DEPARTMENT OF COMMERCE

Economic Development Administration

Notice of Petitions by Firms for Determination of Eligibility To Apply for Trade Adjustment Assistance

AGENCY: Economic Development Administration, Department of Commerce.

ACTION: Notice and opportunity for public comment.

Pursuant to Section 251 of the Trade Act of 1974, as amended (19 U.S.C. 2341 et seq.), the Economic Development Administration (EDA) has received petitions for certification of eligibility to apply for Trade Adjustment Assistance from the firms listed below.

LIST OF PETITIONS RECEIVED BY EDA FOR CERTIFICATION OF ELIGIBILITY TO APPLY FOR TRADE ADJUSTMENT ASSISTANCE 10/1/2010–10/12/2010

<table>
<thead>
<tr>
<th>Firm name</th>
<th>Address</th>
<th>Date accepted for investigation</th>
<th>Products</th>
</tr>
</thead>
<tbody>
<tr>
<td>Electro-Mechanical Products, Inc.</td>
<td>1109 W. Louisiana Avenue, Denver, CO 80223.</td>
<td>10/7/2010</td>
<td>The firm manufactures parts of electro-mechanical industrial machinery heat exchangers and laser components.</td>
</tr>
<tr>
<td>Euro Marble &amp; Granite, Inc.</td>
<td>4552 N. Ruby Street, Schiller Park, IL 60176.</td>
<td>10/7/2010</td>
<td>The firm manufactures cut stone and stone products such as countertops and sinks.</td>
</tr>
<tr>
<td>Gulf Coast Manufacturing, LLC</td>
<td>3622 West Main Street, Gray, LA 70359.</td>
<td>10/7/2010</td>
<td>The firm manufactures oil and gas well service equipment for both land and offshore applications.</td>
</tr>
<tr>
<td>Jersey Shore Steel Company</td>
<td>70 Mary Lane Street, Jersey Shore, PA 17740.</td>
<td>10/7/2010</td>
<td>The firm manufactures small angle steel sections for furniture and agriculture.</td>
</tr>
<tr>
<td>Nolte Precise Manufacturing, Inc.</td>
<td>6850 Colerain Avenue, Cincinnati, OH 45239.</td>
<td>10/12/2010</td>
<td>The firm manufactures custom, precision machined components typically from steel, some from plastic.</td>
</tr>
</tbody>
</table>

Any party having a substantial interest in these proceedings may request a public hearing on the matter. A written request for a hearing must be submitted to the Trade Adjustment Assistance for Firms Division, Room 7106, Economic Development Administration, U.S. Department of Commerce, Washington, DC 20230, no later than ten (10) calendar days following publication of this notice.

Please follow the requirements set forth in EDA’s regulations at 31 CFR 351.9 for procedures to request a public hearing. The Catalog of Federal Domestic Assistance official number and title for the program under which these petitions are submitted is 11.313, Trade Adjustment Assistance for Firms.

Dated: October 12, 2010.

Miriam Kearse,
Project Coordinator, TAA for Firms.

FOR FURTHER INFORMATION CONTACT: Cindy Lai Robinson or Stephanie Moore, AD/CVD Operations, Office 3, Import Administration, International Trade Administration, Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC 20230; telephone: (202) 482–3797 or (202) 482–3692, respectively.

SUPPLEMENTARY INFORMATION:

Background

On September 1, 2009, the Department of Commerce (“the Department”) published in the Federal Register the notice of the “Opportunity to Request Administrative Review” of the antidumping duty order on certain lined paper products from People’s Republic of China, for the period September 1, 2008, through August 31, 2009. See Antidumping or Countervailing Duty Order, Finding, or Suspended Investigation: Opportunity to Request Administrative Review, 74 FR 45179 (September 1, 2009). On September 28, 2009, we received a request from the “Watanabe Group” (consisting of Watanabe Paper Products (Shanghai) Co., Ltd. (“Watanabe Shanghai”); Watanabe Paper Products (Linqing) Co., Ltd. (“Watanabe Linqing”); and Hotrock Stationery (Shenzhen) Co., Ltd. (“Hotrock Shenzhen”)) (hereafter referred to as “Watanabe” or the Watanabe Group). On September 30, 2009, we received a...
request from petitioner 1 to review the following four companies: Shanghai Lian Li Paper Products Co. Ltd. ("Lian Li"); Hwa Fuh Plastics Co., Ltd./Li Teng Plastics (Shenzhen) Co., Ltd. ("Hwa Fuh/Li Teng"); Leo’s Quality Products Co., Ltd./Denmax Plastic Stationery Factory ("Leo/Denmax"); and the Watanabe Group. On October 26, 2009, we published the notice of initiation of this antidumping duty administrative review with respect to the above four companies. See Initiation of Antidumping and Countervailing Duty Administrative Reviews and Request for Revocation in Part, 74 FR 54956 (October 26, 2009) ("Initiation Notice").

Respondents and Questionnaires

On November 9, 2009, we issued a questionnaire to Hwa Fuh/Li Teng, Leo/Denmax, Lian Li, and the Watanabe Group via FedEx Express. On November 6, 2009, and January 13, 2010, Lian Li and Leo/Denmax submitted letters, respectively, certifying that they did not export the subject merchandise to the United States during the period of review ("POR"). Both Lian Li and Leo/Denmax requested that the Department rescind the administrative review with respect to each company.

On December 11, 2009, subsequent to the notification from FedEx Express that the questionnaire package to Hwa Fuh/Li Teng was not deliverable because of an invalid address and phone number in Shenzhen, China, we resent the Department’s original questionnaire to Hwa Fuh’s address in Taichung, Taiwan. In the December 11, 2009, letter, we requested that Hwa Fuh (in Taiwan) forward the questionnaire to Li Teng (in Shenzhen). During November and December 2009, we also made three attempts to contact Hwa Fuh/Li Teng by phoning Hwa Fuh/Li Teng numbers in Shenzhen China and in Taichung Taiwan. However, we were unable to reach Hwa Fuh/Li Teng.

On December 16, 2009, Watanabe submitted its section A response to the Department’s original questionnaire, to which petitioners submitted its comments on January 15, 2010. On January 8, 2010, Watanabe submitted its sections C and D responses to the Department’s original questionnaire, to which petitioners provided its comments on February 2, 2010. Watanabe also submitted separate rate application on January 8, 2010. On March 19, 2010, the Department issued first supplemental questionnaire to Watanabe, which provided its response on April 21, 2010.

On May 7, 2010, petitioner provided its comments on Watanabe’s first supplemental response. On May 24, 2010, the Department issued its second supplemental questionnaire to Watanabe, which provided its response on June 21, 2010, and on July 2, 2010, the Department issued its third supplemental questionnaire to Watanabe, which provided its response on July 12, 2010. On July 16, 2010, petitioner provided its comments on Watanabe’s second supplemental response and comments on the upcoming verification. On July 16, 2010, the Department issued sales and factors of production verification agendas to Watanabe. On July 19, 2010, the petitioner provided additional pre-verification comments with respect to Watanabe.

The Department conducted sales and factors of production verification of Watanabe from July 26 through 30, 2010 in Shanghai, China. On August 11, 2010, we received Watanabe’s minor correction provided at the outset of the verification. On August 27, 2010, the petitioner submitted comments concerning Watanabe’s questionnaire responses and the verification on those responses. This letter contained certain business proprietary information (“BPI”) that called into question the reliability of the documents reviewed at verification and taken as exhibits and therefore, the reliability of Watanabe’s response. On September 2, 2010, petitioners met Department officials to discuss these comments.2 On September 3, 2010, the Department issued a letter to Watanabe requesting rebuttal comments to the petitioner’s August 27, 2010, allegations.

Watanabe submitted its rebuttal comments on September 10, 2010. In its comments, Watanabe did not address these allegations directly as it claimed that it did not have access to certain BPI documents.

On September 20, 2010, the petitioner submitted a letter which authorized release of certain documents to Watanabe. On September 21, 2010, the Department issued a letter to Watanabe asking them to specifically address the allegations contained in the petitioner’s August 27, 2010, letter.


1 The petitioner is the Association of American School Paper Suppliers ("AASPS").

2 Where a statutory deadline falls on a weekend, federal holiday, or any other day when the Department is closed, the Department will continue its longstanding practice of reaching the determination on the next business day. In this instance, the preliminary results will be released no later than October 8, 2010.

Period of Review

The period of review ("POR") is September 1, 2008, through August 31, 2009.

Case Calendar

On May 18, 2010, the Department extended the time limits for the preliminary results. See Certain Lined Paper Products from India and People's Republic of China: Extension of Time Limits for the Preliminary Results of Antidumping Duty Administrative Reviews, 75 FR 27706 (May 18, 2010). Additionally, as explained in the memorandum from the Deputy Assistant Secretary for Import Administration, the Department has exercised its discretion to toll deadlines for the duration of the closure of the Federal Government from February 5, through February 12, 2010. Thus, all deadlines in this segment of the proceeding have been extended by seven days. See Memorandum to the Record from Ronald Lorenzten, DAS for Import Administration, regarding “Tolling of Administrative Deadlines As a Result of the Government Closure During the Recent Snowstorm,” dated February 12, 2010. The revised deadline for the preliminary results of this review is October 7, 2010.3

Surrogate Country and Factors

On March 3, 2010, the Department sent interested parties a letter requesting comments on the surrogate country and information pertaining to valuing factors of production ("FOPs"). On April 19, 2010, Watanabe submitted surrogate value comments regarding various Indian sources. On June 21 and July 30, 2010, the petitioner submitted surrogate value information for use in the preliminary results. On July 6, 2010, Watanabe submitted comments objecting to the petitioner’s June 21, 2010 submission as being untimely. On July 15, 2010, the petitioner submitted rebuttal comments with respect to Watanabe’s objection comment. The petitioner argued that the deadline set by the Department was applicable to the preliminary results and it did not apply to the final results.

Scope of the Order

The scope of this order includes certain lined paper products, typically school supplies (for purposes of this scope definition, the actual use of or

3 See September 2, 2010, Ex Parte Memorandum
labeling of 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 order 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 order 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 “quadriitle pads”), provided that they do not have a front cover (whether permanent or removable). This exclusion does not apply if 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: pre-printed 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 order 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 color. 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 (polyvinyl chloride) coating, and extending the entire length of the spiral or helical wire. The polyolefin plastic covers are of specific thickness; front cover is 0.019 inches (within normal manufacturing tolerances) and rear cover is 0.028 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” 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 polyolefin 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 specific thickness; front cover is 0.019 inches (within normal manufacturing tolerances) and rear cover is 0.028 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. 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 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 order is typically imported under headings 4820.10.2050, 4810.22.5044, 4811.90.9090, 4820.10.20, 4820.10.20.20 of the Harmonized Tariff Schedule of the United States ("HTSUS"). The HTSUS headings are provided for convenience and customs purposes; however, the written description of the scope of this order is dispositive.

Claims of No Shipments by Lian Li and Leo/Denmax

Lian Li and Leo/Denmax filed no shipment certifications indicating that they did not export subject merchandise to the United States during the POR. On November 9, 2009, we conducted an internal query of the U.S. Customs and Border Protection ("CBP") entry data with respect to both companies. The CBP data entry confirms Lian Li and Leo/Denmax’s claims of no shipments. However, we found that Lian Li’s manufacturer ID number was used by other producers/reporters and therefore, appeared on the entry data. On November 13, 2009, we requested that CBP provide entry packets for those entries where Lian Li’s ID appeared on the entry data. We received the entry packets from CBP on November 24 and December 4, 2009. We found no evidence from the CBP entry data packets that Lian Li had any entries, exports, or sales to the United States of subject merchandise during the POR.

On December 11, 2009, the petitioner submitted comments on Lian Li’s November 6, 2009, letter. We rejected the petitioner’s December 11, 2009, letter because the submission over bracketed certain information which is public in nature. On December 22, 2009, the petitioner resubmitted its comments claiming that Lian Li might have shipped subject merchandise to the United States as a “Free and Dutiable” Type “01” entry, i.e., printed matter. Because printed matter is not subject merchandise under the CLPP Order, the Department directed petitioner to CBP in regards to any concerns of possible manipulation of entry data and product classification by Lian Li.

In addition, on January 28, 2010, we sent CBP a “No Shipments Inquiry” with regard to Lian Li and Leo/Denmax. The inquiry requested that the CBP report within 10 days of receipt of the message any entries from the two companies. See Message from the Department to CBP, dated January 28, 2010. We have not received any entry information from CBP within the time limit.

Furthermore, on March 29, 2010, the Department issued a second letter to Lian Li and Leo/Denmax requesting further clarification as to whether they have not sold or shipped, directly or indirectly, any lined paper products (both subject and non-subject) to the United States during the POR. Lian Li provided its response on April 12, 2010, confirming no shipments or no knowledge of third country transshipments of subject merchandise to the United States during the POR. On April 15, 2010, Leo/Denmax also submitted a letter to recertify that it did not have any exports, sales, or entries, either directly or indirectly, of subject merchandise to the United States during the POR. Leo/Denmax again requested that the Department rescind the administrative review with respect to Leo/Denmax.

With regard to the Lian Li and Leo/Denmax claims of no shipments, our practice since implementation of the 1997 regulations concerning no-shipment respondents has been to rescind the administrative review if the respondent certifies that it had no shipments and we have confirmed through our examination of CBP data that there were no shipments of subject merchandise during the POR. See Antidumping Duties: Countervailing Duties, 62 FR 27296, 27393 (May 19, 1997), and Oil Country Tubular Goods from Japan: Preliminary Results of Antidumping Duty Administrative Review and Partial Rescission of Review, 70 FR 53161, 53162 (September 7, 2005), unchanged in Oil Country Tubular Goods from Japan: Final Results and Partial Rescission of Antidumping Duty Administrative Review, 71 FR 95 (January 3, 2006). As a result, in such circumstances, we normally instruct CBP to liquidate any entries from the no-shipment company at the deposit rate in effect on the date of entry.

In our May 6, 2003, “automatic assessment” clarification, we explained that, where respondents in an administrative review demonstrate that they had no knowledge of sales through resellers to the United States, we would instruct CBP to liquidate such entries at the all-others rate applicable to the proceeding. See Antidumping and Countervailing Duty Proceedings: Assessment of Antidumping Duties, 68 FR 23954 (May 6, 2003).

Based on Lian Li’s and Leo/Denmax’s assertion of no shipments and confirmation of that claim by CBP data, we preliminarily determine that Lian Li and Leo/Denmax had no sales to the United States during the POR.

Because “as entered” liquidation instructions do not alleviate the concerns which the May 2003 clarification was intended to address, we find it appropriate in this case to instruct CBP to liquidate any existing entries of merchandise produced by Lian Li and Leo/Denmax and exported by other parties at the PRC-wide entity rate should we continue to find at the time of our final results that Lian Li and Leo/Denmax had no shipments of subject merchandise from the PRC. See, e.g., Certain Frozen Warmwater Shrimp from India: Partial Rescission of Antidumping Duty Administrative Review and Partial Rescission of Countervailing Duty Administrative Review, 73 FR 77610, 77612 (December 19, 2008). In addition, the Department finds that it is more consistent with the May 2003 clarification not to rescind the review in part in these circumstances but, rather, to complete the review with respect to Lian Li and Leo/Denmax and issue appropriate instructions to CBP based on the final results of the review. See the Assessment Rates section of this notice below.

Preliminary Partial Rescission

With respect to HwaFu/Li Teng, the Department was unable to find correct addresses for Hwa Fu/Li Teng. Specifically, the Department made five different attempts to contact the company through the questionnaire, but was unable to find a valid address for the company. See

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4 The petitioner provided an import manifest from the Port Import Export Reporting Service (“PIERS”) which pertains to shipment of goods listed as “printed matter” that entered into the United States in December 2008. The petitioner points out that the commodity description indicates that the goods were produced and/or shipped by

Verification
As provided in section 782(i) of the Act, we conducted verification of information provided by Watanabe in the administrative review of the order on subject merchandise from the PRC using standard verification procedures, including the examination of relevant sales and factors of production information, financial records, and the selection and review of original documentation containing relevant information. Our verification results are outlined in the public version of our verification report dated October 7, 2010, which is on file in the CRU.

Non-Market Economy Country Status
In every case conducted by the Department involving the PRC, the PRC has been treated as a non-market economy (“NME”) country. See, e.g., Honey from the People’s Republic of China: Preliminary Results and Partial Rescission of Antidumping Duty Administrative Review, 70 FR 74764 (December 16, 2005) (unchanged in final). Pursuant to section 771(18)(C)(i) of the Act, any determination that a foreign country is an NME country shall remain in effect until revoked by the Department. See section 771(18)(C) of the Act. Accordingly, there is a rebuttable presumption that all companies within the PRC are subject to government control and, thus, should be assessed a single antidumping duty rate. See Notice of Final Determination of Sales at Less Than Fair Value, and Affirmative Critical Circumstances, In Part: Certain Lined Paper Products From the People’s Republic of China, 71 FR 53079 (September 8, 2006); Final Determination of Sales at Less Than Fair Value and Final Partial Affirmative Determination of Critical Circumstances: Diamond Sawblades and Parts Thereof from the People’s Republic of China, 71 FR 29303 (May 22, 2006).

In the Initiation Notice, the Department notified parties of the application process by which exporters and producers may obtain separate rate status in NME investigations. See Initiation Notice. It is the Department’s policy to assign all exporters of the merchandise subject to review in NME countries a single rate unless an exporter can affirmatively demonstrate an absence of government control, both in law (de jure) and in fact (de facto), with respect to exports. To establish whether a company is sufficiently independent to be entitled to a separate, company-specific rate, the Department analyzes each exporting entity in an NME country under the test established in Notice of Final Determination of Sales at Less than Fair Value: Sparklers from the People’s Republic of China, 56 FR 20588 (May 6, 1991) (“Sparklers”), as amplified by Notice of Final Determination of Sales at Less Than Fair Value: Silicon Carbide from the People’s Republic of China, 59 FR 22585 (May 2, 1994) (“Silicon Carbide”).

However, if the Department determines that a company is wholly foreign-owned or located in a market economy, then a separate rate analysis is not necessary to determine whether it is independent of government control. It is the Department’s practice to require a party to submit evidence that it operates independently of the state-controlled entity in each segment of a proceeding in which it requests separate rate status. The process requires exporters to submit a separate-rate status application. See Tapered Roller Bearings and Parts Thereof, Finished or Unfinished, from the People’s Republic of China: Final Results of 2005–2006 Administrative Review and Partial Rescission of Review, 72 FR 56724 (October 4, 2007), Peer Bearing Co. Changshan v. United States, 587 F. Supp. 2d 1319, 1324–25 (CIT 2008) (affirming the Department’s determination in that review).

As discussed below, we preliminarily determine not to rely on Watanabe’s responses. Therefore, we preliminarily determine that the Watanabe Group has not demonstrated that it operates free from government control. Thus, we find that for purposes of the preliminary results of this review, the Watanabe Group is part of the PRC-wide entity.

Application of Facts Available
We find that there is credible evidence on the record that documents submitted by Watanabe at verification are either inaccurate, internally inconsistent, or are otherwise unreliable. Petitioner submitted invoices that are corroborated by Watanabe’s own records and show that Watanabe’s claimed sales and payment values do not tie to its own internal bookkeeping. Because we relied on these books and records during our verification of the information in Watanabe’s questionnaire response, we have concluded that the information in the questionnaire response is not useable for purposes of these preliminary results. Although Watanabe provided some explanation that they claim renders petitioner’s allegation invalid, we find that Watanabe’s explanations do not sufficiently address the discrepancies raised by petitioner that implicate the veracity of Watanabe’s financial information.

Because this issue arose fairly late in the proceeding, i.e., less than two months prior to the deadline for these preliminary results, we find that we may need to collect additional information in order to more fully evaluate this issue for purposes of the final results.

On August 27, 2010, the petitioner filed a letter claiming that evidence contained in its submission showed that, at the very least, Watanabe submitted false invoices at verification that do not tie to its own records and are physically different from invoices petitioner submitted, which it sought directly from its membership. Petitioner

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argued that (1) although filed after the regulatory deadline for submission of information to rebut, clarify, or correct factual information, consistent with prior practice, the Department should nonetheless accept the information that demonstrates that fraudulent documents have been submitted, consistent with the Department’s practice in Certain Oil Country Tubular Goods; and (2) the information it submitted has critical implications for the veracity of Watanabe’s financial information such that the Department cannot use Watanabe’s data for purposes of the preliminary results. See e.g., Letter to Hon. Gary F. Locke from petitioner, re: Certain Oil Country Tubular Goods from the People’s Republic of China (Feb. 22, 2010) Case No. A–570–943; Memo to All interested Parties from Wendy J. Frankel, re: Release of Customs & Border Protection Information (March 9, 2010) Case No. A–570–943.

Petitioner specifically cited to the invoices it submitted and the supplied payment documentation at Verification Exhibit 14 at page 1 Watanabe provided to establish that the sales and payment values do not tie to Watanabe’s own internal records.

On September 3, 2010, we asked Watanabe to address the petitioner’s August 27 allegation that Watanabe provided false documentation (including falsified invoices) during the Department’s verification.

On September 10, 2010, Watanabe submitted its response, claiming that petitioner’s submission should be rejected as untimely. It further contended that the Department should not decline to rely on the verification documents Watanabe provided. Watanabe went on to argue that because petitioner claimed proprietary treatment for vast portions of the information provided, it and its legal representative and accountants could not see the information. Watanabe asserted that it is unable to meaningfully respond and, as such, the Department should refuse to consider the information. Watanabe also argued petitioner’s reference to verification exhibits in the absence of a verification report is pure speculation as to its contents. Further, Watanabe argued that the documents petitioner refers to relate to third country sales, which it claims are irrelevant to the Department’s inquiry into U.S. sales and the mere allegation that such third country sales were diverted to the United States is insufficient. Finally, Watanabe argued that petitioner should be made to explain how it came to be informed about confidential verification exhibits.

Regarding the payment for the invoices, Watanabe explained that invoice value and payments do not necessarily need to correspond to each other on a one-to-one basis for a variety of reasons, e.g., it is common practice for some invoices to be partially paid in different payments or that one payment might cover more than one invoice. Moreover, there may be quality disputes between buyer and seller, or simply a breach of faith by the buyer. Such discrepancies can sometimes result in adjustments at the end of the accounting period.

On September 20, 2010, per Watanabe’s request to reveal the confidential information so that it may substantively comment, in accordance with 19 CFR 351.306(a)(5), petitioner authorized the Department to release directly to Watanabe, for comment, invoices that it had attached to its August 27, 2010 submission. On September 21, 2010, the Department issued a letter to Watanabe releasing those invoices to Watanabe and again requested that they respond to petitioner’s allegation that Watanabe provided false documentation during the Department’s recent verification of Watanabe’s questionnaire response. On September 24, 2010, due to a national holiday, Watanabe requested an extension for a period of one week from the date the company reopens, which was not provided.

On September 30, 2010, Watanabe submitted a letter in which it repeated many of the arguments raised in its September 10, 2010 letter. Watanabe also asserted that the information provided by petitioner was fabricated and is therefore unknown to it; because of this, Watanabe argued that it could not adequately respond to these allegations. In addition, Watanabe provided certain Customs data of record to establish that it had properly reported all of its sales.

Analysis

Watanabe has made a number of arguments about why the Department should reject petitioner’s allegations, each of which are addressed below.

Watanabe argues that the factual information submitted by petitioners was untimely filed. While we agree that this filing was past the deadlines in 19 CFR 351.301(b)(2) and (c)(1), the Department has the discretion under 19 CFR 351.203(b) to extend any deadline for good cause. Given the significance of the issues raised by petitioners, we extended the deadline for factual information to rebut, clarify, or correct petitioner’s allegation and information, and requested that Watanabe respond.

Watanabe also argues that petitioner should be made to explain how it came to be informed about confidential verification exhibits. However, in letters dated August 30, 2010, and September 17, and 20, 2010, petitioner adequately explained how it had obtained the new factual information that it had submitted, specifying that it had been done without explaining or providing any data to its membership. There has been no allegation of an APO violation nor is there any evidence of improper treatment of BPI on the record of this case.

Watanabe argues that petitioner’s arguments are without merit as they are taken out of context because the verification report had not been issued at the time. We agree that it is unfortunate that this issue arose before the verification report had been issued. However, in accordance with standard practice, Watanabe served the petitioner a copy of the verification exhibits within 5 days of the conclusion of verification. As discussed below, it is clear from the exhibits that they were obtained as part of the standard verification procedures of “Quantity and Value Reconciliation” and “Completeness Tests.” The procedures and the relevant discussion of factual information are in the October 7, 2010, Verification Report.

Additionally, Watanabe claims that it is unable to adequately respond these allegations because Watanabe itself was unable to access to certain information. This claim is without merit. The issues raised by petitioner relate directly to Watanabe’s own proprietary information contained in the verification exhibits. Both in the public and Watanabe proprietary version of petitioner’s August 27, 2010, letter, and in the Department’s letters of September 3, and 21, 2010, the factual bases of the petitioner’s allegation is clear.

As to the merits of petitioner’s allegations, petitioner supplied invoices which they claimed correspond to invoices related to third-country sales reviewed at verification and provided as verification exhibits. Specifically, petitioner points to the similarity between the products listed, quantities and other details in the two sets of invoices. However, they note the significant differences in payment amounts between the two sets of invoices. Additionally, petitioner provided documentation demonstrating payment in the amount listed on the petitioner-provided invoice and receipt of that amount as recorded in Watanabe supplied payment documentation at Verification Exhibit 14 at page 1. For three of Watanabe’s third-country sales,
petitioner provided documentation demonstrating payment in the amount listed on the invoices petitioner provided and not those provided by Watanabe. This raises a fundamental question about the reliability of the documents reviewed at verification.

The invoices in question were reviewed as part verification procedure called “Quantity and Value Reconciliation” and “Completeness Tests” which is a procedure done to test whether the total quantity and value of sales reported by the respondent tie to their books and records. This is one of the central elements of verification—to ensure that respondent reported all the necessary sales. The total sales of a company include sales to the United States, the home market, and third countries. Without this step, we have no way of determining whether all the U.S. sales during the POR were properly reported. As detailed in the verification report, we selected sample transactions from Watanabe’s list of total sales and reviewed them to determine if they were properly reported. This list identified the total quantity and value for each transaction. Thus, the invoices we reviewed showed total revenue based on the prices listed on them. This list of total sales, including the quantity and value, was then tied to Watanabe’s 2008 and 2009 Financial Statements.

To date, Watanabe’s substantive response to the presentation of these invoices and payment data by petitioner is to provide a copy of one Customs data record. This is intended to support the value as reported on one of the invoices provided by Watanabe at verification, to claim that the allegations of petitioner appears to be based on made-up documents, and to claim that frequently, customers pay amounts that differ from the invoiced amount.

Watanabe has not, however, addressed why the specific amount on invoices petitioner provided tie directly to Watanabe’s payment records. Petitioner specifically cited to these invoices and the payment documents Watanabe provided as Verification Exhibit 14 at page 1 to show that the sales and payment values do not tie to Watanabe’s own internal records, but to the invoices provided by petitioner. Watanabe’s answers provide possible explanations as to why the payment amount on invoices it provided may not appear in its ledgers, but do not adequately explain why instead the payment amounts on invoices petitioner provided are clearly identifiable in the Watanabe-supplied payment documentation at Verification Exhibit 14 at page 1.

While Watanabe questions the existence of any motive to misreporting third country sales and attempts to impugn the behavior of petitioner, we are not satisfied with its response to the allegations.

Regardless of the motives of either party, we preliminarily determine that petitioner has provided credible evidence of misreporting of sales values by Watanabe. The fact that the total revenue associated with the invoiced amounts petitioner submitted tied to the company book and records tends to show that the prices on the invoices reviewed at verification are incorrect, thus fundamentally calling into question the reliability of Watanabe’s records. As such, these records do not appear to be a reliable basis to use for our calculations. It is Watanabe’s responsibility to provide a clear explanation of what is the basis for these different invoices, and how these differences can be explained and clearly tied to the records examined at verification so that we can determine that such records are reliable. Petitioner provided to Watanabe invoices it obtained from the members of its association, and linked the invoiced amount to the payment documentation Watanabe supplied as Verification Exhibit 14 at page 1.

Watanabe has not refuted the evidence showing the values on the invoices petitioner provided tie to Watanabe’s own records. Because Watanabe has failed to provide an adequate explanation at the time of these preliminary results, we have relied on facts available for purposes of these preliminary results. However, as this issue has arisen late in the proceeding and there were certain constraints associated with proprietary treatment, we will continue to probe this issue further for purposes of the final results.

Section 776(a) of the Act provides that the Department will apply “facts otherwise available” (“FA”) if, inter alia, necessary information is not available on the record or an interested party: (1) Withholds information that has been requested by the Department; (2) fails to provide such information within the deadlines established, or in the form or manner requested by the Department, subject to subsections (c)(1) and (e) of section 782 of the Act; (3) significantly impedes a proceeding; or (4) provides such information, but the information cannot be verified.

According to section 776(b) of the Act, if the Department finds that an interested party fails to cooperate by not acting to the best of its ability to comply with requests for information, the Department may use an inference that is adverse to the interests of that party in selecting from the facts otherwise available. See also India Lined Paper AR1 Final; Notice of Final Results of Antidumping Duty Administrative Review: Stainless Steel Bar from India, 70 FR 54023, 54025–26 (September 13, 2005); and Notice of Final Determination of Sales at Less Than Fair Value and Final Negative Critical Circumstances: Carbon and Certain Alloy Steel Wire Rod from Brazil, 67 FR 55792, 55794–96 (August 30, 2002). Adverse inferences are appropriate “to ensure that the party does not obtain a more favorable result by failing to cooperate than if it had cooperated fully.” See Statement of Administrative Action accompanying the Uruguay Round Agreements Act, H.R. Rep. No. 103-316, Vol. 1, at 870 (1994) (“SAA”), reprinted in 1994 U.S.C.C.A.N. 4040, 4198–99. Furthermore, “affirmative evidence of bad faith on the part of a respondent is not required before the Department may make an adverse inference.” See Antidumping Duties: Countervailing Duties: Final Rule, 62 FR 27296, 27340 (May 19, 1997); see also Nippon Steel Corp. v. United States, 337 F.3d 1373, 1382–83 (Fed. Cir. 2003) (“Nippon”).

We find that the PRC-wide entity, including Watanabe, did not act to the best of its ability in this proceeding, within the meaning of section 776(b) of the Act, because it failed to respond to the Department’s requests for information and failed to provide any additional information based on all of the above, the Department preliminarily finds that adverse inference is warranted in selecting from the facts otherwise available. See Nippon, 337 F.3d at 1382–83.

Section 776(b) of the Act provides that the Department may use as AFA information derived from: (1) The petition; (2) the final determination in the investigation; (3) any previous review; or (4) any other information placed on the record. The Department’s practice, when selecting an AFA rate from among the possible sources of information, has been to ensure that the margin is sufficiently adverse “as to effectuate the statutory purposes of the adverse facts available rule to induce respondents to provide the Department with complete and accurate information in a timely manner.” See, e.g., Certain Steel Concrete Reinforcing Bars from Turkey: Final Results and Rescission of Antidumping Duty Administrative Review in Part, 71 FR 65082, 65084 (November 7, 2006).

To ensure that the margin is sufficiently adverse so as to induce
cooperation, we have preliminarily assigned to the PRC-wide entity, including Watanabe, the rate of 258.21 percent, the highest rate on the record of this proceeding. This rate was assigned to the PRC-wide entity in the investigation of CLPP from the PRC. See Notice of Amended Final Determination of Sales at Less Than Fair Value: Certain Lined Paper Products from the People’s Republic of China; Notice of Antidumping Duty Orders: Certain Lined Paper Products from India, Indonesia and the People’s Republic of China; and Notice of Countervailing Duty Orders: Certain Lined Paper Products from India, Indonesia, 71 FR 56949 (September 28, 2006). As explained below, this rate has been corroborated.

Corroboration of Secondary Information

Section 776(c) of the Act provides that, when the Department relies on secondary information rather than on information obtained in the course of an investigation or review, it shall, to the extent practicable, corroborate that information from independent sources that are reasonably at its disposal. Secondary information is defined as information derived from the petition that gave rise to the investigation or review, the final determination concerning the subject merchandise, or any previous review under section 751 of the Act concerning the subject merchandise. See SAA at 870. Corroborate means that the Department will satisfy itself that the secondary information to be used has probative value. Id. To corroborate secondary information, the Department will, to the extent practicable, examine the reliability and relevance of the information to be used. See Preliminary Results of Antidumping Duty Administrative Reviews and Partial Termination of Administrative Reviews: Tapered Roller Bearings and Parts Thereof, Finished and Unfinished from Japan, and Tapered Roller Bearings Four Inches or Less in Outside Diameter, and Components Thereof, from Japan, 61 FR 57391, 57392 (November 6, 1996) (unchanged in final determination). Final Results of Antidumping Duty Administrative Reviews and Termination in Part: Tapered Roller Bearings and Parts Thereof, Finished and Unfinished from Japan, and Tapered Roller Bearings Four Inches or Less in Outside Diameter, and Components Thereof, from Japan, 62 FR 11825 (March 13, 1997). Independent sources used to corroborate such evidence may include, for example, published price lists, official import statistics and customs data, and information obtained from interested parties during the particular investigation. See Notice of Preliminary Determination of Sales at Less Than Fair Value: High and Ultra-High Voltage Ceramic Station Post Insulators from Japan, 68 FR 35627 (June 16, 2003) (unchanged in final determination) Notice of Final Determination of Sales at Less Than Fair Value: High and Ultra-High Voltage Ceramic Station Post Insulators from Japan, 68 FR 62560 (November 5, 2003); and Notice of Final Determination of Sales at Less Than Fair Value: Live Swine From Canada, 70 FR 12181, 12183–84 (March 11, 2005).

The AFA rate selected here is from the original investigation and was applied to Watanabe in the second Administrative Review. This rate was calculated based on information contained in the petition, which was corroborated for the final determination. No additional information has been presented in the current review which calls into question the reliability of the information. Therefore, the Department finds that the information continues to be reliable.

Preliminary Results of the Review

The Department has determined that the following preliminary dumping margin exists for the period September 1, 2008, through August 31, 2009:

<table>
<thead>
<tr>
<th>Producer/manufacturer</th>
<th>Weighted-average margin</th>
</tr>
</thead>
<tbody>
<tr>
<td>PRC-Wide Rate (which includes the Watanabe Group)</td>
<td>258.21%</td>
</tr>
</tbody>
</table>

Disclosure and Public Hearing

The Department will disclose to parties the calculations performed in connection with these preliminary results within five days of the date of publication of this notice. See 19 CFR 351.224(b). Because, as discussed above, we intend to seek additional information, we will establish the briefing schedule at a later time, and will notify parties of the schedule in accordance with 19 CFR 351.309. Parties who submit case briefs or rebuttal briefs in this proceeding are requested to submit with each argument: (1) A statement of the issue; (2) a brief summary of the argument; and (3) a table of authorities. See 19 CFR 351.309(c)(2).

Pursuant to 19 CFR 351.310(c), interested parties who wish to request a hearing, or to participate if one is requested, must submit a written request to Assistant Secretary for Import Administration, Room 1117, within 30 days of the date of publication of this notice. Requests should contain: (1) The party’s name, address and telephone number; (2) the number of participants; and (3) a list of issues to be discussed. Id. Issues raised in the hearing will be limited to those raised in the respective case briefs. The Department will issue the final results of this administrative review, including the results of its analysis of the issues raised in any written briefs, not later than 120 days after the date of publication of this notice, pursuant to section 751(a)(3)(A) of the Act.

Assessment Rates

Upon issuance of the final results, the Department will determine, and CBP shall assess, antidumping duties on all appropriate entries covered by this review. The Department intends to issue assessment instructions to CBP 15 days after the publication date of the final results of this review. We will instruct CBP to liquidate the Watanabe Group’s appropriate entries at the PRC-wide rate of 258.21 percent.

Cash Deposit Requirements

The following cash deposit requirements will be effective upon publication of the notice of final results of the administrative review for all shipments of CLPP from the PRC entered, or withdrawn from warehouse, for consumption on or after the date of publication, as provided by section 751(a)(2)(C) of the Act: (1) For previously reviewed or investigated companies not listed above that have separate rates, the cash-deposit rate will continue to be the company-specific rate published for the most recent period; (2) for all other PRC exporters of subject merchandise, which have not been found to be entitled to a separate rate, the cash-deposit rate will be PRC-wide rate of 258.21 percent; and (3) for all non-PRC exporters of subject merchandise, the cash-deposit rate will be the rate applicable to the PRC.
exporter that supplied that non-PRC exporter. These deposit requirements, when imposed, shall remain in effect until further notice.

Notification to Importers

This notice also serves as a preliminary reminder to importers of their responsibility under 19 CFR 351.402(f)(2) to file a certificate regarding the reimbursement of antidumping duties prior to liquidation of the relevant entries during this review period. Failure to comply with this requirement could result in the Secretary’s presumption that reimbursement of antidumping duties occurred and the subsequent assessment of double antidumping duties.

This determination is issued and published in accordance with sections 751(a)(1) and 777(i)(1) of the Act.


Ronald K. Lorentzen,
Deputy Assistant Secretary for Import Administration.

SUMMARY:
The Corporation for National and Community Service (hereinafter the “Corporation”), as part of its continuing effort to reduce paperwork and respondent burden, conducts a pre-clearance consultation program to provide the general public and federal agencies with an opportunity to comment on proposed and/or continuing collections of information in accordance with the Paperwork Reduction Act of 1995 (PRA95) (44 U.S.C. Sec. 3506(c)(2)(A)). This program helps to ensure that requested data can be provided in the desired format, reporting burden (time and financial resources) is minimized, the collection instruments are clearly understood, and the impact of collection requirement on respondents can be properly assessed.

Currently, the Corporation is soliciting comments concerning its proposed collection request for the National Evaluation of the Learn and Serve America School-Based Program (NELSAP). The evaluation utilizes an experimental design to assess the impact of Learn and Serve America-funded service-learning activities on student outcomes. The evaluation will demonstrate the effectiveness of service-learning as a pedagogical method. Participation in the information collection is voluntary and will not be used in grant funding decisions.

Copies of the information collection request can be obtained by contacting the office listed in the addresses section of this notice.

DATES: Written comments must be submitted to the individual and office listed in the ADDRESSES section by December 17, 2010.

ADDRESSES: You may submit comments, identified by the title of the information collection activity, by any of the following methods:

(1) By mail sent to: Corporation for National and Community Service, Office of Strategy; Attention: Kimberly Spring, Room 10906B; 1201 New York Avenue, NW., Washington, DC 20525.

(2) By hand delivery or by courier to the Corporation’s mailroom at Room 8100 at the mail address given in paragraph (1) above, between 9 a.m. and 4 p.m. Monday through Friday, except Federal holidays.

(3) By fax to: (202) 606–3464, Attention: Kimberly Spring

(4) Electronically through the Corporation’s e-mail address system: kspring@cns.gov.

Individuals who use a telecommunications device for the deaf (TTY–TDD) may call (202) 606–3472 between 8:30 a.m. and 5 p.m. eastern time, Monday through Friday.

FOR FURTHER INFORMATION CONTACT: Kimberly Spring, (202) 606–6629, or by e-mail at kspring@cns.gov.

SUPPLEMENTARY INFORMATION: The Corporation is particularly interested in comments that:

• Evaluate whether the proposed collection of information is necessary for the proper performance of the functions of the Corporation, including whether the information will have practical utility;

• Evaluate the accuracy of the agency’s estimate of the burden of the proposed collection of information, including the validity of the methodology and assumptions used;

• Enhance the quality, utility, and clarity of the information to be collected; and

• Minimize the burden of the collection of information on those who are expected to respond, including the use of appropriate automated, electronic, mechanical, or other technological collection techniques or other forms of information technology (e.g., permitting electronic submissions of responses).

Background

The Corporation is implementing NELSAP under the authority of Section 120 of the National and Community Service Act of 1990 (42 U.S.C. 12565), which requires the Corporation to support an assessment of the impact of service-learning activities carried out under the Learn and Serve America Program. NELSAP will assess the impact of Learn and Serve America-funded service-learning activities on ninth and tenth grade students’ academic achievement, academic engagement, and civic engagement in core academic areas (English, math, science, and social studies). Data will be collected from students on their academic and civic engagement; teachers on the implementation aspects of treatment (service-learning) and control (non-service-learning) classrooms; and school and district administrators on students’ school records and academic achievement. In cases of missing extant content-based test scores for participating classrooms, students will complete a norm-based