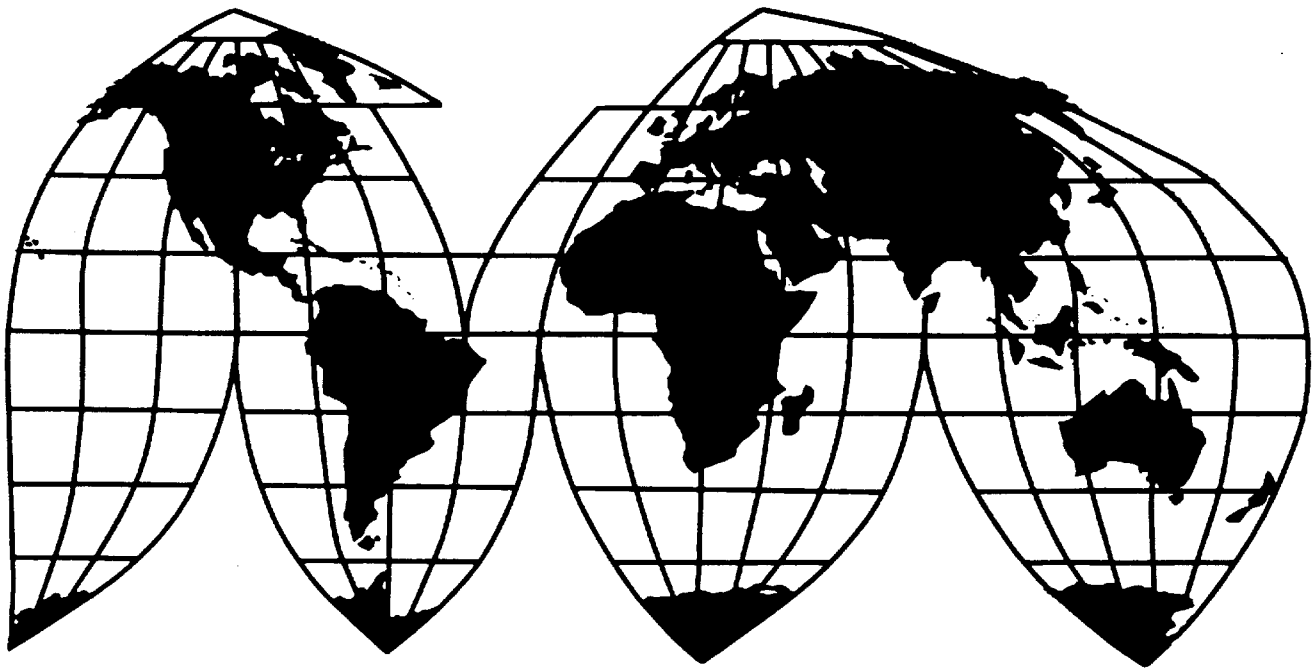
Paper Clips From China

Investigation No. 731-TA-663 (Second Review)

Publication 3834 **January 2006**

U.S. International Trade Commission



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Note.--Information that would reveal confidential operations of individual concerns may not be published and therefore has been identified by the use of *.**

UNITED STATES INTERNATIONAL TRADE COMMISSION

Investigation No. 731-TA-663 (Second Review)

PAPER CLIPS FROM CHINA

DETERMINATION

On the basis of the record[1] developed in the subject five-year review, the United States International Trade Commission (Commission) determines, pursuant to section 751(c) of the Tariff Act of 1930 (19 U.S.C. § 1675(c)) (the Act), that revocation of the antidumping duty order on paper clips from China would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.

BACKGROUND

The Commission instituted this review on July 1, 2005 (70 F.R. 38202) and determined on October 4, 2005 that it would conduct an expedited review (70 F.R. 61157, October 20, 2005).

The Commission transmitted its determination in this review to the Secretary of Commerce on January 18, 2006. The views of the Commission are contained in USITC Publication 3834 (January 2006), entitled *Paper Clips from China: Investigation No. 731-TA-663 (Second Review).*

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[1] The record is defined in sec. 207.2(f) of the Commission's Rules of Practice and Procedure (19 CFR § 207.2(f)).

VIEWS OF THE COMMISSION

Based on the record in this five-year review, we determine under section 751(c) of the Tariff Act of 1930, as amended ("the Act"), that revocation of the antidumping duty order covering paper clips from China would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.

I. BACKGROUND

In November 1994, the Commission determined that an industry in the United States was materially injured by reason of imports of paper clips from China that the U.S. Department of Commerce ("Commerce") had determined were sold in the United States at less than fair value.[1] On November 25, 1994, Commerce issued an antidumping duty order on paper clips from China.[2]

In July 2000, in the first five-year review of the order, the Commission determined that revocation of the antidumping duty order covering paper clips from China would likely lead to the continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.[3]

On July 1, 2005, the Commission instituted this second five-year review pursuant to section 751(c) of the Act, to determine whether revocation of the antidumping duty order on paper clips from China would likely lead to the continuation or recurrence of material injury to the domestic industry within a reasonably foreseeable time.[4]

On October 4, 2005, the Commission determined that the domestic interested party response was adequate, but that the respondent interested party response was inadequate.[5] In the absence of an adequate respondent interested party group response, or other factors warranting a full review, the Commission determined to conduct an expedited review pursuant to section 751(c)(3) of the Act.[6] [7] No respondent interested party has provided any information or argument to the Commission during the course of this expedited review.

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[1] Certain Paper Clips from the People's Republic of China , Inv. No. 731-TA-663 (Final), USITC Pub. 2829 (Nov. 1994) ("Original Determination") at I-3. All citations are to the published version of the Original Determination.

[2] 59 Fed. Reg. 60606 (Nov. 25, 1994).

[3] Paper Clips from China , Inv. No. 731-TA-663 (Review),USITC Pub. 3330 (July 2000) ("First Review Determination") at 3. All citations are to the published version of the First Review Determination.

[4] 70 Fed. Reg. 38202 (July 1, 2005).

[5] 70 Fed. Reg. 61157 (Oct. 20, 2005).

[6] 19 U.S.C. § 1675(c)(3).

[7] 70 Fed. Reg. 61157 (Oct. 20, 2005); see also Explanation of Determination on Adequacy, CR/PR at Appendix B.

II. DOMESTIC LIKE PRODUCT AND INDUSTRY

A. Domestic Like Product

In making its determination under section 751(c), the Commission defines the "domestic like product" and the "industry."[8] The Act defines "domestic like product" as "a product which is like, or in the absence of like, most similar in characteristics and uses with, the article subject to an investigation under this subtitle."[9]

In this five-year review, Commerce has defined the scope of the antidumping duty order as follows:

> Certain paper clips, wholly of wire of base metal, whether or not galvanized, whether or not plated with nickel or other base metal (e.g., copper), with a wire diameter between 0.025 inches and 0.075 inches (0.64 to 1.91 millimeters), regardless of physical configuration, except as specifically excluded. The products subject to this order may have a rectangular or ring-like shape and include, but are not limited to, clips commercially referred to as No. 1 clips, No. 3 clips, Jumbo or Giant clips, Gem clips, Frictioned clips, Perfect Gems, Marcel Gems, Universal clips, Nifty clips, Peerless clips, Ring clips, and Glide-On clips. The products subject to this order are currently classifiable under subheading 8305.90.3010 of the Harmonized Tariff Schedule of the United States ("HTSUS").
>
> Specifically excluded from the scope of this order are plastic and vinyl covered paper clips, butterfly clips, binder clips, or other paper fasteners that are not made wholly of wire of base metal and are covered under a separate subheading of the HTSUS. Although the HTSUS subheadings are provided for convenience and customs purposes, the written description of the scope of the order is dispositive.[10]

In its original determination and the first five-year review, the Commission defined the domestic like product as certain wire paper clips ("paper clips") coextensive with Commerce's scope of investigation.[11] In its first review determination, the Commission noted that the sole responding party, ACCO Brands, Inc., now ACCO Brands USA, LLC ("ACCO"), agreed with the Commission's original domestic like product definition, and that no new information had been obtained during the first five-year review that would suggest that it should change its domestic like product definition.[12]

We find no new information on the record of this second five-year review that would warrant finding a different domestic like product definition than that found in the original investigation and the first five-year review.[13] The only responding parties to the notice of institution, domestic producers ACCO and Officemate International Corporation ("OIC"), agree with the Commission's like product

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[8] 19 U.S.C. § 1677(4)(A).

[9] 19 U.S.C. § 1677(10). See Nippon Steel Corp. v. United States, 19 CIT 450, 455 (1995); Timken Co. v. United States, 913 F. Supp. 580, 584 (Ct. Int'l Trade 1996); Torrington Co. v. United States, 747 F. Supp. 744, 748-49 (Ct. Int'l Trade 1990), *aff'd*, 938 F.2d 1278 (Fed. Cir. 1991). See also S. Rep. No. 96-249 at 90-91 (1979).

[10] 70 Fed. Reg. 67433, 67434 (Nov. 7, 2005).

[11] Original Determination at I-7.

[12] First Review Determination at 5.

[13] See, generally, CR at I-8-12; PR at I-6-10.

definition from the original investigation and first five-year review.[14] We therefore define the domestic like product in this second five-year review to be paper clips, co-extensive with the scope of the antidumping duty order.

B. Domestic Industry

Section 771(4)(A) of the Act defines the relevant industry as the "domestic producers as a whole of a like product, or those producers whose collective output of the like product constitutes a major proportion of the total domestic production of that product."[15]

In the original determination, the Commission defined the domestic industry as consisting of all producers of paper clips, which at that time comprised ACCO, accounting for more than *** percent of total U.S. production; Labelon/Noesting ("Noesting"); Work Services; and Trico Manufacturing Corporation.[16] Both ACCO and Noesting imported subject merchandise over the period examined and were therefore related parties under the statute. However, the Commission did not find that appropriate circumstances existed to exclude either producer from the domestic industry.[17]

In the first five-year review, the Commission once again defined the domestic industry as all domestic producers of paper clips. ACCO remained the dominant U.S. producer of paper clips during the first five-year review, accounting for approximately *** percent of U.S. production.[18] Other domestic producers were OIC, Gem Office Products Co. (formerly Noesting), and possibly Work Services.[19] Given the limited information on that record, the Commission could not address any related party issues.[20] ACCO reported, however, that OIC was formerly a significant importer of subject merchandise, and that if the order were lifted, OIC could easily resume importing subject merchandise.[21]

In this second review, ACCO and OIC concurred with the domestic industry definitions found by the Commission in the original determination and the first five-year review.[22] ACCO remains the dominant domestic producer, accounting for approximately *** percent of U.S. production, and OIC accounts for *** of U.S. production of paper clips, with Advantus Corporation (Advantus/Gem) and probably Work Services also producing paper clips.[23] The record does not reflect that any of these firms

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[14] ACCO Response to Notice of Institution dated August 18, 2005 ("ACCO Response") at 10; OIC Response to Notice of Institution dated August 22, 2005 ("OIC Response") at 8.

[15] 19 U.S.C. § 1677(4)(A).

[16] Original Determination at I-7. CR at I-14; PR at I-11.

[17] CR at I-15, n.44; PR at I-12, n.44.

[18] CR at I-14; PR at I-11.

[19] First Review Determination at 5.

[20] First Review Determination at 5.

[21] CR at I-15; PR at I-12.

[22] ACCO Response at 10; OIC Response at 8.

[23] CR at I-14 & n.40; PR at I-11, n.40. ACCO Response at 8; OIC Response at 7. Although the Commission only received data from ACCO and OIC in this second five-year review, their production is believed to account for ***. CR/PR at Table I-2. Work Services' website indicates that it currently manufactures paper clips. CR at I-14 & n.40; PR at I-11, n.40.

currently import subject merchandise or have a corporate affiliation that raises issues under the statutory related party provision.[24] Therefore, we define the domestic industry as all U.S. producers of paper clips.

III. WHETHER REVOCATION OF THE ORDER IS LIKELY TO LEAD TO CONTINUATION OR RECURRENCE OF MATERIAL INJURY WITHIN A REASONABLY FORESEEABLE TIME

A. Legal Standard in a Five-year Review

In a five-year review conducted under section 751(c) of the Act, Commerce will revoke an antidumping or countervailing duty order unless: (1) it makes a determination that dumping or subsidization is likely to continue or recur, and (2) the Commission makes a determination that revocation of the antidumping or countervailing duty order "would be likely to lead to continuation or recurrence of material injury within a reasonably foreseeable time."[25] The SAA states that "under the likelihood standard, the Commission will engage in a counter-factual analysis; it must decide the likely impact in the reasonably foreseeable future of an important change in the status quo – the revocation or termination of a proceeding and the elimination of its restraining effects on volumes and prices of imports."[26] Thus, the likelihood standard is prospective in nature.[27] The U.S. Court of International Trade has found that "likely," as used in the sunset review provisions of the Act, means "probable," and the Commission applies that standard in five-year reviews.[28] [29] [30]

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[24] In this second five-year review, neither of the domestic interested parties named any U.S. producers as presently importing subject paper clips from China, or as having any corporate affiliation that raises issues under the related party provision. CR at I-15; PR at I-12. ACCO Response at 8, and supplemental submission dated September 1, 2005; OIC Response at 7.

[25] 19 U.S.C. § 1675a(a).

[26] SAA at 883-84. The SAA states that "[t]he likelihood of injury standard applies regardless of the nature of the Commission's original determination (material injury, threat of material injury, or material retardation of an industry). Likewise, the standard applies to suspended investigations that were never completed." Id. at 883.

[27] While the SAA states that "a separate determination regarding current material injury is not necessary," it indicates that "the Commission may consider relevant factors such as current and likely continued depressed shipment levels and current and likely continued [sic] prices for the domestic like product in the U.S. market in making its determination of the likelihood of continuation or recurrence of material injury if the order is revoked." SAA at 884.

[28] See NMB Singapore Ltd. v. United States, 288 F. Supp. 2d 1306, 1352 (Ct. Int'l Trade 2003) ("'likely' means probable within the context of 19 U.S.C. § 1675(c) and 19 U.S.C. § 1675a(a)"), aff'd without opinion, 05-1019 (Fed. Cir. August 3, 2005); Nippon Steel Corp. v. United States, Slip Op. 02-153 at 7-8 (Ct. Int'l Trade Dec. 24, 2002) (same); Usinor Industeel, S.A. v. United States, Slip Op. 02-152 at 4 n.3 & 5-6 n.6 (Ct. Int'l Trade Dec. 20, 2002) ("more likely than not" standard is "consistent with the court's opinion"; "the court has not interpreted 'likely' to imply any particular degree of 'certainty'"); Indorama Chemicals (Thailand) Ltd. v. United States, Slip Op. 02-105 at 20 (Ct. Int'l Trade Sept. 4, 2002) ("standard is based on a likelihood of continuation or recurrence of injury, not a certainty"); Usinor v. United States, Slip Op. 02-70 at 43-44 (Ct. Int'l Trade July 19, 2002) ("'likely' is tantamount to 'probable,' not merely 'possible'").

[29] Vice Chairman Okun notes that, consistent with her dissenting views in Pressure Sensitive Plastic Tape from Italy, Inv. No. AA1921-167 (Second Review), USITC Pub. 3698 (June 2004) at 15-17, she does not concur with the U.S. Court of International Trade's interpretation of "likely" to mean "probable." See Usinor Industeel, S.A. et. al. v. United States, No. 01-00006, Slip Op. 02-39 at 13 (Ct. Int'l Trade April 29, 2002). However, she will apply the Court's standard in this review and all subsequent reviews until either Congress clarifies the meaning or the (continued...)

The statute states that "the Commission shall consider that the effects of revocation or termination may not be imminent, but may manifest themselves only over a longer period of time."[31] According to the SAA, a "'reasonably foreseeable time' will vary from case-to-case, but normally will exceed the 'imminent' timeframe applicable in a threat of injury analysis [in original investigations]."[32] [33]

Although the standard in a five-year review is not the same as the standard applied in an original antidumping or countervailing duty investigation, it contains some of the same fundamental elements. The statute provides that the Commission is to "consider the likely volume, price effect, and impact of imports of the subject merchandise on the industry if the orders are revoked or the suspended investigation is terminated."[34] It directs the Commission to take into account its prior injury determination, whether any improvement in the state of the industry is related to the order or the suspension agreement under review, whether the industry is vulnerable to material injury if the orders are revoked or the suspension agreement is terminated, and any findings by Commerce regarding duty absorption pursuant to 19 U.S.C. § 1675(a)(4).[35]

Section 751(c)(3) of the Act and the Commission's regulations provide that in an expedited five-year review, the Commission may issue a final determination "based on the facts available, in accordance with section 776 of the Act."[36] We have relied on the facts available in this review, which consist

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[29] (...continued)
U.S. Court of Appeals for the Federal Circuit addresses the issue. See also Additional Views of Vice Chairman Deanna Tanner Okun Concerning the "Likely" Standard in Certain Seamless Carbon and Alloy Steel Standard, Line and Pressure Pipe from Argentina, Brazil, Germany, and Italy, Inv. Nos. 701-TA-362 (Review) and 731-TA-707-710 (Review)(Remand), USITC Pub. 3754 (Feb. 2005).

[30] Commissioner Lane notes that, consistent with her views in Pressure Sensitive Plastic Tape from Italy, Inv. No. AA1921-167 (Second Review), USITC Pub. 3698 (June 2004), she does not concur with the U.S. Court of International Trade's interpretation of "likely," but she will apply the Court's standard in this review and all subsequent reviews until either Congress clarifies the meaning or the U.S. Court of Appeals for the Federal Circuit addresses this issue.

[31] 19 U.S.C. § 1675a(a)(5).

[32] SAA at 887. Among the factors that the Commission should consider in this regard are "the fungibility or differentiation within the product in question, the level of substitutability between the imported and domestic products, the channels of distribution used, the methods of contracting (such as spot sales or long-term contracts), and lead times for delivery of goods, as well as other factors that may only manifest themselves in the longer term, such as planned investment and the shifting of production facilities." Id.

[33] In analyzing what constitutes a reasonably foreseeable time, Chairman Koplan examines all the current and likely conditions of competition in the relevant industry. He defines "reasonably foreseeable time" as the length of time it is likely to take for the market to adjust to a revocation or termination. In making this assessment, he considers all factors that may accelerate or delay the market adjustment process including any lags in response by foreign producers, importers, consumers, domestic producers, or others due to: lead times; methods of contracting; the need to establish channels of distribution; product differentiation; and any other factors that may only manifest themselves in the longer term. In other words, this analysis seeks to define "reasonably foreseeable time" by reference to current and likely conditions of competition, but also seeks to avoid unwarranted speculation that may occur in predicting events into the more distant future.

[34] 19 U.S.C. § 1675a(a)(1).

[35] 19 U.S.C. § 1675a(a)(1). The statute further provides that the presence or absence of any factor that the Commission is required to consider shall not necessarily give decisive guidance with respect to the Commission's determination. 19 U.S.C. § 1675a(a)(5). While the Commission must consider all factors, no one factor is necessarily dispositive. SAA at 886.

[36] 19 U.S.C. § 1675(c)(3)(B); 19 C.F.R. § 207.62(e). Section 776 of the Act, in turn, authorizes the Commission to "use the facts otherwise available" in reaching a determination when: (1) necessary information is not
(continued...)

primarily of information from the original investigation and the first five-year review, information submitted by the domestic interested parties, and official Commerce statistics.

B. Conditions of Competition

In evaluating the likely impact of the subject imports on the domestic industry, the statute directs the Commission to consider all relevant economic factors "within the context of the business cycle and conditions of competition that are distinctive to the affected industry."[37] The following aspects of the business cycle and conditions of competition are relevant to our determination.

Paper clips are a common office supply generally made from steel wire. They are used to hold papers together temporarily.[38] The Commission found in its original investigation that the paper clip industry was mature, with little product innovation. It also found that there was significant direct competition between domestically produced paper clips and paper clips from China. This competition primarily was based on price, as there were few quality distinctions between the domestic like product and the subject merchandise.[39] The Commission also found in its original determination that the U.S. market for paper clips was changing as large discount retailers of office supply products increased in number, causing producers to shift sales to those chains.[40] Further, it found that paper clips were often "bundled" with other office products under a single purchase order. Nearly all of the purchasers that submitted questionnaire responses in the original investigation reported that they purchased paper clips as part of a bundle of standard office supplies.[41]

In the first five-year review, the Commission found that the industry remained mature, and that the market increasingly consisted of large discount retailers.[42] The Commission continued to find significant price competition between the domestic like product and subject imports, as it had done in the original investigation. It found price to be of significant importance to the industry, and noted that ACCO characterized price as the most important factor in choosing a source for paper clips.[43] The Commission also found in the first review that the domestic like product and subject imports continued to be substitutable.[44]

Based on the limited information in the record of this review, demand for paper clips, as measured by apparent U.S. consumption, has decreased since the first five-year review, but has remained comparable to demand levels in the last two years of the original investigation. Apparent U.S. consumption of paper clips was *** billion units in 1991, increasing to *** billion units in 1992, before slightly decreasing to *** billion units in 1993. Apparent U.S. consumption of paper clips was *** billion units in 1998, and *** billion units in 2004.[45]

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[36] (...continued)
available on the record or (2) an interested party or any other person withholds information requested by the agency, fails to provide such information in the time or in the form or manner requested, significantly impedes a proceeding, or provides information that cannot be verified pursuant to section 782(i) of the Act. 19 U.S.C. § 1677e(a).

[37] 19 U.S.C. § 1675a(a)(4).

[38] CR at I-9; PR at I-7.

[39] CR at I-9, I-12; PR at I-7, I-10. Original Determination at I-11.

[40] Original Determination at I-8.

[41] Original Determination at I-8-9.

[42] First Review Determination at 7.

[43] First Review Determination at 8.

[44] First Review Determination at 10.

[45] CR/PR at Table I-5.

In 2004 domestic shipments supplied most of the U.S. market, as they had done at the time of the first five-year review. Domestic shipments accounted for *** percent of apparent U.S. consumption in 2004.[46] ACCO continued to be the dominant domestic producer of paper clips in 2004, and accounted for approximately *** percent of domestic production in that year, with OIC producing *** of domestically produced paper clips.[47]

The U.S. market is also supplied by subject and nonsubject imports. In 2004, total import volume was 2.2 billion units with subject imports accounting for more than half of total imports.[48]

Several of the competitive conditions found by the Commission in the original investigation and in the first five-year review continue to apply to the U.S. market for paper clips. Large discount office retailers remain among the most important purchasers of domestically produced paper clips.[49] Paper clips continue to be purchased together with other office supplies.[50] Moreover, price continues to be the most important factor in choosing a source for paper clips.[51]

ACCO and OIC reported changes to the conditions of competition in the U.S. paper clip market since the original investigation and first review. ACCO reported that prices for paper clips have increased with the departure of most of the subject imports from the U.S. market, and that OIC is now a domestic producer rather than a significant importer of subject merchandise from China.[52] Moreover, ACCO reported that large, commercial buyers of paper clips currently are sourcing various office supply products from China. ACCO maintains that if the order were revoked, these large purchasers would likely switch to sourcing paper clips from China, due to these pre-existing supply relationships.[53] Further, these important purchasers are likely to purchase paper clips together with other office supply products due to the fact that paper clips, with their relatively heavy weight to volume ratio, can balance out the total weight of a shipping container to the maximum weight allowed.[54] OIC stated that the only significant change in the paper clip industry since the first five-year review has been a significant increase in the price of steel wire, the principal raw material used in the production of paper clips.[55] The record contains no contrary evidence rebutting the domestic interested parties' arguments on these changed conditions of competition.

Based on the record evidence, we find that these conditions of competition in the domestic paper clip market are not likely to change significantly in the reasonably foreseeable future. Accordingly, we have taken these conditions of competition into account in assessing the likely effects of revocation of the antidumping duty order within the reasonably foreseeable future.

C. Likely Volume of Subject Imports

In evaluating the likely volume of subject imports were the order to be revoked, the Commission is directed to consider whether the likely volume of imports would be significant either in absolute terms

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[46] CR/PR at Table I-5.
[47] CR at I-14; PR at I-11.
[48] CR/PR at Table I-5.
[49] ACCO Response at 6-7. OIC Response at 5.
[50] ACCO Response at 6-7, 10.
[51] ACCO Response at 4-5. OIC Response at 5.
[52] ACCO Response at 9-10.
[53] ACCO Response at 6-8, 9-10.
[54] ACCO Response at 6.
[55] OIC Response at 8.

or relative to production or consumption in the United States.[56] In doing so, the Commission must consider "all relevant economic factors," including four enumerated factors: (1) any likely increase in production capacity or existing unused production capacity in the exporting country; (2) existing inventories of the subject merchandise, or likely increases in inventories; (3) the existence of barriers to the importation of the subject merchandise into countries other than the United States; and (4) the potential for product shifting if production facilities in the foreign country, which can be used to produce the subject merchandise, are currently being used to produce other products.[57]

In the original investigation, the Commission found that subject import volume increased irregularly, and accounted for more than one-third of the U.S. market during the entire period examined.[58] In the first review, the Commission found that following the imposition of the order in November 1994, subject imports dropped to much lower levels, indicating that the antidumping duty order had led to the reduced presence of subject imports in the United States.[59] Specifically, it found that subject imports of paper clips were 164 million units in 1998 compared to 4.9 billion units in 1993, and accounted for only *** percent of apparent U.S. consumption in 1998.[60] Subject imports accounted for *** percent of the U.S. market in 1993.[61]

We find that in the absence of the order, the likely volume of subject imports would be significant, and that subject import volume would approach or exceed pre-order levels. We reach this conclusion based on the level of subject import volume before and after the imposition of the order; the stable market share held by subject imports prior to the imposition of the order in contrast to a very small market share following the imposition of the order, which has recently increased; the available record information on the apparent significant production capacity of Chinese producers that could be used to direct exports to the U.S. market; and Chinese producers' apparent interest in the U.S. market.

From 1991 to 1993, subject import volume was above four billion units. It was 4.2 billion units in 1991, 5.6 billion units in 1992 and 4.9 billion units in 1993.[62] During the original period of investigation, subject imports accounted for *** of apparent U.S. consumption.[63] In contrast, in 1998, after the imposition of the antidumping duty order, subject import volume dropped to 164 million units, far below pre-order volumes.[64] Subject import volume increased irregularly from 1998 to 2001, when it reached 339 million units. From 2001 to 2004, subject import volume steadily increased, but stayed below 1.0 billion units until 2004, when it reached 1.1 billion units, considerably higher than in 1998, but still far below pre-order levels.[65] As subject import volume precipitously dropped after the imposition of the order, so did the share of the U.S. market held by the subject imports. Subject imports accounted for only *** percent of apparent U.S. consumption in 1998, at the time of the first review. While subject

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[56] 19 U.S.C. § 1675a(a)(2).

[57] 19 U.S.C. § 1675a(a)(2)(A-D).

[58] Original Determination at I-11.

[59] First Review Determination at 9.

[60] First Review Determination at 9 and CR/PR at Table I-5.

[61] CR/PR at Table I-5.

[62] CR/PR at Table I-5.

[63] Subject imports accounted for *** percent of apparent U.S. consumption in 1991, *** percent in 1992, and *** percent in 1993. CR/PR at Table I-5.

[64] CR/PR at Table I-4.

[65] CR/PR at Table I-4. Subject import volume was 164 million units in 1998, 96 million units in 1999, 124 million units in 2000, 339 million units in 2001, 448 million units in 2002, 821 million units in 2003 and 1.1 billion units in 2004. Id.

import volume has recently increased to *** percent of apparent U.S. consumption in 2004, it remained substantially lower than the market share held by subject imports prior to the imposition of the order.[66]

We find that the recent increase in subject import volume and market share reflect that Chinese producers have the capacity to export additional volumes of paper clips into the U.S. market, and have an interest in doing so. While the order, which requires cash deposits ranging from 46.01 percent to 126.94 percent,[67] has had the effect of keeping subject imports below pre-order levels, subject import volume and market share have increased substantially since 1998.[68]

Due to the lack of response from subject foreign producers in this review, there is limited information in the record concerning current levels of production capacity in China. We find, however, that the limited data available support our conclusion that absent the discipline of the antidumping duty order, the likely subject import volume would be significant.

At the time of the original investigation, petitioners ACCO and Noesting alleged in their petition that there were six producers of paper clips in China, and production capacity was estimated to be 10-12 billion units per year.[69] In this second review, ACCO listed 12 firms it believes to be current producers of paper clips in China, double the number of producers it alleged existed at the time of the original investigation.[70] Both ACCO and OIC argue that Chinese capacity to produce paper clips remains significant, and that subject producers could significantly increase their shipments of subject merchandise to the U.S. market. OIC reports that production of paper clips in China requires little technology and capital, and that expanded production requires only additional inexpensive equipment and additional labor.[71] Thus, the record reflects significant production capacity in China that could be directed toward the U.S. market.

We further find that certain conditions of competition in this market provide incentives for large commercial office supply retailers to source their paper clips from China. ACCO reports that some of its most important large discount office supply customers began sourcing paper clips domestically only after the imposition of the antidumping duty order. These customers have pre-existing supply relationships for other office supply products with producers and exporters in China, and ACCO maintains that these purchasers are likely to switch to Chinese sources for paper clips if the order were revoked.[72] As the Commission noted in the original determination, the market continues to move toward large discount

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[66] CR/PR at Table I-5. Similar to the trends for subject import volume and subject import market share, the ratio of subject imports to domestic production was also much higher in the original investigation than in the review periods, and higher in the second review than in the first review.

In 1991, the ratio of subject imports to domestic production of paper clips was *** percent; in 1992 it was *** percent; in 1993 it was *** percent. In 2004, the ratio of subject imports to domestic production was *** percent and in 1998 it was *** percent. Derived from CR/PR at Table I-3 and Table I-2.

[67] CR at I-5, n.11; PR at I-4, n.11.

[68] CR/PR at Table I-4, Table I-5.

[69] CR at I-26-27; PR at I-20-21. We note that apparent U.S. consumption of paper clips was nearly *** units in 2004. Id.

[70] CR at I-26; PR at I-20.

[71] ACCO Response at 3; OIC Response at 3-4. We do not have information on whether the Chinese producers can shift production from other products to paper clips, or on inventories of paper clips in China. We note that the Commission found in the original investigation that this is a mature industry, with little product innovation. There are no antidumping orders in place, other than in the United States, for paper clips produced in China. CR at I-27; PR at I-21.

[72] ACCO Response at 3-4. See also First Review Determination at 9.

retailers that purchase paper clips as part of a package of other office supplies.[73] We find it likely that absent the restraining effect of the antidumping order, these purchasers would purchase more paper clips from China. We further find it likely that in at least some instances, purchasers would source paper clips from China due to pre-existing supply relationships, or to maximize the weight of a shipping container with the paper clips.[74]

Given subject import volume and market share prior to the imposition of the order, the recent increase in subject import volume and market share with the order in place, available information on production capacity in China, and certain conditions of competition that provide incentives for increasing subject import levels, we find that absent the restraining effect of the antidumping duty order, Chinese paper clip producers would likely increase their exports of paper clips to the U.S. market significantly upon revocation of the order.

Consequently, based on the record in this review, we conclude that the volume of subject imports likely would increase to a significant level and regain significant U.S. market share if the order were revoked. Accordingly, we conclude that the likely volume of the subject merchandise, both in absolute terms and relative to consumption and production in the United States, would be significant, absent the restraining effect of the order.

D. Likely Price Effects of Subject Imports

In evaluating the likely price effects of subject imports were the order to be revoked, the Commission is directed to consider whether there is likely to be significant underselling by the subject imports as compared to the domestic like product and whether the subject imports are likely to enter the United States at prices that otherwise would have a significant depressing or suppressing effect on the price of the domestic like product.[75]

In the original investigation, the Commission found that subject imports and the domestic like product competed against each other primarily based on price. The Commission found that subject imports had depressed domestic producer prices and suppressed domestic prices to a significant degree. It found that low prices for subject imports had prevented domestic prices from increasing commensurate with increases in the cost of carbon steel wire, the primary raw material in the production of paper clips.[76]

In the first review, the Commission found that price continued to be the most important factor in paper clip purchasing decisions, and that large discount office supply retailers remained particularly sensitive to price competition. It further found that historic pricing patterns reflected that if the order were revoked, there would likely be significant underselling by the subject imports, particularly given the high substitutability between the domestic like product and subject imports, and that subject imports would likely have significant price-depressing or -suppressing effects.[77]

Although we do not have current pricing data in this review, we do have average unit value ("AUV") data per 1,000 units of paper clips for subject imports and shipments of domestically produced paper clips. We use AUV data here as the facts available. We find that these AUV data are probative for

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[73] Original Determination at I-8-9.
[74] ACCO Response at 6-8.
[75] 19 U.S.C. § 1675a(a)(3).
[76] Original Determination at I-12-13.
[77] First Review Determination at 10.

purposes of our pricing analysis given that the record reflects that there are not significant quality or product mix differences between domestically produced paper clips and subject imports.[78]

From 1991 to 1993, during the original investigation, the AUV per 1,000 units for domestically produced paper clips fell steadily. The AUV for domestically produced paper clips was $*** in 1991, $*** in 1992, and $*** in 1993.[79] In contrast, the AUV for subject imports during the period examined was consistently lower than $1.00 per 1,000 units and approximately $*** lower than the AUV for the domestic product. The AUV for subject imports was $0.93 in 1991, $0.98 in 1992, and $0.92 in 1993.[80]

After the order was imposed on subject imports, the AUV both for domestically produced paper clips and subject imports substantially increased. The AUV per 1,000 units for the domestic product was $*** in 1998 and $*** in 2004; $*** higher per 1,000 units than during the original investigation.[81] The AUV for subject imports increased after the order was imposed until it exceeded $2.00 in 1997. It was $2.80 in 1998 and $1.99 in 2004.[82]

We find that these AUV patterns reflect that if the order were revoked, subject imports would significantly undersell domestic prices. As noted above, before the imposition of the order, subject imports entered the U.S. market in significant volumes at AUVs far below that of the domestic product, and the AUVs for the domestic like product declined.

We note that the domestic like product and subject imports are highly substitutable, and engage in significant direct competition primarily based on price. Thus, we find it likely, in the event of revocation, that subject imports would enter the United States at prices that would significantly depress U.S. prices. Aggressive pricing would likely be successful in lowering domestic prices to large discount office supply retailers that are already purchasing office supplies from China.[83]

As for price suppression, OIC maintains that the cost of steel wire, the primary raw material for paper clips, has increased since the first review.[84] In the original investigation, the domestic industry was unable to raise its prices commensurate with increases in carbon steel wire costs due to the low prices of subject imports.[85] We find it likely that, in the event of revocation, the domestic industry would once again be unable to raise its prices commensurate with any cost increases, and that consequently, domestic prices would be suppressed to a significant degree due to lower-priced subject imports, as they were in the original investigation.

For the foregoing reasons, we find that revocation of the antidumping duty order would be likely to lead to significant underselling by the subject imports of the domestic like product, as well as significant price depression and suppression, within a reasonably foreseeable time.

E. Likely Impact of Subject Imports

In evaluating the likely impact of subject imports were the order to be revoked, the Commission is directed to consider all relevant economic factors that are likely to have a bearing on the state of the industry in the United States, including but not limited to: (1) likely declines in output, sales, market share, profits, productivity, return on investments, and utilization of capacity; (2) likely negative effects

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[78] CR at I-9, I-12; Original Determination at I-11.
[79] CR/PR at Table I-2.
[80] CR/PR at Table I-3.
[81] CR/PR at Table I-2.
[82] CR at I-23; PR at I-17.
[83] ACCO Response at 6.
[84] OIC Response at 8.
[85] Original Determination at I-12-13.

on cash flow, inventories, employment, wages, growth, ability to raise capital, and investment; and (3) likely negative effects on the existing development and production efforts of the industry, including efforts to develop a derivative or more advanced version of the domestic like product.[86] All relevant economic factors are to be considered within the context of the business cycle and the conditions of competition that are distinctive to the industry.[87] As instructed by the statute, we have considered the extent to which any improvement in the state of the domestic industry is related to the order at issue and whether the industry is vulnerable to material injury if the order is revoked.[88]

In the original investigation, the Commission found that the domestic industry's production, capacity utilization, employment and financial performance declined between interim 1993 and interim 1994.[89] During 1991, 1992, and interim 1994, the domestic industry sustained operating losses.[90] The Commission concluded that price pressure from subject imports eventually resulted in a downward trend in financial indicators in interim 1994 as compared to interim 1993, as the cost of raw materials increased.[91] In the first five-year review, the Commission found that the order had a positive effect on industry performance, with increases in domestic industry production, shipments, and market share.[92]

We find that some performance indicators reflect that the order continues to have a positive effect on industry performance. In 2004, domestic production, market share, and domestic industry shipments (measured in quantity and value) were lower than in 1998, but substantially higher than in the original period of investigation.[93] There is no information on the record pertaining to many of the financial and trade indicators, such as operating income, capacity, capacity utilization rates, and employment levels, that we generally consider in assessing whether the domestic industry is in a weakened state as contemplated by the statute. Therefore, given the paucity of the data, we are unable to determine that the domestic industry is currently vulnerable.

As discussed above, we find it likely that revocation of the order would result in a significant increase in the volume of subject imports at prices significantly lower than those of the domestic like product, and that such increased volumes of subject imports would likely depress or suppress the domestic industry's prices significantly. In addition, the volume of low-priced subject imports likely

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[86] 19 U.S.C. § 1675a(a)(4).

[87] 19 U.S.C. § 1675a(a)(4). Section 752(a)(6) of the Act states that "the Commission may consider the magnitude of the margin of dumping or the magnitude of the net countervailable subsidy" in making its determination in a five-year review. 19 U.S.C. § 1675a(a)(6). The statute defines the "magnitude of the margin of dumping" to be used by the Commission in five-year reviews as "the dumping margin or margins determined by the administering authority under section 1675a(c)(3) of this title." 19 U.S.C. § 1677(35)(C)(iv). See also SAA at 887. In the final results of its expedited review of the antidumping duty order, Commerce found that revocation of the antidumping duty order would likely lead to continuation or recurrence of dumping at the following margins: Shanghai Lansheng Corporation, 57.64 percent; Zhejiang Light Industrial Products Import & Export Corporation, 46.01 percent, Zhejiang Machinery and Equipment Import & Export Corporation, 60.70 percent, and all others, 126.94 percent. Commerce did not issue any duty absorption findings in its review determination. 70 Fed. Reg. 67433, 67434 (Nov. 7, 2005).

[88] The SAA states that in assessing whether the domestic industry is vulnerable to injury if the order is revoked, the Commission "considers, in addition to imports, other factors that may be contributing to overall injury. While these factors, in some cases, may account for the injury to the domestic industry, they may also demonstrate that an industry is facing difficulties from a variety of sources and is vulnerable to dumped or subsidized imports." SAA at 885.

[89] Original Determination at I-9.

[90] Original Determination at I-10.

[91] Original Determination at I-9-10, I-14, I-19.

[92] First Review Determination at 11.

[93] CR /PR at Table I-2, Table I-5.

would cause the domestic industry to lose market share, with a significant adverse impact on the domestic industry's production, shipments, sales and revenue levels.[94]

The reduction in the industry's production, sales, and revenue levels that would likely result from the revocation of the order would have a direct adverse impact on the industry's profitability as well as its ability to raise capital and make and maintain necessary capital investments. In addition, we find it likely that revocation of the order will result in commensurate employment declines for domestic firms.

Accordingly, we conclude that, if the antidumping duty order were revoked, subject imports would be likely to have a significant adverse impact on the domestic industry within a reasonably foreseeable time.

CONCLUSION

For the foregoing reasons, we determine that revocation of the antidumping duty order on paper clips from China would likely lead to the continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.

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[94] ACCO, the largest domestic producer of paper clips, has stated that if the order is revoked, it will lose most of its customers, particularly its large discount office supply customers that already source other office supplies from China. These customers include ***. ACCO states that its current sales of paper clips on an annual basis are valued at $***, and that if the order were revoked, its annual sales would decline to approximately $***. ACCO Response at 6-7.

INFORMATION OBTAINED IN THE SECOND REVIEW

INTRODUCTION

On July 1, 2005, in accordance with section 751(c) of the Tariff Act of 1930 (the Act), as amended,[1] the U.S. International Trade Commission (Commission) gave notice that it had instituted a review to determine whether revocation of the antidumping duty order on paper clips from China would be likely to lead to a continuation or recurrence of material injury within a reasonably foreseeable time.[2] On October 4, 2005, the Commission determined that the domestic interested party group response to its notice of institution was adequate;[3] the Commission also determined that the respondent interested party group response was inadequate.[4] The Commission found no other circumstances that would warrant conducting a full review.[5] Accordingly, the Commission determined that it would conduct an expedited review pursuant to section 751(c)(3) of the Act.[6] The Commission voted on this review on January 4, 2006, and notified the U.S. Department of Commerce (Commerce) of its determination on January 18, 2006. Information relating to the background of the review is presented on the following page.

Effective date	Action	*Federal Register* citation[1]
November 25, 1994	Commerce's antidumping duty order issued	59 FR 60606
August 15, 2000	Commerce's continuation of antidumping duty order after first five-year review	65 FR 49784
July 1, 2005	Commission's institution of second five-year review	70 FR 38202
October 4, 2005	Commission's determination to conduct expedited second five-year review	70 FR 61157; October 20, 2005
November 7, 2005	Commerce's notice of final results of expedited second five-year review	70 FR 67433
January 4, 2006	Commission's vote	Not applicable
January 18, 2006	Commission's determination transmitted to Commerce	Not applicable

[1] Cited *Federal Register* notices beginning with the Commission's institution of a second five-year sunset review are presented in app. A.

[1] 19 U.S.C. 1675(c).

[2] 70 FR 38202, July 1, 2005. All interested parties were requested to respond to this notice by submitting the information requested by the Commission. The Commission's notice of institution is presented in app. A.

[3] The Commission received two submissions in response to its notice of institution for the subject review. They were filed on behalf of the ACCO Brands USA, LLC (ACCO) and Officemate International Corporation (OIC). ACCO is represented by the law firm of Alston & Bird, LLP, and OIC is represented by the law firm of Crowell & Moring, LLP. ACCO indicated in its response that it accounted for approximately *** percent of U.S. production of paper clips during 2004. Given that estimate, ACCO and OIC together accounted for almost all, if not all, domestic production of paper clips during 2004. It should be noted, however, that two additional U.S. producers were named by both ACCO and OIC in their responses. ACCO response, pp. 2, 8 and OIC Response, p. 7. See also, Commission's memorandum of September 22, 2005, INV-CC-160–*Recommendation on Adequacy of Responses to Notice of Institution*.

[4] The Commission did not receive any responses to its notice of institution from respondent interested parties.

[5] The Commission's statement on adequacy is presented in app. B.

[6] 19 U.S.C. § 1675(c)(3).

The Original Investigation and the First Five-Year Review

The Commission completed the original investigation[7] in November 1994, determining that an industry in the United States was materially injured by reason of imports of paper clips from China that Commerce determined to be sold at LTFV.[8] The Commission defined the like product as "certain paper clips," as described in Commerce's scope of investigation.[9] The Commission also found the relevant domestic industry to consist of producers of that like product.[10] After receipt of the Commission's determination, Commerce issued an antidumping duty order on imports of paper clips from China.[11]

On December 1, 1999, the Commission instituted the first five-year sunset review.[12] On March 3, 2000, the Commission determined that it would proceed to an expedited review.[13] On June 28, 2000, Commerce found that revocation of the antidumping duty order on paper clips from China would likely lead to continuation or recurrence of dumping at the same margins as found during the original investigation.[14] On August 2, 2000, the Commission completed an expedited five-year review of the antidumping duty order in which it determined that revocation of the order on paper clips from China

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[7] The original investigation resulted from a petition filed on behalf of ACCO and Labelon/Noesting Co. (Noesting) in October 1993.

[8] *Certain Paper Clips from the People's Republic of China (Original Report)*, Publication 2829, November 1994, p. I-3.

[9] Commerce defined the imported product subject to the investigation as certain paper clips, wholly of wire base metal, whether or not galvanized, whether or not plated with nickel or other base metal (e.g., copper), with a wire diameter between 0.025 inch and 0.075 inch (0.64 millimeter to 1.91 millimeters), regardless of physical configuration, except as specifically excluded. The products may have a rectangular or ring-like shape and include, but are not limited to, clips commercially referred to as "No. 1 clips," "No. 3 clips," "jumbo" or "giant" clips, "gem clips," "frictioned clips," "perfect gems," "marcel gems," "universal clips," "nifty clips," "peerless clips," "ring clips," and "glide-on clips." Specifically excluded were plastic and vinyl covered paper clips, butterfly clips, binder clips, or other paper fasteners that are not made wholly of wire of base metal. *Original Report*, p. I-5.

The Commission declined to include plastic paper clips, ideal clamps, and binder clips in the like product. (Binder clips are specialized fasteners with extra-strong holding capacity; ideal clamps, commonly referred to as butterfly clips, are generally manufactured from wire diameters ranging from 0.062 inch to 0.072 inch, and are used to hold relatively larger quantities of paper.) The Commission stated that "the record demonstrates that there are more differences than similarities between 'certain wire paper clips' and the three other types of paper fasteners. All of the other three types of paper fasteners have a significantly higher cost of production and price than wire paper clips, and they are all produced on different equipment. Furthermore, binder clips and plastic paper clips are produced by different manufacturing processes and are made from different materials than wire paper clips, and ideal clamps are made with a heavier gauge wire than wire paper clips." *Id.*, p. I-6. Petitioners reported during the original investigation that potential substitute products such as plastic and binder clips had not made significant inroads into the market for basic wire paper clips. *Id.*, p. II-9.

[10] *Original Report*, p. I-7. The Commission found ACCO and Noesting to be related parties because each firm imported subject merchandise during the period of investigation. It concluded, however, that appropriate circumstances did not exist to exclude either firm from the domestic industry. *Id.*, pp. I-7 and I-8.

[11] 59 FR 60606, November 25, 1994. This order required the posting of cash deposits equal to the estimated weighted-average antidumping duty margins, which were 57.64 percent for Shanghai Lansheng Corp. (Shanghai Lansheng), 46.01 percent for Zheijiang Light Industrial Products Import & Export Corp (ZLIP), 60.70 percent for Zheijiang Machinery and Equipment Import & Export Corp. (ZMEC), and 126.94 percent for all others (including Abel Industries International Co., Ltd. (Abel Industries)). There have been no administrative reviews of the order. During the period covered by the first review, two requests for administrative reviews were subsequently withdrawn.

[12] 64 FR 67320.

[13] 65 FR 15010, March 20, 2000.

[14] 65 FR 41434, July 5, 2000.

would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.[15] Subsequently, Commerce issued a continuation of the antidumping duty order.[16]

Commerce's Final Results of Expedited Sunset Review

On November 7, 2005, Commerce published in the *Federal Register* the "Final Results of Expedited Sunset Review of Antidumping Duty Order" concerning the subject paper clips.[17] Commerce determined that revocation of the antidumping duty order would be likely to lead to continuation or recurrence of dumping at the weighted-average percentage margins presented in the following tabulation:

Manufacturer/exporter	Margin
Shanghai Lansheng	57.64
ZLIP	46.01
ZMEC	60.70
China-wide	126.94

Distribution of Continued Dumping and Subsidy Offset Act Funds to Affected Domestic Producers

Since September 21, 2001, the Continued Dumping and Subsidy Offset Act of 2000 ("CDSOA") (also known as the Byrd Amendment) provides that assessed duties received pursuant to antidumping or countervailing duty orders must be distributed to affected domestic producers for certain qualifying expenditures that these producers incur after the issuance of such orders.[18] During the period of review, qualified U.S. producers of paper clips were eligible to receive disbursements from the U.S. Customs and Border Protection ("Customs") under CDSOA relating to the antidumping duty order on the subject product.[19] Table I-1 presents CDSOA disbursements and claims for federal fiscal years (October 1-September 30) 2001-04.

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[15] 65 FR 47518, August 2, 2000.

[16] 65 FR 49784, August 15, 2000.

[17] 70 FR 67433.

[18] Section 754 of the Tariff Act of 1930, as amended (19 U.S.C. §1675(c)).

[19] 19 CFR 159.64(g).

Table I-1
Paper clips from China: CDSOA claims and disbursements, federal fiscal years 2001-04

Claimant	2001	2002	2003	2004
		Dollars		
Amount of claim filed:				
ACCO	6,568,197	6,491,770	6,384,298	6,035,188
Total	6,568,197	6,491,770	6,384,298	6,035,188
Amount disbursed:				
ACCO	76,427	107,471	349,110	481,441
Total	76,427	107,471	349,110	481,441
		Percent		
Share of allocation:				
ACCO	100.0	100.0	100.0	100.0
Total	100.0	100.0	100.0	100.0

Source: Customs' *CDSOA Annual Reports* at *http://www.customs.treas.gov/linkhandler/cgov/import/add_cvd/cont_dump*, retrieved November 23, 2005.

THE PRODUCT

Scope

Commerce's antidumping order provided the following definition of the subject product, certain paper clips:

> *The products covered by this order are certain paper clips, wholly of wire base metal, whether or not galvanized, whether or not plated with nickel or other base metal (e.g., copper), with a wire diameter between 0.025 inches and 0.075 inches (0.64 millimeters to 1.91 millimeters), regardless of physical configuration, except as specifically excluded. The products subject to this order may have a rectangular or ring-like shape and include, but are not limited to, clips commercially referred to as "No. 1 clips," "No. 3 clips," "jumbo" or "giant" clips, "gem clips," "frictioned clips," "perfect gems," "marcel gems," "universal clips," "nifty clips," "peerless clips," "ring clips," and "glide-on clips." Specifically excluded are plastic and vinyl covered paper clips, butterfly clips, binder clips, or other paper fasteners that are not made wholly of wire of base metal and are covered under a separate subheading of the HTS.*

The subject product is classified under the HTS subheading 8305.90.30 (statistical reporting number 8305.90.3010);[20] and enters under the column 1-general rate of free of duty. The HTS subheading is

[20] The HTS 10-digit category covers goods outside the scope of this order, as it also includes ideal clamps. According to the original petition, however, subject paper clips comprise "the substantial majority" of imports entering under HTS statistical reporting number 8305.90.3010 ("paper clips and parts thereof, wholly of wire"). *Original Report*, p. II-3, n. 1, and *Paper Clips from China (First Review Report)*, Publication 3330, July 2000, p. I-5, n. 11.

provided for convenience and for Customs purposes, but Commerce's written description of the merchandise is dispositive as to the scope of the product coverage.[21]

Domestic Like Product and Domestic Industry

In its original determination and its first expedited five-year review determination, the Commission defined the domestic like product as certain wire paper clips, coextensive with Commerce's scope, and it found the domestic industry to consist of all domestic producers of paper clips. ACCO and OIC indicated in their responses to the Commission's notice of institution in the current review that they agree with the Commission's definitions of domestic like product and domestic industry.[22]

Description, Uses, and Marketing[23]

Paper clips are steel wire products that have been formed in such a way as to provide spring-like tension when used to hold pieces of paper together. These rectangular-shaped products, which are among the most commonly used office supplies in the world, are generally manufactured from steel wire, whether or not galvanized, and whether or not plated with nickel, copper, or other base metals, or coated with vinyl. Although paper clips are produced in a variety of sizes with different wire diameters, the most commonly used products fall within three categories commercially referred to as No. 1 clips, No. 3 clips, and giant or jumbo clips. The wire diameters of No. 1 clips range between 0.034 inch and 0.036 inch, while the wire diameter of No. 3 clips is 0.034 inch. For jumbo clips, the wire diameters range between 0.046 inch and 0.050 inch.[24] *See* figure I-1 for illustrations of the subject paper clips; also *see* figure I-2 for illustrations of other paper fasteners.

Paper clips manufactured in China at the time of the original investigation were reported to be nickel plated after the forming process, which is a more time-consuming and labor-intensive process than that employed in the United States. U.S. paper clips are manufactured from wire that has been electrogalvanized by the wire manufacturer. Also, ***. Petitioners in the original investigation stated, however, that paper clips produced in the United States were essentially the same in terms of quality and function as those imported from China. The average customer would not perceive any difference resulting from the differences in coating and wire size. The Commission indicated in its original views that "{t}here are few quality distinctions between the products, although a few purchasers indicated quality problems with Chinese clips. Information from purchasers revealed that quality is not a major competitive issue; instead, price is the primary factor they consider when purchasing paper clips."[25]

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[21] 59 FR 60606, November 25, 1994.

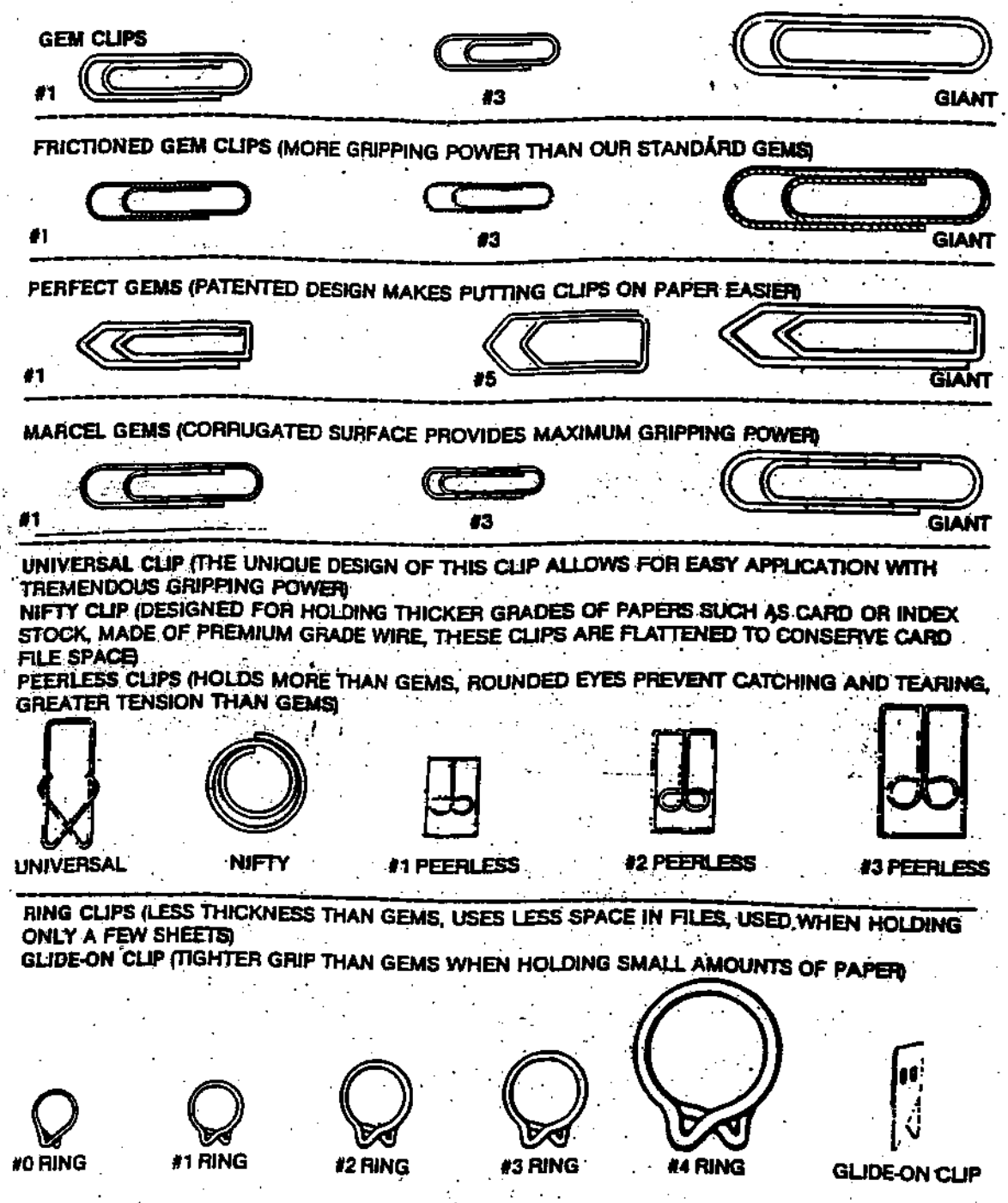
[22] ACCO response (Second Review), p. 10 and OIC response (Second Review), p. 8.

[23] The discussion in this section is from the original investigation, unless otherwise noted. *Original Report*, pp. II-4, II-5, II-7, II-9, II-10, II-14, and, II-27 through II-29, and *Memorandum EC-R-109*, dated November 2, 1994, p. 11.

[24] The Commission stated in its original views that "the industry is mature; consequently there has been little product innovation during the investigative period. In addition, no new production processes or technologies have emerged, no new markets have developed, and no new firms have entered into production." *Original Report*, p. I-8.

[25] *Id.*, p. I-11.

Figure I-1.–Illustrations of certain wire paper clips

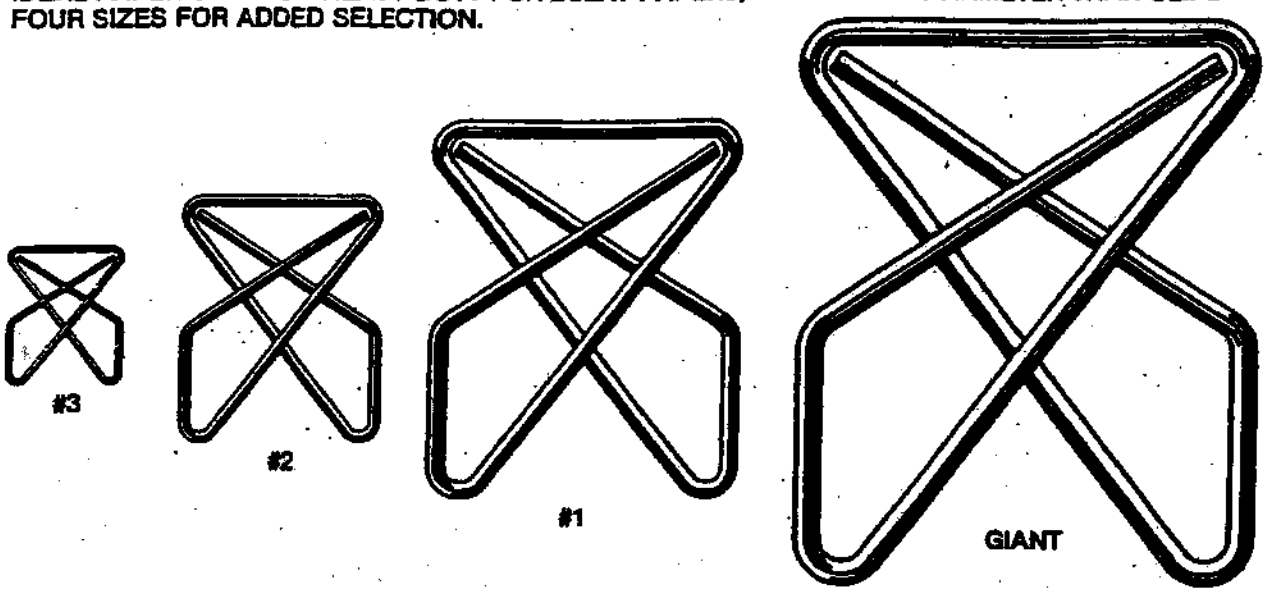


Source: Noesting product catalog.

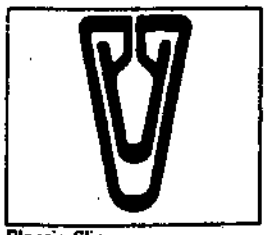
Figure I-2.–Illustrations of other paper fasteners

BINDER CLIPS—EXCELLENT FOR HOLDING LARGE NUMBERS OF SHEETS, REMOVEABLE HANDLES FOR PERMANENT BINDING. THESE CLIPS COME IN THREE STANDARD SIZES: SMALL, MEDIUM AND LARGE. OTHER SIZES UPON REQUEST.

IDEAL PAPER CLAMPS—HEAVY DUTY FOR BULKY PAPERS, LARGER WIRE DIAMETER THAN CLIPS—FOUR SIZES FOR ADDED SELECTION.



"PETITE" PAPER FASTENERS—PINCH TYPE FASTENER USED WITH FEW SHEETS, USUALLY FOR PERMANENT FASTENING, ONE TIME USE, SHARP PRONG PIERCES PAPERS, AVAILABLE IN THREE SIZES, #0 FOR 2-6 SHEETS, #1 FOR 2-12 SHEETS, #2 FOR 2-24 SHEETS.



Plastic Clip

Also, nearly all U.S. suppliers reported that domestic and imported Chinese paper clips are used interchangeably.[26]

U.S. producers sold paper clips to virtually all channels of distribution within the office products industry, including mass marketers, warehouse clubs, office super stores, wholesalers, mail order catalogs, dealers, and the U.S. Government. Responding importers sold the subject merchandise to many of the same channels. During the original investigation, ACCO reported ***.[27] The responding U.S. importers reported that the majority of Chinese paper clips were sold through contracts that typically fixed the price for 6-12 months.

Prices were primarily determined by the volume purchased. Other factors that impacted price were the type of clip, clip quality (i.e., finish characteristics, wire strength and gauge, and consistency), and required packaging (i.e., blister-wrapped packages for retail sale or boxed in bulk).[28] Customers could also receive advertising allowances and supplemental discounts for their overall purchases of office products. Nearly all of the purchasers that completed Commission questionnaires reported buying paper clips as part of a "bundle" of standard office supplies. They indicated, however, that the prices of the paper clips were determined independently of the prices for the other products included in the bundle.[29]

As indicated earlier, the Commission noted in its original views that the paper clip industry was mature. In contrast, "the market for paper clips has changed in that large discount retailers of office supply products have increased in number, causing producers to shift sales to these chains. The record indicates that it may be more costly for producers to compete in this new segment of the retail market because there are greater marketing and advertising expenses."[30] ACCO reported in its response during the first review that "large commercial buyers of paper clips recently have started sourcing various office supply products, such as binder clips, carded clips, and specialty items from China." It argued that "{g}iven these new purchasing relationships, these large commercial buyers likely would source paper clips from China if the order were revoked."[31] In this review, ACCO similarly argued that it would "lose significant sales if the order were revoked," stating:

> "Many of ACCO's current customers began to purchases paper clips from ACCO after the antidumping order was imposed. These companies currently import other items from China. ACCO believes that they would again purchase paper clips from China if the order were revoked. In fact, paper clips, with their relatively heavy weight to volume ration, can balance out the total weight of a container to the maximum weight allowed."[32]

In addition, in this review, OIC offered the following view regarding revocation: "Paper clips are a commodity product, and are sold largely on the basis of price. As the Commission noted in these last sunset review, price is the primary factor considered by

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[26] Both domestic producers and importers of the subject Chinese product offered No. 1 gem clips and jumbo clips for sale, the two types of paper clips that accounted for the vast majority of sales. *Memorandum EC-R-109*, dated November 2, 1994, p. 16.

[27] ***.

[28] Delivery costs were not considered to be an important factor.

[29] The Commission found that, although bundling is a common method of selling paper clips, "it does not affect the prices for paper clips." *Original Report*, pp. I-8-I-9.

[30] *Id.*, p. I-8.

[31] ACCO response (First Review), pp. 11-12.

[32] ACCO response (Second Review), p. 6. ACCO went on to say its following customers would likely purchase paper clips from China if the order were revoked: ***. Id., pp. 6-7.

customers in purchasing paper clips, as 'large, discount retail office product supply chains remain particularly sensitive to price competition'. Because of the dominant effect of price on the sale of paper clips, and because the domestic market is adequately served, at stable prices, by existing domestic producers, the only way that Chinese paper clips could be sold in the United States would be by underselling the current market, thus depressing prices charged by United States' producers."[33]

THE INDUSTRY IN THE UNITED STATES

U.S. Producers

In 1993, during the original investigation, there were four firms producing paper clips in the United States, with ACCO accounting for *** percent of total U.S. production.[34] The other manufacturers consisted of Noesting, Work Services, and Trico Manufacturing Corp. (Trico).[35] [36] During both reviews, ACCO has described itself as the "predominant" U.S. producer of paper clips, stating that it manufactures approximately *** percent of U.S.-produced paper clips.[37] OIC produces paper clips at its production facility in Edison, NJ and accounts for *** of U.S.-produced paper clips.[38] Other current domestic producers are Advantus Corp. (Advantus/GEM) of Jacksonville, FL, which sells paper clips under the GEM brand.[39] Work Services, located in Wichita Falls, TX, is believed by ACCO to produce a "small" amount of paper clips.[40]

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[33] OIC response (Second Review), p. 5.

[34] In fact, ACCO was described as the world's largest producer of paper clips.

[35] During the original investigation, ACCO and Noesting reported producing a full line of wire paper clips, whereas Work Services manufactured ***. Trico did not respond to the Commission's questionnaire.

[36] *Original Report*, pp. II-11-II-12.

[37] ACCO response (First Review), p. 9, and (Second Review), pp. 2, 8. Its website describes ACCO as the world's largest supplier of office products with annual revenues of nearly $2 billion whose products are marketed in over 100 countries. See, "http://acco.com/default.aspx" retrieved November 28, 2005.

[38] OIC did not participate in the first review.

[39] GEM Office Products was formerly known as Labelon/Noesting. On December 31, 1993, Noesting formed a partnership with Labelon, a firm that primarily manufactured fax paper and transparencies. The joint venture reportedly was created to jointly manufacture and distribute the various products contributed to the partnership, which, for Noesting, was paper clips, paper fasteners, pins, parcel handles, pin tickets, thumbtacks, pushpins, tag fasteners, and butcher supplies. *Original Report*, p. II-12 and *First Review Report*, p. I-9, n. 26. See also, OIC response (Second Review), p. 7.

[40] ACCO response (Second Review), p. 8. In its response, OIC makes reference to "another U.S. producer of paper clips, a small company organized under the Javits-Wagner-O-Day legislation to sell its products exclusively to the Federal government under a program to provide assistance to disabled and handicapped workers." OIC response (Second Review), p. 7. Staff believes that this firm is Work Services. Work Services' website indicates that it manufactures paper clips, in addition to a number of other items, as well as providing job training for the disabled and handicapped in a number of fields. See, "http://www.workservicescorp.com/#top," retrieved November 28, 2005. In this review, neither ACCO or OIC made mention of Trico. Trico, located in Pewaukee, WI, provides lubrication, fluid protection, central lubrication, and metalworking products and services. See, "http://www.tricomfg.com/index.asp#," retrieved November 28, 2005. The website makes no mention of paper clips.

In this review, neither of the domestic interested parties named any U.S. producers as presently importing subject paper clips from China.[41] In the first review, ACCO reported that OIC was formerly {emphasis supplied} a significant importer of paper clips from China, but that since the order was imposed "OIC has become a domestic manufacturer of paper clips in order to stay in the business." Further, it stated that it believed that if the order were revoked, OIC "could easily resume importing paper clips from China" and that "its interests are not aligned with those of the U.S. industry.[42] [43] During the original investigation, both ACCO and Noesting imported paper clips from China. The Commission, however, determined not to exclude either firm from the domestic industry as related parties.[44]

U.S. Production, Capacity, and Shipments

Data reported by U.S. producers of paper clips in the Commission's original investigation and in response to its institution notices for the first and second reviews are presented in table I-2. As shown, capacity, production, capacity utilization, and the quantity and value of U.S. shipments of paper clips rose steadily from 1991 to 1993.[45] However, the unit value of the industry's U.S. shipments fell from $*** in 1991 to $*** in 1993.[46] Further, interim 1993 to interim 1994 comparisons, show declining values for all presented indicators, except for the quantity and value of U.S. shipments. With reference to financial data, the Commission indicated in its original views that "{t}he domestic industry experienced an increase in operating losses from 1991 to 1992. In 1993, there was a small level of

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[41] ACCO response (Second Review), p. 8 and OIC response (Second Review), p. 7.

[42] ACCO response (First Review), pp. 9-11.

[43] The list of responding importers of subject paper clips in the original report did not include an "OIC" (no further identifying information was provided in the ACCO response). However, the acronym, "OIC," could well refer to one of the listed firms (e.g., Officemate, which was the largest responding importer, accounting for *** percent, by quantity of reported 1993 imports from China). *Original Report*, II-13-II-14. There was no information on the record in the first review concerning the amount, if any, of OIC's imports of paper clips from China. *First Review Report*, p. I-9.

[44] The Commission stated that the small percentage that ACCO's total imports represented of its total shipments of the subject product demonstrated "that ACCO's primary focus is on domestic production and not importation." *Original Report*, pp. I-7 and I-8. Imports by Noesting, however, comprised *** percent by volume of its 1993 shipments of certain paper clips. Its imports from China *** until late 1993 when the firm ceased importing entirely. Noesting accounted for between *** and *** percent of total Chinese imports as reported by Commerce. *Memorandum INV-R-170*, November 1, 1994 (revision to *Original Report*, p. II-18). With reference to Noesting, the Commission noted that (1) the firm reportedly imported paper clips to satisfy certain customers' needs for low-priced merchandise, in order not to lose those customers; (2) regardless of whether or not Noesting was importing Chinese paper clips, its financial performance was not significantly different from other domestic producers; and (3) the firm was a small enough manufacturer that its inclusion in the domestic industry would not skew data for the industry. *Original Report*, pp. I-7 and I-8.

[45] In its original views, the Commission noted that other indicators did not show improvement. Specifically, inventories of subject paper clips held by domestic producers more than doubled from 1991 to 1993 and were higher in interim 1994 compared to interim 1993. *Original Report*, p. I-10.

[46] The Commission stated that "{t}he decline in the unit values appears to reflect, at least in part, ACCO's decision to increase its production of less costly small-diameter No. 1 paper clips, while reducing its production of slightly larger-diameter No. 1 paper clips." *Original Report.*, p. I-9. Further, "ACCO, by far the largest domestic producer, chose to compete directly with the Chinese imports by sharply reducing its prices and increasing its production of lower cost, smaller diameter wire paper clips. ACCO manufactures three types of No. 1 gem style paper clips distinguished by differences in the diameter of the wire. To be price competitive, ACCO shifted its sales emphasis to the smaller wire diameter 'World' paper clips." *Id.*, p. I-12.

Table I-2
Paper clips: U.S. producers' capacity, production, and U.S. shipments, 1991-93, January-June 1993, January-June 1994, 1998, and 2004

* * * * * * *

operating income but interim 1994 data indicated a return to operating losses. Gross profit steadily increased from 1991 to 1993, although in interim 1994 gross profits were lower than in interim 1993."[47]

In the first review, available post-order data showed an expansion in the domestic paper clip industry, with production, and the quantity and value of U.S. shipments rising by *** percent, *** percent, and *** percent, respectively, from 1993 to 1998 (table I-2). In this review, available data show a decline in the same categories from 1998 to 2004 with production, and the quantity and value of U.S. shipments dropping by *** percent, *** percent, and *** percent, respectively.

As was the case in the first review, there are, however, no current pricing data available for the subject product. With respect to the original record, the Commission stated that "domestic producer prices were depressed in 1991 at least in part because of the Chinese paper clips" and that "the pricing information also demonstrates that Chinese imports have suppressed prices in the domestic industry to a significant degree."[48] Further, while ACCO cut prices and shifted its product mix to retain market share, the Commission concluded that "Noesting was unable to compete directly on price with Chinese imports."[49] As shown in table I-2, the reported unit value of U.S. shipments of domestically produced paper clips rose from $*** in 1993 to $*** in 1998 and stood at *** in 2004. At the time of the first review, ACCO reported that "{c}ompanies that previously purchased paper clips from China now purchase them from ACCO and OIC, and prices have gone up in the absence of the price-distorting, dumped imports."[50] In this review, as in the first review, ACCO stated its view that "revocation of the order, that presently imposes additional duties of 46 to 126.4 percent on imports would lead to price depression, as Chinese product would displace present sources, including ACCO."[51] Insofar as likely price effects of imports, OIC stated:

> "Paper clips are a commodity product, and are sold largely on the basis of price. As the Commission noted in the last sunset review, price is the primary factor considered by customers in purchasing paper clips, as 'large, discount retail office product supply chains remain particularly sensitive to price competition.' Because of the dominant effect of price on the sale of paper clips, and because the domestic market is adequately served, at stable prices, by existing domestic producers, the only way that Chinese paper clips could be sold in the United States would be underselling the current market, thus depressing prices charged by the United States' producers."[52]

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[47] *Id.*, p. I-10.

[48] *Id.*, p. I-12.

[49] The Commission indicated that "{t}hroughout the period of investigation, Chinese paper clips consistently undersold Noesting's product by substantial margins. Noesting was able to maintain its presence in the market by selling to companies which had a strong 'Buy American' policy." *Id.*, p. I-12.

[50] ACCO response (First Review), p. 11.

[51] ACCO response (Second Review), p. 4. In its response during the first review, ACCO indicated that, ". . .it is likely that revocation of the order would, within a reasonable foreseeable time, adversely affect the domestic industry to such a degree that the industry would quickly return to its materially injured state at the time of the original determination or worse." *First Review Report*, p. I-11.

[52] OIC response (Second Review), p. 5.

With respect to the impact of revocation on the U.S. industry, ACCO stated that it would lose "significant" sales if the order were revoked. ACCO noted that many of the its current customers began to purchase paper clips from ACCO after the antidumping order was imposed. Further, noting that these companies import other items from China, ACCO stated that it "believes that they would again purchase paper clips from China if the order were revoked."[53] In its comments concerning the impact of revocation, OIC stated that such action would likely lead to material injury of the U.S. industry.[54] OIC noted that although it had been operating "***" for the past three years, its profits on paper clips have been *** percent of revenue and its prices during that period have been "***."[55]

U.S. IMPORTS AND CONSUMPTION

U.S. Imports

During the original investigation, the Commission identified 26 U.S. importers that imported more than $50,000 each of the subject merchandise in fiscal years 1991-93. Of these importers, 14 responded to Commission questionnaires. The majority of the responding firms were wholesalers/ distributors that stocked the product and then sold to retail stores. Other importers were large mass merchandisers or "superstores." However, during the two review periods, it has been the superstores which have increasingly dominated the market, reportedly taking sales away from wholesalers.[56] In this review, ACCO stated that it was "not specifically aware" of any current importers of paper clips from China, and OIC indicated that it had no information regarding "known and operating U.S. importers" of paper clips from China. [57]

As shown in table I-3, U.S. imports of paper clips from China rose by 34 percent from 1991 to 1992, then declined by 14 percent from 1992 to 1993. Imports also declined in interim 1994 compared with interim 1993.[58] Following the imposition of the order in November 1994, Chinese paper clip imports dropped to much lower levels and, in 1998, amounted to only 3 percent of the quantity imported from China in 1993.[59] During the second review period, U.S. imports of paper clips from China rose irregularly from 164 million units in 1998 to 1.1 billion units by 2004 (table I-4). While U.S. imports from nonsubject sources increased during the post-order period to 2.3 billion units in 1998, they have dropped since then to 1.1 billion units in 2004. Total U.S. paper clip imports amounted to 2.2 billion units in 2004, a 9-percent drop from the 2.4 billion units imported in 1998. The latter level of imports was down 57 percent from the 5.7 billion units reported for 1993. Taiwan was, by far, the largest source of nonsubject imports in 1993. In 1996, Colombia entered the U.S. market with substantial quantities

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[53] ACCO response (Second Review), pp. 6-7. Specifically, it named ***. See also, *First Review Report*, p. I-11.

[54] OIC response (Second Review), p. 5.

[55] *Id.*

[56] *First Review Report*, p. I-12 and ACCO response (Second Review), pp. 7-8.

[57] ACCO response (Second Review), p. 8 and OIC response (Second Review), p. 7. Additionally, ACCO reiterated its statement from the first review that while it is not aware of any current importers of the subject merchandise, it believed that because ZLIP requested an administrative review at Commerce for the 1997-98 period, it indicated that the Chinese firm must have exported some material to the United States during the period 1997-98. *First Review Report*, p. I-12 and ACCO response (Second Review), p. 8.

[58] Table I-3 also present data for U.S. imports of paper clips from Hong Kong. Petitioners reported during the original investigation that any listed imports from Hong Kong actually originated in China. They knew of no production facilities for paper clips physically located in Hong Kong. Further, three responding importers stated that their purchases from Hong Kong were manufactured in China. *Original Report*, p. II-25. In its views, however, the Commission cited data only for the Chinese imports. *Id.*, p. I-11.

[59] *See* official Commerce statistics for HTS statistical reporting number 8305.90.3010.

Table I-3
Paper clips: U.S. imports, 1991-93, January-June 1993, January-June 1994, and 1998

Source	1991	1992	1993	January-June		1998	2004
				1993	1994		
Quantity *(million units)*[1]							
China	4,189	5,623	4,857	2,387	2,200	164	1,137
Hong Kong	1,002	1,476	73	34	0	1	3
Subtotal	5,191	7,099	4,930	2,421	2,200	165	1,140
Other sources[2]	1,519	1,042	736	397	446	2,262	1,060
Total	6,710	8,142	5,666	2,818	2,646	2,427	2,200
Landed duty-paid value *(1,000 dollars)*							
China	3,911	5,494	4,482	2,182	2,077	459	2,267
Hong Kong	953	1,261	65	31	0	2	8
Subtotal	4,864	6,755	4,547	2,213	2,077	461	2,274
Other sources[2]	3,223	2,121	1,704	879	1,238	3,621	1,942
Total	8,087	8,877	6,251	3,093	3,315	4,082	4,216
Landed duty-paid unit value *(per 1,000 units)*							
China	$0.93	$0.98	$0.92	$0.91	$0.94	$2.80	$1.99
Hong Kong	0.95	0.85	0.89	0.92	-	2.01	2.45
Average	0.94	0.95	0.92	0.91	0.94	2.79	1.99
Other sources[2]	2.12	2.04	2.31	2.21	2.78	1.60	1.83
Average	1.21	1.09	1.10	1.10	1.25	1.68	1.92

[1] Official import quantities were converted from kilograms to units based on a conversion factor supplied by petitioners during the original investigation.
[2] The primary "other source" during 1991-94 was Taiwan. The primary "other sources" during 1998 and 2004 were Colombia and Taiwan.

Source: *Original Report*, table 17, for 1991-93 and interim 1993-94 data (which were official Commerce statistics); official Commerce statistics for 1998 and 2004 data. (As indicated earlier, official Commerce statistics include some nonsubject product and, as a result, are somewhat overstated.)

Table I-4
Paper clips: U.S. imports for consumption, by country, 1998-2004

Source	1998	1999	2000	2001	2002	2003	2004
Quantity *(million units)*							
China	164	96	124	339	448	821	1,137
Hong Kong	1	6	32	13	39	3	3
Subtotal	165	102	156	352	487	824	1,140
All other sources	2,262	1,675	1,496	1,302	1,035	1,059	1,060
Total	2,427	1,776	1,652	1,654	1,522	1,882	2,200
Landed duty-paid value *(1,000 dollars)*							
China	459	244	309	525	893	1,708	2,267
Hong Kong	2	18	55	38	68	17	8
Subtotal	461	262	364	563	960	1,725	2,274
All other sources	3,621	2,906	2,389	2,033	1,502	1,570	1,942
Total	4,082	3,169	2,753	2,595	2,462	3,295	4,216
Landed duty-paid unit value *(per 1,000 units)*							
China	$2.80	$2.54	$2.49	$1.55	$1.99	$2.08	$1.99
Hong Kong	2.01	3.22	1.71	2.95	1.74	5.25	2.45
Average	2.79	2.58	2.33	1.60	1.97	2.09	1.99
All other sources	1.60	1.74	1.60	1.56	1.45	1.48	1.83
Average	1.68	1.78	1.67	1.57	1.62	1.75	1.92

Source: Compiled from official statistics of the U.S. Department of Commerce.

and, by 1997, its import quantities slightly exceeded those from Taiwan.[60] As noted earlier, ACCO and OIC believe that if the Chinese order were revoked, imports would quickly reach their past levels or could increase beyond past levels.[61]

The only current "pricing" data are import unit values, based on the landed, duty-paid value of official Commerce statistics. As shown by a comparison of table I-2 with table I-3 for the years 1991 to 1993 (which shows the unit values for Chinese imports to be lower than those for U.S. shipments of domestically-produced product), such unit values do not approximate pricing data collected during the original investigation.[62] With reference to trends, the Commission stated in its original views that there was a substantial decline in price for Chinese imports (and the domestic product) from 1991 to 1992. During the early part of the period reviewed in the original investigation, the cost of low carbon steel wire (the primary raw material in the production of paper clips) declined fairly steadily. Wire prices rose in the latter part of 1993; however, the price of Chinese imports remained low, and ACCO's prices did not increase commensurately with raw material costs.[63] The Commission indicated in its original views that "{t}he continuing low prices of the Chinese imports appear to have prevented expected responsive price increases by ACCO."[64]

The following tabulation lists landed duty-paid unit values for paper clips from China calculated from official Commerce statistics for 1991 to 2004 (*in dollars per 1,000 units*):

1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
0.93	0.98	0.92	0.95	0.92	1.22	2.68	2.80	2.54	2.49	1.55	1.99	2.08	1.99

As shown, the reported unit values were relatively level from 1991 to 1995, and then began a climb in 1996 that peaked in 1998, before dropping irregularly through 2004.[65] While the unit value of nonsubject imports has increased from 1998 to 2004, it remains somewhat below the pre-order unit values (table I-3). These lower unit values in the post-order period are primarily due to the entry of low-valued imports from Colombia.[66]

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[60] *Id.*

[61] ACCO response (Second Review), p. 3 and OIC response (Second Review), p. 4.

[62] In the original investigation, there were *** instances where price comparisons between ACCO-produced and imported Chinese paper clips were possible. The imported Chinese products were priced below the ACCO-produced products in *** quarters by an average of *** percent, were priced above the ACCO-produced products in *** quarters by an average of *** percent, and ***. *Memorandum EC-R-109*, dated November 2, 1994, p. 13. There were, however, *** instances where price comparisons between Noesting-produced and imported Chinese paper clips were possible. *Id.* For these sales, the Commission concluded that "Noesting was unable to compete directly on price with Chinese imports. Throughout the period of investigation, Chinese paper clips consistently undersold Noesting's product by substantial margins." *Original Report*, p. I-12. (It should also be noted that the landed duty-paid value of U.S. imports (table I-3) is at a different level of trade than the value of U.S. shipments of domestically produced paper clips (table I-2).)

[63] See, figures 6, 7, and 8 of the *Original Report.*

[64] *Original Report*, pp. I-12 and I-13.

[65] In the original investigation, it was shown in a comparison of the unit values for U.S. importers' imports from China, there were wide variations in the values of various styles of paper clips. In 1993, the unit values of Chinese imports ranged from a high of $*** for jumbo/giant clips to a low of $*** for No. 1 clips. Compare tables C-3, C-4, C-5, and C-6 of the *Original Report.*

[66] In 1999, the unit value of U.S. imports of paper clips from Colombia ($1.11 per *1,000 units*) was less than one-half of the unit value for Taiwan ($2.36 per *1,000 units*). *See* official Commerce statistics for HTS statistical

(continued...)

As noted earlier, ACCO restated its previously held view that "price continues to be the most important factor in choosing a source for paper clips," and that revocation of the antidumping order would lead to Chinese product entering the United States at dumped prices that would both depress and suppress prices.[67] In support of its contention, ACCO points out that there have been no administrative reviews since the imposition of the order. Further, for the 1997-98 period, two parties requested administrative reviews, but subsequently withdrew their requests. ACCO argues that "{t}he logical reason for the withdrawal is that the parties studied the facts, and concluded that they could not achieve a lower dumping margin if they proceeded with the review. In other words, the sales that were made must have been made at low, dumped prices."[68] OIC agreed with respect to the importance of price, stating that "{p}aper clips are a commodity product, and are sold largely on the basis of price."[69]

Apparent U.S. Consumption

Apparent U.S. consumption of paper clips rose from 1993 to 1998, increasing by *** percent, then dropped by *** percent from 1998 to 2004 (table I-5). During the period of the original investigation, consumption had risen by *** percent from 1991 to 1993. In this review, ACCO indicated that there have been "no relevant changes in demand conditions for the subject merchandise."[70] OIC offered no comments concerning changes in demand.

During the original investigation, U.S. producers' share of the U.S. paper clip market rose from *** percent in 1991 to *** percent in 1993. In its views, the Commission stated that U.S. producers' increased share of the market in 1993 was evidence that "ACCO's aggressive pricing strategy was working" (in part because the falling cost of raw materials during the early part of the investigative period made it able to absorb the declining prices).[71] The share held by Chinese importers increased from *** percent in 1991 to *** percent in 1993. The Commission pointed out in its views that, "although the Chinese import levels did not increase after 1992, these imports maintained a market penetration level between 30 and 40 percent throughout the period of investigation."[72]

Currently, the U.S. market for paper clips is dominated by domestic manufacturers, whose market share is essentially the same as it was in 1998, between *** percent. The 2004 market share of *** percent for Chinese imports has grown from a 1998 share of *** percent, while that held by nonsubject imports at *** percent is down from a market share of *** percent in 1998.

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[66] (...continued)
reporting number 8305.90.3010.

[67] ACCO response (Second Review), p. 5 and *First Review Report*, I-15.

[68] *Id.*

[69] OIC response (Second Review), p. 5.

[70] ACCO response (Second Review), p. 10.

[71] Specifically, the Commission indicated that "{w}ith the increase of low priced imports of paper clips from China from 1991 to 1992, ACCO took steps to compete aggressively with those imports and retain its share of the market." (However, the cost of raw materials increased in the latter part of the period of investigation, prices remained at depressed levels, and the Commission found that "financial data and other indices of the industry's condition took a downward turn during interim 1994 when compared to interim 1993.") *Original Report*, pp. I-13- I-14.

[72] *Original Report*, p. I-14.

Table I-5
Paper clips: U.S. producers' U.S. shipments, U.S. imports, apparent U.S. consumption, and market shares on the basis of quantity, 1991-93, January-June 1993, January-June 1994, 1998, and 2004

Item	1991	1992	1993	January-June		1998	2004
				1993	1994		
Quantity (*million units*)							
U.S. producers' U.S. shipments	***	***	***	***	***	***	***
U.S. imports:[1] China	4,189	5,623	4,857	2,387	2,200	164	1,137
Hong Kong	1,002	1,476	73	34	0	1	3
Subtotal	5,191	7,099	4,930	2,421	2,200	165	1,140
All other sources	1,519	1,042	736	397	446	2,262	1,060
Total	6,710	8,142	5,666	2,818	2,646	2,427	2,200
Apparent U.S. consumption	***	***	***	***	***	***	***
Share of consumption (*percent*)							
U.S. producers' U.S. shipments	***	***	***	***	***	***	***
U.S. imports: China	***	***	***	***	***	***	***
Hong Kong	***	***	***	***	***	***	***
Subtotal	***	***	***	***	***	***	***
Other sources	***	***	***	***	***	***	***
Total	***	***	***	***	***	***	***

[1] Official import quantities were converted from kilograms to units based on a conversion factor supplied by petitioners during the original investigation.
[2] Less than 0.05 percent.

Note.--Data reported by ACCO for 1998 were adjusted upward to adjust for the operations of the remaining U.S. producers (whose figures were not included in ACCO's response (First Review)). *See* note to table I-2. Also, as described earlier, official Commerce statistics include some nonsubject product and, as a result, importers' market shares are somewhat overstated.

Source: *Original Report*, tables 3, 17, and 18, for 1991-93 and interim 1993-94 data (of which import data were official Commerce statistics); 1998 and 2004 imports are from official Commerce statistics; 1998 U.S. producers' shipments are from the ACCO response (First Review), as adjusted, p. 10, and 2004 U.S. producers' shipments are from the ACCO response, p. 9 and OIC supplemental response (Second Review), p. 1.

THE FOREIGN INDUSTRY

Petitioners alleged during the original investigation that there were at least two factories producing subject paper clips in China, one separate firm exporting paper clips, and four additional firms that both produced and exported the products.[73] During its final investigation, Commerce verified the responses of three manufacturers (Jiaxing Stationery Pins, Shanghai Stationery Pins, and Wuyi) as well as those of three exporters (Shanghai Lansheng, ZLIP, and ZMEC). Another exporter (Abel Industries) indicated that it would not participate in Commerce's investigation.[74] In this review, ACCO listed 12 firms it believes to be current producers of paper clips in China: Tai Wing International Industrial Co., Ltd. (HK), Abel Industries, Ningbo Haisu Wenhua Stationery Factory, Teco (Ningbo) Co., Ltd., Ningbo Tiger Hardware & Daily-Use Manufacture Co., Ltd., Shaoxing Yuanfa Stationery and Sports Materials Co., Ltd., Rosary Stationery Co., Ltd., Ningbo Zhenhai Yongsheng Head Ornaments Co., Ltd., Ninghai ZhenDa Metal Products Co., Ltd., Ningbo Caihong Rubber & Plastic Co., Ltd., Sincere Stationery & Gift Co., Ltd., and Chungkiu Resources, Ltd.[75] [76]

No information on the Chinese paper clip industry was provided to the Commission during the original investigation either by these firms or by any of the organizations contacted by Commission staff.[77] According to the original petition, China began to be a "force" in the paper clip market in 1976, and had held a steady presence since then. Petitioners further indicated during the public hearing held for the original investigation that "during the late 1980's several companies or individuals decided to move paper clip production to China to begin producing large quantities of paper clips for export to the United States. Most of these machines came from Taiwan." The total productive capacity for paper clips in China was estimated to be 10-12 billion units per year.[78] As shown in table I-5, apparent U.S. consumption of paper clips was nearly *** units in 2004.

As was the case in the first review, ACCO indicated that it is not aware of specific information regarding current Chinese paper clip capacity, production, capacity utilization, or inventories. However, the firm indicated that it "is generally aware that the capacity to produce paper clips at the level prior to the antidumping order continues to exist in China and that this capacity is available to be directed at the United States as it is currently not employed."[79] OIC indicated that current Chinese capacity, production, capacity utilization, and inventories are not known to the firm. However, it believes that Chinese producers have the "ability and incentive to produce paper clips at the pre-order level."[80] In this regard, OIC stated:

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[73] *Original Report*, p. II-24.

[74] 59 FR 51168, October 7, 1994.

[75] ACCO response (Second Review), p. 9. During the first review, ACCO indicated that, of the firms originally examined by Commerce, three (Abel Industries, Shanghai Stationery Pins, and Wuyi) were believed to be producers of paper clips in China. The other named manufacturers included: China Jiangsu Light Industrial Products, China Wuxi, Chungkiu Resources, Fujian Coalimpex, Hangzhou Xizi Wenhau Yongpin Chang, Hui Zhou Shi Da Rang, Hui Zhou Shi Da Wing, and Sincere Stationery & Gift. *First Review Report*, pp. I-16, I-18.

[76] In this review, OIC indicated that it had no information regarding Chinese producers. OIC response (Second Review), p. 7.

[77] Specifically, the Commission contacted the American Embassy in Beijing, the American Consulate in Hong Kong, the American Institute in Taiwan, and the Ministry of Foreign Economic Relations & Trade in Beijing.

[78] *Original Report*, p. II-25.

[79] ACCO response (Second Review), p. 3.

[80] OIC response (Second Review), p. 3.

> "Production of paper clips in the PRC requires little technology and capital, and expanded production requires only additional inexpensive equipment and additional labor. Production in the PRC thus could easily be increased if exports to the United States were no longer subject to the antidumping duty order."[81]

There are no antidumping orders in place, other than in the United States, for paper clips produced in China. In this review, as in the previous review, ACCO indicates that it is "not aware of specific barriers to the importation of paper clips from China into countries other than the United States, but has observed that no meaningful amount of paper clips from China is being imported into countries in which ACCO maintains divisional offices, i.e., Canada, Germany, the United Kingdom, France, Mexico, Brazil and Chile."[82]

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[81] *Id.*, pp. 3-4.

[82] ACCO response (Second Review), p. 4.

APPENDIX A

FEDERAL REGISTER NOTICES

INTERNATIONAL TRADE COMMISSION

[Investigation No. 731–TA–663 (Second Review)]

Paper Clips From China

AGENCY: United States International Trade Commission.

ACTION: Institution of a five-year review concerning the antidumping duty order on paper clips from China.

SUMMARY: The Commission hereby gives notice that it has instituted a review pursuant to section 751(c) of the Tariff Act of 1930 (19 U.S.C. 1675(c)) (the Act) to determine whether revocation of the antidumping duty order on paper clips from China would be likely to lead to continuation or recurrence of material injury. Pursuant to section 751(c)(2) of the Act, interested parties are requested to respond to this notice by submitting the information specified below to the Commission;[1] to be assured of consideration, the deadline for responses is August 22, 2005. Comments on the adequacy of responses may be filed with the Commission by September 13, 2005. For further information concerning the conduct of this review and rules of general application, consult the Commission's Rules of Practice and Procedure, part 201, subparts A through E (19 CFR part 201), and part 207, subparts A, D, E, and F (19 CFR part 207).

DATES: *Effective Date:* July 1, 2005.

FOR FURTHER INFORMATION CONTACT: Mary Messer (202–205–3193), Office of Investigations, U.S. International Trade Commission, 500 E Street, SW., Washington, DC 20436. Hearing-impaired persons can obtain information on this matter by contacting the Commission's TDD terminal on 202–205–1810. Persons with mobility impairments who will need special assistance in gaining access to the Commission should contact the Office of the Secretary at 202–205–2000. General information concerning the Commission may also be obtained by accessing its Internet server (*http://www.usitc.gov*). The public record for this review may be viewed on the Commission's electronic docket (EDIS) at *http://edis.usitc.gov*.

SUPPLEMENTARY INFORMATION:

Background.—On November 25, 1994, the Department of Commerce issued an antidumping duty order on imports of paper clips from China (59 FR 60606). Following five-year reviews by Commerce and the Commission, effective August 15, 2000, Commerce issued a continuation of the antidumping duty order on imports of paper clips from China (65 FR 49784). The Commission is now conducting a second review to determine whether revocation of the order would be likely to lead to continuation or recurrence of material injury to the domestic industry within a reasonably foreseeable time. It will assess the adequacy of interested party responses to this notice of institution to determine whether to conduct a full review or an expedited review. The Commission's determination in any expedited review will be based on the facts available, which may include information provided in response to this notice.

Definitions.—The following definitions apply to this review:

(1) *Subject Merchandise* is the class or kind of merchandise that is within the scope of the five-year review, as defined by the Department of Commerce.

(2) The *Subject Country* in this review is China.

(3) The *Domestic Like Product* is the domestically produced product or products which are like, or in the absence of like, most similar in characteristics and uses with, the *Subject Merchandise*. In its original determination and its expedited five-year review determination, the Commission defined the *Domestic Like Product* as certain wire paper clips, coextensive with Commerce's scope.

(4) The *Domestic Industry* is the U.S. producers as a whole of the *Domestic Like Product*, or those producers whose collective output of the *Domestic Like Product* constitutes a major proportion of the total domestic production of the product. In its original determination and its expedited five-year review determination, the Commission defined the *Domestic Industry* to consist of all domestic producers of paper clips.

(5) An *Importer* is any person or firm engaged, either directly or through a parent company or subsidiary, in importing the *Subject Merchandise* into the United States from a foreign manufacturer or through its selling agent.

Participation in the review and public service list.—Persons, including industrial users of the *Subject Merchandise* and, if the merchandise is sold at the retail level, representative consumer organizations, wishing to participate in the review as parties must file an entry of appearance with the Secretary to the Commission, as provided in section 201.11(b)(4) of the Commission's rules, no later than 21 days after publication of this notice in the **Federal Register**. The Secretary will maintain a public service list containing the names and addresses of all persons, or their representatives, who are parties to the review.

Former Commission employees who are seeking to appear in Commission five-year reviews are reminded that they

[1] No response to this request for information is required if a currently valid Office of Management and Budget (OMB) number is not displayed; the OMB number is 3117–0016/USITC No. 05–5–134, expiration date June 30, 2005. Public reporting burden for the request is estimated to average 10 hours per response. Please send comments regarding the accuracy of this burden estimate to the Office of Investigations, U.S. International Trade Commission, 500 E Street, SW., Washington, DC 20436.

are required, pursuant to 19 CFR 201.15, to seek Commission approval if the matter in which they are seeking to appear was pending in any manner or form during their Commission employment. The Commission is seeking guidance as to whether a second transition five-year review is the "same particular matter" as the underlying original investigation for purposes of 19 CFR 201.15 and 18 U.S.C. 207, the post employment statute for Federal employees. Former employees may seek informal advice from Commission ethics officials with respect to this and the related issue of whether the employee's participation was "personal and substantial." However, any informal consultation will not relieve former employees of the obligation to seek approval to appear from the Commission under its rule 201.15. For ethics advice, contact Carol McCue Verratti, Deputy Agency Ethics Official, at 202–205–3088.

Limited disclosure of business proprietary information (BPI) under an administrative protective order (APO) and APO service list.—Pursuant to section 207.7(a) of the Commission's rules, the Secretary will make BPI submitted in this review available to authorized applicants under the APO issued in the review, provided that the application is made no later than 21 days after publication of this notice in the **Federal Register**. Authorized applicants must represent interested parties, as defined in 19 U.S.C. 1677(9), who are parties to the review. A separate service list will be maintained by the Secretary for those parties authorized to receive BPI under the APO.

Certification.—Pursuant to section 207.3 of the Commission's rules, any person submitting information to the Commission in connection with this review must certify that the information is accurate and complete to the best of the submitter's knowledge. In making the certification, the submitter will be deemed to consent, unless otherwise specified, for the Commission, its employees, and contract personnel to use the information provided in any other reviews or investigations of the same or comparable products which the Commission conducts under Title VII of the Act, or in internal audits and investigations relating to the programs and operations of the Commission pursuant to 5 U.S.C. Appendix 3.

Written submissions.—Pursuant to section 207.61 of the Commission's rules, each interested party response to this notice must provide the information specified below. The deadline for filing such responses is August 22, 2005. Pursuant to section 207.62(b) of the Commission's rules, eligible parties (as specified in Commission rule 207.62(b)(1)) may also file comments concerning the adequacy of responses to the notice of institution and whether the Commission should conduct an expedited or full review. The deadline for filing such comments is September 13, 2005. All written submissions must conform with the provisions of sections 201.8 and 207.3 of the Commission's rules and any submissions that contain BPI must also conform with the requirements of sections 201.6 and 207.7 of the Commission's rules. The Commission's rules do not authorize filing of submissions with the Secretary by facsimile or electronic means, except to the extent permitted by section 201.8 of the Commission's rules, as amended, 67 FR 68036 (November 8, 2002). Also, in accordance with sections 201.16(c) and 207.3 of the Commission's rules, each document filed by a party to the review must be served on all other parties to the review (as identified by either the public or APO service list as appropriate), and a certificate of service must accompany the document (if you are not a party to the review you do not need to serve your response).

Inability to provide requested information.—Pursuant to section 207.61(c) of the Commission's rules, any interested party that cannot furnish the information requested by this notice in the requested form and manner shall notify the Commission at the earliest possible time, provide a full explanation of why it cannot provide the requested information, and indicate alternative forms in which it can provide equivalent information. If an interested party does not provide this notification (or the Commission finds the explanation provided in the notification inadequate) and fails to provide a complete response to this notice, the Commission may take an adverse inference against the party pursuant to section 776(b) of the Act in making its determination in the review.

Information to be Provided in Response to This Notice of Institution: As used below, the term "firm" includes any related firms.

(1) The name and address of your firm or entity (including World Wide Web address if available) and name, telephone number, fax number, and E-mail address of the certifying official.

(2) A statement indicating whether your firm/entity is a U.S. producer of the *Domestic Like Product*, a U.S. union or worker group, a U.S. importer of the *Subject Merchandise*, a foreign producer or exporter of the *Subject Merchandise*, a U.S. or foreign trade or business association, or another interested party (including an explanation). If you are a union/worker group or trade/business association, identify the firms in which your workers are employed or which are members of your association.

(3) A statement indicating whether your firm/entity is willing to participate in this review by providing information requested by the Commission.

(4) A statement of the likely effects of the revocation of the antidumping duty order on the *Domestic Industry* in general and/or your firm/entity specifically. In your response, please discuss the various factors specified in section 752(a) of the Act (19 U.S.C. 1675a(a)) including the likely volume of subject imports, likely price effects of subject imports, and likely impact of imports of *Subject Merchandise* on the *Domestic Industry*.

(5) A list of all known and currently operating U.S. producers of the *Domestic Like Product*. Identify any known related parties and the nature of the relationship as defined in section 771(4)(B) of the Act (19 U.S.C. 1677(4)(B)).

(6) A list of all known and currently operating U.S. importers of the *Subject Merchandise* and producers of the *Subject Merchandise* in the *Subject Country* that currently export or have exported *Subject Merchandise* to the United States or other countries after 1998.

(7) If you are a U.S. producer of the *Domestic Like Product*, provide the following information on your firm's operations on that product during calendar year 2004 (report quantity data in units and value data in U.S. dollars, f.o.b. plant). If you are a union/worker group or trade/business association, provide the information, on an aggregate basis, for the firms in which your workers are employed/which are members of your association.

(a) Production (quantity) and, if known, an estimate of the percentage of total U.S. production of the *Domestic Like Product* accounted for by your firm's(s') production;

(b) the quantity and value of U.S. commercial shipments of the *Domestic Like Product* produced in your U.S. plant(s); and

(c) the quantity and value of U.S. internal consumption/company transfers of the *Domestic Like Product* produced in your U.S. plant(s).

(8) If you are a U.S. importer or a trade/business association of U.S. importers of the *Subject Merchandise* from the *Subject Country*, provide the following information on your firm's(s') operations on that product during calendar year 2004 (report quantity data

in units and value data in U.S. dollars). If you are a trade/business association, provide the information, on an aggregate basis, for the firms which are members of your association.

(a) The quantity and value (landed, duty-paid but not including antidumping duties) of U.S. imports and, if known, an estimate of the percentage of total U.S. imports of *Subject Merchandise* from the *Subject Country* accounted for by your firm's(s') imports;

(b) the quantity and value (f.o.b. U.S. port, including antidumping duties) of U.S. commercial shipments of *Subject Merchandise* imported from the *Subject Country*; and

(c) the quantity and value (f.o.b. U.S. port, including antidumping duties) of U.S. internal consumption/company transfers of *Subject Merchandise* imported from the *Subject Country*.

(9) If you are a producer, an exporter, or a trade/business association of producers or exporters of the *Subject Merchandise* in the *Subject Country*, provide the following information on your firm's(s') operations on that product during calendar year 2004 (report quantity data in units and value data in U.S. dollars, landed and duty-paid at the U.S. port but not including antidumping duties). If you are a trade/business association, provide the information, on an aggregate basis, for the firms which are members of your association.

(a) Production (quantity) and, if known, an estimate of the percentage of total production of *Subject Merchandise* in the *Subject Country* accounted for by your firm's(s') production; and

(b) the quantity and value of your firm's(s') exports to the United States of *Subject Merchandise* and, if known, an estimate of the percentage of total exports to the United States of *Subject Merchandise* from the *Subject Country* accounted for by your firm's(s') exports.

(10) Identify significant changes, if any, in the supply and demand conditions or business cycle for the *Domestic Like Product* that have occurred in the United States or in the market for the *Subject Merchandise* in the *Subject Country* after 1998, and significant changes, if any, that are likely to occur within a reasonably foreseeable time. Supply conditions to consider include technology; production methods; development efforts; ability to increase production (including the shift of production facilities used for other products and the use, cost, or availability of major inputs into production); and factors related to the ability to shift supply among different national markets (including barriers to importation in foreign markets or changes in market demand abroad). Demand conditions to consider include end uses and applications; the existence and availability of substitute products; and the level of competition among the *Domestic Like Product* produced in the United States, *Subject Merchandise* produced in the *Subject Country*, and such merchandise from other countries.

(11) (OPTIONAL) A statement of whether you agree with the above definitions of the *Domestic Like Product* and *Domestic Industry;* if you disagree with either or both of these definitions, please explain why and provide alternative definitions.

Authority: This review is being conducted under authority of title VII of the Tariff Act of 1930; this notice is published pursuant to section 207.61 of the Commission's rules.

Issued: June 22, 2005.

By order of the Commission.

Marilyn R. Abbott,

Secretary to the Commission.

[FR Doc. 05–13160 Filed 6–30–05; 8:45 am]

BILLING CODE 7020–02–P

[1] No response to this request for information is required if a currently valid Office of Management and Budget (OMB) number is not displayed; the OMB number is 3117–0016/USITC No. 05–5–132, expiration date June 30, 2005. Public reporting burden for the request is estimated to average 10 hours per response. Please send comments regarding the accuracy of this burden estimate to the Office of Investigations, U.S. International Trade Commission, 500 E Street, SW., Washington, DC 20436.

INTERNATIONAL TRADE COMMISSION

[Investigation No. 731–TA–663 (Second Review)]

Paper Clips from China

AGENCY: International Trade Commission.

ACTION: Scheduling of an expedited five-year review concerning the antidumping duty order on paper clips from China.

SUMMARY: The Commission hereby gives notice of the scheduling of an expedited review pursuant to section 751(c)(3) of the Tariff Act of 1930 (19 U.S.C. 1675(c)(3)) (the Act) to determine whether revocation of the antidumping duty order on paper clips from China would be likely to lead to continuation or recurrence of material injury within a reasonably foreseeable time. For further information concerning the conduct of this review and rules of general application, consult the Commission's Rules of Practice and Procedure, part 201, subparts A through E (19 CFR part 201), and part 207, subparts A, D, E, and F (19 CFR part 207).

EFFECTIVE DATE: October 4, 2005.

FOR FURTHER INFORMATION CONTACT: Jim McClure (202–205–3191), Office of Investigations, U.S. International Trade Commission, 500 E Street SW., Washington, DC 20436. Hearing-impaired persons can obtain information on this matter by contacting the Commission's TDD terminal on 202–205–1810. Persons with mobility impairments who will need special assistance in gaining access to the Commission should contact the Office of the Secretary at 202–205–2000. General information concerning the Commission may also be obtained by accessing its Internet server (*http://www.usitc.gov*). The public record for this review may be viewed on the Commission's electronic docket (EDIS) at *http://edis.usitc.gov*.

SUPPLEMENTARY INFORMATION:

Background. On October 4, 2005, the Commission determined that the domestic interested party group response to its notice of institution (70 FR 38202, July 1, 2005) of the subject five-year review was adequate and that the respondent interested party group response was inadequate. The Commission did not find any other circumstances that would warrant conducting a full review.[1] Accordingly, the Commission determined that it would conduct an expedited review pursuant to section 751(c)(3) of the Act.

Staff report. A staff report containing information concerning the subject matter of the review will be placed in the nonpublic record on December 9, 2005, and made available to persons on the Administrative Protective Order service list for this review. A public version will be issued thereafter, pursuant to section 207.62(d)(4) of the Commission's rules.

Written submissions. As provided in section 207.62(d) of the Commission's rules, interested parties that are parties to the review and that have provided individually adequate responses to the notice of institution,[2] and any party other than an interested party to the review may file written comments with the Secretary on what determination the Commission should reach in the review. Comments are due on or before December 14, 2005 and may not contain new factual information. Any person that is neither a party to the five-year review nor an interested party may submit a brief written statement (which shall not contain any new factual information) pertinent to the review by December 14, 2005. However, should the Department of Commerce extend the time limit for its completion of the final results of its review, the deadline for comments (which may not contain new factual information) on Commerce's final results is three business days after the issuance of Commerce's results. If comments contain business proprietary information (BPI), they must conform with the requirements of sections 201.6, 207.3, and 207.7 of the Commission's rules. The Commission's rules do not authorize filing of submissions with the Secretary by facsimile or electronic means, except to the extent permitted by section 201.8 of the Commission's rules, as amended, 67 FR 68036 (November 8, 2002). Even where electronic filing of a document is permitted, certain documents must also be filed in paper form, as specified in II (C) of the Commission's Handbook on Electronic Filing Procedures, 67 FR 68168, 68173 (November 8, 2002).

In accordance with sections 201.16(c) and 207.3 of the rules, each document filed by a party to the review must be served on all other parties to the review (as identified by either the public or BPI service list), and a certificate of service must be timely filed. The Secretary will not accept a document for filing without a certificate of service.

Determination. The Commission has determined to exercise its authority to extend the review period by up to 90 days pursuant to 19 U.S.C. 1675(c)(5)(B).

Authority: This review is being conducted under authority of title VII of the Tariff Act of 1930; this notice is published pursuant to section 207.62 of the Commission's rules.

Issued: October 14, 2005.

By order of the Commission.

Marilyn R. Abbott,

Secretary to the Commission.

[FR Doc. 05–20977 Filed 10–19–05; 8:45 am]

BILLING CODE 7020–02–P

[1] A record of the Commissioners' votes, the Commission's statement on adequacy, and any individual Commissioner's statements will be available from the Office of the Secretary and at the Commission's Web site.

[2] The Commission has found the responses submitted by ACCO Brands USA, LLC, and Officemate International Corp. to be individually adequate. Comments from other interested parties will not be accepted (see 19 CFR 207.62(d)(2)).

DEPARTMENT OF COMMERCE

International Trade Administration

Paper Clips from the People's Republic of China; Notice of Final Results of Expedited Sunset Review of Antidumping Duty Order

A–570–826

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

SUMMARY: On July 1, 2005, the Department of Commerce ("the Department") initiated the sunset review of the antidumping duty order on paper clips from the People's Republic of China ("China"). *See Initiation of Five-year ("Sunset") Reviews*, 70 FR 38101 (July 1, 2005). On the basis of Notices of Intent to Participate, adequate substantive responses filed on behalf of domestic interested parties, and a lack of response from respondent interested parties, the Department conducted an expedited (120-day) sunset review. As a result of this sunset review, the Department finds that revocation of the antidumping duty order would likely lead to the continuation or recurrence of dumping. The dumping margins are identified in the *Final Results of Review* section of this notice.

EFFECTIVE DATE: November 7, 2005.

FOR FURTHER INFORMATION CONTACT: Hilary Sadler, Esq. or Maureen Flannery, AD/CVD Operations, International Trade Administration, U.S. Department of Commerce, 14th Street & Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482–4340 or (202) 482–3020, respectively.

SUPPLEMENTARY INFORMATION:

Background

On July 1, 2005, the Department published the notice of initiation of the sunset review of the antidumping duty order on paper clips from China pursuant to section 751(c) of the Tariff Act of 1930, as amended ("the Act"). *See Initiation of Five-year ("Sunset") Reviews*, 70 FR 38101 (July 1, 2005). On July 11, 2005 and July 16, 2005, the Department received a Notice of Intent to Participate from Officemate International Corporation and ACCO Brands, Inc., the domestic interested

parties, within the deadline specified in section 351.218(d)(1)(i) of the Department's regulations. The domestic interested parties claimed interested parties status under section 771(9)(C) of the Act, as manufacturers, producers, or wholesalers in the United States of a domestic like product. On July 29, 2005, and August 1, 2005, the Department received complete substantive responses from the domestic interested parties within the deadline specified in section 351.218(d)(3)(i) of the Department's regulations. The Department did not receive a response from any respondent interested parties to this proceeding. As a result, pursuant to section 751(c)(3)(B) of the Act and section 351.218(e)(1)(ii)(C)(2) of the Department's regulations, the Department conducted an expedited review of this order.

Scope of the Order

The products covered by this order are certain paper clips, wholly of wire of base metal, whether or not galvanized, whether or not plated with nickel or other base metal (e.g., copper), with a wire diameter between 0.025 inches and 0.075 inches (0.64 to 1.91 millimeters), regardless of physical configuration, except as specifically excluded. The products subject to this order may have a rectangular or ring-like shape and include, but are not limited to, clips commercially referred to as No. 1 clips, No. 3 clips, Jumbo or Giant clips, Gem clips, Frictioned clips, Perfect Gems, Marcel Gems, Universal clips, Nifty clips, Peerless clips, Ring clips, and Glide-On clips. The products subject to this order are currently classifiable under subheading 8305.90.3010 of the Harmonized Tariff Schedule of the United States ("HTSUS").

Specifically excluded from the scope of this order are plastic and vinyl covered paper clips, butterfly clips, binder clips, or other paper fasteners that are not made wholly of wire of base metal and are covered under a separate subheading of the HTSUS.

Although the HTSUS subheadings are provided for convenience and customs purposes, the written description of the scope of this order is dispositive.

Analysis of Comments Received

All issues raised in this review are addressed in the "Issues and Decision Memorandum" ("Decision Memo") from Stephen J. Claeys, Deputy Assistant Secretary for AD/CVD Operations, to Joseph A. Spetrini, Acting Assistant Secretary for Import Administration, dated October 31, 2005, which is hereby adopted by this notice. The issues discussed in the Decision Memo include the likelihood of continuation or recurrence of dumping and the magnitude of the margins likely to prevail if the order were revoked. Parties can find a complete discussion of all issues raised in this review and the corresponding recommendations in this public memorandum which is on file in room B-099 of the main Commerce building.

In addition, a complete version of the Decision Memo can be accessed directly on the Web at http://ia.ita.doc.gov/frn/. The paper copy and electronic version of the Decision Memo are identical in content.

Final Results of Review

We determine that revocation of the antidumping duty order on paper clips from China would be likely to lead to continuation or recurrence of dumping at the following weighted-average percentage margins:

Manufacturers/Exporters/Producers	Weighted Average Margin (percent)
Shanghai Lansheng Corporation	57.64
Zhejiang Light Industrial Products Import & Export Corporation	46.01
Zhejiang Machinery and Equipment Import & Export Corporation	60.70
China-wide Rate	126.94

This notice also serves as the only reminder to parties subject to administrative protective order ("APO") of their responsibility concerning the return or destruction of proprietary information disclosed under APO in accordance with section 351.305 of the Department's regulations. Timely notification of the return or 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 violation which is subject to sanction.

We are issuing and publishing these results and notice in accordance with sections 751(c), 752, and 777(i)(1) of the Act.

Dated: October 31, 2005.

Joseph A. Spetrini,

Acting Assistant Secretary for Import Administration.

[FR Doc. 05-22144 Filed 11-4-05; 8:45 am]

BILLING CODE 3510-DS-S

APPENDIX B

STATEMENT ON ADEQUACY

EXPLANATION OF COMMISSION DETERMINATION ON ADEQUACY
in
Paper Clips from China,
Inv. No. 731-TA-663 (Second Review)

On October 4, 2005, the Commission unanimously determined that it should proceed to an expedited review in the subject five-year review pursuant to section 751(c)(3)(B) of the Tariff Act of 1930, as amended, 19 U.S.C. § 1675(c)(3)(B).

The Commission determined that the domestic interested party group response to the notice of institution was adequate. The Commission received responses to the notice of institution from two domestic producers, ACCO Brands USA LLC and Officemate International Corporation. Because the Commission received adequate responses from two producers representing the overwhelming majority of domestic production, the Commission determined that the domestic interested party group response was adequate.

The Commission did not receive a response from any respondent interested party, and therefore determined that the respondent interested party group response to the notice of institution was inadequate. In the absence of an adequate respondent interested party group response, and any other circumstances that it deemed warranted proceeding to a full review, the Commission determined to conduct an expedited review. A record of the Commissioners' votes is available from the Office of the Secretary and the Commission's web site (http://www.usitc.gov).