



## FACT SHEET

### **Commerce Finds Dumping and Subsidization of Imports of Hardwood Plywood Products from the People's Republic of China**

- On November 13, 2017, the Department of Commerce (Commerce) announced its affirmative final determinations in the antidumping duty (AD) and countervailing duty (CVD) investigations of imports of hardwood plywood products from the People's Republic of China (China).
- The AD and CVD laws provide U.S. businesses and workers with a transparent, quasi-judicial, and internationally accepted mechanism to seek relief from the market-distorting effects caused by injurious dumping and subsidization of imports into the United States, establishing an opportunity to compete on a level playing field.
- For the purpose of an AD investigation, dumping occurs when a foreign company sells a product in the United States at less than its fair value. For the purpose of a CVD investigation, a countervailable subsidy is financial assistance from foreign governments that benefits the production of goods from foreign companies and is limited to specific enterprises or industries, or is contingent either upon export performance or upon the use of domestic goods over imported goods.
- Commerce found that dumping has occurred by mandatory respondent Shandong Dongfang Bayley Wood Co., Ltd. at a margin of 183.36 percent, based on adverse facts available because it did not cooperate to the best of its ability. Commerce found that dumping has occurred by mandatory respondent Linyi Chengen Import and Export Co., Ltd. at a margin of 183.36 percent. Commerce established a dumping margin of 183.36 percent for the non-selected respondents eligible for a separate rate, and a dumping margin of 183.36 percent for all other producers/exporters in China that are part of the China-wide entity, based on adverse facts available because they did not cooperate to the best of their ability.
- Commerce calculated final subsidy rates of 22.98 percent and 194.90 percent for mandatory respondents Linyi Sanfortune Wood Co., Ltd. and Shandong Dongfang Bayley Wood Co., Ltd., respectively. Shandong Dongfang Bayley Wood Co., Ltd.'s subsidy rate of 194.90 percent was based on adverse facts available because it did not cooperate to the best of its ability. The 61 companies that did not respond to Commerce's quantity and value questionnaire also received a subsidy rate of 194.90 percent because, by not responding, they did not cooperate to the best of their ability. Commerce established a final subsidy rate of 22.98 percent for all other producers/exporters in China.
- Upon publication of the final affirmative AD determination, Commerce will instruct U.S. Customs and Border Protection (CBP) to collect cash deposits equal to the applicable final weighted-average dumping rates. Further, as a result of the affirmative final CVD determination, if the U.S. International Trade Commission (ITC) makes an affirmative injury determination, Commerce will instruct CBP to resume collection of cash deposits equal to the applicable subsidy rates.
- Commerce found in the AD investigation that "critical circumstances" exist with respect to the China-wide entity, which includes Shandong Dongfang Bayley Wood Co., Ltd. Commerce also found in the CVD investigation that "critical circumstances" exist with respect to Shandong Dongfang Bayley Wood Co., Ltd. and those companies receiving adverse facts available rate due to their failure to respond to

Commerce's quantity and value questionnaire. Commerce also found in the CVD investigation that "critical circumstances" do not exist with respect to Linyi Sanfortune Wood Co., Ltd. and "all other" companies. Consequently, Commerce will instruct CBP to impose provisional measures retroactively on entries of hardwood plywood products from China, effective 90 days prior to publication of the preliminary determinations in the *Federal Register*, for the affected producers and exporters.

- The petitioners are the Coalition for Fair Trade in Hardwood Plywood and its individual members: Columbia Forest Products (Greensboro, NC), Commonwealth Plywood Inc. (Whitehall, NY), Murphy Plywood (Eugene, OR), Roseburg Forest Products Co. (Roseburg, OR), States Industries, Inc. (Eugene, OR), and Timber Products Company (Springfield, OR).
- The merchandise subject to these investigations is hardwood and decorative plywood, and certain veneered panels as described below. For purposes of this proceeding, hardwood and decorative plywood is defined as a generally flat, multilayered plywood or other veneered panel, consisting of two or more layers or plies of wood veneers and a core, with the face and/or back veneer made of non-coniferous wood (hardwood) or bamboo. The veneers, along with the core may be glued or otherwise bonded together. Hardwood and decorative plywood may include products that meet the American National Standard for Hardwood and Decorative Plywood, ANSI/HPVA HP-1-2016 (including any revisions to that standard).
- For purposes of these investigations, a "veneer" is a slice of wood regardless of thickness which is cut, sliced or sawed from a log, bolt, or flitch. The face and back veneers are the outermost veneer of wood on either side of the core irrespective of additional surface coatings or covers as described below.
- The core of hardwood and decorative plywood consists of the layer or layers of one or more material(s) that are situated between the face and back veneers. The core may be composed of a range of materials, including but not limited to hardwood, softwood, particleboard, or medium-density fiberboard (MDF).
- All hardwood plywood is included within the scope of these investigations regardless of whether or not the face and/or back veneers are surface coated or covered and whether or not such surface coating(s) or covers obscures the grain, textures, or markings of the wood. Examples of surface coatings and covers include, but are not limited to: ultra-violet light cured polyurethanes; oil or oil-modified or water based polyurethanes; wax; epoxy-ester finishes; moisture-cured urethanes; paints; stains; paper; aluminum; high pressure laminate; MDF; medium density overlay (MDO); and phenolic film. Additionally, the face veneer of hardwood plywood may be sanded; smoothed or given a "distressed" appearance through such methods as hand-scraping or wire brushing. All hardwood plywood is included within the scope even if it is trimmed; cut-to-size; notched; punched; drilled; or has underwent other forms of minor processing.
- All hardwood and decorative plywood is included within the scope of these investigations, without regard to dimension (overall thickness, thickness of face veneer, thickness of back veneer, thickness of core, thickness of inner veneers, width, or length). However, the most common panel sizes of hardwood and decorative plywood are 1219 x 1829 mm (48 x 72 inches), 1219 x 2438 mm (48 x 96 inches), and 1219 x 3048 mm (48 x 120 inches).
- Subject merchandise also includes hardwood and decorative plywood that has been further processed in a third country, including but not limited to trimming, cutting, notching, punching, drilling, or any other processing that would not otherwise remove the merchandise from the scope of the investigations if performed in the country of manufacture of the in-scope product.

- The scope of the investigations excludes the following items: (1) structural plywood (also known as “industrial plywood” or “industrial panels”) that is manufactured to meet U.S. Products Standard PS 1-09, PS 2-09, or PS 2-10 for Structural Plywood (including any revisions to that standard or any substantially equivalent international standard intended for structural plywood), and which has both a face and a back veneer of coniferous wood; (2) products which have a face and back veneer of cork; (3) multilayered wood flooring, as described in the antidumping duty and countervailing duty orders on Multilayered Wood Flooring from the People’s Republic of China, Import Administration, International Trade Administration. *See Multilayered Wood Flooring from the People’s Republic of China*, 76 FR 76,690 (Dec. 8, 2011) (*amended final determination of sales at less than fair value and antidumping duty order*), and *Multilayered Wood Flooring from the People’s Republic of China*, 76 FR 76,693 (Dec. 8, 2011) (*countervailing duty order*), as amended by *Multilayered Wood Flooring from the People’s Republic of China: Amended Antidumping and Countervailing Duty Orders*, 77 FR 5,484 (Feb.3, 2012); (4) multilayered wood flooring with a face veneer of bamboo or composed entirely of bamboo; (5) plywood which has a shape or design other than a flat panel, with the exception of any minor processing described above; (6) products made entirely from bamboo and adhesives (also known as “solid bamboo”); and (7) Phenolic Film Faced Plyform (PFF), also known as Phenolic Surface Film Plywood (PSF), defined as a panel with an “Exterior” or “Exposure 1” bond classification as is defined by The Engineered Wood Association, having an opaque phenolic film layer with a weight equal to or greater than 90g/m<sup>3</sup> permanently bonded on both the face and back veneers and an opaque, moisture resistant coating applied to the edges.
- Excluded from the scope of these investigations are wooden furniture goods that, at the time of importation, are fully assembled and are ready for their intended uses. Also excluded from the scope of these investigations is "ready to assemble" ("RTA") furniture. RTA furniture is defined as (A) furniture packaged for sale for ultimate purchase by an end-user that, at the time of importation, includes 1) all wooden components (in finished form) required to assemble a finished unit of furniture, 2) all accessory parts (e.g., screws, washers, dowels, nails, handles, knobs, adhesive glues) required to assemble a finished unit of furniture, and 3) instructions providing guidance on the assembly of a finished unit of furniture; (B) unassembled bathroom vanity cabinets, having a space for one or more sinks, that are imported with all unassembled hardwood and hardwood plywood components that have been cut-to-final dimensional component shape/size, painted or stained prior to importation, and stacked within a singled shipping package, except for furniture feet which may be packed and shipped separately; or (C) unassembled bathroom vanity linen closets that are imported with all unassembled hardwood and hardwood plywood components that have been cut-to-final dimensional shape/size, painted or stained prior to importation, and stacked within a single shipping package, except for furniture feet which may be packed and shipped separately.
- Excluded from the scope are kitchen cabinets that, at the time of importation, are fully assembled and are ready for their intended uses. Also excluded from the scope of the investigations are RTA kitchen cabinets. RTA kitchen cabinets are defined as kitchen cabinets packaged for sale for ultimate purchase by an end-user that, at the time of importation, includes 1) all wooden components (in finished form) required to assemble a finished unit of cabinetry, 2) all accessory parts (e.g., screws, washers, dowels, nails, handles, knobs, hooks, adhesive glues) required to assemble a finished unit of cabinetry, and 3) instructions providing guidance on the assembly of a finished unit of cabinetry.

- Excluded from the scope of these investigations are finished table tops, which are table tops imported in finished form with pre-cut or drilled openings to attach the underframe or legs. The table tops are ready for use at the time of import and require no further finishing or processing.
- Excluded from the scope of these investigations are finished countertops that are imported in finished form and require no further finishing or manufacturing.
- Excluded from the scope of these investigations are laminated veneer lumber door and window components with (1) a maximum width of 44 millimeters, a thickness from 30 millimeters to 72 millimeters, and a length of less than 2413 millimeters (2) water boiling point exterior adhesive, (3) a modulus of elasticity of 1,500,000 pounds per square inch or higher, (4) finger-jointed or lap-jointed core veneer with all layers oriented so that the grain is running parallel or with no more than 3 dispersed layers of veneer oriented with the grain running perpendicular to the other layers; and (5) top layer machined with a curved edge and one or more profile channels throughout.
- Imports of hardwood plywood are primarily entered under the following Harmonized Tariff Schedule of the United States (HTSUS) subheadings: 4412.10.0500; 4412.31.0520; 4412.31.0540; 4412.31.0560; 4412.31.0620; 4412.31.0640; 4412.31.0660; 4412.31.2510; 4412.31.2520; 4412.31.2610; 4412.31.2620; 4412.31.4040; 4412.31.4050; 4412.31.4060; 4412.31.4075; 4412.31.4080; 4412.31.4140; 4412.31.4150; 4412.31.4160; 4412.31.4180; 4412.31.5125; 4412.31.5135; 4412.31.5155; 4412.31.5165; 4412.31.5175; 4412.31.5235; 4412.31.5255; 4412.31.5265; 4412.31.5275; 4412.31.6000; 4412.31.6100; 4412.31.9100; 4412.31.9200; 4412.32.0520; 4412.32.0540; 4412.32.0565; 4412.32.0570; 4412.32.0620; 4412.32.0640; 4412.32.0670; 4412.32.2510; 4412.32.2525; 4412.32.2530; 4412.32.2610; 4412.32.2630; 4412.32.3125; 4412.32.3135; 4412.32.3155; 4412.32.3165; 4412.32.3175; 4412.32.3185; 4412.32.3235; 4412.32.3255; 4412.32.3265; 4412.32.3275; 4412.32.3285; 4412.32.5600; 4412.32.3235; 4412.32.3255; 4412.32.3265; 4412.32.3275; 4412.32.3285; 4412.32.5700; 4412.94.1030; 4412.94.1050; 4412.94.3105; 4412.94.3111; 4412.94.3121; 4412.94.3141; 4412.94.3161; 4412.94.3175; 4412.94.4100; 4412.99.0600; 4412.99.1020; 4412.99.1030; 4412.99.1040; 4412.99.3110; 4412.99.3120; 4412.99.3130; 4412.99.3140; 4412.99.3150; 4412.99.3160; 4412.99.3170; 4412.99.4100; 4412.99.5115; and 4412.99.5710.
- Imports of hardwood plywood may also enter under HTSUS subheadings 4412.99.6000; 4412.99.7000; 4412.99.8000; 4412.99.9000; 4412.10.9000; 4412.94.5100; 4412.94.9500; and 4412.99.9500. While the HTSUS subheadings are provided for convenience and customs purposes, the written description of the scope of these investigations is dispositive.
- In 2016, imports of hardwood plywood from China were valued at an estimated \$1.12 billion.

## **NEXT STEPS**

- The ITC is scheduled to make its final determinations on or about December 21, 2017.
- If the ITC makes affirmative final determinations that imports of hardwood plywood products from China materially injure, or threaten material injury to, the domestic industry, Commerce will issue AD and CVD orders. If the ITC makes negative determinations of injury, the investigations will be terminated.

**FINAL DUMPING MARGINS:**

<b>COUNTRY</b>	<b>EXPORTER/PRODUCER</b>	<b>DUMPING RATE</b>	<b>CASH DEPOSIT RATE</b>
<b>China</b>	<b>Shandong Dongfang Bayley Wood Co., Ltd.</b>	<b>183.36%</b>	<b>171.55%</b>
	<b>Linyi Chengen Import and Export Co., Ltd./ Linyi Dongfangjuxin Wood Co., Ltd.</b>	<b>183.36%</b>	<b>171.55%</b>
	<b>Separate Rate Companies</b>	<b>183.36%</b>	<b>171.55%</b>
	<b>China-Wide Rate</b>	<b>183.36%</b>	

NOTE: The difference between the dumping margin and the cash deposit rate represents the adjustment for the export subsidies and the domestic subsidy “pass through” identified in the companion CVD investigation.

**FINAL SUBSIDY RATES:**

<b>COUNTRY</b>	<b>EXPORTER/PRODUCER</b>	<b>SUBSIDY RATE</b>
<b>China</b>	<b>Linyi Sanfortune Wood Co., Ltd.</b>	<b>22.98%</b>
	<b>Shandong Dongfang Bayley Wood Co., Ltd.</b>	<b>194.90%</b>
	<b>All others</b>	<b>22.98%</b>
	<b>Companies Subject to the Adverse Facts Available Rate*</b>	<b>194.90%</b>

\* These companies are receiving the adverse facts available rate due to their failure to respond to Commerce’s quantity and value questionnaire. See Attachment.

## CASE CALENDAR:

EVENT	CVD	AD
Petitions Filed	November 18, 2016	November 18, 2016
DOC Initiation Date	December 8, 2016	December 8, 2016
ITC Preliminary Determinations	January 3, 2017	January 3, 2017
DOC Preliminary Determinations	April 17, 2017	June 23, 2017
DOC Final Determinations	November 6, 2017	November 6, 2017
ITC Final Determinations*	December 21, 2017	December 21, 2017
Issuance of Orders**	December 28, 2017	December 28, 2017

NOTE: Commerce preliminary and final determination deadlines are governed by statute. For AD investigations, the deadlines are set forth in sections 733(b) and 735(a)(1) of the Tariff Act of 1930, as amended. These deadlines may be extended under certain circumstances.

\*This will take place only in the event of an affirmative final determination from Commerce.

\*\*This will take place only in the event of affirmative final determinations from Commerce and the ITC.

## IMPORT STATISTICS:

CHINA	2014	2015	2016
Value (USD)	1,076,225,370	1,149,643,355	1,120,268,649

Source: U.S. Census Bureau, accessed through Global Trade Atlas. (HTSUS 4412.10.0500, 4412.31.0520, 4412.31.0540, 4412.31.0560, 4412.31.2510, 4412.31.2520, 4412.31.4040, 4412.31.4050, 4412.31.4060, 4412.31.4075, 4412.31.4080, 4412.31.5125, 4412.31.5135, 4412.31.5155, 4412.31.5165, 4412.31.5175, 4412.31.6000, 4412.31.9100, 4412.32.0520, 4412.32.0540, 4412.32.0565, 4412.32.0570, 4412.32.2510, 4412.32.2525, 4412.32.2530, 4412.32.3125, 4412.32.3135, 4412.32.3155, 4412.32.3165, 4412.32.3175, 4412.32.3185, 4412.32.5600, 4412.94.1030, 4412.94.1050, 4412.94.3105, 4412.94.3111, 4412.94.3121, 4412.94.3131, 4412.94.3141, 4412.94.3160, 4412.94.3161, 4412.94.3171, 4412.94.3175, 4412.94.4100, 4412.99.0600, 4412.99.1020, 4412.99.1030, 4412.99.1040, 4412.99.3110, 4412.99.3120, 4412.99.3130, 4412.99.3140, 4412.99.3150, 4412.99.3160, 4412.99.3170, 4412.99.4100, 4412.99.5115, and 4412.99.5710.

The HTSUS subheadings above are basket categories and may cover both subject and non-subject merchandise.

\*Volume could not be calculated, as imports of subject merchandise are reported in multiple units of measure.

Imports of hardwood plywood may also enter under HTSUS subheadings 4412.39.1000, 4412.39.3000, 4412.39.4011, 4412.39.4012, 4412.39.4019, 4412.39.4031, 4412.39.4032, 4412.39.4039, 4412.39.4051, 4412.39.4052, 4412.39.4059, 4412.39.4061, 4412.39.4062, 4412.39.4069, 4412.39.5010, 4412.39.5030, 4412.39.5050, 4412.99.6000, 4412.99.7000, 4412.99.8000, 4412.99.9000, 4412.10.9000, 4412.94.5100, 4412.94.9500, and 4412.99.9500. These subheadings are basket categories that may cover a significant amount of non-subject merchandise and therefore have been excluded for purposes of reporting import statistics above.

## ATTACHMENT

### Companies Subject to the Adverse Facts Available Rate in the CVD Investigation

Anji Qichen Bamboo Industry Co. Ltd.  
Deqing Shengqiang Wood Co., Ltd.  
Guangxi Sunway Cen.Xi Artificial Board Ltd.  
Guangxi Sunway Forest Products Industry Co., Ltd.  
Hebei Tongli Wood Co., Ltd.  
Heze Fulin Wood Products Co., Ltd.  
Jiashan Minghong Wood Industry Co., Ltd.  
Jiaxing Brilliant Import & Export Co., Ltd.  
Keens Products  
King Sheng  
Kunming Alston Ast Wood Products Co., Ltd.  
Langfang Baomujie Wood Co., Ltd.  
Larkcop International Co., Ltd.  
Linyi Cathay Pacific Wood Factory  
Linyi Celtic Wood Co., Ltd.  
Linyi Dongri Plywood Co., Ltd.  
Linyi Hongma  
Linyi Jinhua Wood Co., Ltd.  
Linyi Kai Yi Arts and Crafts Co., Ltd.  
Linyi Laiyi Timber Industry Co., Ltd.  
Linyi Lianyi Wood Co., Ltd.  
Linyi Raya Commerce  
Linyi Yutai Wood Co., Ltd.  
Lishui Liancheng Pencil Manufacturing Co., Ltd.  
Mol Consolidation Service  
Ningbo Asia Pulp and Paper  
Ningbo Zhonghua Paper  
Qiangsheng Wood Co., Ltd.  
Qingdao Liansheng International Trading  
Qufu Shengda Wood Co., Ltd.  
Shandong Fengtai Wood Co., Ltd.  
Shandong Hongyang Fire Resistant  
Shandong Xingang Group<sup>1</sup>  
Shanghai Sunshine Decorative Materials Co., Ltd.<sup>2</sup>  
Shenghe Wood Company Ltd.  
Shouguang Evergreen Im & Ex Co. Ltd.<sup>3</sup>  
Shouguang Taizhong Wood Co., Ltd.  
Siyang Jiayuan Woodindustry Co., Ltd.

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<sup>1</sup> This company received the quantity and value questionnaire at two separate addresses.

<sup>2</sup> This company received the quantity and value questionnaire at two separate addresses.

<sup>3</sup> This company was listed as having the following two “aka” names: Shouguang Evergreen Co., Ltd. and Weifang Evergreen Wood Co., Ltd.

Siyang Senda Wood Industry Co., Ltd.  
Suqian Bairun Wood Industry Co., Ltd.<sup>4</sup>  
Suqian Foreign Trade Co., Ltd.  
Suqian Sulu Wood Industry Co., Ltd.  
Suzhou Dong He Wood Co., Ltd.  
Tianjin Canex  
Tianjin Zhanye Metal Products Co., Ltd.  
Xuzhou Fuyuan Wood Co., Ltd.  
Xuzhou Hongwei Wood Co., Ltd.  
Xuzhou Ruilin Timber Co., Ltd.  
Xuzhou Shenghe Wood Products  
Xuzhou Woodhi Trading Co. Ltd.  
Xuzhou Yishun Brightwood Co. Ltd.  
Xuzhou Zhongda Building Materials Co., Ltd.  
Xuzhou Zhongyuan Wood Co., Ltd.  
Yixing Lion-King Timber Industry Co., Ltd.  
Zhejiang Deqing Shengqiang Wood Co., Ltd.  
Zhejiang Fuerjia Wooden Company  
Zhejiang Jufeng Wood Co., Ltd.  
Zhejiang Xinyuan Bamboo Products Co., Ltd.  
Zhejiang Yongyu Bamboo Joint-Stock Co., Ltd.

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<sup>4</sup> This company was listed as having the following “aka” name: Suqian Sulu Import and Export Trading.