

within five days after the time limit for filing case briefs.<sup>10</sup> Rebuttal briefs must be limited to issues raised in the case briefs.<sup>11</sup> Parties who submit case or rebuttal briefs are requested to submit with the argument: (1) A statement of the issue; (2) a brief summary of the argument; and (3) a table of authorities.<sup>12</sup>

Interested parties who wish to request a hearing must do so within 30 days of publication of these preliminary results by submitting a written request to the Assistant Secretary for Enforcement and Compliance, U.S. Department of Commerce, using Enforcement and Compliance's ACCESS system.<sup>13</sup> Requests should contain the party's name, address, and telephone number, the number of participants, and a list of the issues to be discussed. If a request for a hearing is made, we will inform parties of the scheduled date for the hearing which will be held at the U.S. Department of Commerce, 1401 Constitution Avenue NW, Washington, DC 20230, at a time and location to be determined.<sup>14</sup> Parties should confirm by telephone the date, time, and location of the hearing. Issues addressed at the hearing will be limited to those raised in the briefs.<sup>15</sup> All briefs and hearing requests must be filed electronically and received successfully in their entirety through ACCESS by 5:00 p.m. Eastern Time on the due date.

Unless the deadline is extended, pursuant to section 751(a)(3)(A) of the Act, we intend to issue the final results of this administrative review, including the results of our analysis of the issues raised by the parties in their comments, within 120 days after issuance of these preliminary results.

#### Assessment Rates and Cash Deposit Requirement

In accordance with 19 CFR 351.221(b)(4)(i), we preliminarily assigned subsidy rates in the amounts shown above for the producers/exporters shown above. Upon issuance of the final results, Commerce shall determine, and U.S. Customs and Border Protection (CBP) shall assess, CVDs on all appropriate entries covered by this review. We intend to issue instructions to CBP 15 days after publication of the final results of review. For companies for which this review is rescinded, Commerce will instruct CBP to assess countervailing

duties on all appropriate entries at a rate equal to the cash deposit of estimated countervailing duties required at the time of entry, or withdrawal from warehouse, for consumption, during the period January 1, 2017 through December 31, 2017, in accordance with 19 CFR 351.212(c)(1)(i). Commerce intends to issue appropriate assessment instructions directly to CBP 15 days after publication of this notice.

Pursuant to section 751(a)(2)(C) of the Act, Commerce also intends to instruct CBP to collect cash deposits of estimated CVDs, in the amounts shown above for each of the respective companies shown above, on shipments of subject merchandise entered, or withdrawn from warehouse, for consumption on or after the date of publication of the final results of this review. For all non-reviewed firms, we will instruct CBP to continue to collect cash deposits at the most-recent company-specific or all-others rate applicable to the company, as appropriate. These cash deposit requirements, when imposed, shall remain in effect until further notice.

These preliminary results are issued and published in accordance with sections 751(a)(1) and 777(i)(1) of the Act, and 19 CFR 351.221(b)(4).

Dated: October 10, 2019.

**Jeffrey I. Kessler,**

*Assistant Secretary for Enforcement and Compliance.*

#### Appendix I

##### List of Topics Discussed in the Preliminary Decision Memorandum

- I. Summary
- II. Background
- III. Partial Rescission of Review
- IV. Non-Selected Companies Under Review
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- X. Analysis of Programs
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#### Appendix II

##### Non-Selected Companies Under Review

1. Anhui Jichi Tire Co., Ltd.
2. Bridgestone (Tianjin) Tire Co., Ltd.
3. Bridgestone Corporation.
4. Dynamic Tire Corp.
5. Fleming Limited.
6. Hankook Tire China Co., Ltd.
7. Haohua Orient International Trade Ltd.
8. Husky Tire Corp.
9. Jiangsu Hankook Tire Co., Ltd.
10. Macho Tire Corporation Limited.
11. Mayrun Tyre (Hong Kong) Limited.
12. Qingdao Fullrun Tyre Corp., Ltd.
13. Qingdao Lakesea Tyre Co., Ltd.

14. Qingdao Sunfulcess Trye Co., Ltd.
15. Riversun Industry Limited.
16. Safe & Well (HK) International Trading Limited.
17. Sailun Jinyu Group Co., Ltd.
18. Sailun Jinyu Group (Hong Kong) Co., Limited.
19. Sailun Tire International Corp.
20. Seatex International Inc.
21. Seatex PTE. Ltd.
22. Shandong Achi Tyres Co., Ltd.
23. Shandong Anchi Tyres Co., Ltd.
24. Shandong Duratti Rubber Corporation Co., Ltd.
25. Shandong Haohua Tire Co., Ltd.
26. Shandong Hengyu Science & Technology Co., Ltd.
27. Shandong Jinyu Industrial Co., Ltd.
28. Shandong Province Sanli Tire Manufactured Co., Ltd.
29. Shandong Wanda Boto Tyre Co., Ltd.
30. Triangle Tyre Co., Ltd.
31. Tyrechamp Group Co., Limited.
32. Windforce Tyre Co., Limited.
33. Winrun Tyre Co., Ltd.

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## DEPARTMENT OF COMMERCE

### International Trade Administration

[A-602-807; A-351-842; A-570-022; C-570-023; A-560-828; C-560-829]

#### Certain Uncoated Paper Products From Australia, Brazil, the People's Republic of China, and Indonesia: Initiation of Anti-Circumvention Inquiry of Antidumping and Countervailing Duty Orders

**AGENCY:** Enforcement and Compliance, International Trade Administration, Department of Commerce.

**SUMMARY:** In response to requests from Domtar Corporation; Packaging Corporation of America; North Pacific Paper Company; Finch Paper LLC; United Steel, Paper, and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union (collectively, the petitioners), the U.S. Department of Commerce (Commerce) is initiating an anti-circumvention inquiry. In this inquiry, Commerce intends to determine whether certain imports of sheeter rolls of uncoated paper exported from Australia, Brazil, the People's Republic of China (China), and Indonesia, and completed by conversion into sheets of paper in the United States, are circumventing the antidumping and countervailing duty orders on certain uncoated paper sheets. Commerce declines to initiate an anti-circumvention inquiry on Portugal at this time.

**DATES:** Applicable October 18, 2019.

<sup>10</sup> See 19 CFR 351.309(c)(1)(ii) and 351.309(d)(1).

<sup>11</sup> See 19 CFR 351.309(d)(2).

<sup>12</sup> See 19 CFR 351.309(c)(2) and (d)(2).

<sup>13</sup> See 19 CFR 351.310(c).

<sup>14</sup> See 19 CFR 351.310.

<sup>15</sup> See 19 CFR 351.310(c).

**FOR FURTHER INFORMATION CONTACT:**

Genevieve Coen, AD/CVD Operations, Enforcement and Compliance, U.S. Department of Commerce, 1401 Constitution Avenue NW, Washington, DC 20230; telephone: (202) 482-3251.

**SUPPLEMENTARY INFORMATION:****Background**

Antidumping duty orders on certain uncoated paper (uncoated paper) from Australia, Brazil, China, Indonesia, and Portugal, and countervailing duty orders on uncoated paper from China and Indonesia (collectively, the *Orders*), were published on March 3, 2016.<sup>1</sup> On September 1, 2017, Commerce issued the affirmative final determination in a prior anti-circumvention inquiry, finding that imports into the United States of uncoated paper with a GE brightness of 83 +/- 1 percent and otherwise meeting the description of in-scope merchandise are covered by the *Orders*.<sup>2</sup>

On August 2, 2019, pursuant to section 781(a) of the Tariff Act of 1930, as amended (the Act) and 19 CFR 351.225(c)(1), the petitioners submitted a request that Commerce initiate an anti-circumvention inquiry of the *Orders* based on an allegation of minor completion or assembly of merchandise in the United States, and that Commerce find that the paper rolls at issue should be subject to the *Orders*.<sup>3</sup> Specifically, the petitioners allege that imports of uncoated paper rolls known as “sheeter rolls” from countries under the *Orders* are being cut into individual sheets of paper in the United States in circumvention of the *Orders*.<sup>4</sup>

On August 14, 2019, Commerce sent the petitioners a questionnaire to obtain additional information regarding their allegations.<sup>5</sup> On August 23, 2019, the

petitioners filed their response to Commerce’s questionnaire.<sup>6</sup>

On August 27, 2019, we received comments from several interested parties. Indonesian paper producers PT. Indah Kiat Pulp and Paper Tbk; PT. Pindo Deli Pulp and Paper Mills; and PT. Pabrik Kertas Tjiwi Kimia TBK (collectively, PT Paper) filed comments opposing initiation on the petitioners’ circumvention claims.<sup>7</sup> The Navigator Company, S.A. (Navigator) filed comments opposing initiation of the petitioners’ circumvention claims with respect to Portugal, stating that it has not sold sheeter rolls in the United States since the *Orders* were issued, but acknowledging that it has exported web rolls to the United States.<sup>8</sup> Suzano S.A. and Suzano Pulp and Paper America, Inc. (collectively, Suzano) filed comments opposing initiation, stating that their imports of sheeter rolls have not increased since the *Orders* were issued, and arguing that, if an anti-circumvention inquiry is initiated, the scope should be specifically defined to exclude web rolls.<sup>9</sup>

On September 9, 2019, we issued a letter to the petitioners clarifying the deadline associated with this anti-circumvention inquiry.<sup>10</sup> Commerce required supplemental information in order to make a determination of whether to initiate the inquiry, and this information was not available until the Petitioners’ August 23 Response. Therefore, Commerce stated that the 45-day period to initiate or issue a final ruling on the Initiation Request established by 19 CFR 351.225(c)(2) started August 23, 2019. On October 7, 2019, Commerce extended by three days the deadline to issue a final ruling or to initiate an inquiry based on the

of China, Indonesia, and Portugal: Anticircumvention Inquiry Questionnaire,” dated August 14, 2019.

<sup>6</sup> See Petitioners’ Letter, “Certain Uncoated Paper from Australia, Brazil, the People’s Republic of China, Indonesia, and Portugal: Petitioners’ Response to the Department’s Questions Regarding Petitioners’ Request for Anti-Circumvention Inquiries,” dated August 23, 2019 (Petitioners’ August 23 Response).

<sup>7</sup> See PT Paper’s Letter, “Certain Uncoated Paper from Australia, Brazil, the People’s Republic of China, Indonesia, and Portugal, Response to Request for a Circumvention Inquiry,” dated August 23, 2019.

<sup>8</sup> See Navigator’s Letter, “Certain Uncoated Paper from Portugal: Navigator’s Response to Petitioners’ Request for an Anti-Circumvention Inquiry and Questionnaire Response,” dated August 27, 2019.

<sup>9</sup> See Suzano’s Letter, “Certain Uncoated Paper from Brazil: Response to Petitioners’ Request for an Anti-circumvention Inquiry,” dated August 27, 2019.

<sup>10</sup> See Commerce’s Letter, “Certain Uncoated Paper from Australia, Brazil, the People’s Republic of China, Indonesia, and Portugal: Anti-Circumvention Inquiry,” dated September 9, 2019.

petitioners’ request. The new deadline is October 10, 2019.<sup>11</sup>

**Scope of the Orders**

The merchandise covered by these orders include 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<sup>12</sup> of 85 or higher or is a colored paper; whether or 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 ground wood 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 (1) paper printed with final content of printed text or graphics and (2) lined paper products, typically school supplies, composed of paper that incorporates straight horizontal and/or vertical lines that would make the paper unsuitable for copying or printing purposes. For purposes of this scope definition, paper shall be considered “printed with final content” where at least one side of the sheet has printed text and/or graphics that cover at least five percent of the surface area of the entire sheet.

Imports of the subject merchandise are provided for under Harmonized Tariff Schedule of the United States (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,

<sup>11</sup> See Memorandum, “Certain Uncoated Paper Products from Australia, Brazil, China, Indonesia, and Portugal: Anti-Circumvention Inquiry of the Antidumping and Countervailing Duty Orders,” dated October 7, 2019.

<sup>12</sup> 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.

<sup>1</sup> See *Certain Uncoated Paper from Australia, Brazil, Indonesia, the People’s Republic of China, and Portugal: Amended Final Affirmative Antidumping Determinations for Brazil and Indonesia and Antidumping Duty Orders*, 81 FR 11174 (March 3, 2016); see also *Certain Uncoated Paper from Indonesia and the People’s Republic of China: Amended Final Affirmative Countervailing Duty Determination and Countervailing Duty Order*, 81 FR 11187 (March 3, 2016) (collectively, the *Orders*).

<sup>2</sup> See *Certain Uncoated Paper from Australia, Brazil, the People’s Republic of China, Indonesia, and Portugal: Affirmative Final Determination of Circumvention of the Antidumping and Countervailing Duty Orders*, 82 FR 41610 (September 1, 2017).

<sup>3</sup> See Petitioners’ letter, “Certain Uncoated Paper from Australia, Brazil, the People’s Republic of China, Indonesia, and Portugal: Petitioners’ Request for an Anti-Circumvention Inquiry Pursuant to Section 781(a) of the Tariff Act of 1930,” dated August 2, 2019 (Initiation Request).

<sup>4</sup> *Id.* at 1–2.

<sup>5</sup> See Commerce’s Letter, “Certain Uncoated Paper from Australia, Brazil, the People’s Republic

4802.62.2000, 4802.62.3000, 4802.62.5000, 4802.62.6020, 4802.62.6040, 4802.69.1000, 4802.69.2000, 4802.69.3000, 4811.90.8050 and 4811.90.9080. While HTSUS subheadings are provided for convenience and customs purposes, the written description of the scope of the orders is dispositive.

#### Merchandise Subject to the Anti-Circumvention Inquiry

This anti-circumvention inquiry, as requested by the petitioners, covers imports of rolls of uncoated paper commonly known as “sheeter rolls” from Australia, Brazil, China, Indonesia, and Portugal that are further processed in the United States to create individual sheets of uncoated paper that would be subject to the *Orders*. Sheeter rolls are designed to be converted into sheets of uncoated paper using specialized cutting machinery prior to printing, and are typically, but not exclusively, between 52 and 103 inches wide and 50 inches in diameter. Rolls of uncoated paper at issue in this inquiry are classified under Harmonized Tariff Schedule (HTS) code 4802.55.

#### Initiation of Anti-Circumvention Inquiry

Section 781(a) of the Act provides that Commerce may find circumvention of an antidumping or countervailing duty order when merchandise of the same class or kind subject to the order is completed or assembled in the United States from parts or components produced in the country subject to the order. In conducting an anti-circumvention inquiry under section 781(a) of the Act, Commerce will rely on the following criteria: (A) The merchandise sold in the United States is of the same class or kind as any other merchandise that is the subject of an antidumping duty order or countervailing duty order; (B) such merchandise sold in the United States is completed or assembled in the United States from parts or components produced in the foreign country with respect to which such order applies; (C) the process of assembly or completion in the United States is minor or insignificant; and (D) the value of the parts or components referred to in subparagraph (B) is a significant portion of the total value of the merchandise. As discussed below, the petitioners provided evidence with respect to these criteria.

#### A. Merchandise of the Same Class or Kind

The petitioners state that the uncoated paper sheets that result from converting

sheeter rolls exported to the United States from the countries subject to the *Orders* are the same class or kind of merchandise as the uncoated paper covered by the *Orders*.<sup>13</sup> The petitioners note that sheeter rolls were not explicitly included or excluded from the scope of the *Orders*, and that sheeter rolls are not used for any purpose but subsequent conversion into sheets of paper.<sup>14</sup> When the paper comprising the sheeter roll otherwise meets the scope of the *Orders* (e.g., brightness levels, weight per square meter, etc.), the sheets of paper resulting from the conversion process are identical to subject merchandise.<sup>15</sup> The petitioners provided affidavits and supporting information in the form of ship manifest data and United States International Trade Commission import data (ITC data) from 2011 through May 2019 suggesting that Brazilian, Chinese, and Indonesian exporters and producers are exporting sheeter rolls to the United States and contracting with converters in the United States to cut sheets of paper from the rolls, resulting in merchandise identical to that which is subject to the *Orders*.<sup>16</sup> Additionally, the petitioners provided a photograph of a ream of copy paper sold by United States retailer Costco Wholesale Corporation (Costco), printed with an identifier code for Brazilian paper producer Suzano and the Forestry Stewardship Council code for the United States paper converter Performance Office Papers (Performance).<sup>17</sup> The petitioners also provided shipping records (i.e., shipment manifest data and/or bills of lading) indicating uncoated paper rolls have been exported from Australia, Brazil, China, and Indonesia to the United States in 2018 and 2019.<sup>18</sup> The petitioners stated they were unable to locate public ship manifest data for uncoated paper rolls imported to the United States from Portugal. Instead, the petitioners provided ship manifest data for shipments from Portugal to Mexico via U.S. ports, and evidence that some of those shipments were to a Mexican converter.<sup>19</sup> The petitioners also

<sup>13</sup> See Initiation Request at 7; see also Petitioners' August 23 Response at 3–4.

<sup>14</sup> See Initiation Request at 5–6.

<sup>15</sup> *Id.* at 7, citing Exhibit 1; see also Petitioners' August 23 Response at 3–4.

<sup>16</sup> See Initiation Request at Exhibits 1 and 3; see also Petitioners' August 23 Response at Exhibits 8–10.

<sup>17</sup> See Petitioners' August 23 Response at 4–5 and Exhibit 8.

<sup>18</sup> See Initiation Request at Exhibits 4, 8, and 9; see also Petitioners' August 23 Response at 5–7 and Exhibits 8–12.

<sup>19</sup> See Petitioners' August 23 Response at 22–23 and Exhibit 14.

provided data from 2016 through May 2019 from the Eurostat Comext Database, indicating that the volume of exports of uncoated paper rolls from Portugal is increasing to the United States and is decreasing to other countries.<sup>20</sup>

#### B. Completion of Merchandise in the United States

Section 781(a)(1)(B) of the Act requires Commerce to determine whether the merchandise sold in the United States is completed or assembled in the United States from parts or components produced in the countries to which the *Orders* apply. The petitioners presented evidence demonstrating how sheeter rolls are completed in the United States by conversion from rolls into sheets. The petitioners provided affidavits stating that some paper conversion operations in the United States have increased their sheeting capacity and contracted with importers of sheeter rolls to convert rolls into sheets of uncoated paper.<sup>21</sup> The petitioners provided shipping records (i.e., shipment manifest data and/or bills of lading) indicating paper rolls have been exported from Australia, Brazil, China, and Indonesia to the United States in 2018 and 2019.<sup>22</sup> Additionally, the petitioners provided a photograph of a ream of copy paper sold by Costco, printed with an identifier code for Brazilian paper producer Suzano and the Forestry Stewardship Council code for the United States paper converter Performance.<sup>23</sup> The petitioners also provided bills of lading from 2018 and 2019 supporting their allegation that paper rolls were imported from China and Indonesia to the United States for conversion.<sup>24</sup> The petitioners submitted evidence demonstrating imports of uncoated paper rolls based on ITC data in the years following issuance of the *Orders*. In the case of Australia, Brazil, Indonesia, and Portugal, these data demonstrate an increase in such imports.<sup>25</sup> However, with regard to Portugal, the petitioners did not provide similar supporting data or affidavits indicating that Portuguese exporters are exporting sheeter rolls, and not web

<sup>20</sup> See Petitioners' August 23 Response at 21.

<sup>21</sup> See Initiation Request at Exhibits 1 and 3.

<sup>22</sup> See Initiation Request at Exhibits 4, 8, and 9; see also Petitioners' August 23 Response at 5–7 and Exhibits 8–12.

<sup>23</sup> See Petitioners' August 23 Response at 4–5 and Exhibit 8.

<sup>24</sup> *Id.* at 5–6 and Exhibit 10.

<sup>25</sup> *Id.* at Exhibit 2. As noted below, the import data is based on an HTS code that is a basket category including both sheeter rolls (which are allegedly circumventing the *Orders*) and web rolls (which are not).

rolls, into the United States. In addition, the petitioner did not submit any evidence demonstrating that rolls from Portugal were being converted to subject merchandise in the United States.

### C. Minor or Insignificant Process

Under sections 781(a)(1)(C) and 781(a)(2) of the Act, Commerce is required to consider five factors to determine whether the process of assembly or completion is minor or insignificant. The petitioners allege that the process of converting sheeter rolls into uncoated paper sheets in the United States is a minor and insignificant process, and that the processing occurring in the United States adds relatively little to the overall value of the finished uncoated paper sheets.<sup>26</sup>

#### (1) Level of Investment in the United States

The petitioners provided affidavits estimating the costs involved in establishing a sheeting operation in the United States, based on their own costs to process sheeter rolls into sheets of paper in the United States and the cost of certain equipment to convert sheeter rolls into sheets.<sup>27</sup> The affidavits explain that the costs to complete processing of sheeter rolls into sheets of paper, including labor, energy, maintenance, overhead, and depreciation, comprise a very small percentage of the total value of sheeted uncoated paper sold in the United States.<sup>28</sup> Additionally, they provided documentation of the actual costs involved in establishing a paper conversion facility in the United States and data related to production costs.<sup>29</sup> The petitioners provided evidence that the cost to establish a sheeting operation is less than one percent of the cost to establish a fully-integrated paper production facility.<sup>30</sup> Further, the petitioners note that if foreign producers of paper from countries subject to the *Orders* are contracting with paper converters already based in the United States, the investment in U.S. production facilities by foreign producers is extremely minimal.<sup>31</sup>

<sup>26</sup> *Id.* at 2.

<sup>27</sup> See Initiation Request at Exhibit 1, 3, and 11; see also Petitioners' August 23 Response at Exhibits 2 and 3.

<sup>28</sup> *Id.*

<sup>29</sup> See Petitioners' August 23 Response at 11–15 and Exhibits 18, 19, and 20.

<sup>30</sup> See Initiation Request at Exhibit 1.

<sup>31</sup> See Initiation Request at 21–22.

(2) Level of Research and Development in the United States

The petitioners assert that uncoated paper production is an established, mostly automated, process, and that there has been no significant, recent advancement in the sheeting process.<sup>32</sup> As such, the level of research and development to produce uncoated paper sheets from sheeter rolls is minimal to non-existent.<sup>33</sup>

#### (3) Nature of Production Process in the United States

According to the petitioners, and based on their own experience, the additional processing undertaken at converting facilities in the United States is minimal.<sup>34</sup> The process of slicing sheeter rolls into individual sheets of paper is a rapid and simple process that involves cutting the rolls into sheets, checking the surface quality, removing defective sheets, and packaging the sheets into reams, which are stacked, palletized, and delivered.<sup>35</sup> Conversely, the manufacturing process to produce uncoated sheets of paper from the beginning of the production process is much more complex. Specifically, the manufacturing process for uncoated paper sheets consists of five production phases: (1) Debarking and converting logs into chips, or alternately sourcing chips from sawmills; (2) chemically pulping and bleaching the chips; (3) forming the paper, pressing out excess water, and drying; (4) applying heat and pressure to achieve specific finish characteristics such as smoothness (“calendering”) and then rolling onto reels and slitting into smaller rolls; and (5) cutting rolls into sheets, quality control and removal of defective sheets, packaging into reams, and stacking reams for delivery.<sup>36</sup>

#### (4) Extent of Production Facilities in the United States

The petitioners provided evidence, including affidavits, to demonstrate that converting sheeter rolls into sheets of paper is a simple operation that requires minimal personnel and only basic production facilities and equipment to

<sup>32</sup> *Id.* at Exhibit 1.

<sup>33</sup> *Id.*

<sup>34</sup> *Id.* at 2 and Exhibits 1 and 3; see also Petitioners' August 23 Response at 11–16 and Exhibits 2,3,7, and 18.

<sup>35</sup> See Initiation Request, at 8, citing *Certain Uncoated Paper from Australia, Brazil, China, Indonesia, and Portugal*, U.S. International Trade Commission, Investigation Nos. 701–TA–528–529 and 731–TA–1264–1268 (February 2016) Publication 4592, at I–11 to I–13 (Attachment 1).

<sup>36</sup> *Id.* at 7–8.

slit rolls into sheets and then package the resulting sheets.<sup>37</sup>

#### (5) Value of Processing in the United States

The petitioners assert, based on their own experience and industry data, that the production of sheeter rolls in the countries subject to the *Orders* account for a large percentage of the total value of the finished uncoated paper sheets that are produced in the United States.<sup>38</sup> Using information provided in an affidavit, the petitioners state that the price of sheeter rolls of uncoated paper is the vast majority of the price of finished uncoated paper sheets.<sup>39</sup> The petitioners maintain that the completion activities in the United States add very little value to the final cost of the uncoated paper sheets cut in the United States from sheeter rolls manufactured in the countries subject to the *Orders* and imported to the United States.<sup>40</sup> The petitioners further provided internal data from petitioner North Pacific Paper Company to support their description of sheeting costs.<sup>41</sup>

### D. Value of Merchandise Produced in the Foreign Countries Is a Significant Portion of the Value of the Merchandise

The petitioners argue that the evidence, as discussed above, in their anti-circumvention inquiry request clearly supports their position that the value of sheeter rolls manufactured in the countries subject to the *Orders* represents a significant portion of the total value of the merchandise exported to the United States for processing into uncoated paper sheets, as measured by a percentage of the total cost of manufacture.<sup>42</sup>

### E. Additional Factors To Consider in Determining Whether Inquiry Is Warranted

Section 781(b)(3) of the Act directs Commerce to consider additional factors in determining whether to include merchandise assembled or completed in a foreign country within the scope of the order, such as: (A) The pattern of trade, including sourcing patterns; (B) any affiliations; and (C) whether imports into the United States have increased after initiation of the underlying investigation.

<sup>37</sup> *Id.* at Exhibits 1 and 3; see also Petitioners' August 23 Response at 11–15 and Exhibits 7, 18, 19, and 20.

<sup>38</sup> *Id.* at 25, citing Exhibit 1.

<sup>39</sup> *Id.*

<sup>40</sup> *Id.*; see also Petitioners' August 23 Response at 12–13, 16, and Exhibits 2, 3, and 20.

<sup>41</sup> See Petitioners' August 23 Response at Exhibits 18 and 19.

<sup>42</sup> See Initiation Request at 24–25.

### (1) Pattern of Trade

The petitioners state that the record evidence demonstrates that, since the imposition of the *Orders*, a pattern of trade illustrates circumvention because imports of sheeter rolls from countries subject to the *Orders* have increased, while imports of uncoated paper sheets have decreased.<sup>43</sup> Publicly-available import data submitted by the petitioners show that, prior to the imposition of the *Orders*, exports of paper rolls under the HTS code which includes sheeter rolls from Brazil, Indonesia, and Portugal to the United States were very low.<sup>44</sup> Exports of paper rolls from Australia and China to the United States were relatively high. Imports of paper rolls into the United States from Australia, Brazil, Indonesia, and Portugal have increased since the imposition of the *Orders*.<sup>45</sup>

### (2) Affiliation

The petitioners provided no information indicating potential affiliation between producers of sheeter rolls from countries subject to the *Orders* and companies in the United States with facilities to convert sheeter rolls into uncoated paper sheets. In affidavits, the petitioners indicated that the foreign producers are believed to have contracted with converters in the United States for conversion services.<sup>46</sup>

### (3) Imports after Initiation of the Investigation

The petitioners presented import data indicating that shipments of paper rolls from Australia, Brazil, Indonesia, and Portugal have increased since the initiation of the investigation, whereas shipments of uncoated paper sheets from Australia, Indonesia, and Portugal have steadily declined.<sup>47</sup>

### Conclusion

Based on our analysis of the petitioners' anti-circumvention inquiry request, Commerce determines that the petitioners have satisfied the criteria under section 781(a) of the Act to warrant the initiation of an anti-circumvention inquiry on sheeter rolls of uncoated paper from Australia, Brazil, China, and Indonesia which are further processed into sheets of uncoated paper and sold in the United States. Accordingly, we are initiating an anti-circumvention inquiry on sheeter rolls of uncoated paper from Australia,

Brazil, China, and Indonesia pursuant to section 781(a) of the Act.

Further, we decline to initiate an anti-circumvention inquiry for sheeter rolls of uncoated paper from Portugal. The import data submitted by the petitioners for patterns of trade is a basket category that includes both web and sheeter rolls and, as such, these data do not establish that Portuguese sheeter rolls specifically are being exported to the United States for conversion into sheets.<sup>48</sup> Moreover, there is no additional evidence that U.S. imports of sheeter rolls from Portugal are being converted into and sold as sheets. As noted above, the ship manifest data on the record for Portugal indicated that imports from Portugal were entering U.S. ports, but those shipments' final destination was Mexico.<sup>49</sup> Therefore, we find that the petitioners did not provide sufficient evidence to support their claim that sheeter rolls from Portugal are being converted and sold as sheets which are physically identical to the subject merchandise, as they did in their request for the other countries. However, this decision does not preclude the petitioners from re-filing their request with respect to Portugal at a later time with additional evidence.

In connection with this anti-circumvention inquiry, in order to determine: (1) The extent to which sheeter rolls sourced from Australia, Brazil, China, and Indonesia are further processed into uncoated sheets of paper in the United States; (2) the extent to which a country-wide finding applicable to all such exports might be warranted, as alleged by the petitioners; and (3) whether the process of turning sheeter rolls sourced from countries subject to the *Orders* into finished uncoated paper sheets in the United States is minor or insignificant, Commerce intends to issue questionnaires to solicit information from producers and exporters in Australia, Brazil, China, and Indonesia concerning shipments of sheeter rolls to the United States. Commerce also intends to establish a schedule for questionnaires and comments for this inquiry. Companies failing to respond completely and timely to Commerce's questionnaire may be deemed uncooperative and an adverse inference may be applied in determining whether such companies are circumventing the *Orders*.<sup>50</sup>

Commerce will not order the suspension of liquidation of entries of any additional merchandise at this time.

In accordance with 19 CFR 351.225(1)(2), if Commerce issues an affirmative preliminary determination of circumvention, we will then instruct U.S. Customs and Border Protection to suspend liquidation and require cash deposits of estimated antidumping duties, at the applicable rates, for each unliquidated entry of the merchandise at issue, entered or withdrawn from warehouse for consumption on or after the date of initiation of the inquiry.

In the event we issue a preliminary affirmative determination of circumvention pursuant to section 781(a) of the Act (further manufactured in the United States), we intend to notify the International Trade Commission, in accordance with section 781(e)(1) of the Act and 19 CFR 351.225(f)(7)(i)(C), if applicable.

In accordance with section 781(f) of the Act and 19 CFR 351.225(f)(5), Commerce intends to issue its final determination within 300 days of the date of publication of this notice.

This notice is published in accordance with section 781(a) of the Act and 19 CFR 351.225(g).

Dated: October 10, 2019.

**Jeffrey I. Kessler,**

*Assistant Secretary for Enforcement and Compliance.*

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## DEPARTMENT OF COMMERCE

### International Trade Administration

#### Developing the Administration's Approach To Supporting Economic Recovery in Venezuela

**AGENCY:** International Trade Administration, U.S. Department of Commerce.

**ACTION:** Notice; request for public comments.

**SUMMARY:** On behalf of the U.S. Administration, the International Trade Administration (ITA) is requesting comments on ways the Administration can support economic recovery following leadership transition in Venezuela. This request supplements on-going outreach the Administration is conducting with the private sector intended to inform our engagement going forward.

**DATES:** Comments should be received by 11:59 p.m. Eastern Daylight Time on October 29, 2019.

**ADDRESSES:** Written comments may be submitted by email to [SUPPORTVENEZUELA@trade.gov](mailto:SUPPORTVENEZUELA@trade.gov). Comments submitted by email should

<sup>43</sup> *Id.* at 23.

<sup>44</sup> *See supra*, fn. 25.

<sup>45</sup> *Id.* at Exhibit 2.

<sup>46</sup> *Id.* at Exhibits 1 and 3.

<sup>47</sup> *Id.* at Exhibit 2.

<sup>48</sup> *See* Petitioners' August 23 Response at 3.

<sup>49</sup> *Id.* at Exhibit 14.

<sup>50</sup> *See* section 776 of the Act.