FACT SHEET

Preliminary Determination of Antidumping Duty Investigation: Wooden Bedroom Furniture from the People's Republic of China

On June 18, 2004, the Department of Commerce announced its preliminary determination in the antidumping duty investigation of wooden bedroom furniture from the People's Republic of China (PRC). We preliminarily find that producers/exporters have sold wooden bedroom furniture from China in the U.S. market at less than fair value, with margins ranging from 4.90 percent to 198.08 percent.

Upon publication of the preliminary determination in the *Federal Register*, U.S. Customs and Border Protection (Customs) will begin to suspend liquidation of entries of subject merchandise and to collect a bond or cash deposit based on the margins in the Department's preliminary determination.

Next Steps: Interested parties are invited to submit comments on this preliminary determination. The Department will consider all submitted comments along with record evidence before making its final determination later this fall. If the Department makes a final affirmative determination, the U.S. International Trade Commission (ITC) is scheduled to make its final injury determination on or about December 20, 2004. If the ITC makes a final affirmative determination that imports were materially injuring, or threatening to materially injure, the domestic industry, the Department will issue an antidumping duty order and will instruct Customs to collect cash deposits on imports of subject merchandise.

Petitioners: The petition requesting this investigation was filed by the American Furniture Manufacturers Committee for Legal Trade and its individual members and the Cabinet Makers, Millmen, and Industrial Carpenters Local 721, UBC Southern Council of Industrial Worker's Local Union 2305, United Steel Workers of American Local 193U, Carpenters Industrial Union Local 2093, and Teamsters, Chauffeurs, Warehousemen and Helper Local 991, on behalf of the domestic industry and workers producing wooden bedroom furniture.

Mandatory Respondents: Given its limited resources and the extraordinary scope and complexity of the investigation, the Department selected seven mandatory respondents in this investigation. These seven companies, which are listed along with their respective preliminary dumping margins, below, represent roughly 40 percent of all imports of wooden bedroom furniture from China to the United States.

Section A Respondents (Companies Receiving a "Separate Rate"): Companies not selected as mandatory respondents may request separate-rate status by providing voluntary responses to the Department's Section A questionnaire. The Department received 118 such responses completed by companies claiming that their export activities are not controlled by the PRC government. Separate-rate status entitles the exporter to an antidumping duty rate based on a weighted-average of the mandatory respondents' rates rather than the PRC-wide rate. As a result of the its analysis of the questionnaire and supplemental questionnaire responses submitted by the Section A respondents, the Department found that a large portion (82 companies) of these Section A respondents had demonstrated that they were eligible to receive a separate rate of **10.92 percent**. The complete list of companies preliminarily found to qualify for this separate rate may be accessed on Import Administration's website: <u>www.ia.ita.doc.gov</u>.

Product Description: The wooden bedroom furniture covered by the scope of this investigation is generally,

but not exclusively, designed, manufactured, and offered for sale in coordinated groups, or bedrooms, in which all of the individual pieces are of approximately the same style and approximately the same material and/or finish. The subject merchandise is made substantially of wood products, including both solid wood and also engineered wood products made from wood particles, fibers, or other wooden materials such as plywood, oriented strand board, particle board, and fiberboard; with or without wood veneers, wood overlays, or laminates; with or without non-wood components or trim such as metal, marble, leather, glass, plastic, or other resins; and whether or not assembled, completed, or finished. *See complete subject merchandise description below*.

Preliminary Dumping Margins:

PRODUCER/EXPORTER	MARGIN
Dongguan Lung Dong Furniture Co., Ltd. and Dongguan Dong He Furniture Co., Ltd (Dongguan Lung Dong)	7.04
Rui Feng Woodwork Co., Ltd., Rui Feng Lumber Development Co., Ltd., and Dorbest Limited (Dorbest Group)	19.24
Lacquer Craft Manufacturing Company, Ltd. (Lacquer Craft)	4.90
Markor International Furniture (Tianjin) Manufacture Co., Ltd. (Markor Tianjin)	8.38
Shing Mark Enterprise Co., Ltd., Carven Industries Limited (BVI), Carven Industries Limited (HK), Dongguan Zhenzin Furniture Co., Ltd., and Dongguan Yongpeng Furniture Co., Ltd. (Shing Mark)	6.59
Starcorp Furniture (Shanghai) Co., Ltd., Orin Furniture (Shanghai) Co., Ltd., and Shanghai Starcorp Furniture Co., Ltd. (Starcorp)	24.34
Tech Lane Wood Mfg. and Kee Jia Wood Mfg. (Tech Lane)	9.36
Section A Respondents (Separate Rates)*	10.92
PRC-wide Entity	198.08

*Note: For a list of Section A respondents receiving a separate rate (other than mandatory respondents), please see Import Administration's website at <u>www.ia.ita.doc.gov</u>.

Case Calendar:

EVENT	DATE OF ACTION		
Petition Filed	October 31, 2003		
Initiation Date	December 17, 2003		
ITC Preliminary Determination	January 12, 2004		
ITA Preliminary Determination (Fully Extended)	June 17, 2004		
ITA Final Determination	November 5, 2004 (Fully Extended)		
ITC Final Determination*	December 20, 2004		
Signature of Order (Estimated)**	December 27, 2004		

* This will take place only in the event of a final affirmative determination from the Department of Commerce. ** This will take place only in the event of a final affirmative determination from both the Department of Commerce and the International Trade Commission.

Import Statistics:

	2000	2001	2002	2003	JanMarch 2003	JanMarch 2004
China (\$US)	358,752,629	477,365,926	817,343,128	1,162,737,347	245,127,757	307,633,926
Total (\$US)	1,508,345,671	1,640,063,730	2,058,411,861	2,413,281,831	547,713,921	624,171,555
China as % of Total	24%	29%	40%	48%	45%	49%

Source: U.S. ITC Trade DataWeb for HTS 9403.50.9040 and 9403.50.9080 (<u>http://dataweb.usitc.gov/scripts/REPORT.asp</u>). These figures are unadjusted and the full scope of this investigation includes merchandise categorized under HTS 9403.90.7000 and 7009.92.5000 as well. Please see the Product Description section of the Notice of Preliminary Determination for a full description of the scope of this investigation.

SUBJECT MERCHANDISE

Imports of subject merchandise are classified under statistical category 9403.50.9040 of the Harmonized Tariff Schedule of the United States (HTSUS) as "wooden...beds" and under statistical category 9403.50.9080 of the HTSUS as "other...wooden furniture of a kind used in the bedroom." In addition, wooden headboards for beds, wooden footboards for beds, wooden side rails for beds, and wooden canopies for beds may also be entered under statistical category 9403.50.9040 of the HTSUS as "parts of wood," and framed glass mirrors may also be entered under statistical category 7009.92.5000 of the HTSUS as "glass mirrors...framed." This investigation covers all wooden bedroom furniture meeting the above description, regardless of tariff classification. Although the HTSUS subheadings are provided for convenience and customs purposes, our written description of the scope of this proceeding is dispositive.

The subject merchandise includes (1) wooden beds such as loft beds, bunk beds, and other beds; (2) wooden headboards for beds (whether stand-alone or attached to side rails), wooden footboards for beds, wooden side rails for beds, and wooden canopies for beds; (3) night tables, night stands, dressers, commodes, bureaus, mule chests, gentlemen's chests, bachelor's chests, lingerie chests, wardrobes, vanities, chessers, chifforobes, and wardrobe-type cabinets; (4) dressers with framed glass mirrors that are attached to, incorporated in, sit on, or hang over the dresser; (5) chests-on-chests¹, highboys², lowboys³, chests of drawers⁴, chests⁵, door chests⁶, chiffoniers⁷, hutches⁸, and armoires⁹; (6) desks, computer stands, filing cabinets, book cases, or writing tables that are attached to or incorporated in the subject merchandise; and (7) other bedroom furniture consistent with the above list.

3 A lowboy is typically a short chest of drawers, not more than four feet high, normally set on short legs.

7 A chiffonier is typically a tall and narrow chest of drawers normally used for storing undergarments and lingerie, often with mirror(s) attached.

¹ A chest-on-chest is typically a tall chest-of-drawers in two or more sections (or appearing to be in two or more sections), with one or two sections mounted (or appearing to be mounted) on a slightly larger chest; also known as a tallboy.

² A highboy is typically a tall chest of drawers usually composed of a base and a top section with drawers, and supported on four legs or a small chest (often 15 inches or more in height).

⁴ A chest of drawers is typically a case containing drawers for storing clothing.

⁵ A chest is typically a case piece taller than it is wide featuring a series of drawers and with or without one or more doors for storing clothing. The piece can either include drawers or be designed as a large box incorporating a lid.

⁶ A door chest is typically a chest with hinged doors to store clothing, whether or not containing drawers. The piece may also include shelves for televisions and other entertainment electronics.

⁸ A hutch is typically an open case of furniture with shelves that typically sits on another piece of furniture and provides storage for clothes.

⁹ An armoire is typically a tall cabinet or wardrobe (typically 50 inches or taller), with doors, and with one or more drawers (either exterior below or above the doors or interior behind the doors), shelves, and/or garment rods or other apparatus for storing clothes. Bedroom armoires may also be used to hold television receivers and/or other audio-visual entertainment systems.

The scope of the Petition excludes (1) seats, chairs, benches, couches, sofas, sofa beds, stools, and other seating furniture; (2) mattresses, mattress supports (including box springs), infant cribs, water beds, and futon frames; (3) office furniture, such as desks, stand-up desks, computer cabinets, filing cabinets, credenzas, and bookcases; (4) dining room or kitchen furniture such as dining tables, chairs, servers, sideboards, buffets, corner cabinets, china cabinets, and china hutches; (5) other non-bedroom furniture, such as television cabinets, cocktails tables, end tables, occasional tables, wall systems, book cases, and entertainment systems; (6) bedroom furniture made primarily of wicker, cane, osier, bamboo or rattan; (7) side rails for beds made of metal if sold separately from the headboard and footboard; and (8) bedroom furniture in which bentwood parts predominate.¹⁰

¹⁰ As used herein, bentwood means solid wood made pliable. Bentwood is wood that is brought to a curved shape by bending it while made pliable with moist heat or other agency, and then set by cooling or drying. See Customs' Headquarters' Ruling Letter 043859, dated May 17, 1976.