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DATE: August 14, 2020

MEMORANDUM TO: Joseph A. Laroski Jr.
Deputy Assistant Secretary
for Enforcement and Compliance

FROM: James Maeder
Deputy Assistant Secretary
for Antidumping and Countervailing Duty Operations

SUBJECT: Decision Memorandum for the Preliminary Rescission of the 2019
Antidumping Duty New Shipper Review of Wooden Bedroom
Furniture from the People's Republic of China

I. SUMMARY

The Department of Commerce (Commerce) preliminarily determines that Kunshan Jujia Decoration Design Co., Ltd. (Jujia) did not make a *bona fide* sale during the period of review (POR) January 1, 2019 through December 31, 2019. As such, Commerce is preliminarily rescinding this new shipper review (NSR).

Interested parties are invited to comment on the preliminary rescission of this review. We intend to issue the final results of the review no later than 90 days from the date the preliminary results are issued, pursuant to section 751(a)(2)(B) of the Tariff Act of 1930, as amended (the Act).

II. BACKGROUND

In response to a request from Jujia, Commerce initiated a NSR of the antidumping duty order on wooden bedroom furniture from the People's Republic of China (China) covering the period January 1, 2019 through December 31, 2019.¹ Commerce issued an antidumping duty questionnaire to Jujia, to which the company responded in a timely manner. Between May 2020 and June 2020, Commerce issued supplemental questionnaires to Jujia, to which it also responded in a timely manner. Commerce received comments on Jujia's questionnaire and supplemental questionnaire responses from the American Furniture Manufacturers Committee for Legal Trade and Vaughan-Bassett Furniture Company (Petitioner), including comments regarding the *bona fides* of the sale, from April 2020 through May 2020.

The deadline for the preliminary results of this review is August 19, 2020.

¹ See *Wooden Bedroom Furniture From the People's Republic of China: Initiation of Antidumping Duty New Shipper Review*, 85 FR 11342 (February 27, 2020).



III. SCOPE OF THE ORDER

The product covered by the order is wooden bedroom furniture. Wooden bedroom furniture is generally, but not exclusively, designed, manufactured, and offered for sale in coordinated groups, or bedrooms, in which all of the individual pieces are of approximately the same style and approximately the same material and/or finish. The subject merchandise is made substantially of wood products, including both solid wood and also engineered wood products made from wood particles, fibers, or other wooden materials such as plywood, strand board, particle board, and fiberboard, with or without wood veneers, wood overlays, or laminates, with or without non-wood components or trim such as metal, marble, leather, glass, plastic, or other resins, and whether or not assembled, completed, or finished.

The subject merchandise includes the following items: (1) wooden beds such as loft beds, bunk beds, and other beds; (2) wooden headboards for beds (whether stand-alone or attached to side rails), wooden footboards for beds, wooden side rails for beds, and wooden canopies for beds; (3) night tables, night stands, dressers, commodes, bureaus, mule chests, gentlemen's chests, bachelor's chests, lingerie chests, wardrobes, vanities, chessers, chifforobes, and wardrobe-type cabinets; (4) dressers with framed glass mirrors that are attached to, incorporated in, sit on, or hang over the dresser; (5) chests-on-chests,² highboys,³ lowboys,⁴ chests of drawers,⁵ chests,⁶ door chests,⁷ chiffoniers,⁸ hutches,⁹ and armoires;¹⁰ (6) desks, computer stands, filing cabinets, book cases, or writing tables that are attached to or incorporated in the subject merchandise; and (7) other bedroom furniture consistent with the above list.

² A chest-on-chest is typically a tall chest-of-drawers in two or more sections (or appearing to be in two or more sections), with one or two sections mounted (or appearing to be mounted) on a slightly larger chest; also known as a tallboy.

³ A highboy is typically a tall chest of drawers usually composed of a base and a top section with drawers, and supported on four legs or a small chest (often 15 inches or more in height).

⁴ A lowboy is typically a short chest of drawers, not more than four feet high, normally set on short legs.

⁵ A chest of drawers is typically a case containing drawers for storing clothing.

⁶ A chest is typically a case piece taller than it is wide featuring a series of drawers and with or without one or more doors for storing clothing. The piece can either include drawers or be designed as a large box incorporating a lid.

⁷ A door chest is typically a chest with hinged doors to store clothing, whether or not containing drawers. The piece may also include shelves for televisions and other entertainment electronics.

⁸ A chiffonier is typically a tall and narrow chest of drawers normally used for storing undergarments and lingerie, often with mirror(s) attached.

⁹ A hutch is typically an open case of furniture with shelves that typically sits on another piece of furniture and provides storage for clothes.

¹⁰ An armoire is typically a tall cabinet or wardrobe (typically 50 inches or taller), with doors, and with one or more drawers (either exterior below or above the doors or interior behind the doors), shelves, and/or garment rods or other apparatus for storing clothes. Bedroom armoires may also be used to hold television receivers and/or other audio-visual entertainment systems.

The scope of the order excludes the following items: (1) seats, chairs, benches, couches, sofas, sofa beds, stools, and other seating furniture; (2) mattresses, mattress supports (including box springs), infant cribs, water beds, and futon frames; (3) office furniture, such as desks, stand-up desks, computer cabinets, filing cabinets, credenzas, and bookcases; (4) dining room or kitchen furniture such as dining tables, chairs, servers, sideboards, buffets, corner cabinets, china cabinets, and china hutches; (5) other non-bedroom furniture, such as television cabinets, cocktail tables, end tables, occasional tables, wall systems, book cases, and entertainment systems; (6) bedroom furniture made primarily of wicker, cane, osier, bamboo or rattan; (7) side rails for beds made of metal if sold separately from the headboard and footboard; (8) bedroom furniture in which bentwood parts predominate;¹¹ (9) jewelry armories;¹² (10) cheval mirrors;¹³ (11) certain metal parts;¹⁴ (12) mirrors that do not attach to, incorporate in, sit on, or hang over a dresser if they are not designed and marketed to be sold in conjunction with a dresser as part of a dresser-mirror set; (13) upholstered beds;¹⁵ (14) toy boxes;¹⁶ (15) certain enclosable wall bed units;¹⁷ (16) certain shoe cabinets;¹⁸ and (17) certain bed bases.¹⁹

¹¹ As used herein, bentwood means solid wood made pliable. Bentwood is wood that is brought to a curved shape by bending it while made pliable with moist heat or other agency and then set by cooling or drying. See CBP's Headquarters Ruling Letter 043859, dated May 17, 1976.

¹² Any armoire, cabinet or other accent item for the purpose of storing jewelry, not to exceed 24 inches in width, 18 inches in depth, and 49 inches in height, including a minimum of 5 lined drawers lined with felt or felt-like material, at least one side door or one front door (whether or not the door is lined with felt or felt-like material), with necklace hangers, and a flip-top lid with inset mirror. See Memorandum, "Jewelry Armoires and Cheval Mirrors in the Antidumping Duty Investigation of Wooden Bedroom Furniture from the People's Republic of China," dated August 31, 2004; see also *Wooden Bedroom Furniture from the People's Republic of China: Final Changed Circumstances Review, and Determination To Revoke Order in Part*, 71 FR 38621 (July 7, 2006).

¹³ Cheval mirrors are any framed, tiltable mirror with a height in excess of 50 inches that is mounted on a floor-standing, hinged base. Additionally, the scope of the order excludes combination cheval mirror/jewelry cabinets. The excluded merchandise is an integrated piece consisting of a cheval mirror, *i.e.*, a framed tiltable mirror with a height in excess of 50 inches, mounted on a floor-standing, hinged base, the cheval mirror serving as a door to a cabinet back that is integral to the structure of the mirror and which constitutes a jewelry cabinet line with fabric, having necklace and bracelet hooks, mountings for rings and shelves, with or without a working lock and key to secure the contents of the jewelry cabinet back to the cheval mirror, and no drawers anywhere on the integrated piece. The fully assembled piece must be at least 50 inches in height, 14.5 inches in width, and 3 inches in depth. See *Wooden Bedroom Furniture from the People's Republic of China: Final Changed Circumstances Review and Determination To Revoke Order in Part*, 72 FR 948 (January 9, 2007).

¹⁴ Metal furniture parts and unfinished furniture parts made of wood products (as defined above) that are not otherwise specifically named in this scope (*i.e.*, wooden headboards for beds, wooden footboards for beds, wooden side rails for beds, and wooden canopies for beds) and that do not possess the essential character of wooden bedroom furniture in an unassembled, incomplete, or unfinished form.

¹⁵ Upholstered beds that are completely upholstered, *i.e.*, containing filling material and completely covered in sewn genuine leather, synthetic leather, or natural or synthetic decorative fabric. To be excluded, the entire bed (headboards, footboards, and side rails) must be upholstered except for bed feet, which may be of wood, metal, or any other material and which are no more than nine inches in height from the floor. See *Wooden Bedroom Furniture from the People's Republic of China: Final Results of Changed Circumstances Review and Determination to Revoke Order in Part*, 72 FR 7013 (February 14, 2007).

¹⁶ To be excluded the toy box must: (1) be wider than it is tall; (2) have dimensions within 16 inches to 27 inches in height, 15 inches to 18 inches in depth, and 21 inches to 30 inches in width; (3) have a hinged lid that encompasses the entire top of the box; (4) not incorporate any doors or drawers; (5) have slow-closing safety hinges; (6) have air vents; (7) have no locking mechanism; and (8) comply with American Society for Testing and Materials ("ASTM") standard F963-03. Toy boxes are boxes generally designed for the purpose of storing children's items such as toys,

Imports of subject merchandise are classified under subheadings 9403.50.9042 and 9403.50.9045 of the HTSUS as “wooden . . . beds” and under subheading 9403.50.9080 of the HTSUS as “other . . . wooden furniture of a kind used in the bedroom.” In addition, wooden headboards for beds, wooden footboards for beds, wooden side rails for beds, and wooden canopies for beds may be entered under subheadings 9403.90.7005 or 9403.90.7080 of the HTSUS. Subject merchandise may also be entered under subheadings 9403.50.9041, 9403.60.8081, 9403.20.0018, or 9403.90.8041. Further, framed glass mirrors may be entered under subheading 7009.92.1000 or 7009.92.5000 of the HTSUS as “glass mirrors . . . framed.” The order covers all wooden bedroom furniture meeting the above description, regardless of tariff classification. Although the HTSUS subheadings are provided for convenience and customs purposes, our written description of the scope of this proceeding is dispositive.

IV. DISCUSSION OF THE METHODOLOGY

Section 751(a)(2)(B)(iv) requires that Commerce base its dumping determination for new shippers solely upon *bona fide* U.S. sales when conducting such reviews. When examining the *bona fides* of sales in new shipper reviews, Commerce considers the factors laid out in section 751(a)(2)(B)(iv) of the Act, namely: (a) the price of the sale; (b) whether the sale was made in commercial quantities; (c) the timing of the sale; (d) the expenses arising from the transaction; (e) whether the goods were resold at a profit; (f) whether the transaction was made on an arm’s-length basis; and (g) any other factor that Commerce considers to be relevant to whether the sale at issue is “likely to be typical of those the exporter or producer will make after the completion of the review.”²⁰ Where Commerce finds that a sale is not *bona fide*, Commerce will exclude the

books, and playthings. *See Wooden Bedroom Furniture from the People’s Republic of China: Final Results of Changed Circumstances Review and Determination to Revoke Order in Part*, 74 FR 8506 (February 25, 2009); *see also* Memorandum, “Wooden Bedroom Furniture from the People’s Republic of China: Scope Ruling on a White Toy Box,” dated July 6, 2009 (the dimensional ranges used to identify the toy boxes that are excluded from the wooden bedroom furniture order apply to the box itself rather than the lid.)

¹⁷ Excluded from the scope are certain enclosable wall bed units, also referred to as murphy beds, which are composed of the following three major sections: (1) a metal wall frame, which attaches to the wall and uses coils or pistons to support the metal mattress frame; (2) a metal frame, which has euro slats for supporting a mattress and two legs that pivot; and (3) wood panels, which attach to the metal wall frame and/or the metal mattress frame to form a cabinet to enclose the wall bed when not in use. Excluded enclosable wall bed units are imported in ready-to-assemble format with all parts necessary for assembly. Enclosable wall bed units do not include a mattress. Wood panels of enclosable wall bed units, when imported separately, remain subject to the order.

¹⁸ Excluded from the scope are certain shoe cabinets 31.5-33.5 inches wide by 15.5-17.5 inches deep by 34.5-36.5 inches high. They are designed strictly to store shoes, which are intended to be aligned in rows perpendicular to the wall along which the cabinet is positioned. Shoe cabinets do not have drawers, rods, or other indicia for the storage of clothing other than shoes. The cabinets are not designed, manufactured, or offered for sale in coordinated groups or sets and are made substantially of wood, have two to four shelves inside them, and are covered by doors. The doors often have blinds that are designed to allow air circulation and release of bad odors. The doors themselves may be made of wood or glass. The depth of the shelves does not exceed 14 inches. Each shoe cabinet has doors, adjustable shelving, and ventilation holes.

¹⁹ Excluded from the scope are certain bed bases consisting of: 1) a wooden box frame, 2) three wooden cross beams and one perpendicular center wooden support beam, and 3) wooden slats over the beams. These bed bases are constructed without inner springs and/or coils and do not include a headboard, footboard, side rails, or mattress. The bed bases are imported unassembled.

²⁰ *See* section 751(a)(2)(B)(iv) of the Act; *see also* *Tianjin Tiancheng Pharmaceutical Co., Ltd. v. United States*, 366 F. Supp. 2d 1246, 1249-50 (CIT 2005) (*Tianjin Tiancheng*).

sale from its dumping margin calculations,²¹ and if there is no *bona fide sale* to review, Commerce will rescind the review.²²

Based on the totality of the circumstances surrounding the sole sale reported by Jujia, we preliminarily determine that the sale is not a *bona fide* sale for antidumping duty purposes. In particular, we preliminarily determine that a number of factors, including but not limited to the sales price and quantity, indicate the sale is atypical of sales of WBF likely to be made in the future by Jujia. Because our analysis involves the discussion of business proprietary information, we have included a full discussion of our preliminary analysis in a separate *bona fide* sale memorandum.²³

Because we preliminarily find that the single POR sale is not a *bona fide* sale, we cannot rely on this sale to calculate a dumping margin in this NSR. Given the determination that there was no *bona fide* sale during the POR, there is no sale upon which we can base this review and, therefore, Commerce is preliminarily rescinding this review.

V. CONCLUSION

We recommend applying the above methodology for these preliminary results of review.

Agree

Disagree

8/14/2020

X



Signed by: JOSEPH LAROSKI

/S/ Joseph A. Laroski Jr.

Joseph A. Laroski Jr
Deputy Assistant Secretary
for Enforcement and Compliance

²¹ See *Tianjin Tiancheng* 366 F. Supp. 2d at 1249.

²² See, e.g., *Honey From the People's Republic of China: Preliminary Rescission of the Administrative Review*, 77 FR 79 (January 3, 2012), unchanged in *Honey From the People's Republic of China: Final Rescission of the Administrative Review*, 77 FR 34343 (June 11, 2012).

²³ See Memorandum, "2019 Antidumping Duty New Shipper Review of Wooden Bedroom Furniture From the People's Republic of China: Preliminary *Bona Fide* Sales Analysis for Kunshan Jujia Decoration Design Co., Ltd.," dated concurrently with, and hereby adopted by, this memo.