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DEPARTMENT OF COMMERCE

International Trade Administration

C-122-854

Supercalendered Paper from Canada: Final Results of Changed Circumstances Review and Revocation of Countervailing Duty Order

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

SUMMARY: The Department of Commerce (Commerce) is revoking the countervailing duty (CVD) order on supercalendered paper (SC paper) from Canada.

DATES: Effective August 3, 2015.

FOR FURTHER INFORMATION CONTACT: Emily Halle or Nicholas Czajkowski, AD/CVD Operations, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230; telephone (202) 482-0176 or (202) 482-1395, respectively.

SUPPLEMENTARY INFORMATION:

Background

On December 10, 2015, Commerce published the *CVD Order* on SC paper from Canada.<sup>1</sup> On March 21, 2018, Verso Corporation (Verso) (*i.e.*, the petitioner) requested that Commerce conduct a changed circumstances review (CCR), pursuant to section 782(h)(2) of the Tariff Act of 1930, as amended (the Act) and 19 CFR 351.222(g)(1)(i). Verso expressed a lack of interest in the enforcement or existence of the *CVD Order*, and requested the retroactive

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<sup>1</sup> See *Supercalendered Paper from Canada: Countervailing Duty Order*, 80 FR 76668 (December 10, 2015) (*CVD Order*).

revocation of the *CVD Order*, effective August 3, 2015.<sup>2</sup> Commerce published the initiation of this CCR on May 14, 2018.<sup>3</sup> The parties to this proceeding provided comments on May 21, 2018.<sup>4</sup> On June 21, 2018, pursuant to 19 CFR 351.302(b), Commerce extended the time limit for completing this CCR.<sup>5</sup>

#### Final Results of Changed Circumstances Review, and Revocation of the Order

Pursuant to section 751(d)(1) of the Act, and 19 CFR 351.222(g), Commerce may revoke an antidumping duty or CVD order, in whole or in part, based on a review under section 751(b) of the Act (*i.e.*, a CCR). Section 751(b)(1) of the Act requires a CCR to be conducted upon receipt of a request which shows changed circumstances sufficient to warrant a review. Section 782(h)(2) of the Act gives Commerce the authority to revoke an order if producers accounting for substantially all of the production of the domestic like product have expressed a lack of interest in the order. Section 351.222(g) of Commerce's regulations provides that Commerce will conduct a CCR under 19 CFR 351.216, and may revoke an order (in whole or in part), if it concludes that: (i) producers accounting for substantially all of the production of the domestic like product to which the order pertains have expressed a lack of interest in the relief provided by the order, in whole or in part; or (ii) if other changed circumstances sufficient to warrant revocation exist. Both the Act and Commerce's regulations require that "substantially all" domestic producers express a lack of interest in the order for Commerce to revoke the order, in

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<sup>2</sup> See Letter from Verso, "Supercalendered Paper from Canada/Request for Changed Circumstances Review," March 21, 2018 (Verso Request).

<sup>3</sup> See *Supercalendered Paper from Canada: Initiation of Changed Circumstances Review*, 83 FR 22249 (May 14, 2018) (*Initiation Notice*).

<sup>4</sup> See Letter from Verso, *et. al.*, "Supercalendered Paper from Canada (C-122-854): Joint Comments on Initiation of Changed Circumstances Review," May 21, 2018.

<sup>5</sup> See Letter to Verso Corporation, "Countervailing Duty Order on Supercalendered Paper from Canada: Changed Circumstances Review; Extension of Deadline for Final Results," dated June 21, 2018.

whole or in part.<sup>6</sup> Commerce has interpreted “substantially all” to represent producers accounting for at least 85 percent of U.S. production of the domestic like product.<sup>7</sup> In the *Initiation Notice*, we stated that Verso’s request indicated it accounts for at least 85 percent of domestic production.<sup>8</sup> We received no comments concerning Verso’s claim regarding its production or otherwise indicating a lack of industry support with respect to this CCR.

As noted in the *Initiation Notice*, Verso requested the revocation of this *CVD Order* because it is no longer interested in maintaining the *CVD Order* or in the imposition of duties on the subject merchandise as of August 3, 2015.<sup>9</sup> We conclude that producers accounting for substantially all of the production of the domestic like product, to which this *CVD Order* pertains, lack interest in the relief provided by the *CVD Order*. We find that the petitioner’s affirmative statement of no interest in the *CVD Order* constitutes good cause for the conduct of this review.

On May 21, 2018, Commerce received comments from Verso, the Government of Canada, the Government of New Brunswick, the Government of Nova Scotia, the Government of Ontario, the Government of Quebec, Irving Paper Limited, Port Hawkesbury Paper L.P., Resolute FP Canada Inc., and Resolute FP US Inc. In a joint filing, these parties, who represent all of the interested parties to this proceeding, stated their agreement with the outcome proposed in the *Initiation Notice*. Moreover, the parties cited to 19 CFR 351.216(e), which provides that,

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<sup>6</sup> See section 782(h) of the Act and 19 CFR 351.222(g).

<sup>7</sup> See *Honey from Argentina; Antidumping and Countervailing Duty Changed Circumstances Reviews; Preliminary Intent to Revoke Antidumping and Countervailing Duty Orders*, 77 FR 67790, 67791 (November 14, 2012), unchanged in *Honey from Argentina; Final Results of Antidumping and Countervailing Duty Changed Circumstances Reviews; Revocation of Antidumping and Countervailing Duty Orders*, 77 FR 77029 (December 31, 2012).

<sup>8</sup> See *Initiation Notice*, 83 FR at 22249.

<sup>9</sup> *Id.*

when all parties agree to the outcome, Commerce will issue its final results of CCR within 45 days of the initiation.

Accordingly, we are notifying the public that we are revoking the *CVD Order*, in whole. Based on Verso's request that revocation be retroactive to August 3, 2015, and because we have not completed any administrative reviews of the *CVD Order*, we will instruct U.S. Customs and Border Protection (CBP) to discontinue the suspension of liquidation and the collection of cash deposits of estimated countervailing duties, to liquidate all unliquidated entries that were entered on or after August 3, 2015, without regard to countervailing duties, and to refund all CVD cash deposits on all such merchandise, with applicable interest.

#### Scope of the Order

The product covered by the order is SC paper. SC paper is uncoated paper that has undergone a calendering process in which the base sheet, made of pulp and filler (typically, but not limited to, clay, talc, or other mineral additive), is processed through a set of supercalenders, a supercalender, or a soft nip calender operation.<sup>10</sup>

The scope of this order covers all SC paper regardless of basis weight, brightness, opacity, smoothness, or grade, and whether in rolls or in sheets. Further, the scope covers all SC paper that meets the scope definition regardless of the type of pulp fiber or filler material used to produce the paper.

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

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<sup>10</sup> Supercalendering and soft nip calendering processing, in conjunction with the mineral filler contained in the base paper, are performed to enhance the surface characteristics of the paper by imparting a smooth and glossy printing surface. Supercalendering and soft nip calendering also increase the density of the base paper.

Subject merchandise primarily enters under Harmonized Tariff Schedule of the United States (HTSUS) subheading 4802.61.3035, but may also enter under subheadings 4802.61.3010, 4802.62.3000, 4802.62.6020, and 4802.69.3000. Although the HTSUS subheadings are provided for convenience and customs purposes, the written description of the scope of the order is dispositive.

Instructions to U.S. Customs and Border Protection

Because we determine that there are changed circumstances that warrant the revocation of the *CVD Order*, in whole, we will instruct CBP to discontinue the suspension of liquidation and the collection of cash deposits of estimated countervailing duties, to liquidate all unliquidated entries that were entered on or after August 3, 2015, without regard to countervailing duties, and to refund all CVD cash deposits on all such merchandise, with applicable interest.

Notification to Interested Parties

This notice serves as a reminder to parties subject to an administrative protective order (APO) of their responsibility concerning the disposition of proprietary information disclosed under APO in accordance with 19 CFR 351.305(a)(3). Timely written notification of the return/destruction of APO materials or conversion to judicial protective order is hereby requested. Failure to comply with the regulations and terms of an APO is a sanctionable violation.

We are issuing and publishing these final results and revocation, in whole, and notice in accordance with sections 751(b) and 777(i) of the Act and 19 CFR 351.216, 19 CFR 351.221(c)(3), and 19 CFR 351.222.

*/s/ Gary Taverman*

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Gary Taverman  
Deputy Assistant Secretary  
for Antidumping and Countervailing Duty Operations,  
performing the non-exclusive functions and duties of the  
Assistant Secretary for Enforcement and Compliance

July 5, 2018

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Date