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January 7, 2021

MEMORANDUM TO: Joseph A. Laroski Jr.
Deputy Assistant Secretary
for Policy and Negotiations

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

SUBJECT: Issues and Decision Memorandum for the Final Results of the
2019 Antidumping Duty New Shipper Review of Wooden
Bedroom Furniture From the People's Republic of China

I. SUMMARY

After considering the comments and rebuttal comments on the *Preliminary Results* of this new shipper review (NSR) of wooden bedroom furniture (WBF) from the People's Republic of China (China), we continue to find that Kunshan Jujia Decoration Design Co., Ltd. (Jujia) did not make a *bona fide* sale during the period of review (POR), and thus, the NSR should be rescinded.¹ We recommend that you approve the positions described in the "Discussion of the Issues" section of this memorandum. Below is a complete list of the issue for which we have received comments from interested parties:

Comment: Whether Jujia's Sale is *Bona Fide*

II. BACKGROUND

On August 20, 2020, the Department of Commerce (Commerce) published the *Preliminary*

¹ See *Wooden Bedroom Furniture from the People's Republic of China: Preliminary Rescission of 2019 Antidumping Duty New Shipper Review*, 85 FR 51413 (August 20, 2020) (*Preliminary Results*); see also 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 August 14, 2020 (*Bona Fides* Memorandum).



Results of this NSR covering the period January 1, 2019 through December 31, 2019.² In accordance with 19 CFR 351.309(c)(1)(ii) and (d)(1)-(2), we invited interested parties to comment on the *Preliminary Results*. On September 21, 2020, Commerce received a case brief from Jujia.³ On September 24, 2020, Commerce received a rebuttal brief from the petitioners.⁴ On November 4, 2020, we extended the deadline for the final results of this NSR until January 8, 2021.⁵

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,⁶ highboys,⁷ lowboys,⁸ chests of drawers,⁹ chests,¹⁰

² See *Preliminary Results*; see also *Bona Fides* Memorandum.

³ See Jujia's Letter, "Wooden Bedroom Furniture from the People's Republic of China: Jujia's Case Brief," dated September 21, 2020 (Jujia Case Brief).

⁴ See Petitioners' Letter, "Wooden Bedroom Furniture from the People's Republic of China: Petitioners' Rebuttal Brief," dated September 24, 2020 (Petitioners' Rebuttal Brief). The petitioners are the American Furniture Manufacturers Committee for Legal Trade and Vaughan-Basset Furniture Company (the petitioners).

⁵ See Memorandum, "Extension of the Deadline for Final Results in the Antidumping Duty New Shipper Review of Wooden Bedroom Furniture from the People's Republic of China," dated November 4, 2020.

⁶ 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.

⁷ 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).

⁸ A lowboy is typically a short chest of drawers, not more than four feet high, normally set on short legs.

⁹ A chest of drawers is typically a case containing drawers for storing clothing.

¹⁰ 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.

door chests,¹¹ chiffoniers,¹² hutches,¹³ and armoires;¹⁴ (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.

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;¹⁵ (9) jewelry armories;¹⁶ (10) cheval mirrors;¹⁷ (11) certain metal parts;¹⁸ (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

¹¹ 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.

¹² A chiffonier is typically a tall and narrow chest of drawers normally used for storing undergarments and lingerie, often with mirror(s) attached.

¹³ A hutch is typically an open case of furniture with shelves that typically sits on another piece of furniture and provides storage for clothes.

¹⁴ 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.

¹⁵ 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.

¹⁶ 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).

¹⁷ 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).

¹⁸ 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.

dresser-mirror set; (13) upholstered beds;¹⁹ (14) toy boxes;²⁰ (15) certain enclosable wall bed units;²¹ (16) certain shoe cabinets;²² and (17) certain bed bases.²³

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 WBF 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.

¹⁹ 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).

²⁰ 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, 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.)

²¹ 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.

²² 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.

²³ 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.

IV. DISCUSSION OF THE ISSUE

Comment: Whether Jujia's Sale is *Bona Fide*

In the *Preliminary Results*, Commerce determined that the sale under review was not a *bona fide* sale based on the atypical sales prices of the pieces of furniture sold, the unusual sales quantity, the fact that the single sale occurred towards the end of the POR, Jujia's lack of experience as an exporter, the U.S. customer's lack of experience in furniture, the lack of a payment guarantee between Jujia and its U.S. customer, and the absence of further exports after the POR by Jujia. We address Jujia's comments on Commerce's preliminary *bona fide* sales determination, by topic, below.

Sale Price

In the *Preliminary Results*, we determined the sale under review was not a *bona fide* sale based, in part, on our finding that Jujia charged atypical prices compared to the prices of beds imported into the United States from China during the POR and the prices of beds and other bedroom furniture reported by separate rate applicants in the concurrent antidumping duty administrative review (AR) of WBF from China.

Jujia's Comments:

- Comparing the price of Jujia's bed to the average unit value (AUV) of beds imported into the United States during the POR is meaningless because the AUV is not specific to the type of bed that Jujia sold. Beds have various physical characteristics, including six different sizes, five primary construction materials and thirty-two wood types.²⁴ As demonstrated by prices in the concurrent AR, bed prices correlate closely to the size of bed being sold²⁵ and even many of the same size beds are sold at dramatically different prices. In *SSSS from Japan*, Commerce stated that "average price comparisons based on the broad Harmonized Tariff Schedule (HTS) category ...are not meaningful to the *bona fides* analysis, because the HTS category includes a general "basket" of subject merchandise that does "not reflect the characteristics" of the respondent's product."²⁶
- The concurrent AR pricing also demonstrates that Commerce's comparison of Jujia's prices for bedroom furniture other than beds to prices of the same types of furniture fails to take into account other factors that affect the price of furniture, such as material and design. This failure renders Commerce's price comparisons pointless and unpersuasive.²⁷

²⁴ See Jujia Case Brief at 3 (citing Commerce's Non-Market Economy Questionnaire, dated March 11, 2020, at pages C-6 through C-11).

²⁵ See Jujia Case Brief at 5 (citing *Bona Fides* Memorandum at Attachment II).

²⁶ See Jujia Case Brief at 4 (citing *Stainless Steel Sheet and Strip in Coils from Japan: Final Results of Antidumping Duty Administrative Review*, 75 FR 6631 (February 10, 2010) (*SSSS from Japan*), and accompanying Issues and Decision Memorandum (IDM) at 6).

²⁷ See Jujia Case Brief at 8.

- It is Commerce’s practice in NSRs to compare the respondent’s prices to the prices of corresponding products reported in the three most recently completed ARs.²⁸ Commerce only used prices from the concurrent AR in its comparisons.²⁹
- Jujia’s bed is complete and yet nearly half of Commerce’s bed price comparisons were not to complete beds, but rather bed parts.³⁰ Specifically, the concurrent AR prices used by Commerce in its comparisons include prices for bed pieces/parts.³¹ Moreover, these incomplete beds were classifiable under HTS subheading 9403.50.9045. This demonstrates that the import prices from this subheading, which Commerce also used in its comparisons, may include prices for bed parts rather than entire beds.³²
- Rather than comparing Jujia’s bed price to the prices of all sizes of beds, Commerce should have compared Jujia’s bed price to the highest priced bed reported in the concurrent AR. That comparison shows that Jujia’s bed price does not differ from other bed prices as much as Commerce asserts.³³
- The prices of only a small percentage of the furniture sold by Jujia to the United States during the POR are outside the range of prices of similar furniture pieces that were reported in the concurrent AR. This demonstrates that Jujia’s prices are commercially reasonable.³⁴
- Jujia was disadvantaged when Commerce placed furniture prices from the concurrent AR on the record³⁵ because Commerce did not explain the information’s relevance or its intentions regarding that information. With more than one hundred pages of information, uncertainty as to the point of the information, and a deadline to comment, Jujia was unable to examine, comment on, or correct the information placed on the record and used by Commerce.³⁶
- Commerce rejected the ImproveNet prices that Jujia placed on the record as a benchmark for determining whether Jujia’s prices were commercially reasonable. Yet Commerce ignored the Wayfair bed prices of \$10,109, \$4,899.99 and \$4,799.99 that Jujia placed on the record to corroborate the accuracy of the ImproveNet prices.³⁷

²⁸ See Jujia Case Brief at 3 (citing *Wooden Bedroom Furniture from the People’s Republic of China: Preliminary Results of Antidumping Duty New Shipper Review*, 75 FR 9581 (March 3, 2010); *Wooden Bedroom Furniture from the People’s Republic of China: Preliminary Results of Antidumping Duty New Shipper Review*, 76 FR 49443 (August 10, 2011); *Wooden Bedroom Furniture from the People’s Republic of China: Preliminary Results of Antidumping Duty Administrative Review and New Shipper Reviews; 2012*, 79 FR 10768 (February 26, 2014); *Wooden Bedroom Furniture from the People’s Republic of China: Preliminary Results of Antidumping Duty Administrative Review and New Shipper Reviews; 2013*, 80 FR 7576 (February 11, 2015)).

²⁹ See Memorandum, “Placing Documents on the Record,” dated July 16, 2020 (Placing Documents on the Record).

³⁰ *Id.* at 6 (citing *Bona Fides* Memorandum at Attachment II).

³¹ See Placing Documents on the Record.

³² See Jujia Case Brief at 7.

³³ *Id.* at 7.

³⁴ *Id.* at 5 (citing *Bona Fides* Memorandum at 4).

³⁵ See Placing Documents on the Record.

³⁶ See Jujia Case Brief at 9.

³⁷ See Jujia Case Brief at 9 (citing Jujia’s Letter, “Wooden Bedroom Furniture from the People’s Republic of China: Jujia’s Rebuttal Comments on Petitioners’ Comments on Sec A Questionnaire Response,” dated April 27, 2020 (Jujia’s Rebuttal Comments) at 3 and Exhibit 2).

Petitioners' Comments:

- The price of Jujia's sale is atypical and "calls into question whether the sale was based on normal commercial considerations and is representative of the prices Jujia will be able to charge for WBF in the future."³⁸

Commerce Position:

Jujia claims that Commerce's price comparisons are meaningless given that in addressing the great variation between products in terms of size, construction, and materials used, Jujia focused on size differences with respect to beds. Although Jujia claims Commerce failed to take into consideration record evidence demonstrating that beds are priced based on size, with larger beds selling at higher prices,³⁹ the magnitude of price differences cited by Jujia between smaller beds and larger beds fails to explain the several magnitudes in difference between the price of Jujia's bed and that of different size beds.⁴⁰ Moreover, comparing the price of Jujia's bed to prices of similar size (and identical size) beds from the concurrent AR shows it is an outlier price.⁴¹

While Jujia claims that other aspects of beds (*e.g.*, construction, style, and the materials used to make them) can also affect the price, the import data used in our price comparisons reflect a range of prices for all types and styles of beds imported into the United States during 2019.⁴² Moreover, the import data are for significant quantities of imports.⁴³ Yet, comparing the price of Jujia's bed to the range of import prices indicates it's an outlier price given the difference between the price of Jujia's bed and the prices of 93 percent of the quantity of imports.⁴⁴ Similarly, even in the absence of information regarding the physical characteristics (other than size) of the beds for which prices were reported in the concurrent AR, the price of Jujia's bed is significantly different from any of the prices of entire beds in the concurrent AR.⁴⁵ These prices were reported for over 15 transactions engaged in by a dozen companies.⁴⁶ Jujia never explained what characteristics of its bed would account for a price substantially different from most of the bed prices in the meaningful sample from the concurrent AR placed on the record by Commerce.

We disagree with Jujia's contention that comparing the prices of its other bedroom furniture to prices from the concurrent AR by furniture type (*e.g.*, chifforobe prices compared to chifforobe prices, armoire prices compared to armoire prices, etc.) is meaningless given that variations in size and physical characteristics could exist between individual pieces of furniture even within a particular furniture type. First, it is reasonable to compare prices for the same types of furniture

³⁸ See Petitioners' Rebuttal Brief at 2 (citing *Bona Fides* Memorandum at 4).

³⁹ See Jujia Case Brief at 5-6 (citing *Bona Fides* Memorandum at Attachment II; and Placing Documents on the Record).

⁴⁰ See Memorandum, "Proprietary Information for the Final Results of the 2019 Antidumping Duty New Shipper Review of Wooden Bedroom Furniture From the People's Republic of China," dated concurrently with this memorandum (BPI Memorandum) at Attachment I).

⁴¹ *Id.*

⁴² See *Bona Fides* Memorandum at Attachment I.

⁴³ *Id.*

⁴⁴ See *Bona Fides* Memorandum at 3-4 and Attachment I.

⁴⁵ See Jujia's Letter, "Wooden Bedroom Furniture from the People's Republic of China: Jujia Section A and Appendix XI Questionnaire Responses," dated April 8, 2020 (Jujia April 8, 2020 AQR) at Exhibit A-8.

⁴⁶ See BPI Memorandum at Attachment II.

because individual pieces of furniture within a specific furniture type share characteristics that can affect price such as function, type of components, and general shape. Second, we did not compare the prices of each of Jujia's other pieces of bedroom furniture to merely one or two sales prices from the concurrent AR for each furniture type, but included prices from numerous transactions and vendors. A review of those prices shows that there are variations in the prices even within a category of furniture.⁴⁷ This suggests that the pricing data that we used in our comparisons reflect variations, such as those noted by Jujia, between individual pieces of furniture within each furniture type. Given such price coverage for each furniture type, we do not find it reasonable to conclude that differences in material or design would explain the dramatic differences between Jujia's furniture prices and the furniture prices compared to from the concurrent POR.⁴⁸ Jujia never explained what characteristics of its other bedroom furniture would account for prices substantially different from most of the other prices of similar furniture in the meaningful sample from the concurrent AR placed on the record by Commerce.⁴⁹

Further, Jujia posits that it is possible some of the items under the HTS category for beds (i.e., HTS 9403.50.90.45 – Other furniture and parts thereof: Wooden furniture of a kind used in the bedroom: Other: Other: Beds: Other) consist of bed parts, rather than beds. Even if parts were included in the Global Trade Atlas data, the AUV calculated from those data is consistent with entire bed prices in the concurrent AR. Moreover, in the 2016 AR of WBF from China, the petitioners requested that Commerce modify the language of the scope of the *Order* based on a U.S. Customs and Border Protection (CBP) ruling, effective on October 23, 2016, that discontinued its longstanding practice of classifying wooden headboard, footboards, and side rails that have not been shipped together as a complete bed within HTS subheading 9403.50.⁵⁰ Going forward CBP would reclassify these items within HTS subheading 9403.90.70.⁵¹ Therefore, Jujia's conclusion regarding this HTS category for major sections (parts) of beds is incorrect. Lastly, after considering Jujia's argument, we made certain adjustments to our price comparison.⁵² However, Jujia's bed prices are still far outside the range of all other bed prices from the concurrent AR and remain multiples outside the average price of complete bed prices.⁵³

Jujia cites *SSSS from Japan* to support its contention that the average price of imports in a broad HTS category is not a meaningful measure of whether a respondent's price is reasonable under a *bona fide* sales analysis.⁵⁴ In *SSSS from Japan*, Commerce found that the respondent's products, Hitachi Cables, were niche products with characteristics that were imported under an incorrect

⁴⁷ See *Bona Fides* Memorandum at Attachment II.

⁴⁸ *Id.* at 4 and Attachment II.

⁴⁹ While Jujia contends Commerce incorrectly included prices for a piece of furniture outside of the scope in a comparisons, even after correcting this error, Jujia's prices remain outside or near the far end of the range of prices of the same types of furniture sold in the concurrent AR and are also far different than the average prices from the concurrent AR. See *Bona Fides* Memorandum Attachment II.

⁵⁰ See Memorandum, "Decision Memorandum for the Preliminary Results of the Antidumping Duty Administrative Review: Wooden Bedroom Furniture from the People's Republic of China," dated October 2, 2017 at 3 (citing Letter, "Wooden Bedroom Furniture from China: Petitioner's Comments Regarding The Upcoming Preliminary Results," (Petitioners' Pre-Preliminary Comments) dated August 29, 2017 at 3).

⁵¹ *Id.* (citing Petitioners' Pre-Preliminary Comments at Attachment 2).

⁵² See BPI Memorandum at n.1.

⁵³ See BPI Memorandum at Attachment II.

⁵⁴ See Jujia Case Brief at 3-4 (citing *SSSS from Japan* at 6).

HTS category.⁵⁵ Thus, the imports under the HTS category did not reflect sales in the industry in which Hitachi sold its products. Hence, Commerce found that average price comparisons based on the broad HTS category were not meaningful to its *bona fide* sales analysis.⁵⁶ The finding in *SSSS from Japan* does not apply to this NSR because Jujia's bed is a product that would be imported under the HTS category that we used to conduct the average price comparison.

We also disagree with Jujia's claim that our price comparisons are deficient because we failed to follow Commerce's practice in *bona fide* sales analyses of comparing the respondent's prices to prices in three recently completed segments of the proceeding. To support its claim that this is Commerce's practice, Jujia cited three WBF segments in which Commerce relied on furniture prices in three prior ARs to conduct its *bona fide* sales price analysis.⁵⁷ Contrary to Jujia's claim, Commerce noted in another proceeding that its practice in *bona fide* sales analyses is "to base its price comparisons on other U.S. POR entries of subject merchandise as reported by CBP, when available."⁵⁸

Consistent with that statement, Commerce did not specifically state in the reviews cited by Jujia that it was using prices from three ARs in its *bona fide* sales price comparisons based on practice.⁵⁹ Moreover, using prices from three prior reviews as price comparisons does not necessarily indicate that this approach must be followed in every NSR. Commerce practice is also to evaluate the *bona fide* nature of a sale on a case-by-case basis despite commonalities between cases.⁶⁰ In the three WBF segments cited by Jujia where Commerce compared the NSR respondent's prices of mandatory respondents in three prior completed ARs, such pricing information existed.⁶¹ Here, it was impossible to use prices charged by mandatory respondents

⁵⁵ See *SSSS from Japan*, and accompanying IDM at 6.

⁵⁶ *Id.*

⁵⁷ See Jujia Case Brief at 4 (citing *Wooden Bedroom Furniture from the People's Republic of China: Preliminary Results of Antidumping Duty New Shipper Review*, 76 FR 49443 (August 10, 2011), and accompanying Memorandum, "Antidumping Duty New Shipper Review of Wooden Bedroom Furniture from the People's Republic of China; *Bona Fide* Sales Analysis for Dongguan Yujia Furniture Co., Ltd.," dated August 3, 2011 (*Bona Fide* Sales Analysis for Dongguan Yujia Furniture Co., Ltd); see also *Wooden Bedroom Furniture from the People's Republic of China: Preliminary Results of Antidumping Duty Administrative Review and New Shipper Reviews; 2012*, 79 FR 10768 (February 26, 2014), and accompanying Memorandum, "Antidumping Duty New Shipper Review of Wooden Bedroom Furniture from the People's Republic of China; *Bona Fide* Sales Analysis for Dongguan Chengcheng Furniture Co., Ltd.," dated February 18, 2014 (*Bona Fide* Sales Analysis for Dongguan Chengcheng Furniture Co., Ltd.); and *Wooden Bedroom Furniture from the People's Republic of China: Preliminary Results of Antidumping Duty Administrative Review and New Shipper Reviews; 2013*, 80 FR 7576 (February 11, 2015), and accompanying Memorandum, "Antidumping Duty New Shipper Review of Wooden Bedroom Furniture from the People's Republic of China; *Bona Fide* Sales Analysis for Dongguan Yushea Furniture Co., Ltd.," dated February 2, 2015 (*Bona Fide* Sales Analysis for Dongguan Yushea Furniture Co., Ltd).

⁵⁸ See Memorandum, "Issue and Decision Memorandum: Administrative Review of Honey from the People's Republic of China: Final Results of Antidumping Duty Administrative Review and Rescission of Review, in Part," dated April 29, 2010 at 9.

⁵⁹ See *Bona Fide* Sales Analysis for Dongguan Yujia Furniture Co., Ltd.; see also *Bona Fide* Sales Analysis for Dongguan Chengcheng Furniture Co., Ltd.; and *Bona Fide* Sales Analysis for Dongguan Yushea Furniture Co., Ltd.

⁶⁰ See *Hebei New Donghua Amino Acid Co., Ltd. v. United States*, 374 F. Supp. 2d 1333, 1340 (CIT 2005) (*Hebei*) (citing *Tianjin Tiancheng Pharm. Co. v. United States*, 366 F. Supp 2d 1246 (2005) (*Tianjin*)).

⁶¹ See *Bona Fide* Sales Analysis for Dongguan Yujia Furniture Co., Ltd.; see also *Bona Fide* Sales Analysis for Dongguan Chengcheng Furniture Co., Ltd.; and *Bona Fide* Sales Analysis for Dongguan Yushea Furniture Co., Ltd.

in recent WBF ARs because there were no responsive mandatory respondents in recent reviews.⁶²

Because we lacked any recent mandatory respondent pricing data for our price comparisons, we relied on the best information reasonably available in making price comparisons. In this instance, the best information readily available to conduct our *bona fide* sales price analysis was the sales information reported by the separate rates respondents in the concurrent AR. These AR prices are concurrent with Jujia's prices (in the same POR), unbiased (were not submitted to justify certain price levels) and are representative of prices for WBF from China imported into the United States during the POR. For these reasons, relying on the concurrent AR prices was a reasonable approach that provided sufficient data to use as a benchmark for determining whether Jujia's prices were commercially representative.

We further disagree with Jujia's contention that Commerce should compare Jujia's bed price to only the highest bed price from the concurrent AR. Jujia did not explain why the characteristics of its bed better match those of the highest priced bed from the concurrent AR.⁶³ Moreover, there are prices for other beds of a size similar, or identical, to the size of Jujia's bed on the record of the concurrent AR.⁶⁴ We do not find it reasonable to exclude those prices from our comparison in favor of only using the highest bed price from the concurrent AR in our comparison.

Jujia asserts that only a small percentage of its furniture pieces have prices that are outside the price ranges for similar types of furniture in the concurrent AR. We disagree. Of the five types of furniture sold by both Jujia and the separate rate respondents reporting in the concurrent AR, two of Jujia's furniture types had prices that were outside of all of the concurrent AR prices and the other three furniture types sold by Jujia had prices outside the range of almost all of the AR prices reported in the concurrent AR.⁶⁵

We also disagree that Jujia was provided with insufficient notice to respond to the pricing data that Commerce placed on the record.⁶⁶ While Jujia claims that it did not know how Commerce would use the pricing data that it placed on the record, Commerce is under no obligation to telegraph to parties how it intends to use data prior to its preliminary results.⁶⁷ Furthermore, Jujia responded to the factual information placed on the record by Commerce by submitting rebuttal factual information including price ranges for furniture and factors affecting furniture

⁶² See *Wooden Bedroom Furniture from the People's Republic of China: Final Results of Antidumping Duty Administrative Review and Final Determination of No Shipments*; 2018, 85 FR 7731 (February 11, 2020); see also *Wooden Bedroom Furniture from the People's Republic of China: Final Results of Antidumping Duty Administrative Review and Final Determination of No Shipments in Part*; 2017, 84 FR 24749 (May 29, 2019); and *Wooden Bedroom Furniture from the People's Republic of China: Final Results of Antidumping Duty Administrative Review and Final Determination of No Shipments*; 2016, 83 FR 6515 (February 14, 2018).

⁶³ See *Bona Fides* Memorandum at Attachment II.

⁶⁴ *Id.* at Attachment II.

⁶⁵ *Id.* at 4 and Attachment II; see also BPI Memorandum at Attachment II.

⁶⁶ See *Placing Documents on the Record*; see also *Bona Fides* Memorandum at 3.

⁶⁷ See Memorandum, "Issues and Decision Memorandum for the Final Results and the Partial Rescission of the 2014-2015 Antidumping Duty New Shipper Reviews: Multilayered Wood Flooring from the People's Republic of China," dated May 26, 2017 at 12.

prices.⁶⁸ This demonstrates that Jujia was aware that the data placed on the record by Commerce could be used in price comparisons. Given this submission, Jujia can hardly assert that it was unaware that Commerce could potentially use such data for price comparisons.

Lastly, we disagree with Jujia's position that the ranged ImproveNet prices that it placed on the record provide a useful benchmark for determining whether its prices are *bona fide* prices. In the *Bona fides* Memorandum, we noted the following concerns regarding the ImproveNet information.⁶⁹ There is no evidence that the ImproveNet prices were based on actual transactions. The prices may have been based on price quotes. There is no information on the record about the sources providing ImproveNet with prices.⁷⁰ Given that the title of the first page of the ImproveNet information references "Building Your Own Furniture," the prices could be from furniture makers or even artisans who specialize in "made-to-order," unique furniture.⁷¹ We also noted that the prices appear to be out of date as the ImproveNet website states it was last updated May 17, 2017.⁷² For all of these reasons, none of which were rebutted by Jujia, we continue to find the ImproveNet prices unusable for determining whether Jujia's prices are *bona fide* prices.

Rather than address our concerns regarding the ImproveNet prices, Jujia cited four bed prices from Wayfair's website that are on the record and argued that these four prices corroborate the ImproveNet prices.⁷³ Wayfair.com is an E-commerce site that sells over 18 million products across five brands that serves four countries.⁷⁴ Thus, it appears that out of a significant number of bed prices, Jujia selected a limited number of bed prices to support what it placed on the record.⁷⁵ We do not believe this limited sample should be used to corroborate the ImproveNet prices or be used as benchmarks for determining the representativeness of Jujia's prices.

When we conducted our price analysis, we relied on two full sets of data that covered *all* relevant concurrent AR prices and *all* U.S. imports of beds from China during the POR. Using all such prices, rather than a limited selection thereof, allowed us to determine the full range of prices and quantities of WBF from China that was sold to the United States during the POR. This provided a fair basis for determining whether Jujia's prices are *bona fide* prices. As noted above, we found the prices atypical, which therefore supports the broader conclusion that the sale is not a *bona fide* sale.

⁶⁸ See Jujia Case Brief at 12 (citing Jujia's Rebuttal "Wooden Bedroom Furniture from the People's Republic of China: Jujia's Submission of Factual Information to Rebut, Clarify, or Correct Factual Information Placed on the Record by Commerce," dated July 28, 2020 (Jujia's Factual Information Rebuttal) at Exhibit 1).

⁶⁹ See *Bona Fides* Memorandum at 4-5; see also [Improvenet.com](https://www.improvenet.com), *How Much Does It Cost To Build Your Own Furniture?*, <https://www.improvenet.com/r/costs-and-prices/building-furniture-costs>. (last updated May 17, 2017).

⁷⁰ See Jujia Case Brief at 12 (citing Jujia's Factual Information Rebuttal at Exhibit 1).

⁷¹ *Id.*

⁷² See *Bona Fides* Memorandum at 5 (citing Jujia's Factual Information Rebuttal at Exhibit 1).

⁷³ See Jujia's Rebuttal Comments at 3 and Exhibit 2.

⁷⁴ See [Wayfair.com](https://www.wayfair.com/v/about/our_story), *Our Story*, https://www.wayfair.com/v/about/our_story. (Updated June 30, 2020).

⁷⁵ See Jujia's Rebuttal Comments at 3 and Exhibit 2.

Quantity

Jujia's Comments:

- Jujia's sales quantity is commercially reasonable because it is within the range of, and similar to, WBF sales quantities reported in the concurrent AR.⁷⁶
- Commerce ignored the fact that the quantity of WBF sold is determined by the type of customer or end user.⁷⁷ A hotel may order hundreds or thousands of furniture pieces, while a designer may order only a few pieces of furniture. Jujia's sales quantity is typical for sales to the type of customer to which it sold WBF during the POR.⁷⁸
- Commerce's quantity analysis in the *Preliminary Results* is flawed because it: (1) found the sales of WBF in the concurrent AR with quantities greater than Jujia's sales quantity to be significant because of the percentage that they represented of total concurrent AR sales based on quantity. This analysis is biased because it gives more weight to invoices with higher quantities; (2) it relied on sales quantities on purchase orders, sales orders, and proforma invoices that may not represent actual quantities shipped; (3) it incorrectly included quantities of non-WBF in its analysis; and (4) in its analysis, it counted parts used to assemble a piece of furniture as separate items rather than treating all of the parts for a single piece of furniture as one item.⁷⁹

Petitioners' Comments:

- The quantity of Jujia's sale "call {s} into question whether the sale under review is a *bona fide* sale."⁸⁰

Commerce Position:

Record evidence indicates that relative to the other sales information on the record, Jujia's sales quantity is atypical. Even if we do not determine the percentage of sales from the concurrent AR with disparate quantities compared to Jujia's sales quantity based on the volume of sales, Jujia's sales quantity appears to be an outlier among the sales quantities of 25 of the 31 sales invoices examined from the concurrent AR.⁸¹ Although Jujia contends its sales quantity is typical for sales to the type of customer to which it sold WBF during the POR, record information, which cannot be disclosed in detail here because it is proprietary, indicates that the quantity of Jujia's sale is not a commercially viable quantity for companies selling WBF.⁸² This fact raises questions as to whether Jujia's sale is representative of the sales it could make in the future and whether it is appropriate to base a dumping margin on the sale. Moreover, given the nature of the U.S. customer's order (which is proprietary), the quantity sold was clearly low.⁸³

⁷⁶ See Jujia Case Brief at 9-10 (citing *Bona Fides* Memorandum at 5-6).

⁷⁷ *Id.* at 12 (citing Jujia's Factual Information Rebuttal).

⁷⁸ *Id.* at 12-13 (citing Jujia's Factual Information Rebuttal at n.2 in Exhibit 2).

⁷⁹ *Id.* at 9-13.

⁸⁰ See Petitioners' Rebuttal Brief at 2 (citing *Bona Fides* Memorandum at 5-6).

⁸¹ See *Bona Fides* Memorandum at Attachment III.

⁸² See Jujia April 8, 2020 AQR at XI-5; see also BPI Memorandum at n.2.

⁸³ See BPI Memorandum at n.3.

The sales orders, purchase orders, and *pro forma* sales invoices from which we obtained certain sales quantities that we used in our analysis were submitted in the concurrent AR in response to a request from Commerce to submit documentation “for the first sale by invoice date of subject merchandise to an unaffiliated customer in the United States during the POR/POI for a commercial transaction” or “for the first sale of the period of review to each of your largest three customers by POR sales volume.” Therefore, we do not share Jujia’s concern that these documents are not for actual sales.

Lastly, Jujia’s argument regarding Commerce improperly accounting for non-WBF and furniture parts in its quantity analysis is ineffective because even if we removed such items from the analysis, Jujia’s sales quantity is still unlike the sales quantity of the majority of U.S. sales of WBF reported in the concurrent AR. This supports the broader conclusion that the sale is not a *bona fide* sale.⁸⁴

Timing of the Sale

Jujia’s Comments:

- Commerce used “the very short period of sales negotiations”⁸⁵ as a key indicator to support its finding that Jujia’s sale is atypical. However, Commerce overlooked key evidence on the record contradicting its finding.⁸⁶
- The sales negotiations occurred at an event geared toward facilitating trade where the buyer and seller were on site and could respond to each other immediately. Commerce essentially concluded that all first-time sales occurring at such events are inconsistent with normal commercial practices.⁸⁷
- Jujia’s sale involved a few rounds of price negotiations rather than an offer and an acceptance.⁸⁸ Commerce did not provide any business doctrines, principles, or examples to establish a minimum time for sales negotiations or provide a benchmark to evaluate the negotiation time.⁸⁹
- Commerce never questioned Jujia about the length of its sales negotiations, and thus, deprived Jujia of any opportunity to address Commerce’s concerns.⁹⁰

Petitioners’ Comments:

- The very short period of sales negotiations, together with the timing of the sale “towards the end of the POR, raise concerns that this transaction may not be indicative of normal commercial practices.”⁹¹

⁸⁴ See BPI Memorandum at Attachment III.

⁸⁵ See Jujia Case Brief at 13 (citing *Bona Fides* Memorandum at 6).

⁸⁶ *Id.* at 13.

⁸⁷ *Id.* at 13.

⁸⁸ *Id.* at 13 (citing Jujia’s April 8, 2020 AQR at XI-3 and XI-4).

⁸⁹ *Id.* at 14.

⁹⁰ *Id.* at 14.

⁹¹ See Petitioners’ Rebuttal Brief at 2 (citing *Bona Fides* Memorandum at 6).

Commerce Position:

Commerce did not focus its analysis on the length of the sales negotiations to the extent indicated by Jujia; rather, Commerce focused its analysis on the fact that the sales invoice was issued, and the subject merchandise was shipped and entered into the United States, at the end of the POR.⁹² A sale near the end of the POR may indicate it was made solely to ensure entry of the subject merchandise into the United States in a particular POR with the focus of the transaction on establishing a dumping margin. Jujia's sale occurred near the end of the POR.⁹³ This fact, along with the other atypical characteristics of the sale discussed in this memorandum, indicates that this transaction is not indicative of normal business practices and supports the conclusion that the sale is not a *bona fide* sale.

Arm's-Length Basis

Jujia's Comments:

- The lack of a payment guarantee does not mean Jujia's sale was not an arm's-length transaction. There are no business doctrines, principles, or rules requiring businesses to obtain a payment guarantee for a first-time sale with an unaffiliated customer.⁹⁴
- A *bona fide* sale may also not have a payment guarantee.⁹⁵
- Jujia's decision to not require a payment guarantee was rational because: (1) the U.S. customer is an established company with a long history; (2) the United States is an advanced country built on credit, not a developing country (companies like to do business with U.S. customers); (3) not requiring a payment guarantee allowed Jujia to remain competitive and gain a new customer; and (4) payment guarantees are a way of managing risk but Jujia's risk on the sale was minimal (the sales value multiplied by the possibility of bad debt only amounts to a few hundred dollars).⁹⁶
- There were sales in the concurrent AR without payment guarantees.⁹⁷
- The payment terms for Jujia's sale are consistent with the payment terms granted on sales in the concurrent AR.⁹⁸

Petitioners' Comments:

- The fact that the POR sale was Jujia's first export, the U.S customer to which Jujia sold the WBF never purchased or sold furniture before, and there was no payment guarantee for the sale "raise concerns as to whether this transaction was negotiated on an arm's length basis."⁹⁹

⁹² See *Bona Fides* Memorandum at 6 (citing Jujia April 8, 2020 AQR at Exhibit A-8).

⁹³ See Jujia April 8, 2020 AQR at Exhibit A-8.

⁹⁴ See Jujia Case Brief at 14-15.

⁹⁵ *Id.* at 15.

⁹⁶ *Id.* at 15-16.

⁹⁷ *Id.* at 15.

⁹⁸ *Id.* at 16.

⁹⁹ See Petitioners' Rebuttal Brief at 2 (citing *Bona Fides* Memorandum at 8-9).

Commerce Position:

Commerce previously found that payment guarantees are commonly used by Chinese companies. In a 2005-2006 new shipper review of freshwater crawfish tail meat from China, Commerce stated that:

{Commerce} placed an article on the record entitled “Essential Advice for Doing Business in China” which states that “Chinese companies usually do not use terms that allow unsecured payments after delivery of goods.”... Hence, the record indicates that a lack of a payment guarantee is atypical. This fact has been among the factors relied upon by {Commerce} in other cases to find a sale not *bona fide*.¹⁰⁰

If “Chinese companies usually do not use terms that allow unsecured payments after delivery of goods” but Jujia did grant unsecured payment terms for its sale, then Jujia’s actions were inconsistent with normal business practices and not in its self-interest. Acting independently in a party’s own self-interest is a hallmark of an arm’s-length transaction. Although Jujia alleged that 81 percent of the transactions from the concurrent AR that we used in our price comparisons did not involve payment guarantees, Jujia did not explain how it reached that conclusion and it is not clear from the record.¹⁰¹ We find the circumstances surrounding Jujia’s sale, such as Jujia’s unfamiliarity with the customer and the U.S. customer’s lack of experience in the furniture industry, would increase the interest in and therefore the likelihood that a payment guarantee would have been required. Yet that did not happen with Jujia’s sale.

Jujia maintains it was reasonable not to require a payment guarantee from its customer, which was in another country and with which it had no history and only interacted for a brief period.¹⁰² We find that each of the aforementioned aspects of Jujia’s sale increased the risk of non-payment because they indicate Jujia was not familiar with the customer or the customer’s credit history and may not have had the same legal recourse available to it for obtaining payment as when the customer is in the same country as Jujia. Thus, we find obtaining a payment guarantee would have been consistent with commercial practices. Commerce will find a sale non-*bona fide* where the sale is unrepresentative of normal business practices, commercially unreasonable, or extremely distorted.¹⁰³

Commerce finds that Jujia’s reasons for not obtaining a payment guarantee under the circumstances are unpersuasive. First, even if the U.S. customer was an established company with a long history, there is nothing on the record indicating Jujia had any information about the company’s financial condition at the time of the sale or its ability to pay. A company’s financial condition can change over time, even if it has been in business for a long time. Moreover, the U.S. customer had no history in the furniture industry. Second, simply being in a particular country does not mean a company is a low credit risk. The creditworthiness and reliability of

¹⁰⁰ See *Freshwater Crawfish Tail Meat from the People's Republic of China: Final Results and Partial Rescission of the 2005-2006 Antidumping Duty Administrative Review and Rescission of 2005-2006 New Shipper Reviews*, 73 FR 20249 (April 15, 2008), and accompanying IDM at Comment 2.

¹⁰¹ See Placing Documents on the Record.

¹⁰² See *Bona Fides Memorandum* at 7-8.

¹⁰³ See *Hebei*, 374 F. Supp. 2d at 1339.

companies within a particular country can vary. Third, Jujia’s calculus for determining there was a low risk of nonpayment and, thus, no need for a payment guarantee (the sales value multiplied by the possibility of bad debt which purportedly only amounted to a few hundred dollars) is flawed. There is no evidence that Jujia had access to information that would have allowed it to quantify the possibility of bad debt with respect to the U.S. customer in order to use such a formula to determine the risk of nonpayment. Thus, Commerce finds Jujia’s arguments regarding a payment guarantee to be unpersuasive for the foregoing reasons.

Lack of Subsequent Sales

Jujia’s Comments:

- Commerce believes Jujia’s lack of experience exporting and selling in the international market, its failure to require a payment guarantee for the POR sale or to make any subsequent U.S. sales, and the lack of furniture experience of the U.S. customer to which it sold WBF during the POR, indicate Jujia lacks the ability to make future U.S. sales of WBF.¹⁰⁴
- However, the lack of subsequent U.S. sales is not due to these factors, but rather the economic downturn caused by COVID-19. The outbreak of COVID-19 interrupted Jujia’s supply chain and resulted in a decrease in demand which eliminated new orders from U.S. customers.¹⁰⁵ Because of travel restrictions between the United States and China,¹⁰⁶ Jujia cannot meet new customers as it did before. Jujia should not be penalized because of the pandemic. The lack of subsequent sales should not weigh heavily in the *bona fides* sales analysis.
- Jujia may be inexperienced in the international market, but it is more familiar with the U.S. market after the subject sale. Such inexperience could easily be overcome by following the successful approach used for the sale under consideration to obtain new customers and by hiring a freight forwarder to handle exporting and shipping as Jujia did for the subject sale.¹⁰⁷
- The U.S. customer’s status is irrelevant because Jujia might sell to a different U.S. customer in the future.¹⁰⁸
- Payment terms granted for the POR sale are irrelevant to future sales.¹⁰⁹

Petitioners’ Comments:

- Jujia may be unable to make a similar sale in the future because it has not previously exported furniture and the U.S. customer neither bought nor sold furniture since this one sale.¹¹⁰

¹⁰⁴ See Jujia Case Brief at 17.

¹⁰⁵ *Id.* at 18 (citing Jujia April 8, 2020 AQR at XI-5).

¹⁰⁶ *Id.* at 18 (citing Jujia’s Letter, “Wooden Bedroom Furniture from the People’s Republic of China: Jujia Supplemental Questionnaire Responses,” dated June 8, 2020 (Jujia June 8, 2020 SQR) at Exhibit 6).

¹⁰⁷ *Id.* at 17 (citing Jujia June 8, 2020 SQR at Exhibit 5).

¹⁰⁸ *Id.* at 17.

¹⁰⁹ *Id.* at 17.

¹¹⁰ See Petitioners’ Rebuttal Brief at 3 (citing *Bona Fides* Memorandum at 9)

- Jujia and the U.S. customer’s lack of experience and the atypical business practices they engaged in for this sale indicate the sale was made to lower the AD rate.”¹¹¹
- Jujia acknowledged a low likelihood of future similar sales.¹¹²
- Although Jujia attributes this low likelihood of future similar sales to COVID-19, Jujia and the U.S. customers’ prior operations indicate future sales are unlikely even without a pandemic.¹¹³
- The statute requires consideration of any factor relevant to determine whether the sale at issue is “likely to be typical of those the exporter or producer will make after completion of the review.”¹¹⁴
- Thus, Jujia’s likely inability to make a similar sale in the future must weigh against finding the sale to be *bona fide*.¹¹⁵

Commerce Position:

Commerce sought information regarding any post-POR U.S. sales of subject merchandise by Jujia to determine whether Jujia’s POR sale is typical of sales it would make in the future.¹¹⁶ If the POR sale is not typical of future sales, it is not an appropriate basis for Jujia’s dumping margin because Jujia could unfairly benefit from an atypical sale to obtain a lower dumping margin than its usual commercial practice would dictate.¹¹⁷

Jujia did not sell subject merchandise to the United States after the POR.¹¹⁸ Regardless of the reasons for the lack of post-POR sales, the fact remains that there is no evidence on the record that Jujia sold, or even attempted to sell, subject merchandise to the United States after the POR at prices and quantities similar to those of, and under the same terms of sale as, the POR sale.

Therefore, there is nothing on the record demonstrating that Jujia could continue to make similar sales in the future. This leaves Commerce to consider whether the characteristics of the POR sale are commercially reasonable such that Jujia could continue to make such sales.

As noted above, record evidence indicates the price, quantity, and terms of Jujia’s POR sale are atypical. Jujia sold subject merchandise to a U.S. customer that never purchased or sold furniture before or after the POR.¹¹⁹ All of these facts raise questions as to whether Jujia could make similar sales of subject merchandise to U.S. customers in the furniture industry in the future.

Jujia argues that the POR customer’s experience and the terms of the POR sale are irrelevant because it will sell to different customers and make new sales in the future.¹²⁰ We disagree that

¹¹¹ *Id.* at 3 (citing *Bona Fides* Memorandum at 8)

¹¹² *Id.* at 3 (citing Jujia Case Brief at 18).

¹¹³ *Id.* at 3 (citing *Bona Fides* Memorandum at 8-9).

¹¹⁴ *Id.* at 3 (citing section 751(a)(2)(B)(iv)(VII) of the Act).

¹¹⁵ *Id.* at 3.

¹¹⁶ See Jujia June 8, 2020 SQR at 5.

¹¹⁷ See *Tianjin*, 366 F. Supp 2d at 1250.

¹¹⁸ *Id.* at 5.

¹¹⁹ See *Bona Fides* Memorandum at 8 (citing Jujia April 8, 2020 AQR at XI-5-XI-6; and Jujia June 8 SQR at 6-7).

¹²⁰ See Jujia Case Brief at 17.

these attributes of the POR sale are irrelevant. In order to determine whether the POR sale is representative of sales that Jujia will likely make in the future, Commerce must consider whether the characteristics of the POR sale are typical or atypical.¹²¹ For the reasons explained above, Commerce found that most of the characteristics of Jujia's POR sale are atypical, including its U.S. customer whose line of business is food ingredients, not furniture. Therefore, we continue to find that there is no evidence that the POR sale is representative of Jujia's future sales. Accordingly, the factors, taken together, indicate that the sale in question. Hence, it is not appropriate to base a dumping margin on that sale and this NSR should be rescinded.

V. RECOMMENDATION

Based on our analysis of the comments received, we recommend adopting the above position. If accepted, we will publish these final results of this NSR in the *Federal Register*.

Agree

Disagree

1/7/2021

X



Signed by: JOSEPH LAROSKI

Joseph A. Laroski Jr.
Deputy Assistant Secretary
for Policy and Negotiations

¹²¹ Atypical or non-typical in this context means unrepresentative of a normal business practice. See *Hebei*, 374 F. Supp. 2d at 1340.