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DEPARTMENT OF COMMERCE

International Trade Administration

[A-570-970]

Multilayered Wood Flooring from the People's Republic of China: Preliminary Rescission of 2014-2015 Antidumping Duty New Shipper Reviews

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce.

SUMMARY: The Department of Commerce ("the Department") is conducting two new shipper reviews ("NSRs") of the antidumping duty order on multilayered wood flooring from the People's Republic of China ("PRC"). The NSRs cover two exporters and producers of subject merchandise, Dongtai Zhangshi Wood Industry Co., Ltd. ("Zhangshi") and Huzhou Muyun Wood Co., Ltd. ("Muyun"). The period of review ("POR") is December 1, 2014 through May 31, 2015. The Department preliminarily determines that both Zhangshi's sale and Muyun's sale to the United States were not *bona fide*; therefore, we intend to rescind these NSRs. Interested parties are invited to comment on the preliminary results of this review.

DATES: Effective date: Insert date of publication in the *Federal Register*.

FOR FURTHER INFORMATION CONTACT: Robert Galantucci or Aleksandras Nakutis, AD/CVD Operations, Office IV, Enforcement and Compliance, International Trade Administration, Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-2923 or (202) 482-3147, respectively.

SUPPLEMENTARY INFORMATION:

Background

On July 29, 2015, the Department published a notice of initiation of two NSRs of the antidumping duty order on multilayered wood flooring from the PRC.¹ The Department subsequently issued an antidumping duty questionnaire, and supplemental questionnaires, to both Zhangshi and Muyun and received timely responses thereto.² Also, interested parties submitted comments on surrogate country and surrogate value selection. The Department extended the deadline for issuing the preliminary results of this review until May 20, 2016.³

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. For a full description of the scope, *see* the Preliminary Decision Memorandum.⁴ The Preliminary Decision Memorandum is a public document and is on file electronically via Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System ("ACCESS"). ACCESS is available to registered users at <http://access.trade.gov> and in the Central Records Unit, room

¹ *See Multilayered Wood Flooring From the People's Republic of China: Initiation of Antidumping Duty New Shipper Review; 2014-2015*, 80 FR 45192 (July 29, 2015).

² The Department issued a brief supplemental questionnaire to each respondent on May 12, 2016. The deadline for the parties to respond was May 18, 2016. The Department received the responses on May 18, 2016, however due to the timing of the responses, the Department has not considered the responses for the preliminary results, but may consider this information for the final results.

³ *See* the memoranda to Christian Marsh, Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations, from Maisha Cryor, International Trade Analyst, Office IV, Antidumping and Countervailing Duty Operations, entitled, "Multilayered Wood Flooring from the People's Republic of China: Extension of Deadline for Preliminary Results of Antidumping Duty New Shipper Review" dated January 13, 2016 and the memorandum from Ron Lorentzen, Acting Assistant Secretary, for Enforcement and Compliance, entitled, "Tolling of Administrative Deadlines as a Result of the Government Closure during Snowstorm 'Jonas'" dated January 27, 2016.

⁴ *See* Memorandum from Christian Marsh, Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations, to Paul Piquado, Assistant Secretary for Enforcement and Compliance, "Decision Memorandum for the Preliminary Rescission of the 2014-2015 Antidumping Duty Reviews of Multilayered Wood Flooring from the People's Republic of China," dated concurrently with, and hereby adopted by, this notice ("Preliminary Decision Memorandum").

B8024 of the main Department of Commerce building. In addition, a complete version of the Preliminary Decision Memorandum can be accessed directly on the internet at <http://enforcement.trade.gov/frn/index.html>. The signed Preliminary Decision Memorandum and the electronic versions of the Preliminary Decision Memorandum are identical in content.

Methodology

The Department is conducting this review in accordance with section 751(a)(2)(B) of the Tariff Act of 1930, as amended (“the Act”) and 19 CFR 351.214.⁵ For a full description of the methodology underlying our conclusions, *see* the Preliminary Decision Memorandum dated concurrently with this notice.

Preliminary Rescission of the Antidumping New Shipper Reviews of Muyun and Zhangshi

As discussed in the *Bona Fide Sales Analysis Memoranda*,⁶ the Department preliminarily finds that both of the single sales made by Zhangshi and Muyun to the United States during the POR are not *bona fide* sales. The Department reached this conclusion based on the totality of circumstances surrounding each reported sale. Namely, with respect to Zhangshi’s single sale, the sales price, the timing of the payment, the implementation of the terms of sale and the inconsistent responses from the importer call into question whether the sale is indicative of normal business practices. With respect to Muyun’s single sale, we find that the sales price, the lack of record evidence demonstrating that Muyun’s customer resold the merchandise for a

⁵ On February 24, 2016, the President of the United States signed into law the Trade Facilitation and Trade Enforcement Act of 2015, Pub. Law 114-125 (Feb. 24, 2016), which made amendments to section 751(a)(2)(B) of the Act. These amendments apply to this determination.

⁶ *See* Memorandum from Robert Galantucci, International Trade Analyst, Office IV AD/CVD Operations, to Abdelali Elouaradia, Director, Office IV, AD/CVD Operations entitled “Antidumping Duty New Shipper Review of Multilayered Wood Flooring from the People’s Republic of China: *Bona Fide* Sale Analysis for Dongtai Zhangshi Wood Industry Co., Ltd.”; *see also* Memorandum from Aleksandras Nakutis, International Trade Analyst, Office IV AD/CVD Operations, to Abdelali Elouaradia, Director, Office IV, AD/CVD Operations entitled “Antidumping Duty New Shipper Review of Multilayered Wood Flooring from the People’s Republic of China: *Bona Fide* Sale Analysis for Huzhou Muyun Wood Co., Ltd.” dated concurrently with and hereby adopted by this notice (collectively, “*Bona Fide Sales Analysis Memoranda*”).

profit, the timing of the sale and the negotiation period call into question whether the sale is indicative of normal business practices. Because the non-*bona fide* sales were the only reported sales of subject merchandise during the POR, and thus there are no reviewable transactions on this record, we are preliminarily rescinding the NSRs.⁷ Because much of the factual information used in our analysis of Zhangshi's sale and Muyun's sale involves business proprietary information, a full discussion of the basis for our preliminary determination is set forth in the Memoranda to Abdelali Elouaradia, Director, AD/CVD Operations, Office IV, "Antidumping Duty New Shipper Review of Multilayered Wood Flooring from the People's Republic of China: *Bona Fide* Sale Analysis for Dongtai Zhangshi Wood Industry Co., Ltd.," and "Antidumping Duty New Shipper Review of Multilayered Wood Flooring from the People's Republic of China: *Bona Fide* Sale Analysis for Huzhou Muyun Wood Co., Ltd.," dated May 20, 2015, which are on the record of this proceeding.

Public Comment

Interested parties may submit case briefs no later than 30 days after the date of publication of the preliminary results of review.⁸ Rebuttals to case briefs may be filed no later than five days after the briefs are filed. All rebuttal comments must be limited to comments raised in the case briefs.⁹

Interested parties who wish to request a hearing must submit a written request to the Assistant Secretary for Enforcement & Compliance, U.S. Department of Commerce, within 30 days after the date of publication of this notice.¹⁰ Requests should contain the party's name, address, and telephone number, the number of participants, and a list of the issues to be

⁷ See 19 CFR 351.213(d)(3).

⁸ See 19 CFR 351.309(c).

⁹ See 19 CFR 351.309(d).

¹⁰ See 19 CFR 351.310(c).

discussed. Oral argument presentations will be limited to issues raised in the briefs. If a request for a hearing is made, the Department intends to hold the hearing at the U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230, at a date and time to be determined.¹¹ Parties should confirm by telephone the date, time, and location of the hearing two days before the scheduled date.

All submissions, with limited exceptions, must be filed electronically using ACCESS. An electronically filed document must be received successfully in its entirety by the Department's electronic records system, ACCESS, by 5 p.m. Eastern Time ("ET") on the due date. Documents excepted from the electronic submission requirements must be filed manually (*i.e.*, in paper form) with the APO/Dockets Unit in Room 18022, and stamped with the date and time of receipt by 5 p.m. ET on the due date.¹²

The Department intends to issue the final results of these NSRs, which will include the results of its analysis of issues raised in any briefs received, no later than 90 days after the date these preliminary results of review are issued pursuant to section 751(a)(2)(B)(iv) of the Act.

Assessment Rates

If the Department proceeds to a final rescission of Zhangshi and Muyun's NSRs, the assessment rate to which Zhangshi and Muyun's shipments will be subject will not be affected by this review. However, the Department initiated an administrative review of the antidumping duty order on multilayered wood flooring from the PRC covering numerous exporters, including Zhangshi and Muyun, for the period December 1, 2014 through November 30, 2015 which encompasses the POR of these NSRs.¹³ Thus, if the Department proceeds to a final rescission,

¹¹ See 19 CFR 351.310(d).

¹² See *Antidumping and Countervailing Duty Proceedings: Electronic Filing Procedures; Administrative Protective Order Procedures*, 76 FR 39263 (July 6, 2011).

¹³ See *Initiation of Antidumping and Countervailing Duty Administrative Reviews*, 81 FR 6832 (February 9, 2016).

we will instruct U.S. Customs and Border Protection (“CBP”) to continue to suspend entries during the period December 1, 2014 through November 30, 2015 of subject merchandise exported by Zhangshi and Muyun until CBP receives instructions relating to the administrative review of this order covering the period December 1, 2014 through November 30, 2015.

If the Department does not proceed to a final rescission of this new shipper review, pursuant to 19 CFR 351.212(b)(1), we will calculate importer-specific (or customer) assessment rates based on the final results of this review. However, pursuant to the Department’s refinement to its assessment practice in non-market economy cases, for entries that were not reported in the U.S. sales database submitted by Zhangshi or Muyun, the Department will instruct CBP to liquidate such entries at the PRC-wide rate.¹⁴

Cash Deposit Requirements

Effective upon publication of the final rescission or the final results of these NSRs, pursuant to section 751(a)(2)(B)(iii) of the Act and 19 CFR 351.214(e), the Department will instruct CBP to discontinue the option of posting a bond or security in lieu of a cash deposit for entries of subject merchandise by Zhangshi and Muyun. If the Department proceeds to a final rescission of these NSRs, the cash deposit rate will continue to be the PRC-wide rate for Zhangshi and Muyun because the Department will not have determined an individual margin of dumping for either company. If the Department issues final results for these NSRs, the Department will instruct CBP to collect cash deposits, effective upon the publication of the final results, at the rates established therein.

¹⁴ For a full discussion of this practice, see *Non-Market Economy Antidumping Proceedings: Assessment of Antidumping Duties*, 76 FR 65694 (October 24, 2011).

Notification to Importers

This notice also serves as a reminder to importers of their responsibility under 19 CFR 351.402(f)(2) to file a certificate regarding the reimbursement of antidumping duties prior to liquidation of the relevant entries during this review period. Failure to comply with this requirement could result in the Department's presumption that reimbursement of antidumping duties occurred and the subsequent assessment of double antidumping duties.

We are issuing and publishing these results in accordance with sections 751(a)(2)(B) and 777(i)(1) of the Act.

Paul Piquado
Assistant Secretary
for Enforcement and Compliance

____May 20, 2016._____
Date

Appendix I

List of Topics Discussed in the Preliminary Decision Memorandum

1. Summary
2. Background
3. Scope of the Order
4. Discussion of the Methodology
5. Conclusion

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