

U.S. PRODUCERS' QUESTIONNAIRE

CASED PENCILS FROM CHINA

This questionnaire must be received by the Commission by **April 14, 2017**
See last page for filing instructions.

The information called for in this questionnaire is for use by the United States International Trade Commission in connection with its review of the antidumping duty order concerning cased pencils from China (Inv. No. 731-TA-669 (Fourth Review)). The information requested in the questionnaire is requested under the authority of the Tariff Act of 1930, title VII. This report is mandatory and failure to reply as directed can result in a subpoena or other order to compel the submission of records or information in your firm's possession (19 U.S.C. § 1333(a)).

<p>Name of firm _____</p> <p>Address _____</p> <p>City _____ State _____ Zip Code _____</p> <p>Website _____</p> <p>Has your firm produced cased pencils (as defined on the next page) at any time since January 1, 2011?</p> <p><input type="checkbox"/> NO (Sign the certification below and promptly return only this page of the questionnaire to the Commission)</p> <p><input type="checkbox"/> YES (Complete all parts of the questionnaire, and return the entire questionnaire to the Commission)</p> <p>Return questionnaire via the Commission <i>Drop Box</i> by clicking on the following link: https://dropbox.usitc.gov/oinv/ (PIN: PENCIL)</p>

CERTIFICATION

I certify that the information herein supplied in response to this questionnaire is complete and correct to the best of my knowledge and belief and understand that the information submitted is subject to audit and verification by the Commission. By means of this certification I also grant consent for the Commission, and its employees and contract personnel, to use the information provided in this questionnaire and throughout this proceeding in any other import-injury proceedings or reviews conducted by the Commission on the same or similar merchandise.

I, the undersigned, acknowledge that information submitted in response to this request for information and throughout this proceeding or other proceedings may be disclosed to and used: (i) by the Commission, its employees and Offices, and contract personnel (a) for developing or maintaining the records of this or a related proceeding, or (b) in internal investigations, audits, reviews, and evaluations relating to the programs, personnel, and operations of the Commission including under 5 U.S.C. Appendix 3; or (ii) by U.S. government employees and contract personnel, solely for cybersecurity purposes. I understand that all contract personnel will sign appropriate nondisclosure agreements.

Name of Authorized Official

Title of Authorized Official

Date

Signature

Phone:

Fax:

Email address

PART I.—GENERAL INFORMATION

Background.--On December 28, 1994, the Department of Commerce ("Commerce") issued an antidumping duty order on imports of cased pencils from China. On June 1, 2016, the Commission 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 order would be likely to lead to continuation or recurrence of material injury to the domestic industry within a reasonably foreseeable time. If both the Commission and Commerce make an affirmative determination, the order will remain in place. If either the Commission or Commerce makes a negative determination, Commerce will revoke the order. Questionnaires and other information pertinent to this proceeding are available at https://usitc.gov/investigations/701731/2016/cased_pencils_china/fourth_review_full.htm.

Cased pencils covered by this investigation are shipments of certain cased pencils of any shape or dimension (except as described 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, noncased crayons (wax), pastels, charcoals, chalks, 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. Although the HTSUS subheading is provided for convenience and customs purposes, the written description of the scope of the order is dispositive.

Reporting of information.-- If information is not readily available from your records in exactly the form requested, furnish carefully prepared estimates. If your firm is completing more than one questionnaire in connection with this proceeding (i.e., a producer, importer, and/or purchaser questionnaire), you need not respond to duplicated questions in the questionnaires.

Confidentiality.--The commercial and financial data furnished in response to this questionnaire that reveal the individual operations of your firm will be treated as confidential by the Commission to the extent that such data are not otherwise available to the public and will not be disclosed except as may be required by law (see 19 U.S.C. § 1677f). Such confidential information will not be published in a manner that will reveal the individual operations of your firm; however, general characterizations of numerical business proprietary information (such as discussion of trends) will be treated as confidential business information only at the request of the submitter for good cause shown.

Verification.--The information submitted in this questionnaire is subject to audit and verification by the Commission. To facilitate possible verification of data, please keep all of your files, worksheets, and

supporting documents used in the preparation of the questionnaire response. Please also retain a copy of the final document that you submit.

Release of information.--The information provided by your firm in response to this questionnaire, as well as any other business proprietary information submitted by your firm to the Commission in connection with this proceeding, may become subject to, and released under, the administrative protective order provisions of the Tariff Act of 1930 (19 U.S.C. § 1677f) and section 207.7 of the Commission's Rules of Practice and Procedure (19 CFR § 207.7). This means that certain lawyers and other authorized individuals may temporarily be given access to the information for use in connection with this proceeding or other import-injury proceedings conducted by the Commission on the same or similar merchandise; those individuals would be subject to severe penalties if the information were divulged to unauthorized individuals.

I-1. **OMB statistics.**--Please report below the actual number of hours required and the cost to your firm of completing this questionnaire.

Hours	Dollars

The questions in this questionnaire have been reviewed with market participants to ensure that issues of concern are adequately addressed and that data requests are sufficient, meaningful, and as limited as possible. Public reporting burden for this questionnaire is estimated to average 50 hours per response, including the time for reviewing instructions, gathering data, and completing and reviewing the questionnaire.

We welcome comments regarding the accuracy of this burden estimate, suggestions for reducing the burden, and any suggestions for improving this questionnaire. Please attach such comments to your response or send to the Office of Investigations, USITC, 500 E St. SW, Washington, DC 20436.

I-2. **Establishments covered.**--Provide the city, state, zip code, and brief description of each establishment covered by this questionnaire. If your firm is publicly traded, please specify the stock exchange and trading symbol in the footnote to the table. **Firms operating more than one establishment should combine the data for all establishments into a single report.**

“Establishment”--Each facility of a firm involved in the production of cased pencils, including auxiliary facilities operated in conjunction with (whether or not physically separate from) such facilities.

Establishments Covered ¹	City, State	Zip (5 digit)	Description
1			
2			
3			
4			
5			
6			
¹ Additional discussion on establishments consolidated in this questionnaire: _____			

I-3. **Position regarding continuation of order.**--Does your firm support or oppose continuation of the following antidumping duty order currently in place for cased pencils?

Country	Support	Oppose	Take no position
China	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

I-4. **Ownership.**--Is your firm owned, in whole or in part, by any other firm?

No Yes--List the following information.

Firm name	Address	Extent of ownership (percent)

I-5. **Related importers/exporters.**--Does your firm have any related firms, either domestic or foreign, that are engaged in importing cased pencils into the United States or that are engaged in exporting cased pencils to the United States?

No Yes--List the following information.

Firm name	Country	Affiliation

I-6. **Related producers.**--Does your firm have any related firms, either domestic or foreign, that are engaged in the production of cased pencils?

No Yes--List the following information.

Firm name	Country	Affiliation

I-7. **Business plan.**--In Parts II and IV of this questionnaire we request a copy of your company's business plan. Does your company or any related firm have a business plan or any internal documents that describe, discuss, or analyze expected market conditions for cased pencils?

No	Yes	If yes, please provide the requested documents. If you are not providing the requested documents, please explain why not.
<input type="checkbox"/>	<input type="checkbox"/>	

PART II.--TRADE AND RELATED INFORMATION

Further information on this part of the questionnaire can be obtained from **Jordan Harriman** (202-205-2610, jordan.harriman@usitc.gov). **Supply all data requested on a calendar-year basis.**

- II-1. **Contact information.**-- Please identify the responsible individual and the manner by which Commission staff may contact that individual regarding the confidential information submitted in part II.

Name	
Title	
Email	
Telephone	
Fax	

- II-2. **Changes in operations.**--Please indicate whether your firm has experienced any of the following changes in relation to the production of cased pencils since January 1, 2011.

<i>Check as many as appropriate.</i>	<i>If checked, please describe; leave blank if not applicable.</i>
<input type="checkbox"/> Plant openings	
<input type="checkbox"/> Plant closings	
<input type="checkbox"/> Relocations	
<input type="checkbox"/> Expansions	
<input type="checkbox"/> Acquisitions	
<input type="checkbox"/> Consolidations	
<input type="checkbox"/> Prolonged shutdowns or production curtailments	
<input type="checkbox"/> Revised labor agreements	
<input type="checkbox"/> Other (e.g., technology)	

II-3. **Anticipated changes in operations.**--Does your firm anticipate any changes in the character of operations or organization (as noted above) relating to the production of cased pencils in the future?

- No Yes--Supply details as to the time, nature, and significance of such changes and provide underlying assumptions, along with relevant portions of business plans or other supporting documentation that address this issue. **Include in your response a specific projection of your firm's capacity to produce cased pencils (in 1,000 gross) for 2017 and 2018.**

II-4. **Anticipated changes in operations in the event the order is revoked.**--Would your firm anticipate any changes in the character of its operations or organization (as noted above) relating to the production of cased pencils in the future if the antidumping duty order on cased pencils from China were to be revoked?

- No Yes--Supply details as to the time, nature, and significance of such changes and provide underlying assumptions, along with relevant portions of business plans or other supporting documentation that address this issue. **Include in your response a specific projection of your firm's capacity to produce cased pencils (in 1,000 gross) for 2017 and 2018.**

II-5a. **Production using same machinery.**-- Please report your firm's production of products made on the same equipment and machinery used to produce cased pencils, and the combined production capacity on this shared equipment and machinery in the periods indicated.

"Overall production capacity" or "capacity" – The level of production that your establishment(s) could reasonably have expected to attain during the specified periods. Assume normal operating conditions (i.e., using equipment and machinery in place and ready to operate; normal operating levels (hours per week/weeks per year) and time for downtime, maintenance, repair, and cleanup).

"Production" – All production in your U.S. establishment(s), including production consumed internally within your firm and production for another firm under a toll agreement.

"Gross" – A set of 144 pencils. Numerical responses in this questionnaire related to quantity amounts should be input in thousands of gross. For example, an answer of 1,500,000 gross would be input as "1,500".

Quantity (in 1,000 gross)			
Item	Calendar year		
	2014	2015	2016
Overall production capacity			
Production of: Cased pencils ¹	0	0	0
Other products ²			
Total	0	0	0
¹ Data entered for production of cased pencils will populate here once reported in question II-6. ² Please identify these products: _____.			

II-5b. **Operating parameters.**--The production capacity reported in II-5a is based on operating ____ hours per week, ____ weeks per year.

II-5c. **Capacity calculation.**--Please describe the methodology used to calculate overall production capacity reported in II-5a, and explain any changes in reported capacity.

II-5d. **Production constraints.**--Please describe the constraint(s) that set the limit(s) on your firm's production capacity.

II-5e. **Product shifting.**--Is your firm able to switch production (capacity) between cased pencils and other products using the same equipment and/or labor?

No Yes-- (i.e., have produced other products or are able to produce other products). Please identify other actual or potential products: _____.

II-5f. **Product shifting factors.**--Please describe the factors that affect your firm's ability to shift production capacity between products (e.g., time, cost, relative price change, etc.), and the degree to which these factors enhance or constrain such shifts.

II-6. **Production, shipment, and inventory data.**--Report your firm's production capacity, production, shipments, and inventories related to the production of cased pencils in its U.S. establishment(s) during the specified periods.

"Average production capacity" or "capacity" – The level of production that your establishment(s) could reasonably have expected to attain during the specified periods. Assume normal operating conditions (i.e., using equipment and machinery in place and ready to operate; normal operating levels (hours per week/weeks per year) and time for downtime, maintenance, repair, and cleanup; and a typical or representative product mix).

"Production" – All production in your U.S. establishment(s), including production consumed internally within your firm and production for another firm under a toll agreement.

"U.S. commercial shipments" –Shipments made within the United States as a result of an arm's length commercial transaction in the ordinary course of business. Report net values (i.e., gross sales values less all discounts, allowances, rebates, prepaid freight, and the value of returned goods) in U.S. dollars, f.o.b. your point of shipment.

"Internal consumption" – Product consumed internally by your firm. Such transactions are valued at fair market value.

"Transfers to related firms" –Shipments made to related domestic firms. Such transactions are valued at fair market value.

"Related firm" –A firm that your firm solely or jointly owns, manages, or otherwise controls.

"Export shipments" –Shipments to destinations outside the United States, including shipments to related firms.

"Inventories"— Finished goods inventory, not raw materials or work-in-progress.

Note: As requested in Part I of this questionnaire, please keep all supporting documents/records used in the preparation of the trade data, as Commission staff may contact your firm regarding questions on the trade data. The Commission may also request that your company submit copies of the supporting documents/records (such as production and sales schedules, inventory records, etc.) used to compile these data.

II-6. **Production, shipment, and inventory data.** --Continued

Quantity (in 1,000 gross) and value (in \$1,000)			
Item	Calendar year		
	2014	2015	2016
Average production capacity¹ (quantity) (A)			
Beginning-of-period inventories (quantity) (B)			
Production (quantity) (C)			
U.S. shipments:			
Commercial shipments:			
quantity (D)			
value (E)			
Internal consumption:²			
quantity (F)			
value (G)			
Transfers to related firms:²			
quantity (H)			
value (I)			
Export shipments:³			
quantity (J)			
value (K)			
End-of-period inventories (quantity) (L)			

¹ The production capacity reported is based on operating _____ hours per week, _____ weeks per year. Please describe the methodology used to calculate production capacity, and explain any changes in reported capacity (use additional pages as necessary). _____.

² Internal consumption and transfers to related firms should be valued at fair market value. In the event that your firm uses a different basis for valuing these transactions, please specify that basis (e.g., cost, cost plus, etc.) and provide value data using that basis for each of the periods noted above: _____.

³ Identify your firm's principal export markets: _____.

II-6. Production, shipment, and inventory data.--Continued

***RECONCILIATION OF SHIPMENTS, PRODUCTION, AND INVENTORY.**--Generally, the data reported for the end-of-period inventories (i.e., line L) should be equal to the beginning-of-period inventories (i.e., line B), plus production (i.e., line C), less total shipments (i.e., lines D, F, H, and J). Please ensure that any differences are not due to data entry errors in completing this form, but rather reflect your firm's actual records; and, also provide explanations for any differences (e.g., theft, loss, damage, record systems issues, etc.) if they exist.*

Item	Calendar year		
	2014	2015	2016
B + C – D – F – H – J – L = should equal zero ("0") or provide an explanation. ¹	0	0	0
¹ Explanation if the calculated fields above are returning values other than zero (i.e., "0") but are nonetheless accurate: _____.			

II-7. Channels of distribution.-- Report your firm's commercial U.S. shipments by channel of distribution.

Quantity (in 1,000 gross)			
Item	Calendar year		
	2014	2015	2016
Channels of distribution:			
U.S. commercial shipments to distributors (quantity) (M)			
U.S. commercial shipments to retailers (quantity) (N)			
U.S. commercial shipments to end users (quantity) (O)			

***RECONCILIATION OF CHANNELS.**--Please ensure that the quantities reported for channels of distribution (i.e., lines M, N, and O) in each time period equal the quantity reported for commercial U.S. commercial shipments (i.e., line D) in each time period. If the calculated fields below return values other than zero (i.e., "0"), the data reported must be revised prior to submission to the Commission.*

Reconciliation item	Calendar year		
	2014	2015	2016
M + N + O – D = zero ("0"), if not revise.	0	0	0

II-8. **Historical cased pencils shipment data (2011-13)**--Report the quantity and value of your firm's U.S. shipments (include commercial shipments, internal consumption, and transfers, but do not include exports) of cased pencils produced in your U.S. establishment(s) during the specified periods.

Quantity (in 1,000 gross) and value (in \$1,000)			
Item	Calendar year		
	2011	2012	2013
Cased Pencils Quantity			
Value			

II-9. **Employment data.**--Report your firm's employment-related data related to the production of cased pencils and provide an explanation for any trends in these data.

"Production and Related Workers" (PRWs) includes working supervisors and all nonsupervisory workers (including group leaders and trainees) engaged in fabricating, processing, assembling, inspecting, receiving, storage, handling, packing, warehousing, shipping, trucking, hauling, maintenance, repair, janitorial and guard services, product development, auxiliary production for plant's own use (e.g., power plant), recordkeeping, and other services closely associated with the above production operations.

"Hours worked" includes time paid for sick leave, holidays, and vacation time. Include overtime hours actually worked; do not convert overtime pay to its equivalent in straight time hours.

"Wages paid" --Total wages paid before deductions of any kind (e.g., withholding taxes, old-age and unemployment insurance, group insurance, union dues, bonds, etc.). Include wages paid directly by your firm for overtime, holidays, vacations, and sick leave.

Item	Calendar year		
	2014	2015	2016
Employment data: Average number of PRWs (number) (P)			
Hours worked by PRWs (1,000 hours) (Q)			
Wages paid to PRWs (\$1,000) (R)			

Explanation of trends:

- II-10. **Transfers to related firms.**--If your firm reported transfers to related firms in question II-6, please indicate the nature of the relationship between your firm and the related firms (*e.g.*, joint venture, wholly owned subsidiary), whether the transfers were priced at market value or by a non-market formula, whether your firm retained marketing rights to all transfers, and whether the related firms also processed inputs from sources other than your firm.

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II-11. **Purchases.**--Other than direct imports, has your firm otherwise purchased cased pencils since January 1, 2011?

- No Yes-- Please indicate the reasons for your firm's purchases (if your firms' reasons differ by source, please elaborate) and report the quantity and value of such purchases below for the specified periods.

"Purchase" – A transaction to buy product from a U.S. corporate entity such as another U.S. producer, a U.S. distributor, or a U.S. firm that has directly imported the product.

"Direct import" –A transaction to buy from a foreign supplier where your firm is the importer of record or consignee.

- No Yes--Report such purchases below and explain the reasons for your firms' purchases:

Reason for purchases:

--

Quantity (in 1,000 gross)			
Item	Calendar year		
	2014	2015	2016
Purchases from U.S. importers¹ of cased pencils from— China			
China - Beijing FILA Dixon Stationary Company			
All other sources			
Purchases from domestic producers²			
Purchases from other sources²			
¹ Please list the name of the importer(s) from which your firm purchased this product. If your firm's import suppliers differ by source, please identify the source for each listed supplier: _____. ² Please list the name of the producer(s) or U.S. distributor(s) from which your firm purchased this product: _____.			

II-12. **Toll production.**--Since January 1, 2011, has your firm been involved in a toll agreement regarding the production of cased pencils?

“Toll agreement”--Agreement between two firms whereby the first firm furnishes the raw materials and the second firm uses the raw materials to produce a product that it then returns to the first firm with a charge for processing costs, overhead, etc.

No Yes-- Please describe the toll arrangement(s) and name the firm(s) involved.

II-13. **Foreign trade zones.**--

(a) **Firm's FTZ operations.**--Does your firm produce cased pencils in and/or admit cased pencils into a foreign trade zone (FTZ)?

“Foreign trade zone” is a designated location in the United States where firms utilize special procedures that allow delayed or reduced customs duty payments on foreign merchandise. A foreign trade zone must be designed as such pursuant to the rules and procedures set forth in the Foreign-Trade Zones Act.

No Yes--Describe the nature of your firms operations in FTZs and identify the specific FTZ site(s).

(b) **Other firms' FTZ operations.**--To your knowledge, do any firms in the United States import cased pencils into a foreign trade zone (FTZ) for use in distribution of cased pencils and/or the production of downstream articles?

No/Don't know Yes--Identify the firms and the FTZs.

II-14. **Direct imports.**--Since January 1, 2011, has your firm imported cased pencils?

“Importer” – The person or firm primarily liable for the payment of any duties on the merchandise, or an authorized agent acting on his behalf. The importer may be the consignee, or the importer of record.

No Yes--**COMPLETE AND RETURN A U.S. IMPORTERS' QUESTIONNAIRE**

- II-15. **Effect of order.**--Describe the significance of the existing antidumping duty order covering imports of cased pencils from China in terms of its effect on your firm's production capacity, production, U.S. shipments, inventories, purchases, employment, revenues, costs, profits, cash flow, capital expenditures, research and development expenditures, and asset values. You may wish to compare your firm's operations before and after the imposition of the order.

- II-16. **Likely effect of revocation of order.**--Would your firm anticipate any changes in its production capacity, production, U.S. shipments, inventories, purchases, employment, revenues, costs, profits, cash flow, capital expenditures, research and development expenditures, or asset values relating to the production of cased pencils in the future if the antidumping duty order on cased pencils from China were to be revoked?

- No Yes--Supply details as to the time, nature, and significance of such changes and provide underlying assumptions, along with relevant portions of business plans or other supporting documentation for any trends or projections you may provide.

- II-17. **Other explanations:**--If your firm would like to explain further a response to a question in Part II that did not provide a narrative box, please note the question number and the explanation in the space provided below. Please also use this space to highlight any issues your firm had in providing the data in this section, including but not limited to technical issues with the MS Word questionnaire.

PART III.--FINANCIAL INFORMATION

Address questions on this part of the questionnaire to **Mary Klir** (202-205-3247, mary.klir@usitc.gov).

III-1. **Contact information.**-- Please identify the responsible individual and the manner by which Commission staff may contact that individual regarding the confidential information submitted in part III.

Name	
Title	
Email	
Telephone	
Fax	

III-2. **Accounting system.**--Briefly describe your firm's financial accounting system.

A. When does your firm's fiscal year end (month and day)? _____
If your firm's fiscal year changed during the data-collection period, explain below:

B.1. Describe the lowest level of operations (e.g., plant, division, company-wide) for which financial statements are prepared that include cased pencils:

2. Does your firm prepare profit/loss statements for cased pencils:

Yes No

3. How often did your firm (or parent company) prepare financial statements (including annual reports, 10Ks)? Please check relevant items below.

Audited, unaudited, annual reports, 10Ks, Monthly,
 quarterly, semi-annually, annually

4. Accounting basis: GAAP, cash, tax, or other comprehensive basis of accounting (specify) _____

Note: As requested in Part I of this questionnaire, please keep all supporting documents/records used in the preparation of the financial data, as Commission staff may contact your firm regarding questions on the financial data. The Commission may also request that your company submit copies of the supporting documents/records (financial statements, including internal profit-and-loss statements for the division or product group that includes cased pencils, as well as specific statements and worksheets) used to compile these data.

III-3. **Cost accounting system.**--Briefly describe your firm's cost accounting system (e.g., standard cost, job order cost, etc.).

III-4. **Allocation basis.**--Briefly describe your firm's allocation basis, if any, for COGS, SG&A, and interest expense and other income and expenses.

--

III-5. **Product listing.**--Please list the products your firm produces in the facilities in which it produces cased pencils, and provide the share of net sales accounted for by these products in your firm's most recent fiscal year.

Products	Share of sales
Cased Pencils	%
	%
	%
	%
	%

III-6. Does your firm purchase **inputs** (raw materials, labor, energy, or any services) used in the production of cased pencils from any related suppliers (e.g., inclusive of transactions between related firms, divisions and/or other components within the same company)?

Yes--Continue to question III-7.
 No--Continue to question III-9a.

III-7. **Inputs from related suppliers.**--Please identify the inputs used in the production of cased pencils that your firm purchases from related suppliers and that are reflected in table III-9a. For "Share of total COGS" please report this information by relevant input on the basis of your most recently completed fiscal year. For "Input valuation" please describe the basis, as recorded in the company's own accounting system, of the purchase cost from the related supplier; e.g., the related supplier's actual cost, cost plus, negotiated transfer price to approximate fair market value.

Input	Related supplier	Share of total COGS
Input valuation as recorded in the firm's accounting books and records		

III-8. **Inputs from related suppliers at cost.**--Please confirm that the inputs purchased from related suppliers, as identified in III-7, were reported in III-9a (financial results on cased pencils) in a manner consistent with the firm's accounting books and records.

Yes

No--In the space below, please report the valuation basis of inputs purchased from related suppliers as reported in table III-9a.

--

III-9a. **Operations on cased pencils.**--Report the revenue and related cost information requested below on the cased pencils operations of your firm's U.S. establishment(s).¹ **Do not report resales of products. Note that internal consumption and transfers to related firms must be valued at fair market value. Input purchases from related suppliers should be consistent with and based on information in the firm's accounting books and records.** Provide data for your firm's three most recently completed fiscal years.

Quantity (in 1,000 gross) and value (in \$1,000)			
Item	Fiscal years ended--		
	2014	2015	2016
Net sales quantities: ²			
Commercial sales ("CS")			
Internal consumption ("IC")			
Transfers to related firms ("Transfers")			
Total net sales quantities	0	0	0
Net sales values: ²			
Commercial sales			
Internal consumption			
Transfers to related firms			
Total net sales values	0	0	0
Cost of goods sold (COGS): ³			
Raw materials			
Direct labor			
Other factory costs			
Total COGS	0	0	0
Gross profit or (loss)	0	0	0
Selling, general, and administrative (SG&A) expenses:			
Selling expenses			
General and administrative expenses			
Total SG&A expenses	0	0	0
Operating income (loss)	0	0	0
Other expenses and income:			
Interest expense			
All other expense items			
All other income items			
Net income or (loss) before income taxes	0	0	0
Depreciation/amortization included above			

¹ Include only sales (whether domestic or export) and costs related to your U.S. manufacturing operations.
² Less discounts, returns, allowances, and prepaid freight. The quantities and values should approximate the corresponding shipment quantities and values reported in Part II of this questionnaire.
³ COGS (whether for domestic or export sales) should include costs associated with CS, IC, and Transfers.

Note -- The table above contains calculations that will appear when you have entered data in the MS Word form fields.

III-9b. **Raw materials for cases pencils.**—Please indicate the share of total raw material costs reported in III-9a in 2016 for the following raw material inputs:

Products	Share of total raw material costs (percent)
Graphite / lead	%
Casing material: wood or man-made	%
Other ¹	%
Total (should sum to 100 percent)	0.0 %
¹ Please indicate any other notable "other" raw materials not expressly identified above and provide the share of the total raw material costs that they account for: _____	

III-9c. **Financial data reconciliation.**--The calculable line items from question III-9a (*i.e.*, total net sales quantities and values, total COGS, gross profit (or loss), total SG&A, and net income (or loss)) have been calculated from the data submitted in the other line items. Do the calculated fields return the correct data according to your firm's financial records ignoring non-material differences that may arise due to rounding?

Yes No--If the calculated fields do not show the correct data, please double check the feeder data for data entry errors and revise.

Also, check signs accorded to the post operating income line items; the two expense line items should report positive numbers (*i.e.*, expenses are positive and incomes or reversals are negative--instances of the latter should be rare in those lines) while the income line item also in most instances should have its value be a positive number (*i.e.*, income is positive, expenses or reversals are negative).

If after reviewing and potentially revising the feeder data your firm has provided, the differences between your records and the calculated fields persist please identify and discuss the differences in the space below.

III-10. **Nonrecurring items (charges and gains) included in the subject product financial results.**--For each annual period for which financial results are reported in question III-9a, please specify all material (significant) nonrecurring items (charges and gains) in the schedule below, the specific table III-9a line item where the nonrecurring items are included, a brief description of the relevant nonrecurring items, and the associated values (*in \$1,000*), as reflected in table III-9a; i.e., if an aggregate nonrecurring item has been allocated to table III-9a, only the allocated value amount included in table III-9a should be reported in the schedule below. Note: The Commission's objective here is to gather information only on material (significant) nonrecurring items which impacted the reported financial results of the subject product in table III-9a.

	Fiscal years ended--		
	2014	2015	2016
Nonrecurring item: In this column please provide a brief description of each nonrecurring item and indicate the specific line item in table III-9a where the nonrecurring item is classified.	Nonrecurring item: In these columns please report the amount of the relevant nonrecurring item reported in table III-9a.		
	Value (\$1,000)		
1. , classified as			
2. , classified as			
3. , classified as			
4. , classified as			
5. , classified as			
6. , classified as			
7. , classified as			

III-11. **Classification of identified nonrecurring items (charges and gains) in the accounting books and records of the company.**--If non-recurring items were reported in table III-10 above, please identify where your company recorded these items in your accounting books and records in the normal course of business; i.e., just as responses to question III-10 identify where these items are reported in table III-9a.

--

III-12. **Asset values.**--Report the total assets (i.e., both current and long-term assets) associated with the production, warehousing, and sale of cased pencils. If your firm does not maintain some or all of the specific asset information necessary to calculate total assets for cased pencils in the normal course of business, please estimate this information based upon a method (such as production, sales, or costs) that is consistent with relevant cost allocations in table III-9a. Provide data as of the end of your firm's three most recently completed fiscal years.

Note: Total assets should reflect net assets after any accumulated depreciation and allowances deducted.

Total assets should be allocated to the subject products if these assets are also related to other products. Please provide a brief explanation if there are any substantial changes in total asset value during the period; e.g., due to asset write-offs, revaluation, and major purchases.

Value (in \$1,000)			
Item	Fiscal years ended--		
	2014	2015	2016
Total assets (net)¹			
¹ Describe _____			

III-13. **Capital expenditures and research and development expenses.**--Report your firm's capital expenditures and research and development expenses for cased pencils. Provide data for your firm's three most recently completed fiscal years.

Value (in \$1,000)			
Item	Fiscal years ended--		
	2014	2015	2016
Capital expenditures			
Research and development expenses			
¹ Please describe the nature, focus, and significance of your firm's capital expenditures on the subject product. _____ ² Please describe the nature, focus, and significance of your firm's R&D expenses related to subject product. _____			

III-14. **Data consistency and reconciliation.**--Please indicate whether your firm's financial data for questions III-9a, 12, and 13 are based on a calendar year or your firm's fiscal year:

Calendar year	Fiscal year	Specify fiscal year
<input type="checkbox"/>	<input type="checkbox"/>	

Please note the quantities and values reported in question III-9a should reconcile with the data reported in question II-6 (including export shipments) as long as they are reported on the same calendar year basis.

RECONCILIATION OF TRADE VS FINANCIAL DATA.--Please ensure that the quantities and values reported for total shipments in part II equal the quantities and values reported total net sales in part III of this questionnaire in each time period unless the financial data from part III are reported on a fiscal year basis, in which case only the interim periods must reconcile. If the calculated fields below return values other than zero (i.e., "0") and both are being reported on a calendar basis, please explain the discrepancy below.

Reconciliation	Full year data		
	2014	2015	2016
Quantity: Trade data from part II less financial data from part III, = zero ("0") except as noted above.	0	0	0
Value: Trade data from part II less financial data from part III, = zero ("0") except as noted above.	0	0	0

Do these data in question III-9a reconcile with data in question II-6?

Yes	No	If no, please explain.
<input type="checkbox"/>	<input type="checkbox"/>	

III-15. **Other explanations.**--If your firm would like to further explain a response to a question in Part III that did not provide a narrative box, please note the question number and the explanation in the space provided below. Please also use this space to highlight any issues your firm had in providing the data in this section, including but not limited to technical issues with the MS Word questionnaire.

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PART IV.--PRICING AND MARKET FACTORS

Further information on this part of the questionnaire can be obtained from Grace Kenneally (202-708-1669, Grace.Kenneally@usitc.gov).

IV-1. **Contact information.**-- Please identify the responsible individual and the manner by which Commission staff may contact that individual regarding the confidential information submitted in part IV.

Name	
Title	
Email	
Telephone	
Fax	

PRICE DATA

IV-2. This question requests quarterly quantity and value data for your firm's commercial shipments to unrelated U.S. customers of the following products produced by your firm.

Product 1.—Commodity (economy) pencils – retail packaging (i.e., sold to retail outlets).

Product 2.—Commodity (economy) pencils – boxed (i.e., sold to wholesalers or office supply stores).

Please note that values should be f.o.b., U.S. point of shipment and should not include U.S.-inland transportation costs. Values should reflect the *final net* amount paid to your firm (i.e., should be net of all deductions for discounts or rebates).

(a) During 2014-2016, did your firm produce and sell to unrelated U.S. customers any of the above listed products (or any products that were competitive with these products)?

<input type="checkbox"/>	Yes. --Please complete the following pricing data tables as appropriate.
<input type="checkbox"/>	No. --Skip to question IV-3.

IV-2(b). **Price data.**--Report below the quarterly price data¹ for pricing products² produced and sold by your firm.

Report data in 1,000 gross and actual dollars (not \$1,000).

(Quantity in 1,000 gross, value in dollars)				
Period of shipment	Product 1		Product 2	
	Quantity	Value	Quantity	Value
2014:				
January-March				
April-June				
July-September				
October-December				
2015:				
January-March				
April-June				
July-September				
October-December				
2016:				
January-March				
April-June				
July-September				
October-December				

¹ Net values (*i.e.*, gross sales values less all discounts, allowances, rebates, prepaid freight, and the value of returned goods), f.o.b. your firm's U.S. point of shipment.

² Pricing product definitions are provided on the first page of Part IV.

Note.--If your firm's product does not exactly meet the product specifications but is competitive with the specified product, provide a description of the product. Also, please explain any anomalies in your firm's reported pricing data.

Product 1: _____

Product 2: _____

IV-2(c). **Pricing data methodology.**-- Please describe the method and the kinds of documents/records that were used to compile your price data.

Note: As requested in Part I of this questionnaire, please keep all supporting documents/records used in the preparation of the price data, as Commission staff may contact your firm regarding questions on the price data. The Commission may also request that your company submit copies of the supporting documents/records (such as sales journal, invoices, etc.) used to compile these data.

IV-3. **Price setting.**-- How does your firm determine the prices that it charges for sales of cased pencils (*check all that apply*)? If your firm issues price lists, please submit sample pages of a recent list.

Transaction by transaction	Contracts	Set price lists	Other	If other, describe
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

IV-4. **Discount policy.**-- Please indicate and describe your firm's discount policies (*check all that apply*).

Quantity discounts	Annual total volume discounts	No discount policy	Other	Describe
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

IV-5. **Pricing terms.**--

(a) What are your firm's typical sales terms for its U.S.-produced cased pencils?

Net 30 days	Net 60 days	2/10 net 30 days	Other	Other (specify)
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

(b) On what basis are your firm's prices of domestic cased pencils usually quoted (*check one*)?

Delivered	F.o.b.	If f.o.b., specify point
<input type="checkbox"/>	<input type="checkbox"/>	

IV-6. **Contract versus spot.**-- Approximately what share of your firm's sales of its U.S.-produced cased pencils in 2016 was on a (1) long-term contract basis, (2) annual contract basis, (3) short-term contract basis, and (4) spot sales basis?

	Type of sale				Total (should sum to 100.0%)
	Long-term contracts (multiple deliveries for more than 12 months)	Annual contracts (multiple deliveries for 12 months)	Short-term contracts (multiple deliveries for less than 12 months)	Spot sales (for a single delivery)	
Share of 2016 sales	%	%	%	%	0.0 %

IV-7. **Contract provisions.**— Please fill out the table regarding your firm's typical sales contracts for U.S.-produced cased pencils (or check "not applicable" if your firm does not sell on a long-term, short-term and/or annual contract basis).

Typical sales contract provisions	Item	Short-term contracts (multiple deliveries for less than 12 months)	Annual contracts (multiple deliveries for 12 months)	Long-term contracts (multiple deliveries for more than 12 months)
Average contract duration	<i>No. of days</i>		365	
Price renegotiation (during contract period)	<i>Yes</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	<i>No</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Fixed quantity and/or price	<i>Quantity</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	<i>Price</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	<i>Both</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Meet or release provision	<i>Yes</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	<i>No</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Not applicable		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

IV-8. **Lead times.**--What is the typical lead time between a customer's order and the date of delivery for your firm's sales of its U.S.-produced cased pencils?

Source	Share of 2016 sales	Lead time (Average number of days)
From inventory	%	
Produced to order	%	
Total (should sum to 100.0%)	0.0 %	

IV-9. **Shipping information.--**

- (a) What is the approximate percentage of the total delivered cost of U.S.-produced cased pencils that is accounted for by U.S. inland transportation costs? _____ %
- (b) Who generally arranges the transportation to your firm's customers' locations?
 Your firm Purchaser (*check one*)
- (c) Indicate the approximate percentage of your firm's sales of cased pencils that are delivered the following distances from your firm's production facility.

Distance from production facility	Share
Within 100 miles	%
101 to 1,000 miles	%
Over 1,000 miles	%
Total (should sum to 100.0%)	0.0 %

- IV-10. **Geographical shipments.--** In which U.S. geographic market area(s) has your firm sold its U.S.-produced cased pencils since January 1, 2011 (check all that apply)?

Geographic area	v if applicable
Northeast. —CT, ME, MA, NH, NJ, NY, PA, RI, and VT.	<input type="checkbox"/>
Midwest. —IL, IN, IA, KS, MI, MN, MO, NE, ND, OH, SD, and WI.	<input type="checkbox"/>
Southeast. —AL, DE, DC, FL, GA, KY, MD, MS, NC, SC, TN, VA, and WV.	<input type="checkbox"/>
Central Southwest. —AR, LA, OK, and TX.	<input type="checkbox"/>
Mountains. —AZ, CO, ID, MT, NV, NM, UT, and WY.	<input type="checkbox"/>
Pacific Coast. —CA, OR, and WA.	<input type="checkbox"/>
Other. —All other markets in the United States not previously listed, including AK, HI, PR, and VI.	<input type="checkbox"/>

IV-11. **Substitutes.**--

(a) Can other products be substituted for cased pencils?

No Yes--Please fill out the table.

	Substitute	End use in which this substitute is used	Have changes in the price of this substitute affected the price for cased pencils?		
			No	Yes	Explanation
1.			<input type="checkbox"/>	<input type="checkbox"/>	
2.			<input type="checkbox"/>	<input type="checkbox"/>	
3.			<input type="checkbox"/>	<input type="checkbox"/>	

(b) Have there been any changes in the number or types of products that can be substituted for cased pencils since January 1, 2011? Do you anticipate any future changes?

Changes in substitutes	No	Yes	Explain
Changes since January 1, 2011	<input type="checkbox"/>	<input type="checkbox"/>	
Anticipated changes	<input type="checkbox"/>	<input type="checkbox"/>	

IV-12. **Availability of supply.**--Has the availability of cased pencils in the U.S. market changed since January 1, 2011? Do you anticipate any future changes? Note: Nonsubject imports include imports from Beijing FILA Dixon Stationary Company.

Availability in the U.S. market	No	Yes	Please explain, noting the countries and reasons for the changes.
Changes since January 1, 2011:			
U.S.-produced product	<input type="checkbox"/>	<input type="checkbox"/>	
Subject imports	<input type="checkbox"/>	<input type="checkbox"/>	
Nonsubject imports	<input type="checkbox"/>	<input type="checkbox"/>	
Anticipated changes:			
U.S.-produced product	<input type="checkbox"/>	<input type="checkbox"/>	
Subject imports	<input type="checkbox"/>	<input type="checkbox"/>	
Nonsubject imports	<input type="checkbox"/>	<input type="checkbox"/>	

IV-13. **Demand trends.**-- Indicate how demand within the United States and outside of the United States (if known) for cased pencils has changed since January 1, 2011, and how you anticipate demand will change in the future. Explain any trends and describe the principal factors that have affected, and that you anticipate will affect, these changes in demand.

Market	Overall increase	No change	Overall decrease	Fluctuate with no clear trend	Explanation and factors
Demand since January 1, 2011					
Within the United States	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Outside the United States	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Anticipated future demand					
Within the United States	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Outside the United States	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

IV-14. **Product changes.**-- Have there been any significant changes in the product range, product mix, or marketing of cased pencils since January 1, 2011? Do you anticipate any future changes?

Changes in product range, product mix, or marketing			Explain
	No	Yes	
Changes since January 1, 2011	<input type="checkbox"/>	<input type="checkbox"/>	
Anticipated changes	<input type="checkbox"/>	<input type="checkbox"/>	

IV-15. **Conditions of competition.**--

(a) Is the cased pencils market subject to business cycles (other than general economy-wide conditions) and/or other conditions of competition distinctive to cased pencils?

Check all that apply.	Please describe.
<input type="checkbox"/> No	Skip to question IV-17.
<input type="checkbox"/> Yes-Business cycles (e.g. seasonal business)	
<input type="checkbox"/> Yes-Other distinctive conditions of competition	

(b) If yes, have there been any changes in the business cycles or conditions of competition for cased pencils since January 1, 2011?

No	Yes	If yes, describe.
<input type="checkbox"/>	<input type="checkbox"/>	

IV-16. **Supply constraints.**--Has your firm refused, declined, or been unable to supply cased pencils since January 1, 2011 (examples include placing customers on allocation or "controlled order entry," declining to accept new customers or renew existing customers, delivering less than the quantity promised, been unable to meet timely shipment commitments, etc.)?

No	Yes	If yes, please describe.
<input type="checkbox"/>	<input type="checkbox"/>	

IV-17. **Raw materials.**-- Indicate how cased pencils raw material prices have changed since January 1, 2011, and how you expect they will change in the future.

Raw materials prices	Overall increase	No change	Overall decrease	Fluctuate with no clear trend	Explain, noting how raw material price changes have affected your firm's selling prices for cased pencils.
Changes since January 1, 2011	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Anticipated changes	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

IV-18. **Price comparisons.**--Please compare market prices of cased pencils in U.S. and non-U.S. markets, if known. Provide specific information as to time periods and regions for any price comparisons.

--

IV-19. **Market studies.**--Please provide as a separate attachment to this request any studies, surveys, etc. that you are aware of that quantify and/or otherwise discuss cased pencils supply (including production capacity and capacity utilization) and demand in (1) the United States, (2) each of the other major producing/consuming countries, including China, and (3) the world as a whole. Of particular interest is such data from 2011 to the present and forecasts for the future.

IV-20. **Export constraints.**--Describe how easily your firm can shift its sales of cased pencils between the U.S. market and alternative country markets. In your discussion, please describe any contracts, other sales arrangements, or other constraints that would prevent or retard your firm from shifting cased pencils between the U.S. and alternative country markets within a 12-month period.

--

IV-21. **Barriers to trade.**--Are your firm's exports of cased pencils subject to any tariff or non-tariff barriers to trade in other countries?

No	Yes	If yes, please list the countries and describe any such barriers and any significant changes in such barriers that have occurred since January 1, 2011, or that are expected to occur in the future.
<input type="checkbox"/>	<input type="checkbox"/>	

IV-22. **Interchangeability.**--Are cased pencils produced in the United States and in other countries interchangeable (*i.e.*, can they physically be used in the same applications)? If your answer differs for China (all other firms) and China (Beijing FILA Dixon Stationary Company), please explain.

Please indicate A, F, S, N, or O in the table below:

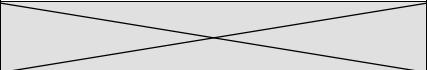
A = the products from a specified country-pair are *always* interchangeable

F = the products are *frequently* interchangeable

S = the products are *sometimes* interchangeable

N = the products are *never* interchangeable

O = *no familiarity* with products from a specified country-pair

Country-pair	China	Other countries
United States		
China		
For any country-pair producing cased pencils that is <i>sometimes</i> or <i>never</i> interchangeable, identify the country-pair and explain the factors that limit or preclude interchangeable use:		

IV-23. **Factors other than price.**--Are differences other than price (*e.g.*, quality, availability, transportation network, product range, technical support, *etc.*) between cased pencils produced in the United States and in other countries a significant factor in your firm's sales of the products? If your answer differs for China (all other firms) and China (Beijing FILA Dixon Stationary Company), please explain.

Please indicate A, F, S, N, or O in the table below:

A = such differences are *always* significant

F = such differences are *frequently* significant

S = such differences are *sometimes* significant

N = such differences are *never* significant

O = *no familiarity* with products from a specified country-pair

Country-pair	China	Other countries
United States		
China	X	
For any country-pair for which factors other than price <i>always</i> or <i>frequently</i> are a significant factor in your firm's sales of cased pencils, identify the country-pair and report the advantages or disadvantages imparted by such factors:		

IV-24. **Bundling sales of cased pencils with other products.**--Does your firm bundle the sales of cased pencils with other products?

No	Yes	Estimated share of your sales of cased pencils in 2016 that were sold in a bundle	Describe the other products that are included in typical bundled sales
<input type="checkbox"/>	<input type="checkbox"/>		

IV-25. **Other explanations.**--If your firm would like to further explain a response to a question in Part IV that did not provide a narrative response box, please note the question number and the explanation in the space provided below. Please also use this space to highlight any issues your firm had in providing the data in this section, including but not limited to technical issues with the MS Word questionnaire.

HOW TO FILE YOUR QUESTIONNAIRE RESPONSE

This questionnaire is available as a “fillable” form in MS Word format on the Commission’s website at:

https://usitc.gov/investigations/701731/2016/cased_pencils_china/fourth_review_full.htm

Please do not attempt to modify the format or permissions of the questionnaire document. Please submit the completed questionnaire using one of the methods noted below. If your firm is unable to complete the MS Word questionnaire or cannot use one of the electronic methods of submission, please contact the Commission for further instructions.

- **Upload via Secure Drop Box.**—Upload the MS Word questionnaire along with a scanned copy of the signed certification page (page 1) through the Commission’s secure upload facility:

Web address: <https://dropbox.usitc.gov/oinv/> **Pin:** **PENCIL**

- **E-mail.**—E-mail the MS Word questionnaire to jordan.harriman@usitc.gov; include a scanned copy of the signed certification page (page 1). *Submitters are strongly encouraged to encrypt nonpublic documents that are electronically transmitted to the Commission to protect your sensitive information from unauthorized disclosure. The USITC secure drop-box system and the Electronic Document Information System (EDIS) use Federal Information Processing Standards (FIPS) 140-2 cryptographic algorithms to encrypt data in transit. Submitting your nonpublic documents by a means that does not use these encryption algorithms (such as by email) may subject your firm’s nonpublic information to unauthorized disclosure during transmission. If you choose a non-encrypted method of electronic transmission, the Commission warns you that the risk of such possible unauthorized disclosure is assumed by you and not by the Commission.*

If your firm does not produce this product, please fill out page 1, print, sign, and submit a scanned copy to the Commission.

Parties to this proceeding.—If your firm is a party to this proceeding, it is required to serve a copy of the completed questionnaire on parties to the proceeding that are subject to administrative protective order (see 19 CFR § 207.7). A list of such parties may be obtained from the Commission’s Secretary (202-205-1803). A certificate of service must accompany the completed questionnaire you submit (see 19 CFR § 207.7). Service of the questionnaire must be made in paper form.