in Part*, 71 FR 5241 (February 1, 2006). This review covers the period December 1, 2004, through November 30, 2005. The preliminary results of review are currently due no later than September 5, 2006.

## Extension of Time Limit for Preliminary Results of Review

Pursuant to section 751(a)(3)(A) of the Tariff Act of 1930, as amended ("the Act"), the Department shall make a preliminary determination in an administrative review of an antidumping duty order within 245 days after the last day of the anniversary month of the date of publication of the order. The Act further provides that the Department may extend that 245-day period to 365 days if it determines it is not practicable to complete the review within the foregoing time period. See Section 751(a)(3)(A) of the Act.

Completion of the preliminary results within the 245-day period is not practicable because of the Department's verification schedule of the companies involved in this administrative review. It is also more practicable to align this administrative review with an ongoing new shipper review of honey from PRC. See *Honey from the People's Republic of China: Notice of Extension of Time Limit for the Preliminary Results of New Shipper Review*, 71 FR 37904 (July 3, 2006). Therefore, in accordance with section 751(a)(3)(A) of the Act, the Department is extending the time period for completion of the preliminary results of this review by 80 days until November 21, 2006.

This notice is published in accordance with sections 751(a)(3)(A) and 777(i) of the Act.

Dated: August 9, 2006.

**Stephen J. Claeyes,**

*Deputy Assistant Secretary for Import Administration.*

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## DEPARTMENT OF COMMERCE

## International Trade Administration

(A-560-818)

**Notice of Final Determination of Sales at Less Than Fair Value and Affirmative Final Determination of Critical Circumstances: Certain Lined Paper Products from Indonesia**

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

**SUMMARY:** We determine that imports of certain lined paper products ("CLPP") are being, or are likely to be, sold in the United States at less than fair value ("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 "Continuation of Suspension of Liquidation" section of this notice. Moreover, we determine that critical circumstances exist with respect to PT. Pabrik Kertas Tjiwi Kimia Tbk ("TK"), but not with respect to all other Indonesian producer/exporters of CLPP from Indonesia. See the "Critical Circumstances" section below.

**EFFECTIVE DATE:** August 16, 2006.

**FOR FURTHER INFORMATION CONTACT:**

Brandon Farlander or Damian Felton, AD/CVD Operations, Office 1, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-0182 or (202) 482-0133, respectively.

**SUPPLEMENTARY INFORMATION:**

**The Applicable Statute and Regulations**

Unless otherwise indicated, all citations to the statute are references to the provisions as provided in section 735 of the Tariff Act of 1930, as amended ("the Act"). In addition, unless otherwise indicated, all citations to Department of Commerce ("the Department") regulations refer to the regulations codified at 19 CFR part 351 (2004).

**Case History**

The preliminary determination in this investigation was published on March 27, 2006. See *Notice of Preliminary Determination of Sales at Less Than Fair Value: Certain Lined Paper Products from Indonesia*, 71 FR 15162 (March 27, 2006) ("Preliminary Determination"). Since the publication of the *Preliminary Determination*, the following events have occurred.

On March 27, 2006, the respondent, TK submitted a letter alleging ministerial errors in the *Preliminary*

*Determination*. On April 20, 2006, the Department issued a memorandum extending the deadline for case briefs, hearing request, and rebuttal briefs from April 26, 2006, and May 1, 2006, respectively, to May 1, 2006 (by noon), and May 8, 2006, respectively. On April 21, 2006, petitioner<sup>1</sup> filed a letter responding to TK's ministerial errors letter. Also on April 21, 2006, the Department issued a memorandum finding that TK's March 27, 2006 allegation did not constitute a ministerial error.

On April 24, 2006, TK requested that the Department postpone the final determination for sixty days. On April 26, 2006, the Department issued a letter responding to letters submitted by TK to the Department on March 22 and 27, 2006. The Department informed TK that the Department remained confident in the integrity of the administrative protective order ("APO") procedures. On May 1, 2006, TK submitted its case brief and submitted a request for a hearing. Also on May 1, 2006, the Department issued a memorandum describing the Assistant Secretary for Import Administration's tour of a petitioner's facility. On May 5, 2006, TK submitted a letter stating its dissatisfaction with the Department's April 26, 2006, letter.

On May 8, 2006 (officially received on May 9, 2006), petitioner submitted the final business proprietary version of the rebuttal brief for the antidumping duty investigation. On May 9, 2006, the Department issued a memorandum describing an *ex parte* meeting between the Assistant Secretary for Import Administration and the Government of Indonesia ("GOI") and TK for both the antidumping and countervailing duty investigations. Also on May 9, 2006, TK withdrew its May 1, 2006, request for a hearing in the antidumping duty investigation. Finally, on May 9, 2006, the Department published notification of the postponement of the final determination until no later than 135 days after the publication of the *Preliminary Determination*, (i.e., August 9, 2006).

**Period of Investigation**

The period of investigation ("POI") is July 1, 2004, through June 30, 2005.

**Scope of Investigation**

The scope of this investigation includes certain lined paper products, typically school supplies (for purposes

<sup>1</sup> The petitioner in this investigation is the Association of American School Paper Suppliers and its individual members (MeadWestvaco Corporation; Norcom, Inc.; and Top Flight, Inc.) ("petitioner").

of this scope definition, the actual use of or labeling these products as school supplies or non-school supplies is not a defining characteristic) composed of or including paper that incorporates straight horizontal and/or vertical lines on ten or more paper sheets (there shall be no minimum page requirement for looseleaf filler paper) including but not limited to such products as single- and multi-subject notebooks, composition books, wireless notebooks, looseleaf or glued filler paper, graph paper, and laboratory notebooks, and with the smaller dimension of the paper measuring 6 inches to 15 inches (inclusive) and the larger dimension of the paper measuring 8-3/4 inches to 15 inches (inclusive). Page dimensions are measured size (not advertised, stated, or "tear-out" size), and are measured as they appear in the product (*i.e.*, stitched and folded pages in a notebook are measured by the size of the page as it appears in the notebook page, not the size of the unfolded paper). However, for measurement purposes, pages with tapered or rounded edges shall be measured at their longest and widest points. Subject lined paper products may be loose, packaged or bound using any binding method (other than case bound through the inclusion of binders board, a spine strip, and cover wrap). Subject merchandise may or may not contain any combination of a front cover, a rear cover, and/or backing of any composition, regardless of the inclusion of images or graphics on the cover, backing, or paper. Subject merchandise is within the scope of this investigation whether or not the lined paper and/or cover are hole punched, drilled, perforated, and/or reinforced. Subject merchandise may contain accessory or informational items including but not limited to pockets, tabs, dividers, closure devices, index cards, stencils, protractors, writing implements, reference materials such as mathematical tables, or printed items such as sticker sheets or miniature calendars, if such items are physically incorporated, included with, or attached to the product, cover and/or backing thereto.

Specifically excluded from the scope of this investigation are:

- unlined copy machine paper;
- writing pads with a backing (including but not limited to products commonly known as "tablets," "note pads," "legal pads," and "quadrille pads"), provided that they do not have a front cover (whether permanent or removable). This exclusion does not apply to such writing pads if they consist of hole-punched or drilled filler paper;

- three-ring or multiple-ring binders, or notebook organizers incorporating such a ring binder provided that they do not include subject paper;
- index cards;
- printed books and other books that are case bound through the inclusion of binders board, a spine strip, and cover wrap;
- newspapers;
- pictures and photographs;
- desk and wall calendars and organizers (including but not limited to such products generally known as "office planners," "time books," and "appointment books");
- telephone logs;
- address books;
- columnar pads & tablets, with or without covers, primarily suited for the recording of written numerical business data;
- lined business or office forms, including but not limited to: preprinted business forms, lined invoice pads and paper, mailing and address labels, manifests, and shipping log books;
- lined continuous computer paper;
- boxed or packaged writing stationery (including but not limited to products commonly known as "fine business paper," "parchment paper," and "letterhead"), whether or not containing a lined header or decorative lines;
- Stenographic pads ("steno pads"), Gregg ruled ("Gregg ruling" consists of a single- or double-margin vertical ruling line down the center of the page. For a six-inch by nine-inch stenographic pad, the ruling would be located approximately three inches from the left of the book.), measuring 6 inches by 9 inches;

Also excluded from the scope of this investigation are the following trademarked products:

- Fly™ lined paper products: A notebook, notebook organizer, loose or glued note paper, with papers that are printed with infrared reflective inks and readable only by a Fly™ pen-top computer. The product must bear the valid trademark Fly™ (products found to be bearing an invalidly licensed or used trademark are not excluded from the scope).
- Zwipes™: A notebook or notebook organizer made with a blended polyolefin writing surface as the cover and pocket surfaces of the notebook, suitable for writing using a specially-developed permanent marker and erase system (known as a Zwipes™ pen). This system allows the marker portion to mark the writing surface with a permanent ink. The eraser portion of the marker dispenses a solvent capable of solubilizing the permanent ink allowing the ink to be removed. The product

must bear the valid trademark Zwipes™ (products found to be bearing an invalidly licensed or used trademark are not excluded from the scope).

- FiveStar® Advance™: A notebook or notebook organizer bound by a continuous spiral, or helical, wire and with plastic front and rear covers made of a blended polyolefin plastic material joined by 300 denier polyester, coated on the backside with PVC (poly vinyl chloride) coating, and extending the entire length of the spiral or helical wire. The polyolefin plastic covers are of specific thickness; front cover is .019 inches (within normal manufacturing tolerances) and rear cover is .028 inches (within normal manufacturing tolerances). Integral with the stitching that attaches the polyester spine covering, is captured both ends of a 1" wide elastic fabric band. This band is located 2-3/8" from the top of the front plastic cover and provides pen or pencil storage. Both ends of the spiral wire are cut and then bent backwards to overlap with the previous coil but specifically outside the coil diameter but inside the polyester covering. During construction, the polyester covering is sewn to the front and rear covers face to face (outside to outside) so that when the book is closed, the stitching is concealed from the outside. Both free ends (the ends not sewn to the cover and back) are stitched with a turned edge construction. The flexible polyester material forms a covering over the spiral wire to protect it and provide a comfortable grip on the product. The product must bear the valid trademarks FiveStar® Advance™ (products found to be bearing an invalidly licensed or used trademark are not excluded from the scope).

- FiveStar Flex™: A notebook, a notebook organizer, or binder with plastic polyolefin front and rear covers joined by 300 denier polyester spine cover extending the entire length of the spine and bound by a 3-ring plastic fixture. The polyolefin plastic covers are of a specific thickness; front cover is .019 inches (within normal manufacturing tolerances) and rear cover is .028 inches (within normal manufacturing tolerances). During construction, the polyester covering is sewn to the front cover face to face (outside to outside) so that when the book is closed, the stitching is concealed from the outside. During construction, the polyester cover is sewn to the back cover with the outside of the polyester spine cover to the inside back cover. Both free ends (the ends not sewn to the cover and back) are stitched with a turned edge construction. Each

ring within the fixture is comprised of a flexible strap portion that snaps into a stationary post which forms a closed binding ring. The ring fixture is riveted with six metal rivets and sewn to the back plastic cover and is specifically positioned on the outside back cover. The product must bear the valid trademark FiveStar Flex™ (products found to be bearing an invalidly licensed or used trademark are not excluded from the scope).

Merchandise subject to this investigation is typically imported under headings 4820.10.2010, 4820.102020, 4820.10.2050, 4810.22.5044, 4811.90.9090 of the Harmonized Tariff Schedule of the United States ("HTSUS"). The tariff classifications are provided for convenience and customs purposes; however, the written description of the scope of the investigation is dispositive.

#### Scope Comments

Prior to the *Preliminary Determination*, Continental Accessory Corporation requested that "fashion stationery," a niche lined paper product, be excluded from the scope of the investigation. We preliminarily found that "fashion notebooks" fell within the scope of this investigation. Because we have received no further scope comments in this proceeding, we are making a final determination that "fashion notebooks" fall within the scope of this investigation. Our analysis has not changed since our *Preliminary Determination*.

#### Facts Available

As stated in the *Preliminary Determination*, section 776(a)(2) of the Act provides that, when a respondent withholds information requested by the Department, fails to provide such information by the deadlines requested, impedes the proceeding, or submits unverifiable information, the Department shall use, subject to section 782(d) of the Act, facts otherwise available in reaching the applicable determination. TK withheld information that was requested by the Department, thereby significantly impeding the proceeding. Further, the information that was provided could not be verified, as required by section 782(i) of the Act because TK withdrew from active participation in the review. TK's withdrawal from active participation in the proceeding precluded the Department from verifying TK's information. The Department warned TK of the consequences for failure to respond. See Withdrawal Conversation Memorandum; and see second supplemental questionnaire for Section

D (January 26, 2006), and third supplemental questionnaire on sections A–C (February 3, 2006). Because the Department was unable to verify TK's information, we cannot use TK's response to calculate a margin. Accordingly, the Department is forced to utilize facts otherwise available. See Issues and Decision Memorandum for the Final Results of Sales at Less Than Fair Value and Affirmative Final Determination of Critical Circumstances: Certain Lined Paper Products from Indonesia; from Stephen J. Claeys, to Joseph A. Spetrini, at Comment 1 (August 9, 2006) ("Issues and Decision Memo").

#### Application of Adverse Inferences for Facts Available

The use of an adverse inference pursuant to section 776(b) is warranted in this investigation because TK has not cooperated to the best of its ability as it willfully chose not to respond to the Department's supplemental questionnaires and withdrew from active participation in the investigation. The statute authorizes the Department to use adverse inferences when the Department "finds that an interested party has failed to cooperate by not acting to the best of its ability to comply with a request for information." See section 776(c) of the Act. Here, TK failed to cooperate to the best of its ability to comply with the Department's January 2006, and February 2006 requests for information. Moreover, TK's withdrawal from active participation in the proceeding precluded the Department from verifying TK's information. Accordingly, the Department is justified in utilizing an adverse inference in this proceeding.

We have assigned TK the highest margin stated in the notice of initiation. See *Initiation of Antidumping Duty Investigation: Certain Lined Paper Products from Indonesia*, 70 FR 58374 (October 6, 2005) ("Initiation Notice"). A complete explanation of the selection, corroboration, and application of adverse facts available can be found in the *Preliminary Determination*. See *Preliminary Determination*, 71 FR at 15164–66.

Since the publication of the *Preliminary Determination*, interested parties have commented on our application of adverse facts available with respect to the LTFV determination. All AFA issues raised in the case and rebuttal briefs by parties to this investigation are addressed in the Issues and Decision Memorandum, which is hereby adopted by this notice. A list of the issues which parties raised and to which we respond in the Issues and

Decision Memo is attached to this notice as an Appendix. The Decision Memo is a public document and is on file in the Central Records Unit, Main Commerce Building, Room B–099, and is accessible on the Web at <http://ia.ita.doc.gov/frn/index/html>. Accordingly, for the final determination, we continue to use the highest margin stated in *Initiation Notice* for TK. The "All Others" rate remains unchanged as well. See Decision Memo at Comments 1–11.

#### Final Critical Circumstances Determination

On November 28, 2005, the petitioner in this investigation submitted an allegation of critical circumstances with respect to imports of CLPP from Indonesia. On March 27, 2006, the Department published its *Preliminary Determination* that it had reason to believe or suspect critical circumstances exist with respect to imports of CLPP from Indonesia. See *Preliminary Determination*, 71 FR at 15166–67. We now find that critical circumstances exist for imports of CLPP from Indonesia. See Issues and Decision Memo at Comment 12.

#### 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 entries of subject merchandise from Indonesia, that are entered, or withdrawn from warehouse, for consumption on or after the date of publication of the *Preliminary Determination* for "all other" Indonesian exporters. For PT. Pabrik Kertas Tjiwi Kimia Tbk, the Department will direct CBP to continue to suspend liquidation of all entries of subject merchandise that are entered, or withdrawn from warehouse, on or after 90 days before the date of publication of the *Preliminary Determination*. CBP shall continue to require a cash deposit or posting of a bond equal to the estimated amount by which the normal value exceeds the U.S. price as shown below. These suspension of liquidation instructions will remain in effect until further notice.

We determine that the following dumping margins exist for the POI:

Manufacturer or Exporter	Margin (percent)
PT. Pabrik Kertas Tjiwi Kimia Tbk .....	118.63
All Others .....	97.85

## International Trade Commission Notification

In accordance with section 735(d) of the Act, we have notified the International Trade Commission ("ITC") of our determination. The ITC will determine, within 45 days, whether imports of subject merchandise from Indonesia are causing material injury, or threaten material injury, to an industry in the United States. If the ITC determines that material injury or threat of injury does not exist, this 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 officials 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.

This notice also serves as a reminder to parties subject to APO of their responsibility concerning the disposition of proprietary information disclosed under APO in accordance with 19 CFR 351.305. Timely notification of return/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 is issued and published in accordance with sections 735(d) and 777(i)(1) of the Act.

Dated: August 9, 2006.

**Joseph A Spetrini,**

*Acting Assistant Secretary for Import Administration.*

[FR Doc. E6-13470 Filed 8-15-06; 8:45 am]

**BILLING CODE 3510-DS-S**

## DEPARTMENT OF COMMERCE

### International Trade Administration (C-560-819)

#### Final Affirmative Countervailing Duty Determination and Final Negative Critical Circumstances Determination: Certain Lined Paper Products from Indonesia

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

**SUMMARY:** The Department of Commerce (Department) has made a final determination that countervailable subsidies are being provided to producers and exporters of certain lined paper products (CLPP) from Indonesia. For information on the estimated countervailing duty rates, please see the

"Suspension of Liquidation" section, below.

**EFFECTIVE DATE:** August 16, 2006.

**FOR FURTHER INFORMATION CONTACT:** David Layton or David Neubacher, AD/CVD Operations, Office 1, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-0371 or (202) 482-5823, respectively.

#### SUPPLEMENTARY INFORMATION:

##### Petitioner

The petitioner in this investigation is the Association of American School Paper Suppliers and its individual members (MeadWestvaco Corporation; Norcom, Inc.; and Top Flight, Inc.) (petitioner).

##### Period of Investigation

The period for which we are measuring subsidies, or period of investigation, is January 1, 2004 through December 31, 2004.

##### Case History

The following events have occurred since the announcement of the preliminary determination on February 7, 2006, and subsequent publication in the **Federal Register** on February 13, 2006. See *Notice of Preliminary Affirmative Countervailing Duty Determination: Certain Lined Paper Products from Indonesia*, 71 FR 7524 (February 13, 2006) (*Preliminary Determination*).

Prior to the *Preliminary Determination*, the petitioner submitted comments alleging that the Government of Indonesia (GOI) provided partial forgiveness of the debt owed by the Sinar Mas Group (SMG)/Asia Pulp & Paper (APP) to the Indonesian Bank Restructuring Agency (IBRA) and entrusted and directed creditors of APP to agree to a Master Restructuring Agreement (MRA), which resulted in preferential repayment terms and possible debt forgiveness. The Department did not include these alleged subsidies in its investigation. See Memorandum to Stephen J. Claeys, Deputy Assistant Secretary for Import Administration, entitled *New Subsidy Allegation*, dated February 10, 2006, which is on file in the Department's Central Records Unit in Room B-099 of the main Department building (CRU).

Also on February 10, 2006,<sup>1</sup> PT. Pabrik Kertas Tjiwi Kimia Tbk (TK) submitted comments on the

Department's release of proprietary information to the counsel of an ineligible interested party and TK withdrew from the investigation as an active participant, but reserved its right as an interested party<sup>2</sup> to participate in briefings or hearings. The Department spoke with TK's counsel and confirmed the company would not answer further questionnaires and did not expect verification of its information on the record.<sup>3</sup> Following TK's withdrawal from the investigation, TK and the GOI submitted further comments on the record concerning the Department's APO procedures. The petitioner submitted comments on TK's and the GOI's filings on April 21, 2006. We addressed TK's and the GOI's concerns in a letter to the parties on April 26, 2006.<sup>4</sup>

On February 15, 2006, TK submitted ministerial error allegations relating to the *Preliminary Determination*. We addressed these ministerial error allegations in an March 8, 2006 memorandum to Stephen J. Claeys, Deputy Assistant Secretary for Import Administration, entitled *Ministerial Error Allegations*, which is on file in the CRU.

We issued a supplemental questionnaire to the GOI on February 16, 2006. On February 24, 2006,<sup>5</sup> the GOI submitted a letter to the Department in which it stated that it would not provide a response to the Department's questionnaire. The GOI reiterated TK's concerns over the Department's APO procedures (*see above*) and stated that the GOI would not respond to any request from the Department that would involve the release of proprietary information. However, the GOI did state that it would respond to any requests by the Department for "understanding Indonesian government laws and regulations and policies on the broader

<sup>2</sup> Upon learning of this possibility, we immediately contacted counsel for the company to determine its status on the case. The law firm promptly withdrew its application under the Administrative Protective Order (APO) in the cases involving Indonesia and certified destruction of all APO material it had received related to the Indonesia cases. This was done before February 10, 2006. The respondents did not express concern about any other party with APO access.

<sup>3</sup> See Memorandum from Susan Kubbach, Director, to the File regarding Conversation with Counsel for PT. Pabrik Kertas Tjiwi Kimia Tbk.: Respondent's Withdrawal from Active Participation (March 17, 2006, replacing memo placed on the record on February 17, 2006).

<sup>4</sup> See Letter from Stephen J. Claeys, Deputy Assistant Secretary for Import Administration to Claire Reade, Arnold & Porter LLP regarding Countervailing Duty Investigation: Certain Lined Paper Products from Indonesia (April 26, 2006).

<sup>5</sup> Per the Department's request, the submission was refiled on March 27, 2006.

<sup>1</sup> Per the Department's request, the submission was refiled on March 22, 2006.