



UNITED STATES DEPARTMENT OF COMMERCE
International Trade Administration
Washington, D.C. 20230

A-570-827
Scope Inquiry
Stencil Kit
PUBLIC DOCUMENT
IA/08: KGH

DATE: October 7, 2008

MEMORANDUM TO: Stephen J. Claeys
Deputy Assistant Secretary
for Import Administration

THROUGH: Wendy Frankel
Director
AD/CVD Operations, Office 8

Charles Riggle
Program Manager
AD/CVD Operations, Office 8

FROM: Katharine G. Huang
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SUBJECT: Final Scope Ruling on the Antidumping Duty Order on Certain
Cased Pencils from the People's Republic of China: Request by
Walgreen Co. (ArtSkills Stencil Kit)

Summary

On May 29, 2007, the Department of Commerce ("Department") received a scope ruling request from Walgreen Co. ("Walgreens")¹ concerning whether "ArtSkills Stencil Kit" ("Stencil Kit") imported by Walgreens from the People's Republic of China ("PRC") is within the scope of the antidumping duty order on certain cased pencils from the PRC.² In accordance with 19 CFR 351.225(f)(4), we recommend that the Department determine that the Stencil Kit classified under Harmonized Tariff Schedule of the United States ("HTSUS") subheading 9017.20.8080 and described in the Walgreens' Stencil Kit Scope Ruling Request is outside the scope of the *PRC Pencils Order*.

¹ See Scope Ruling Request for Walgreen Co.: Certain Cased Pencils from the People's Republic of China (A-570-827), received on May 29, 2007 ("Walgreens' Stencil Kit Scope Ruling Request").

² See *Antidumping Duty Order: Certain Cased Pencils from the People's Republic of China*, 59 FR 66909 (December 28, 1994) ("*PRC Pencils Order*").



Background

On May 29, 2007, the Department received a scope ruling request from Walgreens, arguing that the Stencil Kit, which consists of 90 plastic stencils packaged with one graphite pencil tipped with an eraser, is outside the scope of the *PRC Pencils Order*. On March 21, 2008, the Department initiated a formal scope inquiry under the *PRC Pencils Order*, pursuant to 19 CFR 351.225(e). On August 21, 2008, the Department issued its preliminary scope ruling that the Stencil Kit is outside the scope of the *PRC Pencils Order*, and invited comment from all interested parties, pursuant to 19 CFR 351.225(f)(3).³

No party commented on the Preliminary Scope Ruling with respect to the Stencil Kit requested by Walgreens.

The Scope of the *PRC Pencils Order*

Imports covered by this order are shipments of certain cased pencils of any shape or dimension (except as noted below) which are writing and/or drawing instruments that feature cores of graphite or other materials, encased in wood and/or man-made materials, whether or not decorated and whether or not tipped (*e.g.*, with erasers, etc.) in any fashion, and either sharpened or unsharpened. The pencils subject to the order are currently classifiable under subheading 9609.10.00 of the Harmonized Tariff Schedule of the United States (“HTSUS”). Specifically excluded from the scope of the order are mechanical pencils, cosmetic pencils, pens, non-cased crayons (wax), pastels, charcoals, and chinks, and pencils produced under U.S. patent number 6,217,242, from paper infused with scents by the means covered in the above-referenced patent, thereby having odors distinct from those that may emanate from pencils lacking the scent infusion. Also excluded from the scope of the order are pencils with all of the following physical characteristics: 1) length: 13.5 or more inches; 2) sheath diameter: not less than one-and-one quarter inches at any point (before sharpening); and 3) core length: not more than 15 percent of the length of the pencil.

In addition, pencils with all of the following physical characteristics are excluded from the scope of the order: novelty jumbo pencils that are octagonal in shape, approximately ten inches long, one inch in diameter before sharpening, and three-and-one eighth inches in circumference, composed of turned wood encasing one-and-one half inches of sharpened lead on one end and a rubber eraser on the other end.

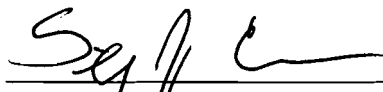
³ See Letter to All Interested Parties from Wendy Frankel, Director, AD/CVD Operations, Office 8, Re: Certain Cased Pencils from the People’s Republic of China: Walgreen Co. Scope Inquiry (August 21, 2008) (“Preliminary Scope Ruling”).

Although the HTSUS subheading is provided for convenience and customs purposes, our written description of the scope of this order is dispositive.⁴

Recommendation

We recommend that the Department find that the Stencil Kit imported from the PRC by Walgreens is outside the scope of the *PRC Pencils Order* for the same reasons stated in the Preliminary Scope Ruling. Specifically, we find that the physical characteristics of the Stencil Kit, the expectations of the ultimate purchasers, the ultimate use, and the manner in which the Stencil Kit is advertised and displayed are dissimilar to cased pencils subject to the *PRC Pencils Order*. We also recommend instructing CBP to terminate suspension and liquidate all unliquidated entries entered, or withdrawn from warehouse, for consumption without assessing antidumping duties.

Agree ✓ Disagree _____



Stephen J. Gaeyes
Deputy Assistant Secretary
for Import Administration

 10/8/08

Date

⁴ See *Certain Cased Pencils from the People's Republic of China; Final Results and Partial Rescission of Antidumping Duty Administrative Review*, 71 FR 38366 (July 6, 2006).