



## FACT SHEET

### Commerce Preliminarily Finds Dumping of Imports of Mattresses from China

- On May 29, 2019, the Department of Commerce (Commerce) announced its affirmative preliminary determination in the antidumping duty (AD) investigation of imports of mattresses from China
- The AD law provides 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 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 an imported product in the United States at less than fair value.
- In the China investigations, Commerce assigned affirmative preliminary dumping rates of 38.56 percent and 84.64 percent to mandatory respondents Healthcare Co., Ltd. and Zinus (Xiamen) Inc., respectively. Commerce also assigned a dumping rate of 74.65 percent to all other Chinese exporters found to be eligible for a separate rate. Commerce determined a China-wide rate of 1,731.75 percent for all other producers and exports that did not cooperate in the investigation.
- To determine the 1,731.75 percent rate, we followed our normal practice and relied on the highest rate in the petition as adverse facts available. Consistent with Commerce's normal practice, we corroborated this rate by comparing the U.S. prices of mattresses used in the petition to the actual U.S. prices charged by a mandatory respondent and found these to be consistent for a number of transactions. For normal value, we compared the factors of production (FOPs) submitted by a mandatory respondent to the FOPs in the petition and found that these were also consistent. We valued the FOPs using surrogate values from Malaysia, a country found to be at a similar level of economic development as China based on each country's per-capita GNP.
- As a result of the preliminary affirmative determination for China, Commerce will instruct U.S. Customs and Border Protection (CBP) to require cash deposits from importers of mattresses from China based on these preliminary rates.
- Commerce found that "critical circumstances" do not exist with respect to imports of mattresses from China for mandatory respondents Healthcare Co., Ltd. and Zinus (Xiamen) Inc., but that "critical circumstances" do exist with respect to all non-individually-examined companies receiving a separate rate and the China-wide entity. Consequently, Commerce will instruct CBP to impose provisional measures retroactively on entries of mattresses from China, effective 90 days prior to publication of the preliminary determination in the Federal Register, for the affected producers and exporters.
- The petitioners are Corsicana Mattress Company (Dallas, TX), Elite Comfort Solutions (Newman, GA), Future Foam Inc. (Council Bluffs, IA), FXI Inc (Media, PA), Innocor, Inc. (Red Bank, NJ), Kolcraft Enterprises Inc. (Chicago, IL), Leggett & Platt, Incorporated (Carthage, MO), Serta Simmons Bedding, LLC (Atlanta, GA), and Tempur Sealy International, Inc. (Lexington, KY).

- The scope of this investigation covers all types of youth and adult mattresses. The term “mattress” denotes an assembly of materials that at a minimum includes a “core,” which provides the main support system of the mattress, and may consist of innersprings, foam, other resilient filling, or a combination of these materials. Mattresses may also contain (1) “upholstery,” the material between the core and the top panel of the ticking on a single-sided mattress, or between the core and the top and bottom panel of the ticking on a double-sided mattress; and/or (2) “ticking,” the outermost layer of fabric or other material (e.g., vinyl) that encloses the core and any upholstery, also known as a cover.

The scope of this investigation is restricted to only “adult mattresses” and “youth mattresses.” “Adult mattresses” have a width exceeding 35 inches, a length exceeding 72 inches, and a depth exceeding 3 inches on a nominal basis. Such mattresses are frequently described as “twin,” “extra-long twin,” “full,” “queen,” “king,” or “California king” mattresses. “Youth mattresses” have a width exceeding 27 inches, a length exceeding 51 inches, and a depth exceeding 1 inch (crib mattresses have a depth of 6 inches or less from edge to edge) on a nominal basis. Such mattresses are typically described as “crib,” “toddler,” or “youth” mattresses. All adult and youth mattresses are included regardless of actual size description.

The scope encompasses all types of “innerspring mattresses,” “non-innerspring mattresses,” and “hybrid mattresses.” “Innerspring mattresses” contain innersprings, a series of metal springs joined together in sizes that correspond to the dimensions of mattresses. Mattresses that contain innersprings are referred to as “innerspring mattresses” or “hybrid mattresses.” “Hybrid mattresses” contain two or more support systems as the core, such as layers of both memory foam and innerspring units.

“Non-innerspring mattresses” are those that do not contain any innerspring units. They are generally produced from foams (e.g., polyurethane, memory (viscoelastic), latex foam, gel-infused viscoelastic (gel foam), thermobonded polyester, polyethylene) or other resilient filling.

Mattresses covered by the scope of this investigation may be imported independently, as part of furniture or furniture mechanisms (e.g., convertible sofa bed mattresses, sofa bed mattresses imported with sofa bed mechanisms, corner group mattresses, day-bed mattresses, roll-away bed mattresses, high risers, trundle bed mattresses, crib mattresses), or as part of a set in combination with a “mattress foundation.” “Mattress foundations” are any base or support for a mattress. Mattress foundations are commonly referred to as “foundations,” “boxsprings,” “platforms,” and/or “bases.” Bases can be static, foldable, or adjustable. Only the mattress is covered by the scope if imported as part of furniture, with furniture mechanisms, or as part of a set in combination with a mattress foundation.

Excluded from the scope of this investigation are “futon” mattresses. A “futon” is a bi-fold frame made of wood, metal, or plastic material, or any combination thereof, that functions as both seating furniture (such as a couch, love seat, or sofa) and a bed. A “futon mattress” is a tufted mattress, where the top covering is secured to the bottom with thread that goes completely through the mattress from the top through to the bottom, and it does not contain innersprings or foam. A futon mattress is both the bed and seating surface for the futon.

Also excluded from the scope are airbeds (including inflatable mattresses) and waterbeds, which consist of air- or liquid-filled bladders as the core or main support system of the mattress.

Further, also excluded from the scope of this investigation are any products covered by the existing antidumping duty order on uncovered innerspring units. See Uncovered Innerspring Units from the People’s Republic of China: Notice of Antidumping Duty Order, 74 FR 7661 (February 19, 2009).

Additionally, also excluded from the scope of this investigation are “mattress toppers.” A “mattress topper” is a removable bedding accessory that supplements a mattress by providing an additional layer that is placed on top of a mattress. Excluded mattress toppers have a height of four inches or less.

The products subject to this investigation are currently properly classifiable under Harmonized Tariff Schedule for the United States (HTSUS) subheadings: 9404.21.0010, 9404.21.0013, 9404.29.1005, 9404.29.1013, 9404.29.9085, and 9404.29.9087. Products subject to this investigation may also enter under HTSUS subheadings: 9404.21.0095, 9404.29.1095, 9404.29.9095, 9401.40.0000, and 9401.90.5081. Although the HTSUS subheadings are provided for convenience and customs purposes, the written description of the merchandise subject to this investigation is dispositive.

- In 2017, imports of mattresses from China were valued at an estimated \$436.5 million
- The Preliminary Decision Memoranda are on file electronically via Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS). ACCESS is available to registered users at <https://access.trade.gov>, and to all parties in the Central Records Unit, Room B8024 of the main Department of Commerce building. Please refer to case number A-570-092.

**NEXT STEPS**

- Commerce is scheduled to announce its final determinations on or about October 11, 2019.
- If Commerce makes affirmative final determinations, and the U.S. International Trade Commission (ITC) makes affirmative final determinations that imports of Mattresses from China materially injure, or threaten material injury to, the domestic industry, Commerce will issue AD orders. If either Commerce or the ITC issue negative final determinations, no AD orders will be issued. The ITC is scheduled to make its final injury determinations approximately 45 days after Commerce issues its final determinations, if affirmative.

**PRELIMINARY DUMPING RATES:**

COUNTRY	EXPORTER/PRODUCER	DUMPING RATES
China	Healthcare Co., Ltd.	38.56%
	Zinus (Xiamen) Inc.	84.64%
	Separate Rate Companies*	74.65%
	China-Wide Entity**	1,731.75%

\* See attachment.

\*\* These alleged margins were derived from information including average unit values from import statistics and an invoice demonstrating pricing of \$18 per mattress for the sale of Chinese-origin adult-sized mattresses in the United States.

**CASE CALENDAR:**

EVENT	AD INVESTIGATIONS
Petitions Filed	September 18, 2018
DOC Initiation Date	October 9, 2018
ITC Preliminary Determinations	November 8, 2018
DOC Preliminary Determinations	May 28, 2019
DOC Final Determinations	October 10, 2019
ITC Final Determinations**†	November 24, 2019
Issuance of Order***†	December 1, 2019

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 affirmative final determinations from Commerce.

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

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

## IMPORT STATISTICS:

CHINA	2015	2016	2017
Quantity (number)	4,330,903	1,825,675	4,606,465
Value (USD)	376,728,891	172,192,246	436,530,303

Source: U.S. Census Bureau, accessed through Global Trade Atlas (Harmonized Tariff Schedule of the United States (HTSUS) 9404.21.0010, 9404.21.0013, 9404.21.0090, 9404.29.1005, 9404.29.1013, 9404.29.1090, 9404.29.9085, 9404.29.9087, and 9404.29.9091). Prior to 2016, some of the HTSUS subheadings used to classify mattresses were basket categories that covered both human-sized mattresses and other mattresses (such as pet beds). Therefore, the above import statistics for 2015 may be overstated, as they reflect imports of mattresses under certain HTSUS subheadings that covered both subject and non-subject imports. Products subject to this investigation may also enter under HTSUS subheadings: 9404.21.0095, 9404.29.1095, 9404.29.9095, 9401.40.0000, and 9401.90.5081. These HTSUS subheadings are basket categories and may cover a significant amount of non-subject merchandise; therefore, they have not been used for purposes of reporting the import statistics in the above table

**ATTACHMENT**

<b>Exporter</b>	<b>Producer</b>	<b>Estimated Weighted-Average Dumping Margin (Percent)</b>
Dockter China Limited	Healthcare Co., Ltd.	74.65%
Dockter China Limited	Huizhou Lemeijia Household Products Co., Ltd. (a.k.a. Better Zs, Ltd.)	74.65%
Dockter China Limited	Dongguan Beijianing Household Products Co., Ltd. (a.k.a. Better Zs, Ltd.)	74.65%
Foshan Chiland Furniture Co., Ltd.	Foshan Chiland Furniture Co., Ltd.	74.65%
Foshan City Jinxingma Furniture Manufacture Co., Ltd.	Foshan City Jinxingma Furniture Manufacture Co., Ltd.	74.65%
Foshan EON Technology Industry Co., Ltd	Foshan EON Technology Industry Co., Ltd	74.65%
Foshan City Kewei Furniture Co., Ltd	Foshan City Kewei Furniture Co., Ltd	74.65%
Foshan Mengruo Household Furniture Co., Ltd.	Foshan Mengruo Household Furniture Co., Ltd.	74.65%
Foshan Qisheng Sponge Co., Ltd.	Foshan Qisheng Sponge Co., Ltd.	74.65%
Foshan Ruixin Non Woven Co., Ltd.	Foshan Ruixin Non Woven Co., Ltd.	74.65%
Foshan Ziranbao Furniture Co., Ltd.	Foshan Ziranbao Furniture Co., Ltd.	74.65%
Guangdong Diglant Furniture Industrial Co., Ltd.	Guangdong Diglant Furniture Industrial Co., Ltd.	74.65%
Healthcare Sleep Products Limited	Healthcare Co., Ltd.	74.65%
Hong Kong Gesin Technology Limited	Inno Sports Co., Ltd.	74.65%
Jiangsu Wellcare Household Articles Co., Ltd.	Jiangsu Wellcare Household Articles Co., Ltd.	74.65%
Jiaxing Taien Springs Co., Ltd.	Jiaxing Taien Springs Co., Ltd.	74.65%
Jiaxing Visco Foam Co., Ltd.	Jiaxing Visco Foam Co., Ltd.	74.65%
Jinlongheng Furniture Co., Ltd.	Jinlongheng Furniture Co., Ltd.	74.65%
Inno Sports Co., Ltd.	Inno Sports Co., Ltd.	74.65%
Luen Tai Global Limited	Luen Tai Global Limited	74.65%
Luen Tai Group (China) Limited (LT China)	Shenzhen L&T Industrial Co., Ltd.	74.65%
Man Wah Furniture Manufacturing (Hui Zhou) Co.,	Man Wah Household Industry (Huizhou) Co., Ltd.	74.65%

Ltd., Man Wah (MACAO Commercial Offshore), Ltd. and Man Wah (USA), Inc.		
Ningbo Megafeat Bedding Co., Ltd.	Ningbo Megafeat Bedding Co., Ltd.	74.65%
Ningbo Shuibishen Home Textile Technology Co., Ltd.	Ningbo Shuibishen Home Textile Technology Co., Ltd.	74.65%
Nisco Co., Ltd.	Healthcare Co., Ltd.	74.65%
Quanzhou Hengang Imp. & Exp. Co., Ltd.	Quanzhou Hengang Industries Co., Ltd.	74.65%
Shanghai Glory Home Furnishings Co., Ltd.	Shanghai Glory Home Furnishings Co., Ltd.	74.65%
Sinomax Macao Commercial Offshore Limited	Dongguan Sinohome Limited	74.65%
Sinomax Macao Commercial Offshore Limited	Sinomax (Zhejiang) Polyurethane Technology Ltd.	74.65%
Wings Developing Co., Limited	Quanzhou Hengang Industries Co., Ltd.	74.65%
Xianghe Kaneman Furniture Co., Ltd.	Xianghe Kaneman Furniture Co., Ltd.	74.65%
Xilinmen Furniture Co., Ltd.	Xilinmen Furniture Co., Ltd.	74.65%
Zhejiang Glory Home Furnishings Co., Ltd.	Zhejiang Glory Home Furnishings Co., Ltd.	74.65%