

Paper File Folders from China, India and Vietnam Subject to New AD/CVD Petitions

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Key Points:

- U.S. producers filed a new petition on paper file folders from China, India and Vietnam that could subject those products to AD/CVD duties.
- In 2021, China, India and Vietnam accounted for nearly half of the total volume and value of imports of paper file folders into the United States. The value of the subject merchandise imported in 2021 from China, India and Vietnam was a combined \$49.7 million.
- If the ITC and DOC make preliminary affirmative determinations, U.S. importers will be required to post cash deposits in the amount of the AD and/or CVD duties for all entries on or after the date DOC's preliminary determination is published in the *Federal Register*.

Introduction

On October 12, 2022, domestic producers filed petitions with the U.S. Department of Commerce (DOC) and the U.S. International Trade Commission (ITC), seeking antidumping (AD) duties on imports of paper file folders from China, India and Vietnam and countervailing (CVD) duties on such imports from India.

The petitioner is the Coalition of Domestic Folder Manufacturers. The Coalition represents two U.S. producers of paper file folders, Smead Manufacturing Company, Inc. and TOPS Products LLC. The Coalition claims that these two companies represent the majority of U.S. production of paper file folders.

Under U.S. law, a domestic industry can petition the government to initiate an AD investigation into the pricing of an imported product to determine whether it is sold in the United States at less than fair value (i.e., "dumped"). A domestic industry can also petition the initiation of a CVD investigation of alleged subsidization of foreign producers by a foreign government. Additional duties can be imposed if DOC determines that imported goods are dumped and/or subsidized and if the ITC also determines that the domestic industry is materially injured or threatened with such injury by reason of subject imports.

Contact Information

For questions about this update, please contact **Bernd G. Janzen, Matthew R. Nicely, Yujin K. McNamara, Spencer S. Griffith** or any of the lawyers in our trade remedies practice.

Bernd G. Janzen

Partner
bjanzen@akingump.com
Washington, D.C.
+1 202.887.4309

Yujin Kim McNamara

Partner
ymcnamara@akingump.com
Washington, D.C.
+1 202.887.4347

Matthew R. Nicely

Partner
mnicely@akingump.com
Washington, D.C.
+1 202.887.4046

Julia K. Eppard

Counsel
jeppard@akingump.com
Washington, D.C.
1 202.887.4359

Daniel M. Witkowski

Counsel
dwitkowski@akingump.com
Washington, D.C.
+1 202.887.4048

Sydney Stringer

Associate
sstringer@akingump.com
Washington, D.C.
+1 202.887.4060

If the ITC and DOC make preliminary affirmative determinations, U.S. importers will be required to post cash deposits at the AD and/or CVD rates established by DOC for all entries on or after the date DOC's preliminary determination is published in the *Federal Register*. The preliminary AD/CVD rates can change in the final DOC determination, following further factual investigation, verification and briefing.

Scope

The proposed scope of the investigations covers file folders consisting primarily of paper, paperboard, pressboard or other cellulose material, whether coated or uncoated, that has been folded (or creased in preparation to be folded), glued, taped, bound or otherwise assembled to be suitable for holding documents. The scope includes all such folders, regardless of color, whether or not expanding, and with or without tabs, fasteners, closures, hooks, rods, hangers, pockets, gussets or internal dividers.

Subject folders, which typically are used to hold letter and legal size documents, have the following dimensions in their folded and closed position: a length and width of at least eight inches and no greater than 17 inches, regardless of depth.

The scope covers all varieties of folders, including but not limited to manila folders, hanging folders, fastener folders, classification folders, expanding folders, pockets, jackets and wallets.

Excluded from the scope are:

- Mailing envelopes with a flap bearing one or more adhesive strips that can be used permanently to seal the entire length of a side such that, when sealed, the folder is closed on all four sides.
- Binders, with two or more rings to hold documents in place, made from paperboard or pressboard encased entirely in plastic.
- Non-expanding folders with a depth exceeding seven inches and closed or closeable on the top, bottom and all four sides (e.g., boxes or cartons).
- Fashion folders, which are defined as folders with all of the following characteristics: (1) plastic lamination covering the entire exterior of the folder, (2) printing, foil stamping, embossing (i.e., raised relief patterns that are recessed on the opposite side) and/or debossing (i.e., recessed relief patterns that are raised on the opposite side), covering the entire exterior surface area of the folder, (3) at least two visible and distinct printed or foil stamped colors other than the color of the base paper, and other than the printing of numbers, letters, words or logos, each of which separately covers no less than 10 percent of the entire exterior surface area, and (4) patterns, pictures, designs or artwork covering no less than 30 percent of the exterior surface area of the folder.
- Portfolios, which are folders having (1) a width of at least 16 inches when open flat, (2) no tabs or dividers, and (3) one or more pockets that are suitable for holding letter size documents and that cover at least 15 percent of the surface area of the relevant interior side or sides.

- Report covers, which are folders having (1) no tabs, dividers or pockets, and (2) one or more fasteners or clips, each of which is permanently affixed to the center fold, to hold papers securely in place.

Imports of the subject merchandise are provided for under Harmonized Tariff Schedule of the United States (HTSUS) category 4820.30.0040 and may appear in other HTSUS categories, including 4820.30.0020. While HTSUS subheadings are provided for convenience and customs purposes, the written description of the scope of the investigation is dispositive.

Foreign Producers and Exporters of Subject Merchandise

A list of foreign producers and exporters of paper file folders, as identified in the petition, is provided in [Attachment 1](#).

U.S. Importers of Subject Merchandise

A list of U.S. importers of paper file folders, as identified in the petition, is provided in [Attachment 2](#).

Alleged Margins of Dumping/Subsidization

The petitioner alleged dumping margins ranging from 84.51 percent to 202.26 percent for China, from 120.50 percent to 227.88 percent for India, and from 182.67 percent to 236.38 percent for Vietnam. DOC generally assigns duties at these alleged dumping rates to exporters that fail to cooperate with the investigation. The rates for cooperative exporters are typically, but not always, lower than those alleged in the petition.

No specific subsidy rates for India are included in the petition.

Potential Trade Impact

The petition identifies imports classified under HTSUS subheading 4820.30.0040 as the best estimate for the volume and value of imports of the subject merchandise.¹ According to official U.S. import statistics, a total of 65.8 million pounds of paper file folders was imported into the United States in 2021, with approximately 11 million pounds imported from China, seven million pounds imported from India, and 14 million pounds imported from Vietnam. The value of the subject merchandise imported in 2021 from China, India and Vietnam was a combined \$49.7 million. The total value of imports from all countries in 2021 was \$100.1 million.

Estimated Schedule of Investigations

10/12/2022	Petition filed.
11/28/2022	ITC preliminary injury determination.
1/5/2023	DOC preliminary CVD determination, if not postponed.
3/13/2023	DOC preliminary CVD determination, if fully postponed.
3/21/2023	DOC preliminary AD determination, if not postponed.
5/10/2023	DOC preliminary AD determination, if fully postponed.

9/29/2023 DOC final AD and CVD determinations, if both preliminary and final determinations are fully postponed and final AD and CVD determinations are aligned.

11/20/2023 ITC final injury determination, if DOC's determinations are fully postponed.

11/27/2023 AD/CVD orders published.

¹ Certain imports not covered by the scope may also be classified in this subheading, while some subject merchandise could be reported under other subheadings.

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