



FACT SHEET

Commerce Initiates Antidumping Duty and Countervailing Duty Investigations of Imports of Certain Hardwood Plywood Products from the People's Republic of China

- On December 9, 2016, the Department of Commerce (Commerce) announced the initiation of antidumping duty (AD) and countervailing duty (CVD) investigations of imports of certain hardwood plywood products (hardwood plywood) 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 unfair subsidization of imports into the United States, establishing an opportunity to compete on a level playing field.
- For the purpose of AD investigations, dumping occurs when a foreign company sells a product in the United States at less than its fair value. For the purpose of CVD investigations, a countervailable subsidy is financial assistance from a foreign government 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.
- 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 these proceedings, 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 undergone 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; and (6) products made entirely from bamboo and adhesives (also known as “solid bamboo”).
- 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; 4412.31.2510; 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.

- 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. While the HTSUS subheadings are provided for convenience and customs purposes, the written description of the scope of these investigations is dispositive.
- In 2015, imports of hardwood plywood from China were valued at an estimated \$1,149,643,000.

NEXT STEPS

- The U.S. International Trade Commission (ITC) is scheduled to make its preliminary injury determinations on or before January 3, 2017.
- If the ITC determines that there is a reasonable indication that imports of hardwood plywood from China, materially injure, or threaten material injury to, the domestic industry, the investigations will continue and Commerce will be scheduled to make its preliminary CVD determination in February 2017 and its preliminary AD determinations in April 2017, unless the statutory deadlines are extended. If the ITC's preliminary determinations are negative, the investigations will be terminated.

ALLEGED DUMPING MARGIN:

| COUNTRY | DUMPING MARGIN |
|----------------|---------------------------------|
| China | 104.06 to 114.72 percent |

ESTIMATED SUBSIDY RATE:

| COUNTRY | SUBSIDY RATE |
|----------------|---------------------------------|
| China | Above <i>de minimis</i>* |

* *de minimis* = less than 1% for developed countries, less than 2% for developing countries.

CASE CALENDAR:

| EVENT | AD INVESTIGATION | CVD INVESTIGATION |
|---------------------------------|-------------------|--------------------|
| 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 27, 2017 | February 13, 2017† |
| DOC Final Determinations | July 11, 2017 | April 27, 2017 |
| ITC Final Determinations** | August 25, 2017 | June 12, 2017† |
| Issuance of Orders*** | September 1, 2017 | June 19, 2017† |

NOTE: Commerce preliminary and final determination deadlines are governed by statute. For CVD investigations, the deadlines are set forth in sections 703(b) and 705(a)(1) of the Tariff Act of 1930, as amended (the Act). For AD investigations, the deadlines are set forth in sections 733(b) and 735(a) of the Act. These deadlines may be extended under certain circumstances.

†Where the deadline falls on a weekend/holiday, the appropriate date is the next business day.

* If the ITC makes a negative preliminary determination of injury, the investigations are terminated.

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

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

IMPORT STATISTICS:

| CHINA | 2013 | 2014 | 2015 |
|-------------|-------------|---------------|---------------|
| Value (USD) | 846,797,304 | 1,076,225,370 | 1,149,643,355 |

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, 4412.94.3171, 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 HTSUS 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.