

A-570-890
Third Remand
Redetermination
POR: 2009
PUBLIC DOCUMENT
EC/IV: VE

Home Meridian Int'l, Inc. v. United States
14-1251 (C.A.F.C. December 1, 2014)
**FINAL RESULTS OF THIRD REDETERMINATION
PURSUANT TO COURT ORDER**

I. SUMMARY

The U.S. Department of Commerce (the “Department”) prepared these final results of redetermination pursuant to the decision issued by the Court of Appeals for the Federal Circuit (“Appellate Court” or “CAFC”) which vacated the Department’s remand results issued pursuant to Home Meridian II and the Court of International Trade’s (“CIT”) decision thereon, and directed the CIT to reinstate the Department’s valuation in the First Redetermination.¹ This litigation pertains to certain issues in the 2009 administrative review of the antidumping duty order on wooden bedroom furniture from the People’s Republic of China.² The Department issued draft results of the third remand redetermination on March 10, 2015, and provided interested parties with an opportunity to comment on those results by no later than March 16, 2015. On March 16, 2015, the U.S. petitioners in the underlying administrative proceeding indicated that they support the Department’s draft results. No other interested party submitted comments to the Department.

¹ See Home Meridian Int'l Inc. v. United States, No. 14-1251 slip op. (C.A.F.C. December 1, 2014); Home Meridian Int'l, Inc. v. United States, Consol. Court No. 11-00325, Slip Op. 2013-81 (June 25, 2013) (“Home Meridian II”); Home Meridian Int'l, Inc. v. United States, 865 F. Supp. 2d 1311 (September 19, 2012) (“Home Meridian I”).

² See Wooden Bedroom Furniture From the People’s Republic of China: Final Results and Final Rescission in Part, 76 FR 49729 (August 11, 2011).

In Home Meridian II, the CIT remanded two issues to the Department concerning the respondent, Dalian Huafeng Furniture Group Co., Ltd. (“Huafeng”). The first issue is whether certain types of wood inputs should be valued using market-economy (“ME”) prices or surrogate values given that Huafeng purchased these specific types of wood from ME suppliers prior to the period of review (“POR”), but made no purchases of these types of wood during the POR. The CIT held that the Department failed to provide a reasonable explanation for why it valued the wood types using surrogate values rather than ME prices and, thus, its use of surrogate values was unsustainable. This decision was appealed to the CAFC, which reviews the Department’s factual determinations for substantial evidence, and its legal conclusions *de novo*.

After reviewing the facts and circumstances of this proceeding, as well as the legal conclusions made by the Department, the CAFC held that the CIT erred when it instructed the Department to use non-contemporaneous, ME input values to calculate factors of production, even after the Department provided a reasonable explanation for rejecting the ME prices and relying instead on contemporaneous surrogate values. The CAFC thus vacated the Department’s remand results issued pursuant to Home Meridian II and instructed the CIT to uphold the Department’s remand results issued pursuant to Home Meridian I with respect to surrogate values.

In the second remand results issued pursuant to Home Meridian II, the Department also addressed the use of financial statements from Insular Rattan and Native Products Corp. (“Insular Rattan”) to calculate surrogate financial ratios. The CIT in Home Meridian II held that the Department’s conclusion that the financial statements of Insular Rattan are reliable was not based on substantial evidence and its use of the statements is contrary to the Department’s practice. On remand, the CIT directed the Department not to use Insular Rattan’s financial

statements in calculating surrogate financial ratios. The issue of financial ratios was not raised by the parties on appeal to the CAFC. Hence, the CIT's order on remand dated January 28, 2015 instructs the Department to continue to use the financial ratios calculated in the final remand results issued pursuant to Home Meridian II. Therefore, the Department has continued to use financial ratios exclusive of Insular Rattan's financial statements for these final Third Remand Results.

II. FINAL RESULTS OF REDETERMINATION

For the purposes of these final Third Remand Results, the Department relied on surrogate values, rather than ME purchase prices, as the best available information for valuing certain wood inputs, as it did in the First Remand Results pursuant to Home Meridian I. Further, the Department excluded Insular Rattan's financial statements from its calculation of surrogate financial ratios. Based on these actions we calculated a dumping margin of 45.83 percent, which we assigned to Huafeng. Accordingly, the new margin for the separate rate respondents, Nanhai Baiyi Woodwork Co. Ltd. and Dongguan Liaobushangdun Huada Furniture Factory, Great Rich (HK) Enterprise Co., Ltd., is 45.83 percent.



Paul Piquado
Assistant Secretary
for Enforcement and Compliance

27 MARCH 2015
Date