

U.S. PRODUCERS' QUESTIONNAIRE

4TH TIER CIGARETTES FROM KOREA

This questionnaire must be received by the Commission by **August 28, 2020**.

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 antidumping investigation concerning 4th tier cigarettes from Korea (Inv. No. 731-TA-1465 (Final)). 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)).

Name of firm _____

Address _____

City _____ State _____ Zip Code _____

Website _____

Has your firm produced 4th tier cigarettes (as defined on next page) or any other type of cigarette (as defined on pages 2-3) at any time since January 1, 2017?

NO (Sign the certification below and promptly return **only** this page of the questionnaire to the Commission)

YES (Complete all parts of the questionnaire, and return the entire questionnaire to the Commission)

Return questionnaire via the U.S. International Trade Commission *Drop Box* by clicking on the following link: <https://dropbox.usitc.gov/oinv/>. (PIN: **CIGS**)

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 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

Email address

PART I.—GENERAL INFORMATION

Background.-- This proceeding was instituted in response to a petition filed on December 18, 2019, by the Coalition Against Korean Cigarettes ("CAKC"), the coalition members are Xcaliber International, Pryor, Oklahoma and Cheyenne International, Grover, North Carolina. Antidumping duties may be assessed on the subject imports as a result of these proceedings if the Commission makes an affirmative determination of injury, threat, or material retardation, and if the U.S. Department of Commerce ("Commerce") makes an affirmative determination of dumping. Questionnaires and other information pertinent to this proceeding are available at

https://www.usitc.gov/investigations/701731/2019/4th_tier_cigarettes_korea/preliminary.htm.

4th tier cigarettes covered by these investigations are certain tobacco cigarettes, commonly referred to as "4th tier cigarettes." The subject cigarettes are composed of tobacco rolled in paper, have a nominal minimum total length of 7.0 cm but do not exceed 12.0 cm in total nominal length, and have a nominal diameter of less than 1.3 cm. These sizes of cigarettes are frequently referred to as "Kings" and "100's," but subject merchandise that meets the physical description of the scope is included regardless of the marketing description of the size of the cigarettes. Subject merchandise typically has a tobacco blend that consists of 10 percent to 40 percent tobacco stems.

Subject merchandise is typically sold in packs of 20 cigarettes per pack which generally includes the marking "20 Class A Cigarettes" but are included regardless of packaging. 4th Tier cigarette packages are typically sold in boxes without a rounded internal corner and without embossed aluminum foil inside the pack.

Both menthol and non-menthol cigarettes and cigarettes with or without a filter attached are covered by the scope of this investigation. Excluded from the scope of this investigation are cigarettes that legally bear the valid and enforceable brand and/or trademark of a company who is a participating member of the Master Settlement Agreement ("MSA") of November 1998.

Merchandise covered by this investigation is currently classified in the Harmonized Tariff Schedule of the United States ("HTSUS") under subheading 2402.20.8000. This HTSUS subheading is provided for convenience and customs purposes; the written description of the scope of the investigation is dispositive.

All other cigarettes.--Any cigarettes that are not designated as 4th tier cigarettes based on the scope.

Carton.--Contains 10 packs or 200 cigarettes.

Reporting of information.--If information is not readily available from your records, provide carefully prepared estimates. If your firm is completing more than one questionnaire (i.e., a producer, importer, and/or purchaser questionnaire), you need not respond to duplicated questions.

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 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.

D-GRIDS tool.--The Commission has a tool that firms can use to move data from their own MS Excel compilation files into self-contained data tables within this MS Word questionnaire, thereby reducing the amount of cell-by-cell data entry that would be required to complete this form. This tool is a macro-enabled MS Excel file available for download from the Commission's generic questionnaires webpage (https://www.usitc.gov/trade_remedy/question.htm) called the "D-GRIDs tool." Use of this tool to help your firm complete this questionnaire is *optional*. Firms opting to use the D-GRIDs tool to populate their data into this questionnaire will need the D-GRIDs specification sheet PDF file specific to this proceeding (available on the case page which is linked under the "Background" above) which includes the necessary references relating to this questionnaire, as well as the macro-enable MS Excel D-GRIDs tool itself from the generic questionnaires page. More detailed instructions on how to use the D-GRIDs tool are available within the D-GRIDs tool itself.

Firm type	Special Instruction
<u><i>Producers of "4th tier cigarettes"</i></u>	<p>If your firm produced 4th tier cigarettes, please respond to questions in parts I, II, III, and IV of this questionnaire.</p> <p>Do not include any data relating to production and sales of all other cigarettes (other tiers) or all other products in parts II, III, and IV if the cigarettes or products being produced fall outside of the scope as defined (previous page) by 4th tier cigarettes.</p> <p>4th tier only producers may choose to respond to question V-1 despite not producing all other cigarettes.</p>
<u><i>Producers of "all other cigarettes"</i></u>	<p>If your firm produced other cigarettes (that fall outside of the scope of 4th tier cigarettes), please respond to questions in parts I and V of this questionnaire.</p> <p>Do not include any data relating to production and sales of 4th tier cigarettes in part V that have been produced as defined by the scope of this investigation (4th tier cigarettes).</p>

I-1a. **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-1b. **TAA information release.**--In the event that the U.S. International Trade Commission (USITC) makes an affirmative final determination in this proceeding, do you consent to the USITC's release of your contact information (company name, address, contact person, contact person's title, telephone number, email address) appearing on the front page of this questionnaire to the Departments of Commerce, Labor, and Agriculture, as applicable, so that your firm and its workers can be made eligible for benefits under the Trade Adjustment Assistance program?

Yes No

I-2a. **Establishments covered.**--Provide the city, state, zip code, and brief description of each establishment covered by this questionnaire. **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 4th tier cigarettes, 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-2b. **Stock symbol information.**-- If your firm or parent firm is publicly traded, please specify the stock exchange and trading symbol: _____.

I-2c. **External counsel.**-- If your firm or parent firm is represented by external counsel in relation to this proceeding, please specify the name of the law firm and the lead attorney(s).

Law firm:	
Lead attorney(s):	

I-3. **Petitioner status.**--Is your firm a petitioner in this proceeding or a member firm of the petitioning entity?

No	Yes
<input type="checkbox"/>	<input type="checkbox"/>

I-4. **Petition support.**--Does your firm support or oppose the petition?

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

I-5. **Ownership.**—Is your firm owned, in whole or in part, by any other firm?

No Yes—List the following information, relating to the ultimate parent/owner.

Firm name	Country	Extent of ownership (percent)

I-6. **Related importers/exporters.**—Does your firm have any related firms, either domestic or foreign, that are engaged in importing 4th tier cigarettes from Korea into the United States or that are engaged in exporting 4th tier cigarettes from Korea to the United States?

No Yes—List the following information.

Firm name	Country	Affiliation

PART II.—TRADE AND RELATED INFORMATION

Further information on this part of the questionnaire can be obtained from **Lawrence Jones** (202-205-3358, Lawrence.jones@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	

II-2. **Changes in operations.**—Please indicate whether your firm has experienced any of the following changes in relation to the production of 4th tier cigarettes since January 1, 2017.

<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-3a. **Production using same machinery.**—Please report your firm’s production of products using the same equipment, machinery, or employees as used to produce 4th tier cigarettes, and the combined production capacity on this shared equipment, machinery, or employees 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).

Note.—If your firm does not produce any out-of-scope merchandise on the same machinery and equipment as scope merchandise then the “overall production capacity” numbers reported in this question should be exactly equal to the “average production capacity” numbers reported in question II-7. If, however, your firm does produce out-of-scope merchandise using the same machinery and equipment as scope merchandise, then the “average production capacity” reported in question II-7 should exclude the portion of “overall production capacity” that was used to produce this out-of-scope merchandise.

“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.

Quantity (in cartons)					
Item	Calendar years			January-June	
	2017	2018	2019	2019	2020
Overall production capacity¹					
Production of:					
4th tier cigarettes ²	0	0	0	0	0
Out-of-scope production.-- All other cigarettes					
All other products ³					
Subtotal, out-of-scope production	0	0	0	0	0
Total production using same machinery or workers	0	0	0	0	0
¹ Data reported for capacity (first line) should be greater than data reported for total production (last line). ² Data entered for production of 4th tier cigarettes will populate here once reported in question II-7. ³ Please identify these products: _____.					

II-3b. **Operating parameters.**--The production capacity reported in II-3a is based on the following operating parameters:

Hours per week	Weeks per year

II-3c. **Capacity calculation.**--Please describe the methodology used to calculate overall production capacity reported in II-3a, and explain any changes in reported capacity.

--

II-3d. **Production constraints.**--Please describe the constraint(s) that set the limit(s) on your firm's production capacity.

--

II-4. **Product shifting.**—

(a) Is your firm able to switch production (capacity) between 4th tier cigarettes and other products using the same equipment and/or labor?

No	Yes	If yes—(i.e., have produced other products or are able to produce other products) Please identify other actual or potential products.
<input type="checkbox"/>	<input type="checkbox"/>	

(b) 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-5. **Tolling.**--Since January 1, 2017, has your firm been involved in a toll agreement regarding the production of 4th tier cigarettes?

"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	If yes--Please describe the toll arrangement(s) and name the firm(s) involved.
<input type="checkbox"/>	<input type="checkbox"/>	

II-6. **Foreign trade zones.**--

- (a) **Firm's FTZ operations.**--Does your firm produce 4th tier cigarettes in and/or admit 4th tier cigarettes 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 designated as such pursuant to the rules and procedures set forth in the Foreign-Trade Zones Act.

No	Yes	If yes--Describe the nature of your firms operations in FTZs and identify the specific FTZ site(s).
<input type="checkbox"/>	<input type="checkbox"/>	

- (b) **Other firms' FTZ operations.**--To your knowledge, do any firms in the United States import 4th tier cigarettes into a foreign trade zone (FTZ) for use in distribution of 4th tier cigarettes and/or the production of downstream articles?

No	Yes	If yes--Identify the firms and the FTZs.
<input type="checkbox"/>	<input type="checkbox"/>	

II-7. **Production, shipment, and inventory data** --Report your firm's production capacity, production, shipments, and inventories related to the production of 4th tier cigarettes 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.

"Commercial U.S. 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 firms. Such transactions are valued at fair market value.

"Related firm" –A firm that your firm solely or jointly owned, managed, or otherwise controlled; a firm that solely or jointly owned, managed, or otherwise controlled your firm; and/or a firm that was solely or jointly owned, managed, or otherwise controlled by a firm that also solely or jointly owned, managed, or otherwise controlled your firm.

"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-7. Production, shipment, and inventory data.--Continued

Quantity (in cartons) and value (in \$1,000)					
Item	Calendar years			January-June	
	2017	2018	2019	2019	2020
Average production capacity ¹ (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 ² (G)					
Transfers to related firms: ²					
Quantity (H)					
Value ² (I)					
Export shipments: ³					
Quantity (J)					
Value (K)					
End-of-period inventories (quantity) (L)					
<p>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 ____.</p> <p>² Internal consumption and transfers to related firms must be valued at fair market value. If your firm uses a different basis for valuing these transactions in your records, please specify that basis (e.g., cost, cost plus, etc.): _____. However, the data provided above in this table should be based on fair market value.</p> <p>³ Identify your firm's principal export markets: _____.</p>					

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.

Reconciliation	Calendar years			January-June	
	2017	2018	2019	2019	2020
B + C – D – F – H – J – L = should equal zero ("0") or provide an explanation. ¹	0	0	0	0	0
<p>¹ Explanation if the calculated fields above are returning values other than zero (i.e., "0") but are nonetheless accurate: _____.</p>					

II-8. **Channels of distribution.**--Report your firm's U.S. shipments (i.e. inclusive of commercial U.S. shipments, internal consumption, and transfers to related firms) by channel of distribution in the specified periods.

Quantity (<i>in cartons</i>) Value (in \$1,000)					
Item	Calendar years			January-June	
	2017	2018	2019	2019	2020
Channels of distribution:					
U.S. shipments:					
to Distributors: Branded					
Quantity (M)					
Value (N)					
To Distributors: Private label					
Quantity (O)					
Value (P)					
To Retailers or End users					
Quantity (Q)					
Value (R)					

***RECONCILIATION OF CHANNELS.**--Please ensure that the quantities and values reported for channels of distribution (i.e., lines M through R) in each time period equal the quantities and values reported for U.S. shipments in question II-7 (i.e., lines D through I) 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	Calendar years			January-June	
	2017	2018	2019	2019	2020
Quantity: $M + O + Q - D - F - H = \text{zero ("0")}$, if not revise.	0	0	0	0	0
Value: $N + P + R - E - G - I = \text{zero ("0")}$, if not revise.	0	0	0	0	0

II-9. **Geographic shipment.**--Report your firm's U.S. shipments (i.e. inclusive of commercial U.S. shipments, internal consumption, and transfers to related firms) by region of intended consumption (i.e., how cartons are stamped/ intended for consumer sale) if known, or by region of your firm's initial U.S. shipment if region of consumption is not known.

Quantity (in cartons)					
U.S. shipments for sale in:	Calendar years			January-June	
	2017	2018	2019	2019	2020
New England. --CT, ME, MA, NH, RI, and VT.					
Mid-Atlantic. --DC, DE,MD, NJ, NY, PA, VA, and WV					
Plains. --IA, KS, MN, MO, NE, ND, and SD.					
Great Lakes. --IL, IN, MI, OH, and WI.					
South. --AL, FL, GA, KY, MS, NC, SC, and TN.					
Central Southwest. --AR, LA, OK, and TX.					
Mountains. --AZ, CO, ID, MT, NV, NM, UT, and WY.					
Pacific Coast. --CA, OR, and WA.					
Other. --All other markets in the United States not previously listed, including AK, HI, PR, and VI.					
U.S. shipments to all regions (line S)	0	0	0	0	0

***RECONCILIATION OF GEOGRAPHIC SHIPMENTS.**--Please ensure that the quantities reported for US shipments by geographical region (i.e., line S, which add all the regions together within that column) in each time period equal the quantities reported for U.S. shipments from question II-7 (i.e., lines D, F, and H) 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	Calendar years			January-June	
	2017	2018	2019	2019	2020
Quantity: S – D – F – H = zero ("0"), if not revise.	0	0	0	0	0

II-10. **Employment data.**--Report your firm's employment-related data related to the production of 4th tier cigarettes 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. Average number employed may be computed by adding the number of employees, both full time and part time, for the 12 pay periods ending closest to the 15th of the month and divide that total by 12. For the January to June periods, calculate similarly and divide by 6.

If your firm had the same number of PRWs in all calendar years and had not experienced any changes in PRWs in the most recent interim period, you would have the same number of PRWs for the interim periods, regardless of whether the interim periods are Jan-Mar (Q1), Jan-June (Q1+Q2), or Jan-Sept (Q1+Q2+Q3)."

"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 years			January-June	
	2017	2018	2019	2019	2020
Average number of PRWs (<i>number</i>)					
Hours worked by PRWs (<i>1,000 hours</i>)					
Wages paid to PRWs (<i>\$1,000</i>)					

Explanation of trends:

II-11. **Related firms.**--If your firm reported transfers to related firms in question II-7, please identify the firm(s) and 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.

II-12. **Purchases.**--Has your firm purchased 4th tier cigarettes produced in the United States or in other countries since January 1, 2017? (Do not include imports for which your firm was the importer of record. These should be reported in an importer questionnaire.)

"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.

"Import" –A transaction to buy from a foreign supplier where your firm is the importer of record.

No	Yes	If yes--Report such purchases in the table below and explain the reasons for your firms' purchases.
<input type="checkbox"/>	<input type="checkbox"/>	

Note: If your firm served as the importer of record for any purchases from foreign suppliers, either for your own account or as a service for another entity, those purchases are to be considered "imports" not "purchases" and **should not** be included in the table below

(Quantity in cartons)					
Item	Calendar years			January-June	
	2017	2018	2019	2019	2020
Purchases from U.S. importers¹ of 4th tier cigarettes from— Korea					
All other sources					
Purchases from domestic producers²					
Purchases from other sources³					
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 U.S. producer(s) from which your firm purchased this product: _____. ³ Please list the name of the firm(s) from which your firm purchased this product: _____.					

II-13. **Imports.**--Since January 1, 2017, has your firm imported 4th tier cigarettes?

No	Yes	If yes--<u>COMPLETE AND RETURN A U.S. IMPORTERS' QUESTIONNAIRE</u>
<input type="checkbox"/>	<input type="checkbox"/>	

II-14. **Stem content.**--Report the minimum, maximum, and average stem content of your firm's 4th tier cigarettes by top selling products and overall for all 4th tier cigarettes.

Product	Product name / description	Stem content		
		Minimum	Average	Maximum
		Share (percent)		
1 st top selling product				
2 nd top selling product				
3 rd top selling product				
All other 4 th tier cigarettes	NA			
All 4 th tier cigarettes	NA			

II-15. **Other explanations.**--If your firm would like to further explain a response to a question in Part II for which a narrative box was not provided, 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 David Boyland (202-708-4725, David.Boyland@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	

III-2. **Accounting system.**--Please provide the following information on 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:

Note.--Please note that we are requesting that firms report their financial data on a calendar year basis.

B.1. Describe the lowest level of operations (e.g., plant, division, company-wide) for which financial statements are prepared that include 4th tier cigarettes:

2. Does your firm prepare profit/loss statements for 4th tier cigarettes?
 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, 10 Qs,
 Monthly, quarterly, semi-annually, annually

4. Accounting basis: U.S. GAAP, IFRS, 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 4th tier cigarettes, 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 produced in the facilities in which your firm produced 4th tier cigarettes and provide the share of net sales accounted for by these products in your firm's most recent fiscal year.

Products	Share of sales
4th tier cigarettes	%
	%
	%
	%
	%

III-6. **Inputs from related suppliers.**--Does your firm purchase **inputs** (raw materials, labor, energy, or any services) used in the production of 4th tier cigarettes 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—Skip to question III-9a.
<input type="checkbox"/>	<input type="checkbox"/>

III-7. **Inputs from related suppliers detailed.**--Please identify the inputs used in the production of 4th tier cigarettes that your firm purchases from related suppliers and that are reflected in question 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 your 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 purchased from related suppliers.**--Please confirm that the inputs purchased from related suppliers, as identified in III-7, are reported in III-9a (financial results on 4th tier cigarettes) in a manner consistent with your firm’s accounting books and records.

Yes	No	If no--In the space below, please report the valuation basis of inputs purchased from related suppliers as reported in question III-9a.
<input type="checkbox"/>	<input type="checkbox"/>	

III-9a. **Operations on 4th tier cigarettes.**--Report the revenue and related cost information requested below on the 4th tier cigarettes 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 the designated calendar years and for the specified interim periods. **Note: If your company routinely includes non-participating manufacturer escrow accruals as an income statement cost/expense component, please include these amounts in the III-9a line item that most closely reflects the company's routine income statement classification. Do not include non-participating manufacturer escrow accruals in III-9a if they are not routinely included in your company's income statement.**

Quantity (in cartons) and value (in \$1,000)					
Item	Calendar years			January-June	
	2017	2018	2019	2019	2020
Net sales quantities: ²					
Commercial sales ("CS")					
Internal consumption ("IC")					
Transfers to related firms ("Transfers")					
Total net sales quantities	0	0	0	0	0
Net sales values: ²					
Commercial sales					
Internal consumption					
Transfers to related firms					
Total net sales values	0	0	0	0	0
Cost of goods sold (COGS): ³					
Raw materials					
Direct labor					
Other factory costs					
Total COGS	0	0	0	0	0
Gross profit or (loss)	0	0	0	0	0
Selling, general, and administrative (SG&A) expenses					
Operating income (loss)	0	0	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	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. **Accrued non-participating manufacturer escrow.**--Please report the total non-participating manufacturer escrow accruals made during the period examined. Note: Amounts should be reported in the table below whether or not they are already reflected in table III-9a.

Item	Calendar years			January-June	
	2017	2018	2019	2019	2020
	Value (\$1,000)				
Non-participating manufacturer escrow accruals					

Were the above amounts included in table III-9a?

Yes	If yes--please identify the III-9a line item that reflects non-participating manufacturer escrow accruals.
<input type="checkbox"/>	

No
<input type="checkbox"/>

III-9c. **Formal accounting treatment of non-participating manufacturer escrow accruals.**--Please describe how your company routinely accounts for its non-participating manufacturer escrow accruals. In your description please specify the extent to which these accruals are or are not routinely reflected in the company's formal income statement. If included in the company's formal income statement, please specify formal income statement classification.

Please describe how non-participating manufacturer escrow accruals and obligations are reflected in the company's formal statement of cash flows and balance sheet, respectively.

Statement of cash flows:

Balance sheet:

III-9d. **Impact of non-participating manufacturer escrow accruals.**--Please describe how non-participating manufacturer escrow payments directly and indirectly impact the company's operations and financial results. As applicable, please respond to this question in terms of revenue and pricing decisions, including geographic market focus, working capital and cash flow management, as well as other relevant factors.

III-9e. **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), operating income (or loss), 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?

		<p>If 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.</p>
Yes	No	
<input type="checkbox"/>	<input type="checkbox"/>	

III-9f. **Raw materials.**--Please report the share of total raw material costs in 2019 (reported in III-9a) for the following raw material inputs:

		Procurement method	
		Primarily produced by your firm and/or purchased from related suppliers	Primarily purchased by your firm from unrelated suppliers
Input	Share of total raw material costs (percent)		
Tobacco blends		<input type="checkbox"/>	<input type="checkbox"/>
Other material inputs ¹		<input type="checkbox"/>	<input type="checkbox"/>
Total (should sum to 100 percent)	0.0		
<p>¹ Please indicate any notable "other" raw materials not expressly identified above and provide the share of the total raw material costs that they account for: _____.</p>			

III-10. **Nonrecurring items (charges and gains) included in 4th tier cigarettes financial results.**--For each annual and interim 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 question 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 question III-9a; i.e., if an aggregate nonrecurring item has been allocated to question III-9a, only the allocated value amount included in question 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 4th tier cigarettes in question III-9a.

Item	Calendar years			January-June	
	2017	2018	2019	2019	2020
	Value (\$1,000)				
Nonrecurring item 1					
Nonrecurring item 2					
Nonrecurring item 3					
Nonrecurring item 4					
Nonrecurring item 5					
Nonrecurring item 6					
Nonrecurring item 7					

Nonrecurring item: In this table, please provide a brief description of each nonrecurring item reported above and indicate the specific line item in question III-9a where the nonrecurring item is classified.

	Description of the nonrecurring item	Income statement classification of the nonrecurring item
Nonrecurring item 1		
Nonrecurring item 2		
Nonrecurring item 3		
Nonrecurring item 4		
Nonrecurring item 5		
Nonrecurring item 6		
Nonrecurring item 7		

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 question 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 question III-9a.

--

III-12a. **Asset values.**--Report the total assets (i.e., both current and long-term assets) associated with the production, warehousing, and sale of 4th tier cigarettes. If your firm does not maintain some or all of the specific asset information necessary to calculate total assets for 4th tier cigarettes 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 question III-9a. Provide data as of the end of the designated calendar years.

Note: Total assets should reflect net assets after any accumulated depreciation and allowances deducted. Total assets should be allocated to operations on 4th tier cigarettes if these assets are also related to other products.

Value (in \$1,000)			
Item	Calendar years		
	2017	2018	2019
Total assets (net)			

III-12b. **Description of reported assets.**-- Please describe the main asset categories (both current and long-term assets) in the above response. 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.

--

III-13a. **Capital expenditures and research and development expenses.**--Report your firm's capital expenditures and research and development expenses for 4th tier cigarettes. Provide data for the designated calendar years and for the specified interim periods.

Value (in \$1,000)					
Item	Calendar years			January-June	
	2017	2018	2019	2019	2020
Capital expenditures					
R&D expenses					

III-13b. **Description of reported capital expenditures.**-- Please describe the nature, focus, and significance of your firm's reported capital expenditures in the above response. If no capital expenditure data were reported, please explain the reason.

III-13c. **Description of reported R&D expenses.**-- Please describe the nature, focus, and significance of your firm's reported R&D expenses in the response above. If no R&D expenses were reported, please explain the reason.

III-14. **Data consistency and reconciliation.**--Please confirm that your firm's financial data for questions III-9a, 12a, and 13a are reported on a calendar year basis:

Please note the quantities and values reported in question III-9a should reconcile with the data reported in question II-7 (including export shipments).

***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 for total net sales in part III of this questionnaire in each time period. If the calculated fields below return values other than zero (i.e., "0") please explain the discrepancy below.*

Reconciliation	Calendar years			January-June	
	2017	2018	2019	2019	2020
Quantity: Trade data from question II-7 (lines D, F, H, and J) less financial total net sales quantity data from question III-9a, = zero ("0").	0	0	0	0	0
Value: Trade data from question II-7 (lines E, G, I, and K) less financial total net sales value data from question III-9a, = zero ("0").	0	0	0	0	0

Do these data in question III-9a reconcile with data in question II-7?

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

III-15. **Effects of imports on investment.**--Since January 1, 2017, has your firm experienced any actual negative effects on its return on investment or the scale of capital investments as a result of imports of 4th tier cigarettes from Korea?

No	Yes	If yes, my firm has experienced actual negative effects as follows.
<input type="checkbox"/>	<input type="checkbox"/>	

<i>(check as many as appropriate)</i>		<i>(please describe)</i>
<input type="checkbox"/>	Cancellation, postponement, or rejection of expansion projects	
<input type="checkbox"/>	Denial or rejection of investment proposal	
<input type="checkbox"/>	Reduction in the size of capital investments	
<input type="checkbox"/>	Return on specific investments negatively impacted	
<input type="checkbox"/>	Other	

III-16. **Effects of imports on growth and development.**--Since January 1, 2017, has your firm experienced any actual negative effects on its growth, ability to raise capital, or existing development and production efforts (including efforts to develop a derivative or more advanced version of the product) as a result of imports of 4th tier cigarettes from Korea?

No	Yes	If yes, my firm has experienced actual negative effects as follows.
<input type="checkbox"/>	<input type="checkbox"/>	

<i>(check as many as appropriate)</i>		<i>(please describe)</i>
<input type="checkbox"/>	Rejection of bank loans	
<input type="checkbox"/>	Lowering of credit rating	
<input type="checkbox"/>	Problem related to the issue of stocks or bonds	
<input type="checkbox"/>	Ability to service debt	
<input type="checkbox"/>	Other	

III-17. **Anticipated effects of imports.**--Does your firm anticipate any negative effects due to imports of 4th tier cigarettes from Korea?

No	Yes	If yes, my firm anticipates negative effects as follows.
<input type="checkbox"/>	<input type="checkbox"/>	

III-18. **Other explanations.**--If your firm would like to further explain a response to a question in Part III for which a narrative box was not provided, 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 IV.--PRICING AND MARKET FACTORS

Further information on this part of the questionnaire can be obtained from James Horne (202-205-2722, James.Horne@usitc.gov).

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

Name	
Title	
Email	
Telephone	

PRICE DATA

IV-2. This question requests quarterly quantity and value data for your firm's commercial shipments to unrelated U.S. customers since January 1, 2017 of the following products produced by your firm.

Product 1.--Non-menthol, Full Flavor, Length 100, Non-Menthol 4th tier cigarette (i.e. Berley Red Box, Cheyenne Red Box, Edgefield Red Box, or equivalent offerings) for sale to consumers in Missouri

Product 2.--Non-menthol, Ultralight Flavor, Length 100, Non-Menthol 4th tier cigarette (i.e. Berley Gold Box, Cheyenne Gold Box, Edgefield Gold Box, or equivalent offerings) for sale to consumers in Missouri

Product 3.--Menthol, Length 100, Menthol 4th tier cigarette (i.e. Berley Menthol Box, Cheyenne Menthol Box, Edgefield Methol Box, or equivalent offerings) for sale to consumers in Missouri

Product 4.--Non-menthol, Full Flavor, Length 100, Non-Menthol 4th tier cigarette (i.e. Berley Red Box, Cheyenne Red Box, Edgefield Red Box, or equivalent offerings) for sale to consumers in Oklahoma

Product 5.--Non-menthol, Ultralight Flavor, Length 100, Non-Menthol 4th tier cigarette (i.e. Berley Gold Box, Cheyenne Gold Box, Edgefield Gold Box, or equivalent offerings) for sale to consumers in Oklahoma

Product 6.--Menthol, Length 100, Menthol 4th tier cigarette (i.e. Berley Menthol Box, Cheyenne Menthol Box, Edgefield Menthol Box, or equivalent offerings) for sale to consumers in Oklahoma

Product 7.--Non-menthol, Full Flavor, Length 100, Non-Menthol 4th tier cigarette (i.e. Berley Red Box, Cheyenne Red Box, Edgefield Red Box, or equivalent offerings) for sale to consumers in Florida

Product 8.--Non-menthol, Ultralight Flavor, Length 100, Non-Menthol 4th tier cigarette (i.e. Berley Gold Box, Cheyenne Gold Box, Edgefield Gold Box, or equivalent offerings) for sale to consumers in Florida

Product 9.--Menthol, Length 100, Menthol 4th tier cigarette (i.e. Berley Menthol Box, Cheyenne Menthol Box, Edgefield Menthol, Box or equivalent offerings) for sale to consumers in Florida

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).

IV-2a. During January 2017-June 2020, 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-2b. **Price data.**--Report below the quarterly price data¹ for pricing products² produced and sold by your firm.

Report data in **Cartons (containing 10 packs or 200 cigarettes)** and **actual dollars** (not 1,000s).

(Quantity in cartons, value in dollars)						
Period of shipment	Product 1		Product 2		Product 3	
	Quantity	Value	Quantity	Value	Quantity	Value
2017:						
January-March						
April-June						
July-September						
October-December						
2018:						
January-March						
April-June						
July-September						
October-December						
2019:						
January-March						
April-June						
July-September						
October-December						
2020:						
January-March						
April-June						

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 your firm's product. Also, please explain any anomalies in your firm's reported pricing data.

Product 1:

Product 2:

Product 3:

IV-2b. **Price data**—Continued

Report data in ***Cartons (containing 10 packs or 200 cigarettes)*** and **actual dollars** (not 1,000s).

(Quantity in cartons, value in dollars)						
Period of shipment	Product 4		Product 5		Product 6	
	Quantity	Value	Quantity	Value	Quantity	Value
2017:						
January-March						
April-June						
July-September						
October-December						
2018:						
January-March						
April-June						
July-September						
October-December						
2019:						
January-March						
April-June						
July-September						
October-December						
2020:						
January-March						
April-June						

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 your firm's product. Also, please explain any anomalies in your firm's reported pricing data.

Product 4:

Product 5:

Product 6:

IV-2b. **Price data**—Continued

Report data in ***Cartons (containing 10 packs or 200 cigarettes)*** and **actual dollars** (not 1,000s).

(Quantity in cartons, value in dollars)						
Period of shipment	Product 7		Product 8		Product 9	
	Quantity	Value	Quantity	Value	Quantity	Value
2017:						
January-March						
April-June						
July-September						
October-December						
2018:						
January-March						
April-June						
July-September						
October-December						
2019:						
January-March						
April-June						
July-September						
October-December						
2020:						
January-March						
April-June						

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 your firm's product. Also, please explain any anomalies in your firm's reported pricing data.

Product 7:

Product 8:

Product 9:

IV-2c. **Price data checklist.**--Please check that the pricing data in question IV-2(b) has been correctly reported.

Are the price data reported above:	√ if Yes
In actual dollars (not \$1,000) and cartons (not individual cigarettes)?	<input type="checkbox"/>
F.o.b. U.S. point of shipment (i.e., does not include U.S. transport costs)?	<input type="checkbox"/>
Prices include all Federal and State taxes?	<input type="checkbox"/>
Net of all discounts and rebates?	<input type="checkbox"/>
Have returns, discounts, and rebates been credited to the quarter in which the sale occurred?	<input type="checkbox"/>
Less than reported commercial shipments in part II in each year?	<input type="checkbox"/>

IV-2d. **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 4th tier cigarettes (*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.**--On what basis are your firm's prices of domestic 4th tier cigarettes 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 4th tier cigarettes in 2019 was on a (1) short-term contract basis, (2) annual contract basis, (3) long-term contract basis, and (4) spot sales basis?

Item	Type of sale				Total (should sum to 100.0%)
	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)	Spot sales (for a single delivery)	
Share of 2019 sales	%	%	%	%	0.0 %

IV-7. **Contract provisions.**--Please fill out the table regarding your firm's typical sales contracts for U.S.-produced 4th tier cigarettes (or check "not applicable" if your firm does not sell on a short-term, annual and/or long-term 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"/>
Indexed to raw material costs ¹	<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"/>
¹ Please identify the indexes used: _____.				

IV-8. **Lead times.**--What is your firm's share of sales from inventory and produced to order and 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 4th tier cigarettes?

Source	Share of 2019 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 cost of U.S.-produced 4th tier cigarettes that is accounted for by U.S. inland transportation costs? _____ percent
- (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 4th tier cigarettes that are delivered the following distances from its 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. Substitutes.--Can other products be substituted for 4th tier cigarettes?

- No Yes--Please fill out the table.

Broad category	Specific product	Are these considered substitutes in the market?		Have changes in the price of this substitute affected the price for 4 th tier cigarettes?		
		No	Yes	No	Yes	Explanation
All other cigarettes	Premium	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
	Branded	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
	Sub-generic/ private label	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Other products		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

IV-11. Demand trends.--Indicate how demand within the United States and outside of the United States (if known) for 4th tier cigarettes has changed since January 1, 2017. Explain any trends and describe the principal factors that have affected these changes in demand.

Market	Overall increase	No change	Overall decrease	Fluctuate with no clear trend	Explanation and factors
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-12. **Product changes.**--Have there been any significant changes in the product range, product mix, or marketing of 4th tier cigarettes since January 1, 2017?

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

IV-13. **Smoking alternatives.**--Have electronic cigarettes (e-cigs) or vaporizers (vapes) affected the demand for 4th tier cigarettes?

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

IV-14. **Regulations**—

(a) Have changes to regulations or taxes changed your firms desire or ability to sell 4th tier cigarettes in the United States?

Source	No	Yes	If yes, please describe.
United States	<input type="checkbox"/>	<input type="checkbox"/>	
All other countries	<input type="checkbox"/>	<input type="checkbox"/>	
Sources unknown	<input type="checkbox"/>	<input type="checkbox"/>	

(b) Have differences in state or local regulations or taxes caused a divergence in regional demand for 4th tier cigarettes in the United States?

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

IV-15. Brand loyalty.—

(a) Do consumers of 4th tier cigarettes smoke multiple brands of 4th tier cigarettes?

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

(b) Do consumers of 4th tier cigarettes also smoke brands of non-4th tier cigarettes?

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

(c) Do consumers of 4th tier cigarettes change brands of 4th tier cigarettes based on price?

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

IV-16. Conditions of competition.--

(a) Is the 4th tier cigarettes market subject to business cycles (other than general economy-wide conditions) and/or other conditions of competition distinctive to 4th tier cigarettes? If yes, describe.

Check all that apply.	Please describe.
<input type="checkbox"/> No	Skip to question IV-18.
<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 4th tier cigarettes since January 1, 2017?

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

IV-17. **Supply constraints.**--Has your firm refused, declined, or been unable to supply 4th tier cigarettes since January 1, 2017 (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, being unable to meet timely shipment commitments, etc.)?

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

IV-18. **Tobacco blends.**-- Is your firm vertically integrated to blend your own tobacco, or does your firm purchase tobacco blends from unrelated suppliers?

Only blend own tobacco	Only purchase tobacco blends from unrelated suppliers	Both blend own tobacco and purchase blends from suppliers	Please describe
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

IV-19. **Raw materials.**--How have 4th tier cigarettes raw material prices changed since January 1, 2017?

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 4th tier cigarettes.
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

IV-20. **Interchangeability**.--Are 4th tier cigarettes produced in the United States and in other countries interchangeable?

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	Korea	Other countries
United States		
Korea	X	
For any country-pair producing 4th tier cigarettes 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-21. **Factors other than price.**--Are differences other than price (e.g., quality, availability, transportation network, product range, technical support, etc.) between 4th tier cigarettes produced in the United States and in other countries a significant factor in your firm's sales of the products?

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	Korea	Other countries
United States		
Korea	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 4th tier cigarettes, identify the country-pair and report the advantages or disadvantages imparted by such factors:		

IV-22. **Customer identification.**--List the names and contact information for your firm's 10 largest U.S. customers for 4th tier cigarettes since January 1, 2017. Indicate the share of the quantity of your firm's total shipments of 4th tier cigarettes that each of these customers accounted for in 2017.

	Customer's name	Contact person	Email	Telephone	City	State	Share of 2019 sales (%)
1							
2							
3							
4							
5							
6							
7							
8							
9							
10							

IV-23. Competition from imports.--

- (a) **Lost revenue.**--Since January 1, 2017: To avoid losing sales to competitors selling 4th tier cigarettes from Korea, did your firm:

Item	No	Yes
Reduce prices	<input type="checkbox"/>	<input type="checkbox"/>
Roll back announced price increases	<input type="checkbox"/>	<input type="checkbox"/>

- (b) **Lost sales.**--Since January 1, 2017: Did your firm lose sales of 4th tier cigarettes to imports of this product from Korea?

No	Yes
<input type="checkbox"/>	<input type="checkbox"/>

- (c) **The submission of lost sales/lost revenue allegations is to be completed only by NON-PETITIONERS.**

If your firm indicated “yes” to any of the above, your firm can provide the Commission with additional information by downloading and completing the lost sales/lost revenues worksheet at http://usitc.gov/trade_remedy/question.htm. Note that the Commission may contact the firms named to verify the allegations reported.

Is your firm submitting the lost sales/lost revenues worksheet?

<input type="checkbox"/>	No—Please explain.
<input type="checkbox"/>	Yes—Please complete the worksheet and submit via the Commission dropbox. https://dropbox.usitc.gov/oinv/ . (PIN: CGS)

- IV-24. Other explanations.--**If your firm would like to further explain a response to a question in Part IV for which a narrative response box was not provided, 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 V—ALTERNATIVE PRODUCT

V-1. **Comparability of types of cigarettes.**--For each of the following indicate whether listed products are: fully comparable or the same, *i.e.*, have no differentiation between them; mostly comparable or similar; somewhat comparable or similar; never or not-at-all comparable or similar; or no familiarity with products.

- F: fully comparable or the same, *i.e.*, have no differentiation between them;
- M: mostly comparable or similar;
- S: somewhat comparable or similar;
- N: never or not-at-all comparable or similar; or
- O: no familiarity with products.

(a) **Physical Characteristics and End Uses.**--The differences and similarities in the physical characteristics and end uses.

Product-pair	Comparison	Please provide a narrative discussion for the comparability ratings you provided in terms of their <i><u>physical characteristics and uses:</u></i>
In-scope <u>4th tier cigarettes</u> vs out-of-scope <u>"premium" other cigarettes</u>		
In-scope <u>4th tier cigarettes</u> vs out-of-scope <u>"branded" other cigarettes</u>		
In-scope <u>4th tier cigarettes</u> vs out-of-scope <u>"sub-generic/ private label" other cigarettes</u>		
In-scope <u>4th tier cigarettes</u> vs out-of-scope <u>all other cigarettes (all three tiers combined)</u>		

V-1. **Comparability of types of cigarettes.--Continued**

- F: fully comparable or the same, *i.e.*, have no differentiation between them;
- M: mostly comparable or similar;
- S: somewhat comparable or similar;
- N: never or not-at-all comparable or similar; or
- O: no familiarity with products.

(b) **Interchangeability**--The ability to substitute the products in the same application.

Product-pair	Comparison	Please provide a narrative discussion for the comparability ratings you provided in terms of their <i>interchangeability</i> :
In-scope 4th tier cigarettes vs out-of-scope <u>"premium" other cigarettes</u>		
In-scope 4th tier cigarettes vs out-of-scope <u>"branded" other cigarettes</u>		
In-scope 4th tier cigarettes vs out-of-scope <u>"sub-generic/private label" other cigarettes</u>		
In-scope 4th tier cigarettes vs out-of-scope <u>all other cigarettes (all three tiers combined)</u>		

V-1. **Comparability of types of cigarettes.--Continued**

- F: fully comparable or the same, *i.e.*, have no differentiation between them;
- M: mostly comparable or similar;
- S: somewhat comparable or similar;
- N: never or not-at-all comparable or similar; or
- O: no familiarity with products.

(c) **Manufacturing facilities, production processes, and production employees.**--Whether manufactured in the same facilities, from the same inputs, on the same machinery and equipment, and using the same employees.

Product-pair	Comparison	Please provide a narrative discussion for the comparability ratings you provided in terms of their <u>manufacturing facilities, production processes, and production employees</u> :
In-scope <u>4th tier cigarettes</u> vs out-of-scope <u>"premium" other cigarettes</u>		
In-scope <u>4th tier cigarettes</u> vs out-of-scope <u>"branded" other cigarettes</u>		
In-scope <u>4th tier cigarettes</u> vs out-of-scope <u>"sub-generic/ private label" other cigarettes</u>		
In-scope <u>4th tier cigarettes</u> vs out-of-scope <u>all other cigarettes (all three tiers combined)</u>		

V-1. **Comparability of types of cigarettes.--Continued**

- F: fully comparable or the same, *i.e.*, have no differentiation between them;
- M: mostly comparable or similar;
- S: somewhat comparable or similar;
- N: never or not-at-all comparable or similar; or
- O: no familiarity with products.

(d) **Channels of distribution**--Channels of distribution/market situation through which the products are sold (*i.e.*, sold direct to end users, through wholesaler/distributors, etc.).

Product-pair	Comparison	Please provide a narrative discussion for the comparability ratings you provided in terms of their <u>channels of distribution</u> :
In-scope <u>4th tier cigarettes</u> vs out-of-scope <u>"premium" other cigarettes</u>		
In-scope <u>4th tier cigarettes</u> vs out-of-scope <u>"branded" other cigarettes</u>		
In-scope <u>4th tier cigarettes</u> vs out-of-scope <u>"sub-generic/ private label" other cigarettes</u>		
In-scope <u>4th tier cigarettes</u> vs out-of-scope <u>all other cigarettes (all three tiers combined)</u>		

V-1. **Comparability of types of cigarettes.--Continued**

- F: fully comparable or the same, *i.e.*, have no differentiation between them;
- M: mostly comparable or similar;
- S: somewhat comparable or similar;
- N: never or not-at-all comparable or similar; or
- O: no familiarity with products.

(e) **Customer and producer perceptions.**--Perceptions as to the differences and/or similarities in the market (*e.g.*, sales/marketing practices).

Product-pair	Comparison	Please provide a narrative discussion for the comparability ratings you provided in terms of their <u>customer and product perceptions</u> :
In-scope <u>4th tier cigarettes</u> vs out-of-scope <u>"premium" other cigarettes</u>		
In-scope <u>4th tier cigarettes</u> vs out-of-scope <u>"branded" other cigarettes</u>		
In-scope <u>4th tier cigarettes</u> vs out-of-scope <u>"sub-generic/ private label" other cigarettes</u>		
In-scope <u>4th tier cigarettes</u> vs out-of-scope <u>all other cigarettes (all three tiers combined)</u>		

V-1. **Comparability of types of cigarettes.--Continued**

- F: fully comparable or the same, *i.e.*, have no differentiation between them;
- M: mostly comparable or similar;
- S: somewhat comparable or similar;
- N: never or not-at-all comparable or similar; or
- O: no familiarity with products.

(f) **Price**--Whether prices are comparable or differ between the products.

Product-pair	Comparison	Please provide a narrative discussion for the comparability ratings you provided in terms of their <u>price</u> :
In-scope <u>4th tier cigarettes</u> vs out-of-scope <u>"premium" other cigarettes</u>		
In-scope <u>4th tier cigarettes</u> vs out-of-scope <u>"branded" other cigarettes</u>		
In-scope <u>4th tier cigarettes</u> vs out-of-scope <u>"sub-generic/ private label" other cigarettes</u>		
In-scope <u>4th tier cigarettes</u> vs out-of-scope <u>all other cigarettes (all three tiers combined)</u>		

V-2. **Production, shipment, and inventory data** --Report your firm's production capacity, production, shipments, and inventories related to the production of all other cigarettes (not including 4th tier cigarettes) 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.

"Commercial U.S. 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 firms. Such transactions are valued at fair market value.

"Related firm" –A firm that your firm solely or jointly owned, managed, or otherwise controlled; a firm that solely or jointly owned, managed, or otherwise controlled your firm; and/or a firm that was solely or jointly owned, managed, or otherwise controlled by a firm that also solely or jointly owned, managed, or otherwise controlled your firm.

"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.

V-2. **Production, shipment, and inventory data.-All other cigarette producers--Continued**

Quantity (in cartons) and value (in \$1,000)					
Item	Calendar years			January-June	
	2017	2018	2019	2019	2020
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 ² (G)					
Transfers to related firms:²					
Quantity (H)					
Value ² (I)					
Export shipments:³					
Quantity (J)					
Value (K)					
End-of-period inventories (quantity) (L)					
<p>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 ____.</p> <p>² Internal consumption and transfers to related firms must be valued at fair market value. If your firm uses a different basis for valuing these transactions in your records, please specify that basis (e.g., cost, cost plus, etc.): _____. However, the data provided above in this table should be based on fair market value.</p> <p>³ Identify your firm's principal export markets: _____.</p>					

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.

Reconciliation	Calendar years			January-June	
	2017	2018	2019	2019	2020
B + C – D – F – H – J – L = should equal zero ("0") or provide an explanation. ¹	0	0	0	0	0
<p>¹ Explanation if the calculated fields above are returning values other than zero (i.e., "0") but are nonetheless accurate: _____.</p>					

V-3. **Channels of distribution.**--Report your firm's U.S. shipments (i.e. inclusive of commercial U.S. shipments, internal consumption, and transfers to related firms) of all other cigarettes (i.e., cigarettes other than 4th tier cigarettes) by channel of distribution.

Quantity (in cartons) Value (in \$1,000)					
Item	Calendar years			January-June	
	2017	2018	2019	2019	2020
Channels of distribution:					
U.S. shipments:					
to Distributors					
Quantity (M)					
Value (N)					
to Retailers or End users					
Quantity (O)					
Value (P)					

***RECONCILIATION OF CHANNELS.**--Please ensure that the quantities and values reported for channels of distribution (i.e., lines M and O for quantity and lines N and P for value) in each time period equal the quantity reported for U.S. shipments (i.e., lines D, F, H for quantity and lines E, G, and I for value) 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	Calendar years			January-June	
	2017	2018	2019	2019	2020
Quantity: M + O – D - F- H = zero ("0"), if not revise.	0	0	0	0	0
Value: N + P – E – G - I = zero ("0"), if not revise.	0	0	0	0	0

V-4. **U.S. shipments, by grade.**-- Report your firm's U.S. shipments (i.e. inclusive of commercial U.S. shipments, internal consumption, and transfers to related firms) of all other cigarettes (i.e., cigarettes other than 4th tier cigarettes) by product grade.

Quantity (in cartons) Value (in \$1,000)					
Item	Calendar years			January-June	
	2017	2018	2019	2019	2020
U.S. shipments, by grade:					
Premium					
Quantity (Q)					
Value (R)					
Branded discount					
Quantity (S)					
Value (T)					
Sub-generic/private label					
Quantity (U)					
Value (V)					

RECONCILIATION OF U.S. SHIPMENTS BY GRADE.--Please ensure that the quantities and values reported for U.S. shipments by grade (i.e., lines Q, S, and U for quantity and lines R, T, and V for value) in each time period equal the quantity reported for U.S. shipments (i.e., lines D, F, H for quantity and lines E, G, and I for value) 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	Calendar years			January-June	
	2017	2018	2019	2019	2020
Quantity: Q + S + U – D - F- H = zero ("0"), if not revise.	0	0	0	0	0
Value: R + T + V – E – G - I = zero ("0"), if not revise.	0	0	0	0	0

V-5. **Employment data.**--Report your firm's employment-related data related to the production of all other cigarettes (i.e., cigarettes other than 4th tier cigarettes) 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.

Average number employed may be computed by adding the number of employees, both full time and part time, for the 12 pay periods ending closest to the 15th of the month and divide that total by 12. For the January to June periods, calculate similarly and divide by 6.

If your firm had the same number of PRWs in all calendar years and had not experienced any changes in PRWs in the most recent interim period, you would have the same number of PRWs for the interim periods, regardless of whether the interim periods are Jan-Mar (Q1), Jan-June (Q1+Q2), or Jan-Sept (Q1+Q2+Q3)."

"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 years			January-June	
	2017	2018	2019	2019	2020
Average number of PRWs (<i>number</i>)					
Hours worked by PRWs (<i>1,000 hours</i>)					
Wages paid to PRWs (<i>\$1,000</i>)					

Explanation of trends:

V-6. **Related firms.**--If your firm reported transfers to related firms in question II-7, please identify the firm(s) and 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.

V-7a. **Geographic shipment.**--Report your firm's U.S. shipments (i.e. inclusive of commercial U.S. shipments, internal consumption, and transfers to related firms) by region of intended consumption (i.e., how cartons are stamped/ intended for consumer sale) if known, or by region of your firm's initial U.S. shipment if region of consumption is not known.

Quantity (in cartons)					
U.S. shipments for sale in:	Calendar years			January-June	
	2017	2018	2019	2019	2020
New England. --CT, ME, MA, NH, RI, and VT.					
Mid-Atlantic. --DC, DE,MD, NJ, NY, PA, VA, and WV					
Plains. --IA, KS, MN, MO, NE, ND, and SD.					
Great Lakes. --IL, IN, MI, OH, and WI.					
South. --AL, FL, GA, KY, MS, NC, SC, and TN.					
Central Southwest. --AR, LA, OK, and TX.					
Mountains. --AZ, CO, ID, MT, NV, NM, UT, and WY.					
Pacific Coast. --CA, OR, and WA.					
Other. --All other markets in the United States not previously listed, including AK, HI, PR, and VI.					
U.S. shipments to all regions (line S)	0	0	0	0	0

***RECONCILIATION OF GEOGRAPHIC SHIPMENTS.**--Please ensure that the quantities reported for US shipments by geographical region (i.e., line S, which add all the regions together within that column) in each time period equal the quantity reported for U.S. shipments from question V-2 (i.e., lines D, F, and H) 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	Calendar years			January-June	
	2017	2018	2019	2019	2020
Quantity: S – D – F – H = zero ("0"), if not revise.	0	0	0	0	0

V-7b. **Stem content.**--Report the minimum, maximum, and average stem content of your firm's other cigarettes by tier category.

Product	Stem content		
	Minimum	Average	Maximum
	Share stem content (<i>percent</i>)		
"Premium" other cigarettes			
"Branded" other cigarettes			
"Sub-generic/ private label" other cigarettes			
All other (i.e., non 4 th tier) cigarettes combined			

PART V--Continued--FINANCIAL INFORMATION (All OTHER CIGARETTE PRODUCERS)

Address questions on this part of the questionnaire to David Boyland (202-708-4725, David.Boyland@usitc.gov).

V-8. **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 V.

Name	
Title	
Email	
Telephone	

V-9. **Accounting system.**--Please provide the following information on 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:

Note.--Please note that we are requesting that firms report their financial data on a calendar year basis.

B.1. Describe the lowest level of operations (e.g., plant, division, company-wide) for which financial statements are prepared that include non-4th tier cigarettes:

2. Does your firm prepare profit/loss statements for non-4th tier cigarettes?

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, 10 Qs,
 Monthly, quarterly, semi-annually, annually

4. Accounting basis: U.S. GAAP, IFRS, 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 non-4th tier cigarettes, as well as specific statements and worksheets) used to compile these data.

V-10. **Cost accounting system.**--Briefly describe your firm's cost accounting system (e.g., standard cost, job order cost, etc.).

V-11. **Allocation basis.**--Briefly describe your firm's allocation basis, if any, for COGS, SG&A, and interest expense and other income and expenses.

--

V-12. **Product listing.**--Please list the products your firm produced in the facilities in which your firm produced non-4th tier cigarettes and provide the share of net sales accounted for by these products in your firm's most recent fiscal year.

Products	Share of sales
Non-4th tier cigarettes	%
	%
	%
	%
	%

V-13. **Inputs from related suppliers.**--Does your firm purchase **inputs** (raw materials, labor, energy, or any services) used in the production of non-4th tier cigarettes 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 V-14	No—Skip to question V-16
<input type="checkbox"/>	<input type="checkbox"/>

V-14. **Inputs from related suppliers detailed.**--Please identify the inputs used in the production of non-4th tier cigarettes that your firm purchases from related suppliers and that are reflected in question V-16a. 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 your 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		

V-15. **Inputs purchased from related suppliers.**--Please confirm that the inputs purchased from related suppliers, as identified in V-13, are reported in V-16a (financial results on non-4th tier cigarettes) in a manner consistent with your firm’s accounting books and records.

Yes	No	If no--In the space below, please report the valuation basis of inputs purchased from related suppliers as reported in question V-16a.
<input type="checkbox"/>	<input type="checkbox"/>	

V-16a. **Operations on non-4th tier cigarettes.**--Report the revenue and related cost information requested below on the non-4th tier cigarettes 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 the designated calendar years and for the specified interim periods. **Note: If your company routinely includes participating manufacturer Master Settlement Agreement (MSA) accruals and state settlement accruals as an income statement cost/expense component, please include these amounts in the V-16a line item that most closely reflects the company's routine income statement classification. Do not include participating manufacturer MSA accruals and state settlement accruals in V-16a if they are not routinely included in your company's income statement.**

Quantity (in cartons) and value (in \$1,000)					
Item	Calendar years			January-June	
	2017	2018	2019	2019	2020
Net sales quantities: ²					
Commercial sales ("CS")					
Internal consumption ("IC")					
Transfers to related firms ("Transfers")					
Total net sales quantities	0	0	0	0	0
Net sales values: ²					
Commercial sales					
Internal consumption					
Transfers to related firms					
Total net sales values	0	0	0	0	0
Cost of goods sold (COGS): ³					
Raw materials					
Direct labor					
Other factory costs					
Total COGS	0	0	0	0	0
Gross profit or (loss)	0	0	0	0	0
Selling, general, and administrative (SG&A) expenses					
Operating income (loss)	0	0	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	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 V. of this questionnaire.

³ COGS (whether for domestic or export sales) should include costs associated with CS, IC, and Transfers.

V-16b. **Participating manufacturer MSA and state settlement accruals.**--Please report the total participating manufacturer MSA and state settlement accruals made during the period examined. Note: Amounts should be reported in the table below whether or not they are already reflected in table V-16a.

Item	Calendar years			January-June	
	2017	2018	2019	2019	2020
	Value (\$1,000)				
Participating manufacturer MSA and state settlement accruals					

Were the above amounts included in table V-16a?

Yes	If yes--please identify the V-16a line item that reflects participating manufacturer MSA and statement settlement accruals.
<input type="checkbox"/>	

No
<input type="checkbox"/>

V-16c. **Formal accounting treatment of participating manufacturer MSA and state settlement accruals.**--Please describe how your company routinely accounts for its participating manufacturer MSA and state settlement accruals. In your description please specify the extent to which these accruals are or are not routinely reflected in the company's formal income statement. If included in the company's formal income statement, please specify formal income statement classification.

Please describe how participating manufacturer MSA and state settlement accruals and obligations are reflected in the company's formal statement of cash flows and balance sheet, respectively.

Statement of cash flows:

Balance sheet:

V-16d. **Impact of participating manufacturer MSA and state settlement accruals.**--Please describe how participating manufacturer MSA and state settlement accruals directly and indirectly impact the company's operations and financial results. As applicable, please respond to this question in terms of revenue and pricing decisions, including geographic market focus, working capital and cash flow management, as well as other relevant factors.

--

V-16e. **Financial data reconciliation.**--The calculable line items from question V-16a (i.e., total net sales quantities and values, total COGS, gross profit (or loss), operating income (or loss), 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?

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

V-16f. **Raw materials.**--Please report the share of total raw material costs in 2019 (reported in V-16a) for the following raw material inputs:

		Procurement method	
		Primarily produced by your firm and/or purchased from related suppliers	Primarily purchased by your firm from unrelated suppliers
Input	Share of total raw material costs (percent)		
Tobacco blends		<input type="checkbox"/>	<input type="checkbox"/>
Other material inputs ¹		<input type="checkbox"/>	<input type="checkbox"/>
Total (should sum to 100 percent)	0.0		
¹ Please indicate any notable "other" raw materials not expressly identified above and provide the share of the total raw material costs that they account for: _____.			

V-17. **Nonrecurring items (charges and gains) included in non-4th tier cigarettes financial results.**-- For each annual and interim period for which financial results are reported in question V-16a, please specify all material (significant) nonrecurring items (charges and gains) in the schedule below, the specific question V-16a 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 question V-16a; i.e., if an aggregate nonrecurring item has been allocated to question V-16a, only the allocated value amount included in question V-16a 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 non-4th tier cigarettes in question V-16a.

Item	Calendar years			January-June	
	2017	2018	2019	2019	2020
	Value (\$1,000)				
Nonrecurring item 1					
Nonrecurring item 2					
Nonrecurring item 3					
Nonrecurring item 4					
Nonrecurring item 5					
Nonrecurring item 6					
Nonrecurring item 7					

Nonrecurring item: In this table, please provide a brief description of each nonrecurring item reported above and indicate the specific line item in question V-16a where the nonrecurring item is classified.

	Description of the nonrecurring item	Income statement classification of the nonrecurring item
Nonrecurring item 1		
Nonrecurring item 2		
Nonrecurring item 3		
Nonrecurring item 4		
Nonrecurring item 5		
Nonrecurring item 6		
Nonrecurring item 7		

V-18. **Classification of identified nonrecurring items (charges and gains) in the accounting books and records of the company.**--If non-recurring items were reported in question V-13 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 V-13 identify where these items are reported in question V-16a.

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V-19a. **Asset values.**--Report the total assets (i.e., both current and long-term assets) associated with the production, warehousing, and sale of non-4th tier cigarettes. If your firm does not maintain some or all of the specific asset information necessary to calculate total assets for non-4th tier cigarettes 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 question V-16a. Provide data as of the end of the designated calendar years.

Note: Total assets should reflect net assets after any accumulated depreciation and allowances deducted. Total assets should be allocated to operations on non-4th tier cigarettes if these assets are also related to other products.

Value (in \$1,000)			
Item	Calendar years		
	2017	2018	2019
Total assets (net)			

V-19b. **Description of reported assets.**-- Please describe the main asset categories (both current and long-term assets) in the above response. 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.

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V-20a. **Capital expenditures and research and development expenses.**--Report your firm's capital expenditures and research and development expenses for non-4th tier cigarettes. Provide data for the designated calendar years and for the specified interim periods.

Value (in \$1,000)					
Item	Calendar years			January-June	
	2017	2018	2019	2019	2020
Capital expenditures					
R&D expenses					

V-20b. **Description of reported capital expenditures.**-- Please describe the nature, focus, and significance of your firm's reported capital expenditures in the above response. If no capital expenditure data were reported, please explain the reason.

V-20c. **Description of reported R&D expenses.**-- Please describe the nature, focus, and significance of your firm's reported R&D expenses in the response above. If no R&D expenses were reported, please explain the reason.

V-21. **Data consistency and reconciliation.**--Please confirm that your firm's financial data for questions V-16a, 19a, and 20a are reported on a calendar year basis:

Please note the quantities and values reported in question V-16a should reconcile with the data reported in question V-2 (including export shipments).

***RECONCILIATION OF TRADE VS FINANCIAL DATA.**--Please ensure that the quantities and values reported for total shipments in part V-2 equal the quantities and values reported for total net sales in V-16a of this questionnaire in each time period. If the calculated fields below return values other than zero (i.e., "0") please explain the discrepancy below.*

Reconciliation	Calendar years ended			January-June	
	2017	2018	2019	2019	2020
Quantity: Trade data from question V-2 (lines D, F, H, and J) less financial total net sales quantity data from question V-16a, = zero ("0").	0	0	0	0	0
Value: Trade data from question V-2 (lines E, G, I, and K) less financial total net sales value data from question V-16a, = zero ("0").	0	0	0	0	0

Do these data in question V-16a reconcile with data in question V-2?

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

V-22. **Effects of imports on investment.**--Since January 1, 2017, has your firm experienced any actual negative effects on its return on investment or the scale of capital investments as a result of imports of 4th tier cigarettes from Korea?

No	Yes	If yes, my firm has experienced actual negative effects as follows.
<input type="checkbox"/>	<input type="checkbox"/>	

<i>(check as many as appropriate)</i>		<i>(please describe)</i>
<input type="checkbox"/>	Cancellation, postponement, or rejection of expansion projects	
<input type="checkbox"/>	Denial or rejection of investment proposal	
<input type="checkbox"/>	Reduction in the size of capital investments	
<input type="checkbox"/>	Return on specific investments negatively impacted	
<input type="checkbox"/>	Other	

V-23. **Effects of imports on growth and development.**--Since January 1, 2017, has your firm experienced any actual negative effects on its growth, ability to raise capital, or existing development and production efforts (including efforts to develop a derivative or more advanced version of the product) as a result of imports of 4th tier cigarettes from Korea?

No	Yes	
<input type="checkbox"/>	<input type="checkbox"/>	If yes, my firm has experienced actual negative effects as follows.

<i>(check as many as appropriate)</i>		<i>(please describe)</i>
<input type="checkbox"/>	Rejection of bank loans	
<input type="checkbox"/>	Lowering of credit rating	
<input type="checkbox"/>	Problem related to the issue of stocks or bonds	
<input type="checkbox"/>	Ability to service debt	
<input type="checkbox"/>	Other	

V-24. **Anticipated effects of imports.**--Does your firm anticipate any negative effects due to imports of 4th tier cigarettes from Korea?

No	Yes	If yes, my firm anticipates negative effects as follows.
<input type="checkbox"/>	<input type="checkbox"/>	

V-25. **Other explanations.**--If your firm would like to further explain a response to a question in Part V. for which a narrative box was not provided, 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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HOW TO FILE YOUR QUESTIONNAIRE RESPONSE

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

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:

https://www.usitc.gov/investigations/701731/2019/4th_tier_cigarettes_korea/preliminary.htm.

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

- **E-mail.**—E-mail the MS Word questionnaire to Lawrence.jones@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.