

Petitioners' Staff Conference Exhibits

**Investigation Nos. 701-TA-528-529
and 731-TA-1264-1268 (Preliminary)**

**Certain Uncoated Paper from Australia,
Brazil, China, Indonesia, and Portugal**

February 11, 2015

The Domestic Like Product Is Coextensive With The Scope Of The Subject Imports

- The imported article subject to investigation is uncoated paper in sheet form, weighing from 40 to 150 grams per square meter, with a GE brightness level of 85 or higher.
- An identical product is made in the United States.
- Certain Uncoated Paper has different physical characteristics than other types of paper – such as brightness, smoothness, and ink retention – that dictate different uses.
- Thus, Certain Uncoated Paper is not interchangeable with other types of paper.
- While channels of distribution overlap to some extent with other types of paper, a very large share of Certain Uncoated Paper is sold through office superstores (such as Office Depot and Staples) and large retailers (such as Wal-Mart, Target, Costco).
- Customers and producers consider Certain Uncoated Paper as a distinct product.
- Certain Uncoated Paper is generally produced in distinct manufacturing facilities using different production processes and employees.
- Prices are different.

EXHIBIT A

Petitioners Represent Substantially All U.S. Production

Boise Paper (PCA)

- International Falls, MN*
- Jackson, AL*

Domtar

- Ashdown, AR*
- Bennettsville, SC
- Hawesville, KY*
- Johnsonburg, PA*
- Kingsport, TN*
- Nekoosa, WI*
- Port Huron, MI*
- Rothschild, WI*

Finch Paper

- Glens Falls, NY*

Glatfelter

- Chillicothe, OH*
- Spring Grove, PA*

* Workers are represented by USW.

Additional USW Represented Mills

- Flambeau River Papers
 - Park Falls, WI
- Georgia-Pacific
 - Port Hudson, LA
- International Paper
 - Georgetown, SC
 - Selma, AL
 - Ticonderoga, NY
- Mohawk
 - Cohoes, NY
- Neenah Paper
 - Appleton, WI
 - Neenah, WI
 - Stevens Point, WI

Source: Petitions at Exhibit I-1.

EXHIBIT B

Imports From All Subject Countries Should Be Cumulated

- Petitions were filed on the same day.
- There is a reasonable overlap in competition.
- Subject imports from each country and the domestic like product are:
 - Highly interchangeable. All U.S. and subject producers focus their production and sales on cut-size paper sold in standard letter and legal sizes that are used in office copiers/printers.
 - Sold simultaneously throughout the United States.
 - Sold in the same channels of trade – office superstores, retailers, paper merchants, and end users.

EXHIBIT C

U.S. Imports Reported As From Hong Kong Are In Fact From China And Are Subject To These Investigations

- There is no production of Certain Uncoated Paper in Hong Kong.
- The imports reported for Hong Kong originate from Chenming in China and were shipped to the United States by Chenming's wholly-owned Hong Kong trading company, Chenming (HK) Limited.
- The official Chinese export statistics corroborate that imports from Hong Kong must be included to capture all U.S. imports originating from China.
- The official Hong Kong export statistics further corroborate that Hong Kong is not the country of origin for these U.S. imports.

EXHIBIT D

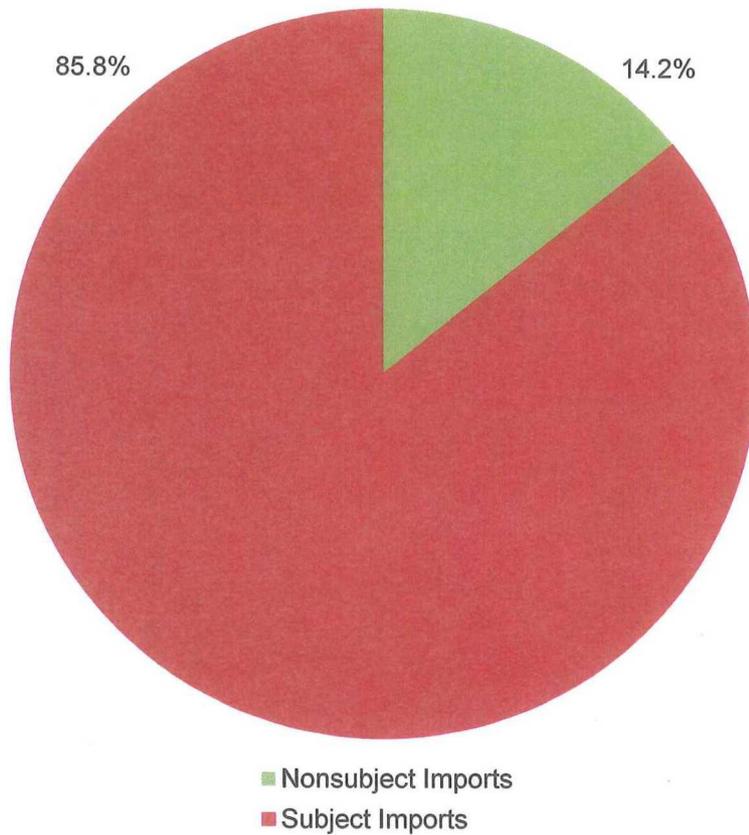
The Conditions Of Competition Make The Domestic Industry Highly Susceptible To Injury From Unfairly Traded Imports

- Purchasing decisions are largely based on price.
- Production is capital intensive.
- Demand has been declining about 3 percent per year over the past 15 years.

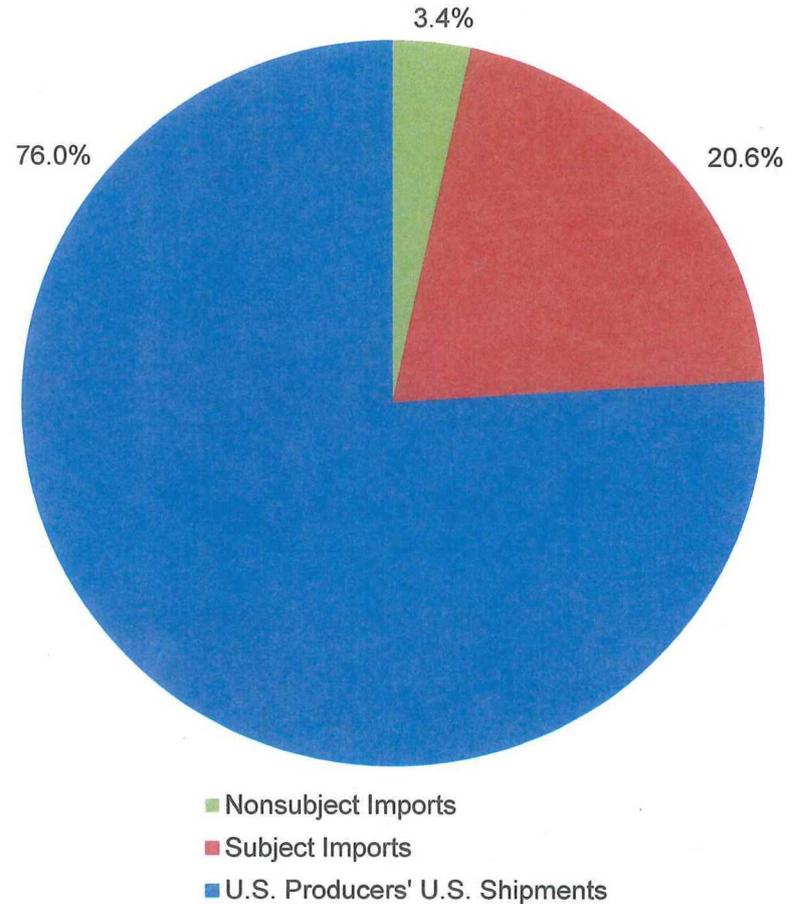
EXHIBIT E

The Volume Of Subject Imports Is Significant

Subject Imports' Share Of Total Imports During January-September 2014



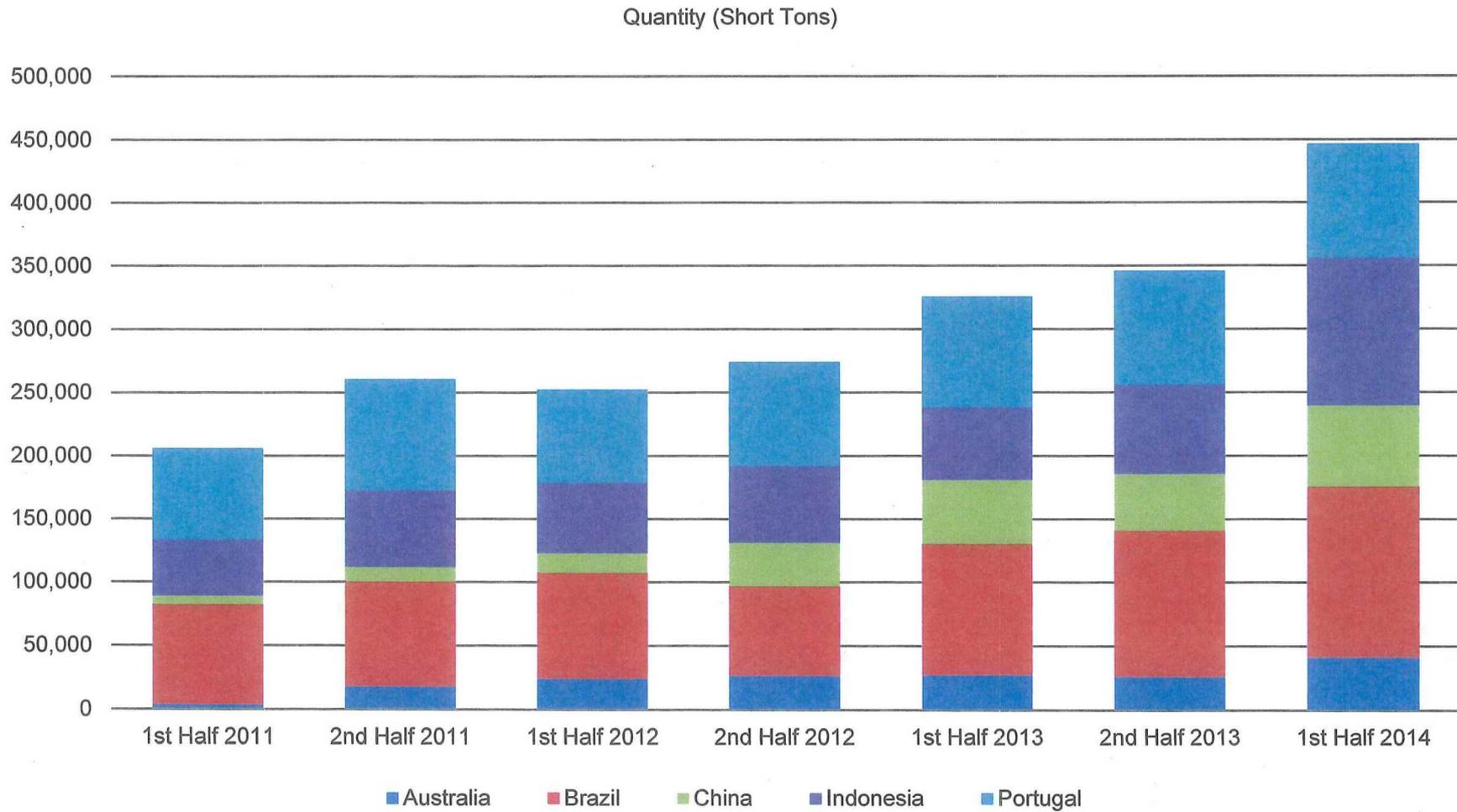
Subject Imports' Share Of Apparent U.S. Consumption During January-September 2014



Source: Petitioners' Response To The Department's General Questions (Jan. 30, 2015) at Exhibit I-S9. Data for subject imports include imports declared to have been produced in Hong Kong.

EXHIBIT F

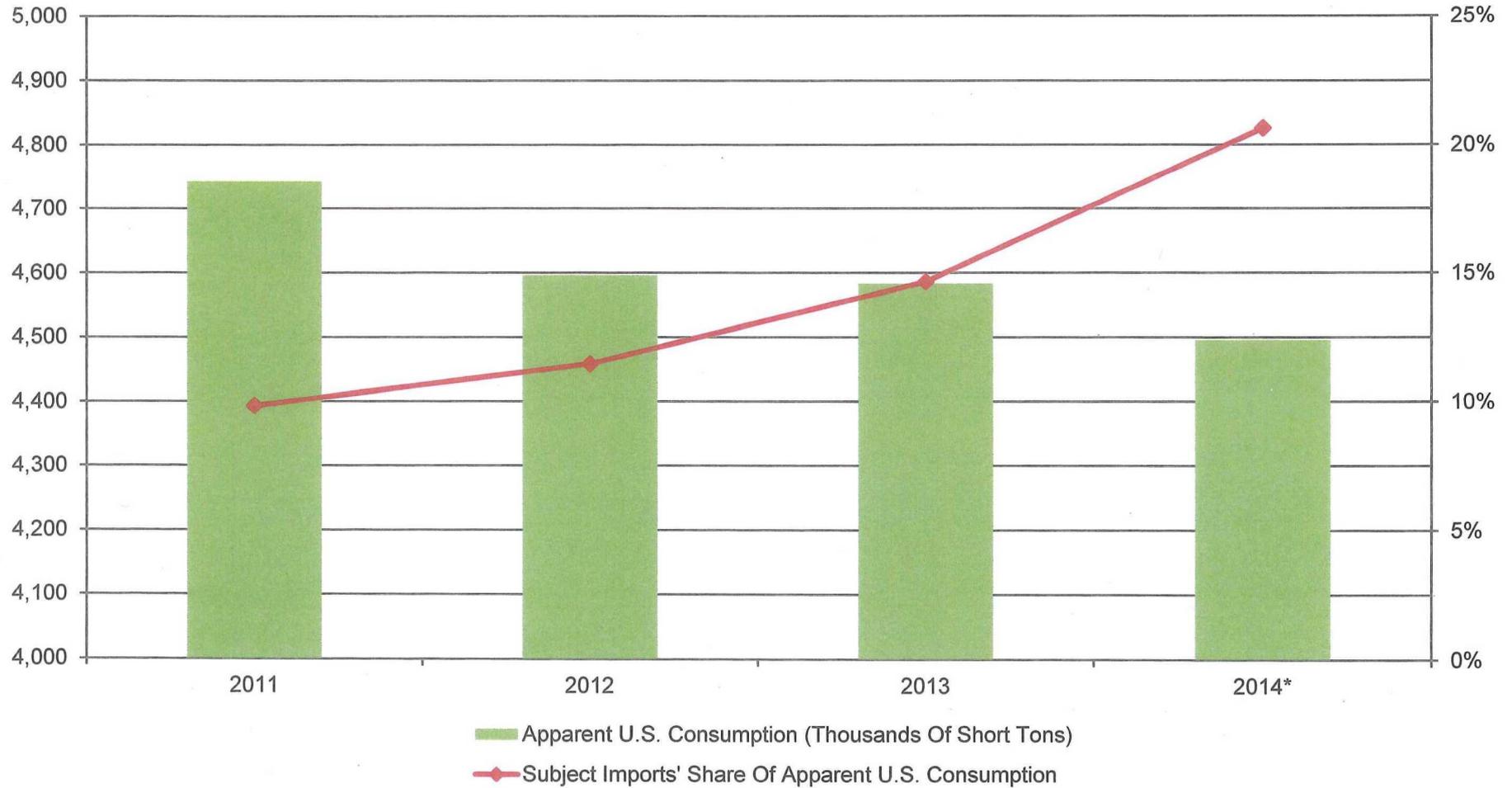
Subject Imports Have Increased



Source: USITC Dataweb imports for HTSUS 4802.56 and 4802.57.
Data for China include imports declared to have been produced in Hong Kong.

EXHIBIT G

Subject Imports Have Increased Relative To Apparent U.S. Consumption

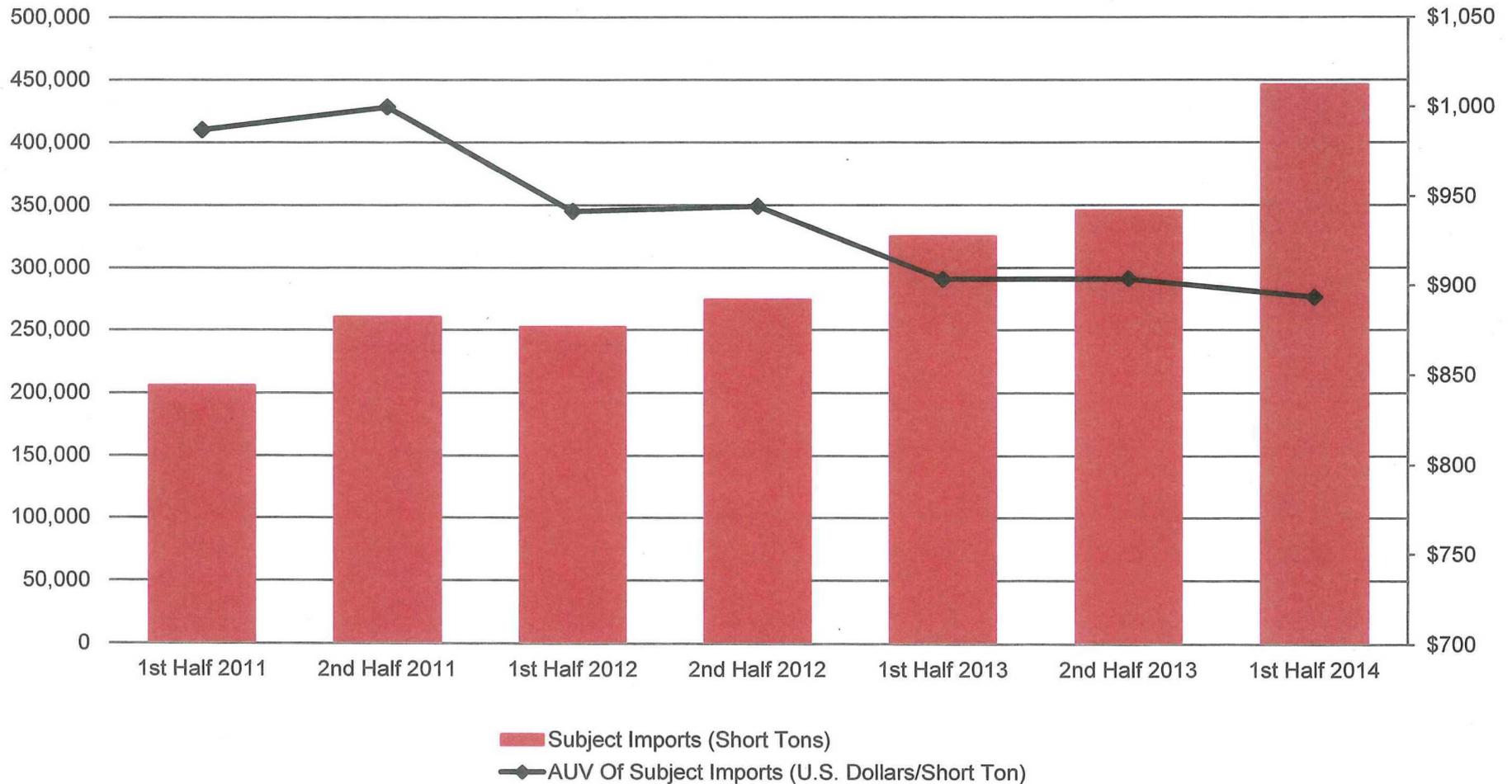


* Contains annualized data from January-September 2014.

Source: Petitioners' Response To The Department's
General Questions (Jan. 30, 2015) at Exhibit I-S9.

EXHIBIT H

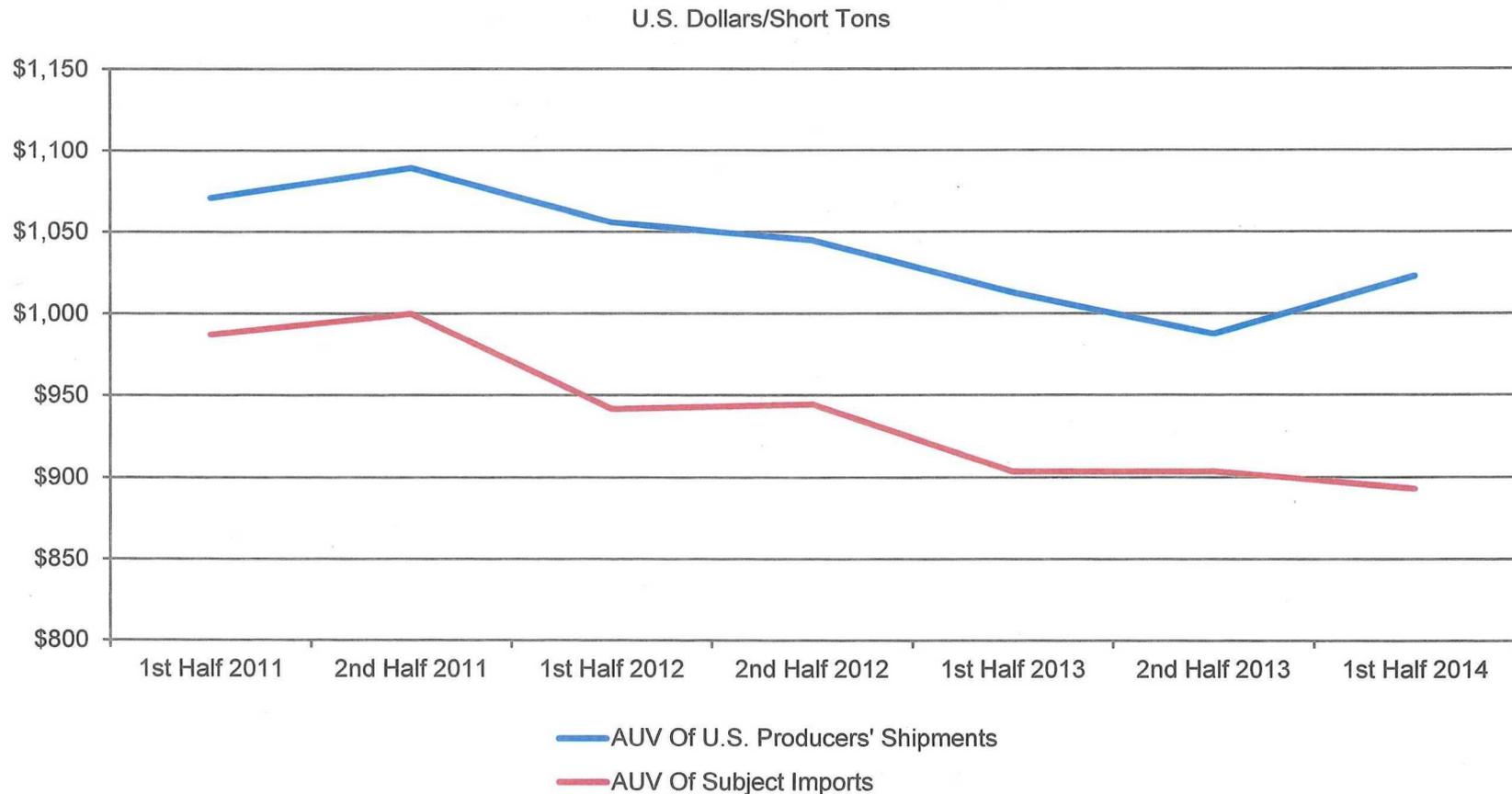
Subject Imports Have Increased While Reducing Their Prices



Source: USITC Dataweb imports for HTSUS 4802.56 and 4802.57.
Data include imports declared to have been produced in Hong Kong.

EXHIBIT I

Subject Imports Have Undersold The Domestic Like Product, With The Largest Underselling Margin In 2014



Sources:

AUV Of U.S. Producers' Shipments – RISI, *Paper Trader*. The level of underselling presented is understated because the AUVs reported by RISI include import prices from subject countries.

AUV Of Subject Imports – USITC Dataweb imports for HTS 4802.56 and 4802.57. Data include imports declared to have been produced in Hong Kong.

EXHIBIT J

Subject Imports Have Had An Adverse Impact On The Domestic Industry

- From 2011 to 2013, the Petitioning Producers suffered significant declines in
 - Production
 - U.S. shipments
 - Market share
 - Employment
 - Prices
 - Profits
- The domestic industry as a whole has dis-invested in U.S. production assets, closing 15 paper machines during the POI.

EXHIBIT K

Capacity Closures And Employment Losses During The POI

U.S. Producer	Mill	Date	Workers Laid Off	Certified For Trade Adjustment Assistance
Boise, Inc. (PCA)	International Falls, MN	September 2013	265 (partial closure)	Yes
Domtar	Ashdown, AR	July 2011	110	Yes
Georgia-Pacific	Crossett, AR	November 2013	20	No
Harbor Paper	Hoquiam, WA	February 2013	175	Yes
International Paper	Courtland, AL	November 2013 and February 2014	1,127	Yes
Lincoln Paper and Tissue	Lincoln, ME	December 2013	200	Yes
Mohawk Fine Papers	Hamilton, OH	January 2012	137	Yes
Wausau Paper	Brokaw, WI	December 2011	450	Yes

Source: Petitions at I-30 – I-31.

EXHIBIT L

U.S. Producers Are Threatened With Material Injury

- Subject imports are significant and are increasing rapidly.
- Capacity to produce uncoated paper in subject countries is significant and growing.
- Subject imports are entering the U.S. at increasingly lower prices that will increase demand for such imports.
- Many of the largest subject producers have established their own U.S. importation, sales, and distribution networks.
- Chinese and Indonesian producers benefit from numerous subsidy programs aimed at increasing production and exports.
- Subject producers are export oriented.
- Subject imports face trade measures in third countries.
- APP has rehabilitated its relationship with environmental groups in the United States.

EXHIBIT M

Certain Uncoated Paper Capacity Expansions In Subject Countries

Country	Company	Location	Annual Capacity Expansion	Timing
China	APRIL	Xinhui	450,000 metric tons	2014
	Shandong Tralin	Liaocheng City	350,000 metric tons	2014
	Shandong Tianhe	Ningyang County	100,000 metric tons	2013
	Shandong Chenming	Zhanjiang City	95,000 metric tons	2015
	UPM	Changshu	180,000 metric tons	2015
	Shandong Huatai	Dongying	250,000 metric tons	2013
	Wuhan Chenming	Wuhan City	200,000 metric tons	2014
Indonesia	Indah Kiat Pulp & Paper (APP)	South Sumatra	2,000,000 metric tons (pulp)	2015-16
		Perawang	500,000 metric tons	2013
Brazil	Cocepelco (mill formerly owned by Nobrecel)	Pindamonhangaba	25,000 metric tons	2014
	International Paper	Três Lagoas	200,000 metric tons	2016
Australia	Australia Paper	Maryvale	50,000 metric tons (pulp)	2014

Sources: Petitions at I-34 – I-40 and Exhibits I-20 – I-22.

EXHIBIT N

Subject Producers' Established U.S. Importers

<u>Subject Producer</u>		<u>Established U.S. Importer(s)</u>
Australia		
• Australia Paper	—————→	Paper Products Marketing (USA)
Brazil		
• Suzano	—————→	Suzano Pulp & Paper America Inc.
China		
• APP	—————→	Eagle Ridge Paper Ltd. Global Paper Solutions Papermax Inc.
• APRIL	—————→	Shinshei Pulp & Paper Co., Ltd.
• Chenming	—————→	Chenming International, Inc.
• UPM	—————→	UPM Kymmene, Inc.
Indonesia		
• APP	—————→	Eagle Ridge Paper Ltd. Global Paper Solutions Papermax Inc.
• APRIL	—————→	Shinshei Pulp & Paper Co., Ltd.
Portugal		
• Portucel	—————→	Soporcel North America

EXHIBIT O







