



UNITED STATES DEPARTMENT OF COMMERCE
International Trade Administration
Washington, D.C. 20230

A-570-970
POR: 12/01/14 – 11/30/15
Public Document
E&C IV: WH/AN/MK

December 20, 2016

MEMORANDUM TO: Paul Piquado
Assistant Secretary
for Enforcement and Compliance

FROM: Christian Marsh- *CM*
Deputy Assistant Secretary
for Antidumping and Countervailing Duty Operations

SUBJECT: Decision Memorandum for Preliminary Results of Antidumping
Duty Administrative Review, Preliminary Determination of No
Shipments, and Preliminary Partial Rescission of Antidumping
Duty Administrative Review; 2014-2015

SUMMARY

In response to requests from interested parties, the Department of Commerce (“the Department”) is conducting an administrative review of the antidumping duty (“AD”) order on multilayered wood flooring (“MLWF”) from the People’s Republic of China (“PRC”) for the period of review (“POR”) from December 1, 2014, through November 30, 2015. The Department has preliminarily determined that both mandatory respondents, Dalian Penghong Floor Products Co., Ltd. (“Penghong”) and Jiangsu Senmao Bamboo and Wood Industry Co., Ltd. (“Senmao”) sold subject merchandise in the United States at prices below normal value (“NV”) during the POR.

If these preliminary results are adopted in our final results of review, we will instruct U.S. Customs and Border Protection (“CBP”) to assess AD duties on all appropriate entries of subject merchandise during the POR. Interested parties are invited to comment on these preliminary results. Unless extended, we intend to issue final results no later than 120 days from the date of publication of this notice, pursuant to section 751(a)(3)(A) of the Tariff Act of 1930, as amended (the “Act”).



Background

On December 8, 2011, the Department published in the *Federal Register* an antidumping duty order on wood flooring from the PRC.¹ On December 1, 2015, the Department published in the *Federal Register* a notice of opportunity to request an administrative review of the antidumping duty order on wood flooring from the PRC.² On December 30, 2015, and December 31, 2015, the Department received requests from 74 foreign and domestic interested parties for administrative reviews of wood flooring from the PRC. Additionally, on December 31, 2015, the Department received a request from the Coalition for American Hardwood Parity (“Petitioner”), petitioner in the underlying investigation, to conduct administrative reviews of numerous exporters/producers of wood flooring from the PRC, many of which were already the subject of review requests filed by other parties. On February 9, 2016, the Department published in the *Federal Register* a notice of initiation of an administrative review of the wood flooring order with respect to 111 companies for which a timely request for an administrative review of the applicable antidumping duty order was submitted.³ On March 3, 2016, the Department published in the *Federal Register* a *Second Initiation Notice* to correct an inadvertent misspelling of one company’s name in the *First Initiation Notice*.⁴

Period of Review

The POR is December 1, 2014 through November 30, 2015.

Extension of Preliminary Results

On August 11, 2016, the Department extended the deadline for the preliminary results by a total of 90 days, to November 30, 2016.⁵ On November 17, 2016, the Department extended the time period for issuing these preliminary results by an additional 20 days, until December 20, 2016.⁶

¹ See *Multilayered Wood Flooring from the People’s Republic of China: Notice of Amended Final Affirmative Determination of Sales at Less than Fair Value and Antidumping Duty Order*, 76 FR 76690 (December 8, 2011), as amended *Multilayered Wood Flooring from the People’s Republic of China*, 77 FR 5484 (February 3, 2012) (amended AD and CVD orders).

² See *Antidumping or Countervailing Duty Order, Finding, or Suspended Investigation; Opportunity to Request Administrative Review*, 80 FR 75058 (December 1, 2015).

³ *Initiation of Antidumping and Countervailing Duty Administrative Reviews*, 81 FR 6832, 6835-37 (February 9, 2016) (“*First Initiation Notice*”).

⁴ *Initiation of Antidumping and Countervailing Duty Administrative Reviews*, 81 FR 11179, 11182 (March 3, 2016) (“*Second Initiation Notice*”).

⁵ See Memorandum to Christian Marsh, Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations, “Multilayered Wood Flooring from the People’s Republic of China: Extension of Deadline for Preliminary Results of Antidumping Duty Administrative Review” (August 11, 2016).

⁶ See Memorandum to Christian Marsh, Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations, “Multilayered Wood Flooring from the People’s Republic of China: Extension of Deadline for Preliminary Results of Antidumping Duty Administrative Review” (November 17, 2016).

Scope of the Order

Multilayered wood flooring is composed of an assembly of two or more layers or plies of wood veneer(s) in combination with a core. The several layers, along with the core, are glued or otherwise bonded together to form a final assembled product. Multilayered wood flooring is often referred to by other terms, e.g., “engineered wood flooring” or “plywood flooring.” Regardless of the particular terminology, all products that meet the description set forth herein are intended for inclusion within the definition of subject merchandise.

All multilayered wood flooring is included within the definition of subject merchandise, without regard to: dimension (overall thickness, thickness of face ply, thickness of back ply, thickness of core, and thickness of inner plies; width; and length); wood species used for the face, back and inner veneers; core composition; and face grade. Multilayered wood flooring included within the definition of subject merchandise may be unfinished (i.e., without a finally finished surface to protect the face veneer from wear and tear) or “prefinished” (i.e., a coating applied to the face veneer, including, but not exclusively, oil or oil-modified or water-based polyurethanes, ultra-violet light cured polyurethanes, wax, epoxy-ester finishes, moisture-cured urethanes and acid-curing formaldehyde finishes). The veneers may be also soaked in an acrylic-impregnated finish. All multilayered wood flooring is included within the definition of subject merchandise regardless of whether the face (or back) of the product is smooth, wire brushed, distressed by any method or multiple methods, or hand-scraped. In addition, all multilayered wood flooring is included within the definition of subject merchandise regardless of whether or not it is manufactured with any interlocking or connecting mechanism (for example, tongue-and-groove construction or locking joints). All multilayered wood flooring is included within the definition of the subject merchandise regardless of whether the product meets a particular industry or similar standard.

The core of multilayered wood flooring may be composed of a range of materials, including but not limited to hardwood or softwood veneer, particleboard, medium-density fiberboard, high-density fiberboard (“HDF”), stone and/or plastic composite, or strips of lumber placed edge-to-edge.

Multilayered wood flooring products generally, but not exclusively, may be in the form of a strip, plank, or other geometrical patterns (e.g., circular, hexagonal). All multilayered wood flooring products are included within this definition regardless of the actual or nominal dimensions or form of the product. Specifically excluded from the scope are cork flooring and bamboo flooring, regardless of whether any of the sub-surface layers of either flooring are made from wood. Also excluded is laminate flooring. Laminate flooring consists of a top wear layer sheet not made of wood, a decorative paper layer, a core-layer of HDF, and a stabilizing bottom layer.

Imports of the subject merchandise are provided for under the following subheadings of the Harmonized Tariff Schedule of the United States (“HTSUS”): 4412.31.0520; 4412.31.0540; 4412.31.0560; 4412.31.2510; 4412.31.2520; 4412.31.3175; 4412.31.4040; 4412.31.4050; 4412.31.4060; 4412.31.4070; 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; 4412.32.0560; 4412.32.0565; 4412.32.0570; 4412.32.2510; 4412.32.2520; 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; 4412.39.1000; 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; 4412.94.1030; 4412.94.1050; 4412.94.3105; 4412.94.3111; 4412.94.3121; 4412.94.3131; 4412.94.3141; 4412.94.3160; 4412.94.3171; 4412.94.4100; 4412.94.5100; 4412.94.6000; 4412.94.7000; 4412.94.8000; 4412.94.9000; 4412.94.9500; 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; 4412.99.5100; 4412.99.5105; 4412.99.5115; 4412.99.5710; 4412.99.6000; 4412.99.7000; 4412.99.8000; 4412.99.9000; 4412.99.9500; 4418.71.2000; 4418.71.9000; 4418.72.2000; 4418.72.9500; and 9801.00.2500.

While HTSUS subheadings are provided for convenience and customs purposes, the written description of the subject merchandise is dispositive.

Selection of Respondents

Section 777A(c)(1) of the Act directs the Department to calculate an individual weighted-average dumping margin for each known exporter and producer of the subject merchandise. However, section 777A(c)(2) of the Act gives the Department discretion to limit its examination to a reasonable number of exporters and producers if it is not practicable to make individual weighted-average dumping margin determinations because of the large number of exporters and producers involved in the review.

In the *First Initiation Notice*, the Department notified the public that it may limit the number of respondents for individual examination in this administrative review and that, in the event that the Department limits the number of respondents for individual examination, the Department intended to select respondents based on volume data contained in responses to Quantity and Value Questionnaires (“Q&V”). Further, in the *First Initiation Notice*, the Department stated that it will limit the number of Q&V Questionnaires issued in this review to the largest exporters by value identified in CBP data for U.S. imports of wood flooring from the PRC.⁷ In the *First Initiation Notice*, we stated we were requesting Q&V information because the units used to measure the import quantities that were reported to CBP upon entry are not consistent; it would not be meaningful to sum inconsistent units in attempting to determine the largest PRC exporters of subject merchandise by volume during the POR.

In our *First Initiation Notice*, we invited any parties to which the Department did not send a Q&V questionnaire, who wished to participate and be considered for respondent selection, to file a response by the applicable deadline. On February 11, 2016, the Department released CBP data to interested parties, and requested comments on the CBP data and respondent selection in this review.⁸ Additionally, on February 11, 2016, the Department also released Q&V questionnaires

⁷ See *First Initiation Notice*, 81 FR at 11179.

⁸ See Letter to All Interested Parties regarding “Administrative Review of Multilayered Wood Flooring from the People’s Republic of China for 12/01/2014 – 11/30/2015: Results of U.S. Customs and Border Protection Database

to the top 11 companies from the CBP data, based on value. These companies comprised a majority of the total value for the POR according to the CBP data. In total, the Department received thirteen responses to the Q&V questionnaire, including two voluntary responses (*i.e.*, Xuzhou Shenghe Wood Co., Ltd. and Dalian Penghong Floor Products Co., Ltd.).

The Department did not receive any comments on the CBP data; however, Fine Furniture submitted a letter requesting voluntary respondent treatment should the Department not select Fine Furniture as a mandatory respondent.⁹

On March 15, 2016, the Department determined in its respondent selection memorandum that it was not practicable to examine all of the companies on which it initiated reviews, because this number of respondents was too large to individually examine given the Department's current resource constraints, pursuant to section 777A(c)(2) of the Act. Therefore, in accordance with section 777A(c)(2)(B) of the Act, the Department selected for individual examination the two exporters (*i.e.*, Penghong and Senmao) accounting for the largest volume of MLWF exported from the PRC during the POR based on CBP data and the two quantity and value submissions referenced above.¹⁰

Regarding Fine Furniture's December 1, 2015, request for voluntary respondent treatment, it failed to submit any Section A, C, or D questionnaire responses in the administrative review. In order to be considered for voluntary respondent treatment, the requesting party must submit all information requested for the initially selected respondent(s) by the deadlines established in the administrative review. *See* section 782(a)(1)(A) of the Act. Because Fine Furniture failed to do this, the Department is rejecting its request for voluntary respondent treatment.

The Department issued its AD questionnaire to Senmao and Penghong on March 15, 2016. Between April 12, 2016, and October 12, 2016, Senmao and Penghong submitted timely responses to the Department's original and supplemental questionnaires.

DISCUSSION OF THE METHODOLOGY

Non-Market Economy Country

The Department considers the PRC to be a non-market economy ("NME") country.¹¹ In accordance with section 771(18)(C)(i) of the Act, any determination that a foreign country is an

Query," dated February 11, 2016.

⁹ *See* Letter from Fine Furniture regarding "Administrative Review of the Antidumping Duty Order on Multilayered Wood Flooring from the People's Republic of China: Request for Review and Request for Voluntary Respondent Treatment," dated December 1, 2015.

¹⁰ *See* Memorandum to Abdelali Elouaradia, Director, Office IV, Antidumping and Countervailing Duty Operations: "Selection of Respondents for the 2014-2015 Administrative Review of the Antidumping Duty Order on Multilayered Wood Flooring from the People's Republic of China" (March 15, 2016).

¹¹ *See, e.g., Multilayered Wood Flooring from the People's Republic of China: Preliminary Results of Antidumping Duty Administrative Review; 2011-2012*, 78 FR 70267, 70268 (November 25, 2013), unchanged in *Multilayered Wood Flooring from the People's Republic of China: Final Results of Antidumping Duty Administrative Review; 2011-2012*, 79 FR 26712 (May 9, 2014).

NME country shall remain in effect until revoked by the administering authority. Therefore, we continue to treat the PRC as an NME country for purposes of these preliminary results.

Separate Rate

There is a rebuttable presumption that all companies within an NME are subject to government control and, thus, should be assessed a single AD rate. In the *Initiation Notice*, the Department notified parties of the application process by which exporters and producers may obtain separate rate status in NME proceedings.¹² It is the Department's policy to assign all exporters of the merchandise subject to review in NME countries a single rate unless an exporter can affirmatively demonstrate an absence of government control, both in law (*de jure*) and in fact (*de facto*), with respect to exports. To establish whether a company is sufficiently independent to be entitled to a separate, company-specific rate, the Department analyzes each exporting entity in an NME country under the test established in *Sparklers*,¹³ as amplified by *Silicon Carbide*.¹⁴ However, if the Department determines that a company is wholly foreign-owned or located in a market economy ("ME"), then a separate rate analysis is not necessary to determine whether it is independent from government control.¹⁵

A. Separate Rate Applicants

1. Joint Ventures between Chinese and Foreign Companies or Wholly Chinese-Owned Companies

The Department received separate rate applications from ten companies ("Separate Rate Applicants") on whom it initiated a review, and preliminarily determines that they demonstrated their eligibility for a separate rate.

1. Anhui Boya Bamboo & Wood Products Co., Ltd.
2. Dalian Jiahong Wood Industry Co., Ltd.
3. Dalian Jiuyuan Wood Industry Co., Ltd.
4. Hunchun Xingjia Wooden Flooring Inc.
5. Jiashan On-Line Lumber Co., Ltd.
6. Kember Hardwood Flooring Inc.
7. Kingman Floors Co., Ltd.
8. Linyi Bonn Flooring Manufacturing Co., Ltd.
9. Linyi Youyou Wood Co., Ltd.
10. Zhejiang Jiechen Wood Industry Co., Ltd.

The ten Separate Rate Applicants listed above, as well as Penghong and Senmao, provided evidence that they are either joint ventures between Chinese and foreign companies or are wholly

¹² See *First Initiation Notice*, 81 FR at 6832, 6835-37 and *Second Initiation Notice*, 81 FR at 11179 and 11182.

¹³ See *Final Determination of Sales at Less Than Fair Value: Sparklers from the People's Republic of China*, 56 FR 20588 (May 6, 1991) ("*Sparklers*").

¹⁴ See *Notice of Final Determination of Sales at Less Than Fair Value: Silicon Carbide from the People's Republic of China*, 59 FR 22585 (May 2, 1994) ("*Silicon Carbide*").

¹⁵ See *Final Results of Antidumping Duty Administrative Review: Petroleum Wax Candles from the People's Republic of China*, 72 FR 52355, 52356 (September 13, 2007).

Chinese-owned companies.¹⁶ The Department analyzed whether each of these companies has demonstrated an absence of *de jure* and *de facto* government control over its respective export activities.

a. Absence of *De Jure* Control

The Department considers the following *de jure* criteria in determining whether an individual company may be granted a separate rate: (1) an absence of restrictive stipulations associated with an individual exporter's business and export licenses; (2) legislative enactments decentralizing control over export activities of the companies; and (3) other formal measures by the government decentralizing control over export activities of companies.¹⁷

The evidence provided by the Separate Rate Applicants, Penghong and Senmao, supports a preliminary finding of an absence of *de jure* government control for each of these companies based on the following: (1) an absence of restrictive stipulations associated with the individual exporter's business and export licenses; (2) the existence of applicable legislative enactments decentralizing control of Chinese companies; and (3) the implementation of formal measures by the government decentralizing control of Chinese companies.¹⁸

b. Absence of *De Facto* Control

Typically, the Department considers four factors in evaluating whether a respondent is subject to *de facto* government control of its export functions: (1) whether the export prices ("EP") are set by, or are subject to the approval of, a government agency; (2) whether the respondent has authority to negotiate and sign contracts and other agreements; (3) whether the respondent has autonomy from the government in making decisions regarding the selection of management; and (4) whether the respondent retains the proceeds of its export sales and makes independent decisions regarding the disposition of profits or financing of losses.¹⁹ The Department has determined that an analysis of *de facto* control is critical in determining whether respondents are, in fact, subject to a degree of government control which would preclude the Department from assigning separate rates.

The evidence provided by the Separate Rate Applicants, Penghong, and Senmao supports a preliminary finding of an absence of *de facto* government control based on record statements and supporting documentation showing that the companies: (1) set their own constructed export prices ("CEP") or EPs independent of the government and without the approval of a government authority; (2) have the authority to negotiate and sign contracts and other agreements; (3) maintain autonomy from the government in making decisions regarding the selection of management; and (4) retain the proceeds of their respective export sales and make independent decisions regarding disposition of profits or financing of losses.²⁰

¹⁶ See company-specific Separate Rate Applications submitted to the Department between March 9, 2015 and April 7, 2015 ("Separate Rate Applications").

¹⁷ See *Sparklers*, 56 FR at 20589.

¹⁸ See Separate Rate Applications.

¹⁹ See *Silicon Carbide*, 59 FR at 22586-87; see also *Notice of Final Determination of Sales at Less Than Fair Value: Furfuryl Alcohol from the People's Republic of China*, 60 FR 22544, 22545 (May 8, 1995).

²⁰ See Separate Rate Applications.

Therefore, the evidence placed on the record of this review by the Separate Rate Applicants and the mandatory respondents demonstrates an absence of *de jure* and *de facto* government control under the criteria identified in *Sparklers* and *Silicon Carbide*.

2. Wholly Foreign-Owned Companies

Kember Hardwood Flooring Inc. provided evidence in its separate rate application that it is wholly owned by individuals and companies located in ME countries.²¹ Moreover, the Department has no record evidence indicating that this company is under the control of the PRC government. For these reasons, it is not necessary for the Department to conduct a separate rate analysis to determine whether this company is independent of government control.²² Therefore, the Department has preliminarily granted a separate rate to Kember Hardwood Flooring Inc.

B. Separate Rate Certifications

The Department received Separate Rate Certifications from 73 companies that received a separate rate from a prior segment of this proceeding and were not selected for individual investigation in this review.²³ The evidence placed on the record in this review by these companies demonstrates a continued absence of *de jure* and *de facto* government control under the criteria identified in *Sparklers* and *Silicon Carbide*.²⁴ Accordingly, the Department has preliminarily determined that the 73 companies listed in Appendix 1 have demonstrated that they continue to be eligible for a separate rate.

C. No Shipment Certifications

1. Changbai Mountain Development and Protection Zone Hongtu Wood Industrial Co., Ltd.
2. Dalian Xinjinghua Wood Co., Ltd.
3. Guangzhou Homebon Timber Manufacturing Co., Ltd.
4. Henan Xingwangjia Technology Co., Ltd.
5. Jiangsu Yuhui International Trade Co., Ltd.
6. Shenyang Senwang Wooden Industry Co., Ltd.
7. Xuzhou Antop International Trade Co., Ltd.
8. Yekalon Industry Inc.
9. Zhejiang Shuimojiangnan New Material Technology Co., Ltd.

²¹ See Kember Hardwood Flooring Inc. Separate Rate Application, submitted to the Department on March 10, 2016.

²² See *Seamless Refined Copper Pipe and Tube from the People's Republic of China: Preliminary Determination of Sales at Less Than Fair Value and Postponement of Final Determination*, 75 FR 26716, 26720 (May 12, 2010), unchanged in *Seamless Refined Copper Pipe and Tube from the People's Republic of China: Final Determination of Sales at Less Than Fair Value*, 75 FR 60725 (October 1, 2010).

²³ See company-specific Separate Rate Certifications submitted to the Department between March 9, 2015 and April 7, 2015 (“Separate Rate Certifications”).

²⁴ See *Final Determination of Sales at Less Than Fair Value: Sparklers from the People's Republic of China*, 56 FR 20588 (May 6, 1991) (“*Sparklers*”); see also *Notice of Final Determination of Sales at Less Than Fair Value: Silicon Carbide From the People's Republic of China*, 59 FR 22585 (May 2, 1994) (“*Silicon Carbide*”).

The nine companies listed above submitted certifications that they did not ship subject merchandise to the United States during the POR.²⁵ The Department confirmed the companies' certifications of no shipment with CBP. As a result, each of these companies will maintain its current rate and will not be included in the separate rate calculated by this review.

Rate for Non-Examined, Separate Rate Respondents

The statute and the Department's regulations do not address the establishment of a rate to be applied to individual separate rate respondents not selected for examination when the Department limits its examination in an administrative review pursuant to section 777A(c)(2) of the Act. Generally, the Department looks to section 735(c)(5) of the Act, which provides instructions for calculating the all-others rate in a market economy investigation, for guidance when calculating the rate for separate rate respondents which were not examined in an administrative review.

Under section 735(c)(5)(A) of the Act, the all-others rate is normally "an amount equal to the weighted average of the estimated weighted average dumping margins established for exporters and producers individually investigated, excluding any zero and *de minimis* margins, and any margins determined entirely {on the basis of facts available}." Accordingly, when only one weighted-average dumping margin for the individually investigated respondents is above *de minimis* and not based on total FA, the separate rate will be equal to that single above *de minimis* rate.²⁶ When the weighted-average dumping margins established for all individually investigated respondents are zero, *de minimis*, or based entirely on facts available, section 735(c)(5)(B) of the Act permits the Department to "use any reasonable method to establish the estimated all-others rate for exporters and producers not individually investigated, including averaging the estimated weighted average dumping margins determined for the exporters and producers individually investigated."

In these preliminary results, the Department has calculated a rate for the mandatory respondent Senmao that is *de minimis* and a rate for mandatory respondent Penghong that is not zero, *de minimis*, or based entirely on facts available. Therefore, in accordance with section 735(c)(5)(A) of the Act and its prior practice, the Department has preliminarily assigned Penghong's calculated rate (i.e., 4.92 percent) as the separate rate for a non-examined separate rate exporters.

Preliminary Partial Rescission Of Antidumping Duty Administrative Review

Pursuant to 19 CFR 351.213(d)(1), the Department will rescind an administrative review, in whole or in part, if a party that requested the review withdraws its request within 90 days of the date of publication of the notice of initiation of the requested review. Jiangsu Keri Wood Co.,

²⁵ See company-specific No Shipment Certifications submitted to the Department between February 18, 2016 and March 10, 2016 ("No Shipment Certifications").

²⁶ See *Longkou Haimeng Mach. Co. v. United States*, 581 F. Supp. 2d 1344, 1357-60 (Ct. Int'l Trade 2008) (affirming the Department's determination to assign a 4.22 percent dumping margin to the separate rate respondents in a segment where the three mandatory respondents received dumping margins of 4.22 percent, 0.03 percent, and zero percent, respectively); *Certain Kitchen Appliance Shelving and Racks From the People's Republic of China: Final Determination of Sales at Less Than Fair Value*, 74 FR 36656, 36660 (July 24, 2009).

Ltd. withdrew its respective request for an administrative review within 90 days of the date of publication of *Initiation Notice*.²⁷ Accordingly, the Department is rescinding this review with respect to Jiangsu Keri Wood Co., Ltd., in accordance with 19 CFR 351.213(d)(1).²⁸

With respect to Dongtai Zhangshi Wood Industry Co., Ltd. and Huzhou Muyun Wood Co., Ltd., the Department preliminarily found each of these company's sale(s) during the POR to be a non-*bona fide* sale in a concurrent new shipper review ("NSR").²⁹ Because the sale(s) subject to this administrative review is the same sale preliminarily found to be a non-*bona fide* sale in the new shipper review, and there are no other reviewable sales by either company during the POR, we are preliminarily rescinding this review with respect to Dongtai Zhangshi Wood Industry Co., Ltd. and Huzhou Muyun Wood Co., Ltd.³⁰

Companies that Did Not Establish Their Eligibility For A Separate Rate

Upon initiation of this administrative review, as explained above, we provided the opportunity for all companies for which we initiated the review to complete either the separate rate application or certification.³¹ We have preliminarily determined that the following companies named in the *Initiation Notice* did not submit to the Department either a certification of no sales, a separate rate application, or a separate rate certification:

1. Anhui Suzhou Dongda Wood Co., Ltd.
2. Baiying Furniture Manufacturer Co., Ltd.
3. Cheng Hang Wood Co., Ltd.
4. Dalian Qianqiu Wooden Product Co., Ltd.
5. Fusong Jinqiu Wooden Product Co., Ltd.
6. Fusong Qianqiu Wooden Product Co., Ltd.
7. HaiLin XinCheng Wooden Products, Ltd.
8. Hangzhou Dazhuang Floor Co., Ltd. (dba Dasso Industrial Group Co., Ltd.)
9. Hangzhou Huahi Wood Industry Co., Ltd.
10. Huber Engineering Wood Corp.
11. Huzhou City Nanxun Guangda Wood Co., Ltd.

²⁷ See Letter from Jiangsu Keri Wood Co., Ltd. to the Department regarding "*Withdrawal of Review Request*" dated February 22, 2016.

²⁸ See Appendix. As stated in *Change in Practice in NME Reviews*, the Department will no longer consider the non-market economy ("NME") entity as an exporter conditionally subject to administrative reviews. See *Antidumping Proceedings: Announcement of Change in Department Practice for Respondent Selection in Antidumping Duty Proceedings and Conditional Review of the Nonmarket Economy Entity in NME Antidumping Duty Proceedings*, 78 FR 65963 (November 4, 2013) ("*Change in Practice in NME Reviews*"). The PRC-wide entity is not subject to this administrative review because no interested party requested a review of the entity. See *First Initiation Notice*.

²⁹ See *Multilayered Wood Flooring from the People's Republic of China: Rescission of Antidumping Duty New Shipper Reviews; 2014-2015*, 81 FR 74393 (October 26, 2016).

³⁰ See, e.g., *Fresh Garlic from the People's Republic of China: Final Results and Final Rescission of the 20th Antidumping Duty Administrative Review; 2013-2014*, 81 FR 39897 (June 20, 2016) and accompanying Issues and Decision Memorandum (rescinding AR with respect to a company, where the Department had already found the new shipper's sale to be non-*bona fide* in final determination).

³¹ See *First Initiation Notice*, 81 FR at 6832, 6835-37 and *Second Initiation Notice*, 81 FR at 11179 and 11182. The separate rate certification and separate rate application were available at: <http://ia.ita.doc.gov/nme/nme-sep-rate.html>.

12. Huzhou Fuma Wood Co., Ltd.
13. Jiafeng Wood (Suzhou) Co., Ltd.
14. Qingdao Barry Flooring Co., Ltd
15. Shandong Kaiyuan Wood Industry Co., Ltd.
16. Shanghai Anxin (Weiguang) Timber Co., Ltd.
17. Shanghai Eswell Timber Co., Ltd.
18. Shanghai New Sihe Wood Co., Ltd.
19. Shanghai Shenlin Corporation
20. Vicwood Industry (Suzhou) Co. Ltd.
21. Yixing Lion-King Timber Industry
22. Zhejiang AnJi Xinfeng Bamboo and Wood Industry Co., Ltd.
23. Zhejiang Desheng Wood Industry Co., Ltd.
24. Zhejiang Haoyun Wooden Co., Ltd.

Thus, these companies have failed to demonstrate that they are eligible for a separate rate, and are considered part of the PRC-wide entity.³²

Because no party requested a review of the PRC-wide entity and the Department no longer considers the PRC-wide entity as an exporter conditionally subject to administrative reviews,³³ we did not conduct a review of the PRC-wide entity. Thus, the rate for the PRC-wide entity is not subject to change as a result of this review. Therefore, if our determination regarding these 18 companies is unchanged in the final results, entries for the 18 companies identified above will be assessed antidumping duties at the cash deposit rate previously established for the PRC-wide entity (*i.e.*, 58.84 percent).³⁴

Surrogate Country and Surrogate Value Data

When the Department investigates imports from an NME country, section 773(c)(1) of the Act directs it to base NV, in most circumstances, on the NME producer's factors of production ("FOPs"), valued in a surrogate ME country or countries considered to be appropriate by the Department. In accordance with section 773(c)(4) of the Act, in valuing an FOP, the Department shall utilize, to the extent possible, the prices or costs of the FOP in one or more ME countries that are: (1) at a level of economic development comparable to that of the NME country; and (2) significant producers of comparable merchandise.³⁵ The Department determined that Bulgaria,

³² See *Narrow Woven Ribbons With Woven Selvedge from the People's Republic of China: Preliminary Results and Partial Rescission of Antidumping Duty Administrative Review*, 77 FR 47363, 47365 (August 8, 2012), unchanged in *Narrow Woven Ribbons With Woven Selvedge from the People's Republic of China: Final Results of Antidumping Duty Administrative Review; 2010-2011*, 78 FR 10130 (February 13, 2013).

³³ See *Antidumping Proceedings: Announcement of Change in Department Practice for Respondent Selection in Antidumping Duty Proceedings and Conditional Review of the Nonmarket Economy Entity in NME Antidumping Duty Proceedings*, 78 FR 65963, 65969-70 (November 4, 2013).

³⁴ Effective July 16, 2015, the cash deposit rate applicable to the PRC-wide entity is 25.62 percent. However, that date only covers a portion of the POR established for this review after the effective date.

³⁵ See Import Administration Policy Bulletin 04.1: Non-Market Economy Surrogate Country Selection Process (March 1, 2004) ("Policy Bulletin").

Romania, Ecuador, Mexico, South Africa, and Thailand are countries with *per capita* gross national incomes that are comparable to the PRC.³⁶

On May 9, 2016, the Department received timely comments on surrogate country selection from mandatory respondents, Penghong,³⁷ Senmao,³⁸ and Petitioner.³⁹ The Department received no rebuttal comments on the selection of the primary surrogate country. Respondents suggested that Thailand should serve as the surrogate country. Petitioner indicated that Romania should serve as the surrogate country. On May 23, 2016 mandatory respondents, Penghong and Senmao, along with Fine Furniture (Shanghai) Limited and Double F Limited (collectively, “Fine Furniture”), submitted surrogate value (“SV”) information related to Thailand.⁴⁰ On the same day, Petitioner also submitted SV information for Romania.⁴¹ Rebuttal comments from Penghong, Senmao, Fine Furniture and CAHP were submitted on June 6, 2016.⁴²

A. Comparable Level of Economic Development

Pursuant to section 773(c)(4) of the Act, the Office of Policy memorandum identified Bulgaria, Romania, Ecuador, Mexico, South Africa, and Thailand as being at the same level of economic development as the PRC.⁴³ Accordingly, unless we find that all of the countries determined to be at the same level of economic development are not significant producers of comparable merchandise, do not provide a reliable source of publicly available surrogate data, or are unsuitable for use for other reasons, we will rely on data from one of these countries. Therefore, we consider all six countries as having met this prong of the surrogate country selection criteria.

³⁶ See Letter to Interested Parties regarding 2014-2015 Antidumping Duty Administrative Review of Multilayered Wood Flooring from the People’s Republic of China: Request for Surrogate Country and Surrogate Value Comments and Information (“Request for Surrogate Country Comments”), dated April 4, 2016.

³⁷ See Letter from Dalian Penghong Floor Products Co., Ltd. (“Penghong”), regarding *Multilayered Wood Flooring from China: Surrogate Country Comments* (“Penghong’s Surrogate Country Comments”) dated May 9, 2016.

³⁸ See Letter from Jiangsu Senmao Bamboo and Wood Industry Co., Ltd. (“Senmao”), regarding *Multilayered Wood Flooring from the People’s Republic of China: Comments Regarding Surrogate Country Selection* (“Senmao’s Surrogate Country Comments”), dated May 9, 2016.

³⁹ Petitioner is the Coalition for American Hardwood Parity (“CAHP”). See Letter from Petitioner regarding *Multilayered Wood Flooring from the People’s Republic of China (“Petitioner’s Surrogate Country Comments”)*, dated May 9, 2016.

⁴⁰ See Letter from Fine Furniture regarding *Administrative Review of the Antidumping Duty Order on Multilayered Wood Flooring from the People’s Republic of China: Surrogate Value Comments*, dated May 23, 2016 (“Fine Furniture’s Surrogate Value Submission”); see also Letter from Penghong regarding *Multilayered Wood Flooring from the People’s Republic of China- Surrogate Values for Preliminary Results*, dated May 23, 2016 (“Penghong’s Surrogate Value Submission”); see also Letter from Senmao regarding *Multilayered Wood Flooring from the People’s Republic of China: Comments Regarding Surrogate Value Selection*, dated May 23, 2016 (“Senmao’s Surrogate Value Submission”).

⁴¹ See Letter from Petitioner regarding *Multilayered Wood Flooring from the People’s Republic of China*, dated May 23, 2016 (“Petitioner’s Surrogate Value Submission”).

⁴² See Letter from Fine Furniture regarding *Administrative Review of the Antidumping Duty Order on Multilayered Wood Flooring from the People’s Republic of China: Rebuttal Surrogate Value Comments*, dated June 6, 2016; see also Letter from Penghong regarding *Multilayered Wood Flooring from the People’s Republic of China Rebuttal Preliminary Surrogate Value Submission*, dated June 6, 2016; see also Letter from Senmao regarding *Multilayered Wood Flooring from the People’s Republic of China: Rebuttal Comments Regarding Surrogate Value Selection*, dated June 6, 2016; see also Letter from Petitioner regarding *Multilayered Wood Flooring from the People’s Republic of China*, dated June 6, 2016.

⁴³ See Request for Surrogate Country Comments, dated April 4, 2016 at Attachment 1.

B. Significant Producers of Identical or Comparable Merchandise

Section 773(c)(4)(B) of the Act requires the Department to value FOPs in a surrogate country that is a significant producer of comparable merchandise. Neither the statute nor the Department's regulations provide further guidance on what may be considered comparable merchandise. Given the absence of any definition in the statute or regulations, the Department looks to other sources such as the *Policy Bulletin* for guidance on defining comparable merchandise. The *Policy Bulletin* states that "in all cases, if identical merchandise is produced, the country qualifies as a producer of comparable merchandise."⁴⁴ Conversely, if identical merchandise is not produced, then a country producing comparable merchandise is sufficient in selecting a surrogate country. Further, when selecting a surrogate country, the statute requires the Department to consider the comparability of the merchandise, not the comparability of the industry.⁴⁵ How the Department does this depends on the subject merchandise.⁴⁶ Based on the information placed on record of this review in surrogate country comment submissions, the Department finds that Bulgaria, Romania, Ecuador, Mexico, South Africa, and Thailand are all significant producers of comparable merchandise.⁴⁷

C. Data Availability

The *Policy Bulletin* states that if more than one potential surrogate country satisfies the statutory requirements for selection as a surrogate country, the Department selects the primary surrogate country "with the best factors data."⁴⁸ Section 773(c)(1) of the Act instructs the Department to value the FOPs based upon the best available information from an ME country or countries that the Department considers appropriate. When evaluating SV data, the Department considers several factors including whether the SV is publicly available, contemporaneous with the POR, represents a broad-market average, from an approved surrogate country, tax and duty-exclusive, and specific to the input.⁴⁹ There is no hierarchy among these criteria. The Department's preference is to satisfy the breadth of the aforementioned selection criteria.⁵⁰ It is the Department's practice to consider carefully the available evidence in light of the particular facts

⁴⁴ See *Policy Bulletin* at 2.

⁴⁵ See *Sebacic Acid from the People's Republic of China; Final Results of Antidumping Duty Administrative Review*, 62 FR 65674, 65675-76 (December 15, 1997) ("To impose a requirement that merchandise must be produced by the same process and share the same end uses to be considered comparable would be contrary to the intent of the statute.").

⁴⁶ See *Policy Bulletin* at 2.

⁴⁷ See Fourth Administrative Review of the Antidumping Duty Order on Multilayered Wood Flooring from the People's Republic of China: Selection of a Surrogate Country ("Surrogate Country Memo") dated December 20, 2016.

⁴⁸ See *Policy Bulletin*.

⁴⁹ *Id.*

⁵⁰ See *Certain Preserved Mushrooms from the People's Republic of China: Final Results and Final Partial Rescission of the Sixth Administrative Review*, 71 FR 40477 (July 17, 2006) ("Sixth Mushrooms AR"), and accompanying Issues and Decision Memorandum at Comment 1; see also *Freshwater Crawfish Tail Meat from the People's Republic of China; Notice of Final Results of Antidumping Duty Administrative Review, and Final Partial Rescission of Antidumping Duty Administrative Review*, 67 FR 19546 (April 22, 2002), and accompanying Issues and Decision Memorandum at Comment 2.

of each industry when undertaking its analysis.⁵¹ The Department must weigh the available information with respect to each input value and make a product-specific and case-specific decision as to what constitutes the “best” available SV for each input.⁵² Additionally, pursuant to 19 CFR 351.408(c)(2), the Department has a preference of valuing all FOPs in a single surrogate country.

The mandatory respondents, Penghong and Senmao, as well as Petitioner, filed SV comments and information. Penghong, Senmao, Petitioner, and Fine Furniture all filed rebuttal comments.⁵³ As a result of those submissions, the record of this review contains specific, contemporaneous, and tax and duty exclusive high-quality data that represents a broad market average from Thailand and Romania to value all FOPs.⁵⁴

As explained above and in more detail in the Surrogate Country Memo, data considerations lead the Department to preliminarily select Romania, rather than Thailand, as the most appropriate primary surrogate country. Romania has publicly available and reliable data with which to value the mandatory respondents’ FOPs that are in certain instances more specific than available data from Thailand.⁵⁵ For example, the Romanian HTS schedule contains categories specific to wood species and thicknesses reported by the mandatory respondents; by contrast, the Thai HTS schedule does not contain species-specific categories. These wood inputs are major inputs into the production of wood flooring. Additionally, we find that the record contains useable financial statements from Romania, as set forth below in the “Factor Valuations” section of this memorandum.⁵⁶ Therefore, in accordance with section 773(c)(4) of the Act and 19 CFR 351.408(c)(2), the Department preliminarily determines that Romania is the most appropriate primary surrogate country for purposes of this administrative review.

Date of Sale

In identifying the date of sale of the merchandise under consideration, the Department will normally, in accordance with 19 CFR 351.401(i), “use the date of invoice, as recorded in the exporter or producer’s records kept in the ordinary course of business.” In *Allied Tube*, the CIT, consistent with 19 CFR 351.401(i), noted that a “party seeking to establish a date of sale other than invoice date bears the burden of producing sufficient evidence to ‘satisfy’ the Department that ‘a different date better reflects the date on which the exporter or producer establishes the

⁵¹ *Id.*

⁵² *See, e.g., Sixth Mushrooms AR*, 71 FR40477 and accompanying Issues and Decision Memorandum at Comment I.

⁵³ *See* Surrogate Country Memo.

⁵⁴ *See* Letter from Fine Furniture regarding Administrative Review of the Antidumping Duty Order on Multilayered Wood Flooring from the People's Republic of China: Surrogate Value Comments, dated May 23, 2016 (“Fine Furniture’s Surrogate Value Submission”); *see also* Letter from Penghong regarding Multilayered Wood Flooring from the People's Republic of China- Surrogate Values for Preliminary Results, dated May 23, 2016 (“Penghong’s Surrogate Value Submission”); *see also* Letter from Senmao regarding Multilayered Wood Flooring from the People’s Republic of China: Comments Regarding Surrogate Value Selection, dated May 23, 2016 (“Senmao’s Surrogate Value Submission”), and Letter from Petitioner regarding Multilayered Wood Flooring from the People’s Republic of China, dated May 23, 2016 (“Petitioner’s Surrogate Value Submission”).

⁵⁵ *See* Surrogate Country Memo.

⁵⁶ *See Id.*

material terms of sale.”⁵⁷ Additionally, the Department may use a date other than the date of invoice if it is satisfied that a different date better reflects the date on which the exporter or producer establishes the material terms of sale.⁵⁸ This normally includes the price, quantity, delivery terms and payment terms.⁵⁹ Penghong and Senmao both claim date of invoice as the date of sale in both the U.S. and comparison markets and nothing on the record indicates that a date other than the invoice date better reflects the date on which the material terms of sales were established.⁶⁰ Accordingly, the Department has preliminarily determined to use the invoice date as the date of sale for both mandatory respondents, Penghong and Senmao.

Fair Value Comparisons

To determine whether Penghong’s and Senmao’s sales of subject merchandise were made at less than NV, we compared we compared EP to NV, as described below.⁶¹

A. Determination of Comparison Method

Pursuant to 19 CFR 351.414(c)(1), the Department calculates dumping margins by comparing weighted-average NVs to weighted-average EPs or constructed export prices (CEPs) (the average-to-average method) unless the Department determines that another method is appropriate in a particular situation. In AD investigations, the Department examines whether to use the average-to-transaction method as an alternative comparison method using an analysis consistent with section 777A(d)(1)(B) of the Act. Although section 777A(d)(1)(B) of the Act does not strictly govern the Department’s examination of this question in the context of administrative reviews, the Department nevertheless finds that the issue arising under 19 CFR 351.414(c)(1) in administrative reviews is, in fact, analogous to the issue in AD investigations.⁶²

In certain investigations and reviews, the Department applied a “differential pricing” analysis to determine whether application of average-to-transaction comparisons is appropriate in a particular situation pursuant to 19 CFR 351.414(c)(1) and consistent with section 777A(d)(1)(B)

⁵⁷ See *Allied Tube & Conduit Corp. v. United States* 132 F. Supp. 2d 1087, 1090 (CIT 2001) (quoting 19 CFR 351.401(i)) (“*Allied Tube*”).

⁵⁸ See 19 CFR 351.401(i); see also *Allied Tube*, 132 F. Supp. 2d at 1090-1092.

⁵⁹ See, e.g., *Carbon and Alloy Steel Wire Rod from Trinidad and Tobago: Final Results of Antidumping Duty Administrative Review*, 72 FR 62824 (November 7, 2007), and accompanying Issue and Decision Memorandum at Comment 1; *Notice of Final Determinations of Sales at Less Than Fair Value: Certain Cold-Rolled Flat-Rolled Carbon Quality Steel Products from Turkey*, 65 FR 15123 (March 21, 2000), and accompanying Issues and Decision Memorandum at Comment 1.

⁶⁰ See Senamo’s Section C and D response dated April 28, 2016 at page 15; See also Penghong’s Section C response dated May 2, 2016, at page 11.

⁶¹ In these preliminary results, the Department applied the assessment rate calculation method adopted in *Antidumping Proceedings: Calculation of the Weighted-Average Dumping Margin and Assessment Rate in Certain Antidumping Duty Proceedings; Final Modification*, 77 FR 8101 (February 14, 2012) (“*Final Modification for Reviews*”).

⁶² See *Ball Bearings and Parts Thereof from France, Germany, and Italy: Final Results of Antidumping Duty Administrative Reviews; 2010–2011*, 77 FR 73415 (December 10, 2012), and accompanying Issues and Decision Memorandum at Comment 1.

of the Act.⁶³ The Department finds the differential pricing analysis used in those recent investigations and reviews may be instructive for purposes of examining whether to apply an alternative comparison method in this administrative review. The Department will continue to develop its approach in this area based on comments received in this and other proceedings, and on the Department's additional experience with addressing the potential masking of dumping that can occur when the Department uses the average-to-average method in calculating weighted-average dumping margins.

The differential pricing analysis used in these preliminary results requires a finding of a pattern of EPs (or CEPs) for comparable merchandise that differs significantly among purchasers, regions, or time periods. If such a pattern is found, then the differential pricing analysis evaluates whether such differences can be taken into account when using the average-to-average method to calculate the weighted-average dumping margin. The differential pricing analysis used here evaluates all purchasers, regions, and time periods to determine whether a pattern of prices that differ significantly exists. The analysis incorporates default group definitions for purchasers, regions, time periods, and comparable merchandise. Purchasers are based on the reported customer names. Regions are defined using the reported destination code (*i.e.*, city name, zip code, *etc.*) and are grouped into regions based upon standard definitions published by the U.S. Census Bureau. Time periods are defined by the quarter within the POR being examined based upon the reported date of sale. For purposes of analyzing sales transactions by purchaser, region and time period, comparable merchandise is considered using the product control number and any characteristics of the sales, other than purchaser, region and time period, that the Department uses in making comparisons between EP (or CEP) and NV for the individual dumping margins.

In the first stage of the differential pricing analysis used here, the "Cohen's *d* test" is applied. The Cohen's *d* test is a generally recognized statistical measure of the extent of the difference between the mean of a test group and the mean of a comparison group. First, for comparable merchandise, the Cohen's *d* coefficient is calculated when the test and comparison groups of data each have at least two observations, and when the sales quantity for the comparison group accounts for at least five percent of the total sales quantity of the comparable merchandise. The Cohen's *d* coefficient evaluates the extent to which the net prices to a particular purchaser, region or time period differ significantly from the net prices of all other sales of comparable merchandise. The extent of these differences can be quantified by one of three fixed thresholds defined by the Cohen's *d* test: small, medium or large. Of these thresholds, the large threshold provides the strongest indication that there is a significant difference between the means of the test and comparison groups, while the small threshold provides the weakest indication that such a difference exists. For this analysis, the difference was considered significant if the calculated Cohen's *d* coefficient is equal to or exceeds the large (*i.e.*, 0.8) threshold.

⁶³ See *Xanthan Gum from the People's Republic of China: Final Determination of Sales at Less Than Fair Value*, 78 FR 33351 (June 4, 2013) and accompanying Issues and Decision Memorandum at Comment 3; see also *Hardwood and Decorative Plywood from the People's Republic of China: Antidumping Duty Investigation*, 78 FR 25946 (May 3, 2013), unchanged in *Hardwood and Decorative Plywood from the People's Republic of China: Final Determination of Sales at Less Than Fair Value*, 78 FR 58273 (September 23, 2013) and accompanying Issues and Decision Memorandum at Comment 3.

Next, the “ratio test” assesses the extent of the significant price differences for all sales as measured by the Cohen’s *d* test. If the value of sales to purchasers, regions, and time periods that pass the Cohen’s *d* test account for 66 percent or more of the value of total sales, then the identified pattern of EPs that differ significantly supports the consideration of the application of the average-to-transaction method to all sales as an alternative to the average-to-average method. If the value of sales to purchasers, regions, and time periods that pass the Cohen’s *d* test accounts for more than 33 percent and less than 66 percent of the value of total sales, then the results support consideration of the application of an average-to-transaction method to those sales identified as passing the Cohen’s *d* test as an alternative to the average-to-average method, and application of the average-to-average method to those sales identified as not passing the Cohen’s *d* test. If 33 percent or less of the value of total sales passes the Cohen’s *d* test, then the results of the Cohen’s *d* test do not support consideration of an alternative to the average-to-average method.

If both tests in the first stage (*i.e.*, the Cohen’s *d* test and the ratio test) demonstrate the existence of a pattern of prices that differ significantly such that an alternative comparison method should be considered, then in the second stage of the differential pricing analysis, we examine whether using only the average-to-average method can appropriately account for such differences. In considering this question, the Department tests whether using an alternative method, based on the results of the Cohen’s *d* and ratio tests described above, yields a meaningful difference in the weighted-average dumping margin as compared to that resulting from the use of the average-to-average method only. If the difference between the two calculations is meaningful, this demonstrates that the average-to-average method cannot account for differences such as those observed in this analysis, and, therefore, an alternative method would be appropriate. A difference in the weighted-average dumping margins is considered meaningful if 1) there is a 25 percent relative change in the weighted-average dumping margin between the average-to-average method and the appropriate alternative method where both rates are above the *de minimis* threshold, or 2) the resulting weighted-average dumping margin moves across the *de minimis* threshold.

Interested parties may present arguments and justifications in relation to the above-described differential pricing approach used in these preliminary results, including arguments for modifying the group definitions used in this proceeding.

B. Results of the Differential Pricing Analysis

Based on the results of the differential pricing analysis, the Department finds that 57.2 percent of Penghong’s export sales confirm the existence of a pattern of EPs for comparable merchandise that differs significantly among purchasers, regions, or time periods.⁶⁴ As such, the Department finds that these results support consideration of an alternative to the average-to-average method. When comparing the weighted-average dumping margin calculated based on the standard method (*i.e.*, the average-to-average method for all U.S. sales) and the weighted-average dumping margin calculated based on the appropriate alternative method (*i.e.*, the mixed-alternative method for all U.S. sales), there is a meaningful difference in the results.⁶⁵

⁶⁴ See company-specific analysis memoranda.

⁶⁵ *Id.*

Accordingly, the Department has determined to use the mixed-alternative method in making comparisons of EP and NV for Penghong.

For Senmao, the Department finds that 41.8 percent of Senmao's export sales confirm the existence of a pattern of EPs for comparable merchandise that differs significantly among purchasers, regions, or time periods.⁶⁶ As such, the Department finds that these results support consideration of an alternative to the average-to-average method. However, when comparing the weighted-average dumping margin calculated based on the standard method (*i.e.*, the average-to-average method for all U.S. sales) and the weighted-average dumping margin calculated based on the appropriate alternative method, there is no meaningful difference in the results.⁶⁷ Accordingly, the Department has determined to use the standard method in making comparisons of EP and NV for all of Senmao's U.S. sales.

Affiliation and Single Entity Status

Pursuant to 19 CFR 351.401(f)(1), the Department will treat producers as a single entity, or "collapse" them, where: (1) those producers are affiliated; (2) the producers have production facilities for producing similar or identical products that would not require substantial retooling of either facility in order to restructure manufacturing priorities; and (3) there is a significant potential for manipulation of price or production. In determining whether a significant potential for manipulation exists, 19 CFR 351.401(f)(2) states that the Department may consider various factors, including: (1) the level of common ownership; (2) the extent to which managerial employees or board members of one firm sit on the board of directors of an affiliated firm; and (3) whether the operations of the affiliated firms are intertwined, such as through the sharing of sales information, involvement in production and pricing decisions, the sharing of facilities or employees, or significant transactions between the affiliated producers.

"Collapsing" starts with a determination as to whether two or more companies are affiliated. Section 771(33) of the Act, identifies persons that shall be considered "affiliated" or "affiliated persons," including, *inter alia*: (1) under section 771(33)(A) of the Act, "{m}embers of a family"; (2) under section 771(33)(F) of the Act, "{t}wo or more persons directly or indirectly controlling, controlled by, or under common control with, any person"; and (3) under section 771(33)(G) of the Act, "any person who controls any other person and such other person" are affiliated persons. The Act further specifies that "a person shall be considered to control another person if the person is legally or operationally in a position to exercise restraint or direction over the other person."⁶⁸

Based on the evidence presented in Penghong's questionnaire responses and a collapsing/single entity memorandum from a prior segment of this proceeding which is on the record of this review,⁶⁹ we preliminarily find: (1) that Penghong is affiliated with a certain glue producer and a certain log processor within the meaning of sections 771(33)(A), (F), and (G) of the Act; and (2)

⁶⁶ *Id.*

⁶⁷ *Id.*

⁶⁸ See Section 771(33) of the Act.

⁶⁹ See Dalian Penghong Floor Products Co., Ltd., Preliminary Affiliation and Single Entity Memorandum dated December 31, 2015 (ACCESS barcode: 3479741-02 on the record of this review) ("AR3 Affiliation memo").

that Penghong and Dalian Shumaike Floor Manufacturing Co., Ltd. (“Shumaike”) are affiliated within the meaning of section 773(33)(F) of the Act.⁷⁰ We also preliminarily determine to continue collapsing Penghong and Shumaike for antidumping duty purposes, within the meaning of 19 CFR 351.401(f), because we find that those two affiliated companies have production facilities for similar or identical products that would not require substantial retooling to restructure manufacturing priorities and that there is a significant potential for manipulation of price or production.⁷¹ Regarding the significant potential for manipulation of price or production, in addition to a high level of common ownership, the record indicates that operations of Penghong and Shumaike were intertwined during the period of review.⁷²

U.S. Price

Export Price

In accordance with section 772(a) of the Act, EP is “the price at which subject merchandise is first sold (or agreed to be sold) before the date of importation by the producer or exporter of the subject merchandise outside of the United States to an unaffiliated purchaser in the United States or to an unaffiliated purchaser for exportation to the United States,” as adjusted under section 772(c) of the Act. We used the EP methodology, in accordance with section 772(a) of the Act, for sales in which the subject merchandise was first sold prior to importation by the exporter outside the United States directly to an unaffiliated purchaser in the United States, and for sales in which CEP was not otherwise indicated. We find that all of Penghong’s and Senmao’s sales in this review are EP sales.

We based EP on the sales price to unaffiliated purchasers in the United States. In accordance with section 772(c)(2)(A) of the Act, where appropriate, we made deductions from the starting price (gross unit price) for foreign inland freight, domestic brokerage and handling, international movement expenses and billing adjustments using SVs, as applicable.⁷³

Value-Added Tax

In 2012, the Department announced a change of methodology with respect to the calculation of EP and CEP to include an adjustment for the amount of any un-refunded (herein “irrecoverable”) value-added tax (“VAT”) in certain NMEs, in accordance with section 772(c)(2)(B) of the Act.⁷⁴ The Department explained that when an NME government imposes an export tax, duty, or other charge on subject merchandise, or on inputs used to produce subject merchandise, from which the respondent was not exempted, the Department will reduce the respondent’s EP and CEP

⁷⁰ See Dalian Penghong Floor Products Co., Ltd., Preliminary Affiliation and Single Entity Memorandum (“Penghong Affiliation Memo”) dated December 20, 2016.

⁷¹ See *Id.*

⁷² For additional information regarding the Department’s analysis, including certain business proprietary details, see Memorandum to Abdelali Elouaradia re: “Administrative Review of the Antidumping Duty Order on Multilayered Wood Flooring from the People’s Republic of China: Dalian Penghong Floor Products Co., Ltd.: Preliminary Affiliation and Single Entity Memorandum” (December 20, 2016).

⁷³ See company-specific preliminary analysis memoranda.

⁷⁴ See *Methodological Change for Implementation of Section 772(c)(2)(B) of the Tariff Act of 1930, as Amended, In Certain Non-Market Economy Antidumping Proceedings*, 77 FR 36481 (June 19, 2012).

prices accordingly, by the amount of the tax, duty or charge paid, but not rebated. Where the irrecoverable VAT is a fixed percentage of EP or CEP, the Department explained that the final step in arriving at a tax neutral dumping comparison is to reduce the U.S. EP or CEP downward by this same percentage.⁷⁵

In both the initial and supplemental questionnaires, the Department instructed Penghong and Senmao to report VAT on merchandise sold to the United States and identify which taxes are not rebated upon export.⁷⁶ Information placed on the record of this review indicates that, according to the Chinese VAT schedule, the standard VAT levy is 17 percent and the rebate rate for subject merchandise is 9 percent.⁷⁷

The Department's methodology, as explained above and applied in this review, incorporates two basic steps: (1) determine the irrecoverable VAT on subject merchandise, and (2) reduce U.S. price by the amount determined in step one. For the purposes of these preliminary results, for both mandatory respondents, we removed from U.S. price the difference between the rates (*i.e.*, eight percent), which is the irrecoverable VAT as defined under Chinese tax law and regulation.⁷⁸

Normal Value

Section 773(c)(1) of the Act provides that the Department shall determine the NV using an FOP methodology if: (1) the merchandise is exported from an NME; and (2) the information does not permit the calculation of NV using home-market prices, third-country prices, or constructed value under section 773(a) of the Act. When determining NV in an NME context, the Department bases NV on the FOPs because the presence of government controls on various aspects of NMEs renders price comparisons and the calculation of production costs invalid under the Department's normal methodologies.

The Department calculated NV based on FOPs in accordance with sections 773(c)(3) and (4) of the Act and 19 CFR 351.408(c). Under section 773(c)(3) of the Act, FOPs include, but are not limited to: (1) hours of labor required; (2) quantities of raw materials employed; and (3) representative capital costs. The Department based NV on FOPs reported by the respondents for materials, labor, and packing.

Factor Valuations

In accordance with section 773(c) of the Act, we calculated NV based on the FOPs reported by the respondents for the POR. To calculate NV, we multiplied the reported per-unit factor-consumption rates by publicly available SVs (except as discussed below). Our practice when selecting the best available information for valuing FOPs is to select, to the extent practicable,

⁷⁵ *Id.*

⁷⁶ See "Antidumping Questionnaire," C-26-27, issued to Penghong and Senmao on March 15, 2016.

⁷⁷ See "Ministry of Finance and State Administration of Taxation, Circular on Further Promotion of 'Exemption, Deduction and Refund' of Tax for Exported Merchandise" ("Circular 7").

⁷⁸ See company-specific analysis memoranda.

SVs which are product-specific, representative of a broad market average, publicly available, contemporaneous with the POR, and exclusive of taxes and duties.⁷⁹

As appropriate, we adjusted input prices by including freight costs to make them delivered prices. Specifically, we added to import SVs the surrogate freight cost using the shorter of the reported distance from the domestic supplier to the factory or the distance from the nearest seaport to the factory, where appropriate. This adjustment is in accordance with the decision by the Court of Appeals for the Federal Circuit in *Sigma Corp v. United States*, 117 F.3d 1401, 1408 (Fed. Cir. 1997).

For the preliminary results, except where noted below, we used data from the Romanian import statistics in Global Trade Atlas (“GTA”) and other publicly available Romanian sources in order to calculate SVs for the mandatory respondents’ FOPs (*i.e.*, direct materials and packing materials) and certain movement expenses. As noted above, when selecting the best available information for valuing FOPs, the Department’s practice is to select, to the extent practicable, SVs which are non-export average values, most contemporaneous with the POR, product-specific, and tax-exclusive.⁸⁰ The record shows Romanian import statistics obtained through GTA are publicly available, contemporaneous with the POR, product-specific, tax-exclusive, and represent broad market averages.⁸¹

The Department continues to apply its long-standing practice of disregarding SVs if it has a reason to believe or suspect the source data may be subsidized.⁸² In this regard, the Department has previously found that it is appropriate to disregard such prices from India, Indonesia, South Korea, and Thailand because we have determined that these countries maintain broadly available, non-industry specific export subsidies.⁸³ Based on the existence of these subsidy

⁷⁹ See, *e.g.*, *Electrolytic Manganese Dioxide from the People’s Republic of China: Final Determination of Sales at Less Than Fair Value*, 73 FR 48195 (August 18, 2008), and the accompanying Issues and Decision Memorandum at Comment 2.

⁸⁰ See *Notice of Preliminary Determination of Sales at Less Than Fair Value, Negative Preliminary Determination of Critical Circumstances and Postponement of Final Determination: Certain Frozen and Canned Warmwater Shrimp from the Socialist Republic of Vietnam*, 69 FR 42672, 42682 (July 16, 2004), unchanged in *Final Determination of Sales at Less Than Fair Value: Certain Frozen and Canned Warmwater Shrimp from the Socialist Republic of Vietnam*, 69 FR 71005 (December 8, 2004).

⁸¹ See *Surrogate Value Memorandum for the Preliminary Results of the Administrative Review of the Antidumping Duty Order on Multilayered Wood Flooring from the People’s Republic of China* (December 20, 2016) (“Prelim SV Memorandum”).

⁸² This practice has been codified. See section 505 of the Trade Preferences Extension Act of 2015, Pub. Law 114-27 (June 29, 2015) (amending section 773(c)(5) of the Act to permit Department to disregard price or cost values without further investigation if it has determined that certain subsidies existed with respect to those values); see also *Dates of Application of Amendments to the Antidumping and Countervailing Duty Laws Made by the Trade Preferences Extension Act of 2015*, 80 FR 46793, 46795 (August 6, 2015).

⁸³ See *Carbazole Violet Pigment 23 from India: Final Results of the Expedited Five-year (Sunset) Review of the Countervailing Duty Order*, 75 FR 13257 (March 19, 2010), and accompanying Issues and Decision Memorandum at 4-5; *Certain Cut-to-Length Carbon-Quality Steel Plate from Indonesia: Final Results of Expedited Sunset Review*, 70 FR 45692 (August 8, 2005), and accompanying Issues and Decision Memorandum at 4; *Corrosion-Resistant Carbon Steel Flat Products from the Republic of Korea: Final Results of Countervailing Duty Administrative Review*, 74 FR 2512 (January 15, 2009), and accompanying Issues and Decision Memorandum at 17, 19-20; *Final Affirmative Countervailing Duty Determination: Certain Hot-Rolled Carbon Steel Flat Products from Thailand*, 66 FR 50410 (October 3, 2001), and accompanying Issues and Decision Memorandum at 23.

programs that were generally available to all exporters and producers in these countries at the time of the POR, the Department finds that it is reasonable to infer that all exporters from India, Indonesia, South Korea and Thailand may have benefitted from these subsidies. Therefore, the Department has not used prices from India, Indonesia, South Korea and Thailand in calculating the import-based SVs. Additionally, we disregarded prices from NME countries.⁸⁴ Finally, imports that were labeled as originating from an “unspecified” country were excluded from the average value, because the Department could not be certain that they were not from either an NME country or a country with generally available export subsidies.⁸⁵

On August 2, 2013, the Department amended 19 CFR 351.408.⁸⁶ Pursuant to amended 19 CFR 351.408(c)(1), for all proceedings initiated after September 3, 2013, when a respondent sources inputs from an ME supplier and paid for the inputs in ME currency in meaningful quantities, the Department uses the actual price paid by the respondent to value those inputs, if substantially all of the factor, by total volume, is purchased from the ME supplier. In accordance with the amended regulation, substantially all is defined to be 85 percent or more of the total volume purchased of the factor.⁸⁷ Alternatively, when the volume of an NME firm’s purchases of an input from ME suppliers during the period is below 85 percent of its total volume of purchases of the input during the period, but where these purchases are otherwise valid and there is no reason to disregard the prices, the Department will weight-average the ME purchase price with an appropriate SV, according to their respective shares of the total volume of purchases, unless case-specific facts provide adequate grounds to rebut the presumption.⁸⁸ When a firm has made ME input purchases that may have been dumped or subsidized, are not *bona fide*, or are otherwise not acceptable for use in a dumping calculation, the Department will exclude them from the numerator of the ratio to ensure a fair determination of whether valid ME purchases meet the 85 percent threshold. We applied this framework when analyzing ME inputs reported by respondents in this review (i.e. White Oak Logs, Hickory Logs, etc.). Where appropriate, we added freight expense to the ME prices for these inputs.

We valued truck freight expenses using average truck rates from the World Bank’s report, *Doing Business 2015: Romania (“Doing Business”)*.⁸⁹ This World Bank report gathers information concerning the distance and cost to transport products in a 20-foot container from the periurban area (i.e., Bucharest) of the economy’s largest business city (Bucharest) to the country’s major port (i.e., Constanta).⁹⁰ We calculated a per-kilogram/per-kilometer surrogate inland freight rate of 0.00032 U.S. dollars per per-kilogram/per-kilometer based on using the full capacity of a 20-foot container as reported in the World Bank report.⁹¹

⁸⁴ See *Certain Kitchen Appliance Shelving and Racks from the People’s Republic of China: Preliminary Determination of Sales at Less Than Fair Value and Postponement of Final Determination*, 74 FR 9591, 9600 (March 5, 2009), unchanged in *Certain Kitchen Appliance Shelving and Racks from the People’s Republic of China: Final Determination of Sales at Less Than Fair Value*, 74 FR 36656 (July 24, 2009) and *Certain Kitchen Appliance Shelving and Racks from the People’s Republic of China: Amended Final Determination of Sales at Less Than Fair Value and Notice of Antidumping Duty Order*, 74 FR 46971 (September 14, 2009).

⁸⁵ *Id.*

⁸⁶ See *Use of Market Economy Input Prices in Nonmarket Economy Proceedings*, 78 FR 46799 (August 2, 2013).

⁸⁷ *Id.*

⁸⁸ *Id.*

⁸⁹ See Petitioners’ SV Comments dated June 6, 2016.

⁹⁰ See *Doing Business* at 71 and Petitioners’ June 6, 2016, SV Comments, at Exhibit SV-16.

⁹¹ See Prelim SV Memorandum.

To calculate the labor input, we based our calculation on the methodology outlined by the Department in *Labor Methodologies*.⁹² In *Labor Methodologies*, the Department determined that the best methodology to value the labor input is to use industry-specific labor rates from the primary surrogate country.⁹³ Additionally, the Department determined that Chapter 6A: Labor Cost in Manufacturing, from the International Labour Organization (“ILO”) Yearbook of Labour Statistics (“Yearbook”), as compared to Chapter 5B data of the ILO Yearbook, is the preferred source where another source is not more appropriate.⁹⁴

In these preliminary results, the Department calculated the labor input using data from National Institute of Statistics data for 2014.⁹⁵ Consistent with section 773(c)(1) of the Act, we continue to follow our practice of selecting the “best available information” to determine SVs for inputs, such as labor. We find that the 2014 data are the best available information for valuing labor for this segment of the proceeding because the 2014 data are contemporaneous with the POR and consistent with our practice of selecting SVs from one primary surrogate country where available. Additionally, the 2014 data are industry-specific, and reflect all costs related to labor, including wages, benefits, housing, and training. For these preliminary results, we have calculated the wage rate as 9.77 Lei/hour.⁹⁶

When choosing surrogate financial statements from which we derive the financial ratio, the Department considers the availability of contemporaneous financial statements, comparability to the respondent’s experience, and whether the data are publicly available.⁹⁷ Moreover, for valuing factory overhead, selling general and administrative (“SG&A”) expenses, and profit, the Department normally will use non-proprietary information gathered from producers of identical or comparable merchandise in the surrogate country. In addition, the Court of International Trade (“CIT”) has held that in the selection of surrogate producers, the Department may consider how closely the surrogate producers approximate the NME producer’s experience.⁹⁸

With respect to financial statements, the record contains five sets of Thai financial statements for the following producers: Neotech Plywood Co., Ltd. (“Neotech”) fiscal year ending (“FYE”) 12/31/2014⁹⁹, Lampang Product Ordinary Partnership (“Lampang”) FYE 10/31/2013¹⁰⁰, Lampang FYE 10/31/2014¹⁰¹, Suksawad Plywood Thai Co. Ltd. (“Suksawad”) FYE

⁹² See *Antidumping Methodologies in Proceedings Involving Non-Market Economies: Valuing the Factor of Production: Labor*, 76 FR 36092 (June 21, 2011) (“*Labor Methodologies*”).

⁹³ *Id.*, at 36093.

⁹⁴ *Id.*

⁹⁵ See Prelim SV Memorandum.

⁹⁶ *Id.*

⁹⁷ See, e.g., *Notice of Final Determination of Sales at Less Than Fair Value: Chlorinated Isocyanurates from the People’s Republic of China*, 70 FR 24502 (May 10, 2005), and accompanying Issues and Decision Memorandum at Comment 3.

⁹⁸ See, e.g., *Diamond Sawblades and Parts Thereof from the People’s Republic of China, Final Determination in the Antidumping Duty Investigation*, 71 FR 29303 (May 22, 2006), and accompanying Issues and Decision Memorandum at Comment 2; see also section 773(c)(4) of the Act and 19 CFR 351.408(c)(4).

⁹⁹ See Senmao’s Surrogate Value Submission.

¹⁰⁰ See Penghong’s Surrogate Value Submission.

¹⁰¹ *Id.*

12/31/2014¹⁰², and Suksawad FYE 12/31/2015¹⁰³; and one set of financial statements for Romanian producer, SC Sigstrat SA (“Sigstrat”), FYE 12/31/2014.¹⁰⁴ We note that both of the financial statements from Lampang are not contemporaneous with this POR and are, thus, not the best available information for valuing respondents’ financial ratios. Additionally, the financial statements from Suksawad are both unusable; in both the FYE 2014 and 2015 statements, the company’s business is listed as the “trade of wood” and, thus, there is no production or manufacturing of comparable merchandise.¹⁰⁵ The remaining sets of financial statements from Thailand and Romania, Neotech FYE 12/31/2014 and Sigstrat, FYE 12/31/2014 are contemporaneous with this POR, and both reflect production of comparable merchandise *i.e.*, plywood. We find that the financial statements of Neotech and Sigstrat are both useable; they are both contemporaneous, producers of comparable merchandise, contain no evidence of countervailable subsidies, and contain no qualified opinions by an auditor.

The Department’s preference is to value all FOPs in a single surrogate country pursuant to 19 CFR 351.408(c)(2). Accordingly, because we have a useable financial statement from the primary surrogate country, Romania, we have preliminarily used Sigstrat’s financial statement for the calculation of surrogate financial ratios.

The Department’s practice is to grant respondents an offset to the reported FOPs for by-products generated during the production of the merchandise under consideration if evidence is provided that such by-product has commercial value. Also, for waste or by-products sold to unaffiliated parties, it is the Department’s practice to offset NV costs with the sales revenue of the waste or byproduct.¹⁰⁶ Penghong reported one by-product, saw dust/scrap generated in the production of subject merchandise, but did not request a by-product offset or substantiate a claim for one and the Department, therefore, has not provided an offset.¹⁰⁷ Senmao did not report any by-products or waste generated in the production of subject merchandise and the Department, therefore, has not provided any offsets.

Adjustment Under Section 777A(f) of the Act

In applying section 777A(f) of the Act in this administrative review, the Department examines: (1) whether a countervailable subsidy (other than an export subsidy) has been provided with respect to a class or kind of merchandise; (2) whether such countervailable subsidy has been demonstrated to have reduced the average price of imports of the class or kind of merchandise during the relevant period; and (3) whether the Department can reasonably estimate the extent to which that countervailable subsidy, in combination with the use of NV determined pursuant to section 773(c) of the Act, has increased the weighted-average dumping margin for the class or

¹⁰² See Letter from Senmao, regarding *Multilayered Wood Flooring from the People’s Republic of China: Submission of Factual Information*, dated October 31, 2016.

¹⁰³ *Id.*

¹⁰⁴ See Petitioner’s Surrogate Value Submission.

¹⁰⁵ See Letter from Senmao, regarding *Multilayered Wood Flooring from the People’s Republic of China: Submission of Factual Information*, dated October 31, 2016 at Exhibit-1 page 24 and Exhibit-3 page 74.

¹⁰⁶ *Id.*

¹⁰⁷ See Penghong’s Section D response dated May 5, 2016 at 13-15 and Penghong’s Section D supplemental response dated July 18, 2016 at 9-10.

kind of merchandise.¹⁰⁸ For a subsidy meeting these criteria, the statute requires the Department to reduce the antidumping duty by the estimated amount of the increase in the weighted-average dumping margin subject to a specified cap.¹⁰⁹ In conducting this analysis, the Department has not concluded that concurrent application of NME ADs and CVDs necessarily and automatically results in overlapping remedies. Rather, a finding that there is an overlap in remedies, and any resulting adjustment, is based on a case-by-case analysis of the totality of facts on the administrative record for that segment of the proceeding as required by the statute.

Since the Department has relatively recently started conducting an analysis under section 777A(f) of the Act, the Department is continuing to refine its practice in applying this section of the law. The Department examined whether Penghong or Senmao demonstrated: (1) a subsidies-to-cost link, *e.g.*, subsidy impact on cost of manufacture (“COM”); and (2) a cost-to-price link, *e.g.*, respondent's prices changed as a result of changes in the COM.

Respondents did not demonstrate that subsidy programs, through their impact on the cost of manufacturing subject merchandise, were taken into consideration in setting prices to the U.S. market, as is required by 777A(f)(1)(C) of the Act. Accordingly, we made no adjustments for double remedies to the respondents’ margins for purposes of the preliminary results.¹¹⁰

Currency Conversion

Where necessary, the Department made currency conversions into U.S. dollars, in accordance with section 773A(a) of the Act, based on the exchange rates in effect on the dates of the U.S. sales, as certified by the Federal Reserve Bank.

¹⁰⁸ See sections 777A(f)(1)(A)-(C) of the Act.

¹⁰⁹ See sections 777A(f)(1)-(2) of the Act.

¹¹⁰ See Senmao’s Section A, C, D and Double Remedies (“DR”) Supplemental Response, dated July 1, 2016, at page 9; Penghong’s Section A & Double Remedies Response, dated April 12, 2016, at pages 22-28; see also Penghong’s Section A, C, and Double Remedies Supplemental Response, dated July 7, 2016, at pages 17-18.

Recommendation

We recommend applying the above methodology for these preliminary results.

Agree

Disagree

12/20/2016

X 

Signed by: PAUL PIQUADO
Paul Piquado
Assistant Secretary
for Enforcement and Compliance

Appendix 1

1. A&W (Shanghai) Woods Co., Ltd.
2. Anhui Boya Bamboo & Wood Products Co., Ltd.
3. Anhui Longhua Bamboo Product Co., Ltd.
4. Baishan Huafeng Wooden Product Co., Ltd.
5. Benxi Wood Company
6. Changzhou Hawd Flooring Co., Ltd.
7. Chinafloors Timber (China) Co., Ltd.
8. Dalian Dajen Wood Co., Ltd.
9. Dalian Huade Wood Product Co., Ltd.
10. Dalian Huilong Wooden Products Co., Ltd.
11. Dalian Jiahong Wood Industry Co., Ltd.
12. Dalian Jiuyuan Wood Industry Co., Ltd.
13. Dalian Kemian Wood Industry Co., Ltd.
14. Dalian T-Boom Wood Products Co., Ltd.
15. Dongtai Fuan Universal Dynamics, LLC
16. Dunhua City Hongyuan Wood Industry Co., Ltd.
17. Dun Hua City Jisen Wood Industry Co., Ltd.
18. Dunhua City Wanrong Wood Industry Co., Ltd.
19. Dunhua City Dexin Wood Industry Co., Ltd.
20. Dun Hua Sen Tai Wood Co., Ltd.
21. Fine Furniture (Shanghai) Limited
22. Fusong Jinlong Wooden Group Co., Ltd.
23. GTP International Limited.
24. Guangdong Yihua Timber Industry Co., Ltd.
25. Guangzhou Panyu Kangda Board Co., Ltd.
26. Guangzhou Panyu Southern Star Co., Ltd.
27. HaiLin LinJing Wooden Products Co., Ltd.
28. Hangzhou Hanje Tec Co., Ltd.
29. Hunchun Forest Wolf Wooden Industry Co., Ltd.
30. Hunchun Xingjia Wooden Flooring Inc.
31. Huzhou Chenghang Wood Co., Ltd.
32. Huzhou Fulinmen Imp. & Exp. Co., Ltd.
33. Huzhou Jesonwood Co., Ltd.
34. Huzhou Sunergy World Trade Co., Ltd.
35. Jiangsu Guyu International Trading Co., Ltd.
36. Jiangsu Kentier Wood Co., Ltd.
37. Jiangsu Mingle Flooring Co., Ltd.
38. Jiangsu Simba Flooring Co., Ltd.
39. Jiashan HuiJiaLe Decoration Material Co., Ltd.
40. Jiashan On-Line Lumber Co., Ltd.
41. Jiaxing Hengtong Wood Co., Ltd.
42. Jilin Forest Industry Jinqiao Flooring Group Co., Ltd.
43. Jilin Xinyuan Wooden Industry Co., Ltd.

44. Karly Wood Product Limited
45. Kember Hardwood Flooring Inc.
46. Kemian Wood Industry (Kunshan) Co., Ltd.
47. Kingman Floors Co., Ltd.
48. Linyi Anying Wood Co., Ltd.
49. Linyi Bonn Flooring Manufacturing Co., Ltd.
50. Linyi Youyou Wood Co., Ltd.
51. Metropolitan Hardwood Floors, Inc.
52. MuDanJiang Bosen Wood Industry Co., Ltd.
53. Nakahiro Jyou Sei Furniture (Dalian) Co., Ltd.
54. Pinge Timber Manufacturing (Zhejiang) Co., Ltd.
55. Puli Trading Limited
56. Scholar Home (Shanghai) New Material Co., Ltd.
57. Shanghai Lairunde Wood Co., Ltd.
58. Shenyang Haobainian Wooden Co., Ltd.
59. Shenzhenshi Huanwei Woods Co., Ltd.
60. Sino-Maple (JiangSu) Co., Ltd.
61. Suzhou Dongda Wood Co., Ltd.
62. Tongxiang Jisheng Import and Export Co., Ltd.
63. Xiamen Yung De Ornament Co., Ltd.
64. Xuzhou Shenghe Wood Co., Ltd.
65. Yingyi-Nature (Kunshan) Wood Industry Co., Ltd.
66. Zhejiang Biyork Wood Co., Ltd.
67. Zhejiang Dadongwu Green Home Wood Co., Ltd.
68. Zhejiang Fudeli Timber Industry Co., Ltd.
69. Zhejiang Fuerjia Wooden Co., Ltd.
70. Zhejiang Fuma Warm Technology Co., Ltd.
71. Zhejiang Jiechen Wood Industry Co., Ltd.
72. Zhejiang Longsen Lumbering Co., Ltd.
73. Zhejiang Shiyou Timber Co., Ltd.