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DEPARTMENT OF COMMERCE

International Trade Administration

[C-570-052]

Certain Hardwood Plywood Products from the People's Republic of China: Initiation of Countervailing Duty Investigation

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

DATES: Effective December 8, 2016.

FOR FURTHER INFORMATION CONTACT: Justin Neuman at (202) 482-0486, or Matthew Renkey at (202) 482-2312, AD/CVD Operations, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, D.C. 20230.

SUPPLEMENTARY INFORMATION

The Petition

On November 18, 2016, the Department of Commerce (Department) received a countervailing duty (CVD) petition concerning imports of certain hardwood plywood products (hardwood plywood) from the People's Republic of China (PRC), filed in proper form on behalf of the Coalition for Fair Trade in Hardwood Plywood and its individual members (Petitioners).<sup>1</sup>

On November 22, 2016, the Department requested additional information and clarification of certain areas of the Petition.<sup>2</sup> Petitioners filed responses to these requests on

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<sup>1</sup> See the Petition for the Imposition of Antidumping and Countervailing Duties Pursuant to Sections 701 and 731 of the Tariff Act of 1930, as Amended, dated November 18, 2016 (Petition), at Volumes I and III. The members of the Coalition for Fair Trade in Hardwood Plywood are: Columbia Forest Products; Commonwealth Plywood Co., Ltd.; Murphy Plywood; Roseburg Forest Products Co.; States Industries LLC; and Timber Products Company.

<sup>2</sup> See Letters from the Department to Petitioners entitled, "Petitions for the Imposition of Antidumping and Countervailing Duties on Imports of Certain Hardwood Plywood Products from the People's Republic of China: Supplemental Questions," dated November 22, 2016 (General Issues Supplemental Questionnaire) and "Petitions for

November 29, 2016.<sup>3</sup> On December 5, 2016, Far East America, Inc. (FEA), a U.S. importer of hardwood plywood, provided comments on domestic industry support for the Petitions and requested that the Department poll the domestic industry to determine industry support.<sup>4</sup> We also received comments on industry support and a request to poll the domestic industry from Ashley Furniture Industries, Inc.; Heritage Home Group, Inc.; and Standard Furniture Manufacturing Company, U.S. producers of wooden and upholstered furniture and wooden furniture parts, on December 5, 2016.<sup>5</sup> On December 6, 2016, Petitioners provided a response to FEA's comments on industry support and provided further clarification regarding the scope.<sup>6</sup> On December 7, 2016, Petitioners provided a response to the Furniture Producers' Letter.<sup>7</sup> On December 7, 2016, the Government of the PRC provided comments on industry support and requested the Department poll the industry to determine industry support.<sup>8</sup> In accordance with section 702(b)(1) of the Tariff Act of 1930, as amended (the Act), Petitioners allege that the Government of the PRC (GOC) is providing countervailable subsidies (within the meaning of sections 701 and 771(5) of the Act) with respect to imports of hardwood plywood from the PRC,

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the Imposition of Antidumping and Countervailing Duties on Imports of Certain Hardwood Plywood Products from the People's Republic of China: Supplemental Questions," dated November 23, 2016 (CVD Supplemental Questionnaire).

<sup>3</sup> See Letter from Petitioners to the Department entitled, "Certain Hardwood Plywood Products from the People's Republic of China: Response to the Department's November 22, 2016 Supplemental Questions Regarding Volume I of the Petition for the Imposition of Antidumping and Countervailing Duties," dated November 29, 2016 (General Issues Supplement); see also Letter from Petitioners to the Department entitled, "Certain Hardwood Plywood Products from the People's Republic of China: Response to the Department's November 23, 2016 Supplemental Questions Regarding Volume III of the Petition for the Imposition of Countervailing Duties," dated November 29, 2016 (CVD Supplemental Response).

<sup>4</sup> See Letter from FEA to the Department entitled, "Hardwood Plywood Products from the People's Republic of China: Request for Polling," dated December 5, 2016 (FEA Letter).

<sup>5</sup> See Letter from Ashley Furniture Industries, Inc.; Heritage Home Group, Inc.; and Standard Furniture Manufacturing Company, Inc. to the Department entitled, "Hardwood Plywood Products from the People's Republic of China: Challenge to Petition's Industry Support," dated December 5, 2016 (Furniture Producers' Letter).

<sup>6</sup> See Letter from Petitioners to the Department entitled, "Certain Hardwood Plywood Products from the People's Republic of China," dated December 6, 2016, (Petitioners' Revised Scope and Response to FEA Letter).

<sup>7</sup> See Letter from Petitioners to the Department entitled, "Certain Hardwood Plywood Products from the People's Republic of China: Petitioners' Response to Domestic Furniture Producers' December 5, 2016 Letter," dated December 7, 2016 (Petitioners' Response to Furniture Producers' Letter).

<sup>8</sup> See Memo to the File, dated December 7, 2016, which contains the GOC's industry support comments (GOC Comments).

and that imports of hardwood plywood from the PRC are materially injuring, or threaten material injury to, the domestic industry producing hardwood plywood in the United States. Also, consistent with section 702(b)(1) of the Act, for those alleged programs on which we are initiating a CVD investigation, the Petition is accompanied by information reasonably available to Petitioners supporting their allegations.

The Department finds that Petitioners filed this Petition on behalf of the domestic industry because Petitioners are interested parties as defined in section 771(9)(C) and (F) of the Act. The Department also finds that Petitioners demonstrated sufficient industry support with respect to the initiation of the CVD investigation that Petitioners are requesting.<sup>9</sup>

#### Period of Investigation

Because the Petition was filed on November 18, 2016, pursuant to 19 CFR 351.204(b)(2), the period of investigation is January 1, through December 31, 2015.

#### Scope of the Investigation

The product covered by this investigation is hardwood plywood from the PRC. For a full description of the scope of this investigation, *see* the “Scope of the Investigation,” in Appendix I of this notice.

#### Comments on Scope of the Investigation

During our review of the Petition, we issued questions to, and received responses from, Petitioners pertaining to the proposed scope to ensure that the scope language in the Petition would be an accurate reflection of the products for which the domestic industry is seeking relief.<sup>10</sup>

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<sup>9</sup> *See* the “Determination of Industry Support for the Petition” section below.

<sup>10</sup> *See* General Issues Supplemental Questionnaire; *see also* General Issues Supplement at 1-5; *see also* Petitioners’ Revised Scope and Response to FEA Letter.

As discussed in the preamble to the Department's regulations,<sup>11</sup> we are setting aside a period for interested parties to raise issues regarding product coverage (scope). The Department will consider all comments received from parties and, if necessary, will consult with parties prior to the issuance of the preliminary determination. If scope comments include factual information (*see* 19 CFR 351.102(b)(21)), all such factual information should be limited to public information. In order to facilitate preparation of its questionnaires, the Department requests all interested parties to submit such comments by 5:00 p.m. Eastern Time (ET) on Wednesday, December 28, 2016. Any rebuttal comments, which may include factual information, must be filed by 5:00 p.m. ET on Monday, January 9, 2017.

The Department requests that any factual information the parties consider relevant to the scope of the investigation be submitted during this time period. However, if a party subsequently finds that additional factual information pertaining to the scope of the investigation may be relevant, the party may contact the Department and request permission to submit the additional information. All such comments must also be filed on the record of the concurrent AD investigation.

#### Filing Requirements

All submissions to the Department must be filed electronically using Enforcement & Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS).<sup>12</sup> An electronically filed document must be received successfully in its entirety by the time and date when it is due. Documents excepted from the electronic submission

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<sup>11</sup> *See Antidumping Duties; Countervailing Duties*, 62 FR 27296, 27323 (May 19, 1997).

<sup>12</sup> *See* 19 CFR 351.303 (describing general filing requirements); *see also Antidumping and Countervailing Duty Proceedings: Electronic Filing Procedures; Administrative Protective Order Procedures*, 76 FR 39263 (July 6, 2011) and *Enforcement and Compliance; Change of Electronic Filing System Name*, 79 FR 69046 (November 20, 2014) for details of the Department's electronic filing requirements, which went into effect on August 5, 2011. Information on help using ACCESS can be found at <https://access.trade.gov/help.aspx> and a handbook can be found at <https://access.trade.gov/help/Handbook%20on%20Electronic%20Filing%20Procedures.pdf>.

requirements must be filed manually (*i.e.*, in paper form) with Enforcement & Compliance's APO/Dockets Unit, Room 18022, U.S. Department of Commerce, 14th Street and Constitution Avenue, N.W., Washington, D.C. 20230, and stamped with the date and time of receipt by the applicable deadlines.

### Consultations

Pursuant to section 702(b)(4)(A)(i) of the Act, the Department notified representatives of the GOC of the receipt of the Petition. Also, in accordance with section 702(b)(4)(A)(ii) of the Act, the Department provided representatives of the GOC the opportunity for consultations with respect to the CVD petition.<sup>13</sup> In response to the Department's letter, the GOC requested that consultations be held on December 16, 2016, which we note is after the initiation date.<sup>14</sup>

### Determination of Industry Support for the Petition

Section 702(b)(1) of the Act requires that a petition be filed on behalf of the domestic industry. Section 702(c)(4)(A) of the Act provides that a petition meets this requirement if the domestic producers or workers who support the petition account for: (i) at least 25 percent of the total production of the domestic like product; and (ii) more than 50 percent of the production of the domestic like product produced by that portion of the industry expressing support for, or opposition to, the petition. Moreover, section 702(c)(4)(D) of the Act provides that, if the petition does not establish support of domestic producers or workers accounting for more than 50 percent of the total production of the domestic like product, the Department shall: (i) poll the industry or rely on other information in order to determine if there is support for the petition, as required by subparagraph (A); or (ii) determine industry support using a statistically valid

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<sup>13</sup> See Letter of invitation from the Department regarding, "Countervailing Duty Petition Certain Hardwood Plywood Products from the People's Republic of China," dated December 2, 2016.

<sup>14</sup> See Department Memorandum, "Countervailing Duty Petition on Certain Hardwood Plywood Products from the People's Republic of China: GOC Consultations," dated December 7, 2016.

sampling method to poll the “industry.”

Section 771(4)(A) of the Act defines the “industry” as the producers as a whole of a domestic like product. Thus, to determine whether a petition has the requisite industry support, the statute directs the Department to look to producers and workers who produce the domestic like product. The International Trade Commission (ITC), which is responsible for determining whether “the domestic industry” has been injured, must also determine what constitutes a domestic like product in order to define the industry. While both the Department and the ITC must apply the same statutory definition regarding the domestic like product,<sup>15</sup> they do so for different purposes and pursuant to a separate and distinct authority. In addition, the Department’s determination is subject to limitations of time and information. Although this may result in different definitions of the like product, such differences do not render the decision of either agency contrary to law.<sup>16</sup>

Section 771(10) of the Act defines the domestic like product as “a product which is like, or in the absence of like, most similar in characteristics and uses with, the article subject to an investigation under this title.” Thus, the reference point from which the domestic like product analysis begins is “the article subject to an investigation” (*i.e.*, the class or kind of merchandise to be investigated, which normally will be the scope as defined in the Petition).

With regard to the domestic like product, Petitioners do not offer a definition of the domestic like product distinct from the scope of the investigation. Based on our analysis of the information submitted on the record, we have determined that hardwood plywood, as defined in the scope, constitutes a single domestic like product and we have analyzed industry support in

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<sup>15</sup> See section 771(10) of the Act.

<sup>16</sup> See *USEC, Inc. v. United States*, 132 F. Supp. 2d 1, 8 (CIT 2001) (citing *Algoma Steel Corp., Ltd. v. United States*, 688 F. Supp. 639, 644 (CIT 1988), *aff’d* 865 F.2d 240 (Fed. Cir. 1989)).

terms of that domestic like product.<sup>17</sup>

In determining whether Petitioners have standing under section 702(c)(4)(A) of the Act, we considered the industry support data contained in the Petition with reference to the domestic like product as defined in the “Scope of the Investigation,” in Appendix I of this notice. Petitioners provided their own production of the domestic like product in 2015. Petitioners also provided data from the Hardwood Plywood & Veneer Association (HPVA) to determine total 2015 production of the domestic like product by the entire domestic industry. To establish industry support, Petitioners compared their production to the total 2015 production of the domestic like product for the entire domestic industry.<sup>18</sup> We relied on data Petitioners provided for purposes of measuring industry support.<sup>19</sup>

On December 5, 2016, we received comments on industry support from FEA, a U.S. importer of the subject merchandise, and Ashley Furniture Industries, Inc.; Heritage Home Group, Inc.; and Standard Furniture Manufacturing Company, Inc., domestic producers of wooden and upholstered furniture and wooden furniture parts.<sup>20</sup> Petitioners responded to these comments on December 6, 2016.<sup>21</sup>

Our review of the data provided in the Petition, General Issues Supplement, and other information readily available to the Department indicates that Petitioners have established

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<sup>17</sup> For a discussion of the domestic like product analysis in this case, *see* Countervailing Duty Investigation Initiation Checklist: Certain Hardwood Plywood Products from the People’s Republic of China (PRC CVD Initiation Checklist), at Attachment II, Analysis of Industry Support for the Antidumping and Countervailing Duty Petitions Covering Certain Hardwood Plywood Products from the People’s Republic of China (Attachment II). This checklist is dated concurrently with this notice and on file electronically via ACCESS. Access to documents filed via ACCESS is also available in the Central Records Unit, Room B8024 of the main Department of Commerce building.

<sup>18</sup> *See* Volume I of the Petition, at 3 and Exhibits I-3 and I-8; *see also* General Issues Supplement, at 6-8 and Exhibit I-Supp-3.

<sup>19</sup> *Id.* For further discussion, *see* PRC CVD Initiation Checklist, at Attachment II.

<sup>20</sup> *See* FEA Letter and Furniture Producers’ Letter.

<sup>21</sup> *See* Petitioners’ Revised Scope and Response to FEA Letter; *see also* Petitioners’ Response to Furniture Producers’ Letter.

industry support.<sup>22</sup> First, the Petition established support from domestic producers (or workers) accounting for more than 50 percent of the total production of the domestic like product and, as such, the Department is not required to take further action in order to evaluate industry support (e.g., polling).<sup>23</sup> Second, the domestic producers (or workers) have met the statutory criteria for industry support under section 702(c)(4)(A)(i) of the Act because the domestic producers (or workers) who support the Petition account for at least 25 percent of the total production of the domestic like product.<sup>24</sup> Finally, the domestic producers (or workers) have met the statutory criteria for industry support under section 702(c)(4)(A)(ii) of the Act because the domestic producers (or workers) who support the Petition account for more than 50 percent of the production of the domestic like product produced by that portion of the industry expressing support for, or opposition to, the Petition.<sup>25</sup> Accordingly, the Department determines that the Petition was filed on behalf of the domestic industry within the meaning of section 702(b)(1) of the Act.

The Department finds that Petitioners filed the Petition on behalf of the domestic industry because they are interested parties as defined in section 771(9)(C) and (F) of the Act and they have demonstrated sufficient industry support with respect to the CVD investigation that they are requesting the Department initiate.<sup>26</sup>

### Injury Test

Because the PRC is a “Subsidies Agreement Country” within the meaning of section 701(b) of the Act, section 701(a)(2) of the Act applies to this investigation. Accordingly, the

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<sup>22</sup> See PRC CVD Initiation Checklist, at Attachment II.

<sup>23</sup> See section 702(c)(4)(D) of the Act; see also PRC CVD Initiation Checklist, at Attachment II.

<sup>24</sup> See PRC CVD Initiation Checklist, at Attachment II.

<sup>25</sup> *Id.*

<sup>26</sup> See PRC CVD Initiation Checklist, at Attachment II.

ITC must determine whether imports of the subject merchandise from the PRC materially injure, or threaten material injury to, a U.S. industry.

Allegations and Evidence of Material Injury and Causation

Petitioners allege that imports of the subject merchandise are benefitting from countervailable subsidies and that such imports are causing, or threaten to cause, material injury to the U.S. industry producing the domestic like product. In addition, Petitioners allege that subject imports exceed the negligibility threshold provided for under section 771(24)(A) of the Act.<sup>27</sup>

Petitioners contend that the industry's injured condition is illustrated by reduced market share; underselling and price suppression or depression; lost sales and revenues; and negative impact on the domestic industry's key indicators, including financial performance, production, shipments, and capacity utilization.<sup>28</sup> We have assessed the allegations and supporting evidence regarding material injury, threat of material injury, and causation, and we have determined that these allegations are properly supported by adequate evidence and meet the statutory requirements for initiation.<sup>29</sup>

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<sup>27</sup> See General Issues Supplement, at 8-9 and Exhibit I-Supp-5.

<sup>28</sup> See Volume I of the Petition, at 14-40 and Exhibits I-6 through I-17; see also General Issues Supplement, at 1, 8-11 and Exhibits I-Supp-2, I-Supp-5, and I-Supp-6.

<sup>29</sup> See PRC CVD Initiation Checklist, at Attachment III, Analysis of Allegations and Evidence of Material Injury and Causation for the Antidumping and Countervailing Duty Petitions Covering Certain Hardwood Plywood Products from the People's Republic of China.

## Initiation of Countervailing Duty Investigation

Section 702(b)(1) of the Act requires the Department to initiate a CVD investigation whenever an interested party files a CVD petition on behalf of an industry that: (1) alleges elements necessary for an imposition of a duty under section 701(a) of the Act; and (2) is accompanied by information reasonably available to Petitioners supporting the allegations.

Petitioners allege that producers/exporters of hardwood plywood in the PRC benefit from countervailable subsidies bestowed by the GOC. The Department examined the Petition and finds that it complies with the requirements of section 702(b)(1) of the Act. Therefore, in accordance with section 702(b)(1) of the Act, we are initiating a CVD investigation to determine whether manufacturers, producers, or exporters of hardwood plywood from the PRC receive countervailable subsidies from the GOC and various authorities thereof.

On June 29, 2015, the President of the United States signed into law the Trade Preferences Extension Act of 2015, which made numerous amendments to the AD and CVD law.<sup>30</sup> The 2015 law does not specify dates of application for those amendments. On August 6, 2015, the Department published an interpretative rule, in which it announced the applicability dates for each amendment to the Act, except for amendments contained in section 771(7) of the Act, which relate to determinations of material injury by the ITC.<sup>31</sup> The amendments to sections 776 and 782 of the Act are applicable to all determinations made on or after August 6, 2015, and, therefore, apply to this CVD investigation.<sup>32</sup>

Based on our review of the petition, we find that there is sufficient information to initiate a CVD investigation on 31 of the 33 alleged programs in the PRC. For a full discussion of the

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<sup>30</sup> See Trade Preferences Extension Act of 2015, Pub. L. No. 114-27, 129 Stat. 362 (2015).

<sup>31</sup> See *Dates of Application of Amendments to the Antidumping and Countervailing Duty Laws Made by the Trade Preferences Extension Act of 2015*, 80 FR 46793 (August 6, 2015) (*Applicability Notice*). The 2015 amendments may be found at <https://www.congress.gov/bill/114th-congress/house-bill/1295/text/pl>.

<sup>32</sup> *Id.*, at 46794-95.

basis for our decision to initiate on each program, *see* the PRC CVD Initiation Checklist. A public version of the initiation checklist for this investigation is available on ACCESS.

In accordance with section 703(b)(1) of the Act and 19 CFR 351.205(b)(1), unless postponed, we will make our preliminary determination no later than 65 days after the date of this initiation.

#### Respondent Selection

The Department normally selects respondents in a CVD investigation using CBP entry data. However, for this investigation, the HTSUS numbers the subject merchandise would enter under are basket categories containing many products unrelated to hardwood plywood, and the reported entry data contain differing units of quantity. Therefore, we cannot rely on CBP entry data in selecting respondents. Instead, for this investigation, the Department will request quantity and value (Q&V) information from known exporters and producers identified, with complete contact information, in the Petition. In addition, the Department will post the Q&V questionnaire along with filing instructions on the Enforcement and Compliance website at <http://www.trade.gov/enforcement/news.asp>.

Producers/exporters of hardwood plywood from the PRC that do not receive Q&V questionnaires by mail may still submit a response to the Q&V questionnaire and can obtain a copy from the Enforcement & Compliance website. The Q&V response must be submitted by the relevant PRC exporters/producers no later than December 22, 2016. All Q&V responses must be filed electronically via ACCESS.

#### Distribution of Copies of the Petition

In accordance with section 702(b)(4)(A)(i) of the Act and 19 CFR 351.202(f), a copy of the public version of the Petition has been provided to the GOC via ACCESS. Because of the

particularly large number of producers/exporters identified in the Petition, the Department considers the service of the public version of the Petition to the foreign producers/exporters satisfied by delivery of the public version to the government of the PRC, consistent with 19 CFR 351.203(c)(2).

#### ITC Notification

We will notify the ITC of our initiation, as required by section 702(d) of the Act.

#### Preliminary Determination by the ITC

The ITC will preliminarily determine, within 45 days after the date on which the Petition was filed, whether there is a reasonable indication that imports of hardwood plywood from the PRC are materially injuring, or threatening material injury to, a U.S. industry.<sup>33</sup> A negative ITC determination will result in the investigation being terminated;<sup>34</sup> otherwise, this investigation will proceed according to statutory and regulatory time limits.

#### Submission of Factual Information

Factual information is defined in 19 CFR 351.102(b)(21) as: (i) evidence submitted in response to questionnaires; (ii) evidence submitted in support of allegations; (iii) publicly available information to value factors under 19 CFR 351.408(c) or to measure the adequacy of remuneration under 19 CFR 351.511(a)(2); (iv) evidence placed on the record by the Department; and (v) evidence other than factual information described in (i)–(iv). The regulation requires any party, when submitting factual information, to specify under which subsection of 19 CFR 351.102(b)(21) the information is being submitted and, if the information is submitted to rebut, clarify, or correct factual information already on the record, to provide an explanation identifying the information already on the record that the factual information seeks to rebut,

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<sup>33</sup> See section 703(a)(2) of the Act.

<sup>34</sup> See section 703(a)(1) of the Act.

clarify, or correct. Time limits for the submission of factual information are addressed in 19 CFR 351.301, which provides specific time limits based on the type of factual information being submitted. Parties should review the regulations prior to submitting factual information in this investigation.

#### Extension of Time Limits

Parties may request an extension of time limits before the expiration of a time limit established under 19 CFR 351.301, or as otherwise specified by the Secretary. In general, an extension request will be considered untimely if it is filed after the expiration of the time limit established under 19 CFR 351.301 expires. For submissions that are due from multiple parties simultaneously, an extension request will be considered untimely if it is filed after 10:00 a.m. on the due date. Under certain circumstances, we may elect to specify a different time limit by which extension requests will be considered untimely for submissions which are due from multiple parties simultaneously. In such a case, we will inform parties in the letter or memorandum setting forth the deadline (including a specified time) by which extension requests must be filed to be considered timely. An extension request must be made in a separate, stand-alone submission; under limited circumstances we will grant untimely-filed requests for the extension of time limits. Review *Extension of Time Limits; Final Rule*, 78 FR 57790 (September 20, 2013), available at <http://www.gpo.gov/fdsys/pkg/FR-2013-09-20/html/2013-22853.htm>, prior to submitting factual information in this investigation.

#### Certification Requirements

Any party submitting factual information in an AD or CVD proceeding must certify to the accuracy and completeness of that information.<sup>35</sup> Parties are hereby reminded that revised certification requirements are in effect for company/government officials, as well as

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<sup>35</sup> See section 782(b) of the Act.

their representatives. Investigations initiated on the basis of petitions filed on or after August 16, 2013, and other segments of any AD or CVD proceedings initiated on or after August 16, 2013, should use the formats for the revised certifications provided at the end of the *Final Rule*.<sup>36</sup> The Department intends to reject factual submissions if the submitting party does not comply with the applicable revised certification requirements.

#### Notification to Interested Parties

Interested parties must submit applications for disclosure under APO in accordance with 19 CFR 351.305. On January 22, 2008, the Department published *Antidumping and Countervailing Duty Proceedings: Documents Submission Procedures; APO Procedures*, 73 FR 3634 (January 22, 2008). Parties wishing to participate in this investigation should ensure that they meet the requirements of these procedures (*e.g.*, the filing of letters of appearance as discussed at 19 CFR 351.103(d)).

This notice is issued and published pursuant to sections 702 and 777(i) of the Act.

*Dated: December 8, 2016*

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Christian Marsh  
Deputy Assistant Secretary  
for Antidumping and Countervailing Duty Operations

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<sup>36</sup> See *Certification of Factual Information To Import Administration During Antidumping and Countervailing Duty Proceedings*, 78 FR 42678 (July 17, 2013) (“*Final Rule*”); see also frequently asked questions regarding the *Final Rule*, available at [http://enforcement.trade.gov/tlei/notices/factual\\_info\\_final\\_rule\\_FAQ\\_07172013.pdf](http://enforcement.trade.gov/tlei/notices/factual_info_final_rule_FAQ_07172013.pdf).

## **Appendix I**

### **Scope of the Investigation**

The merchandise subject to this investigation is hardwood and decorative plywood, and certain veneered panels as described below. For purposes of this proceeding, hardwood and decorative plywood is defined as a generally flat, multilayered plywood or other veneered panel, consisting of two or more layers or plies of wood veneers and a core, with the face and/or back veneer made of non-coniferous wood (hardwood) or bamboo. The veneers, along with the core may be glued or otherwise bonded together. Hardwood and decorative plywood may include products that meet the American National Standard for Hardwood and Decorative Plywood, ANSI/HPVA HP-1-2016 (including any revisions to that standard).

For purposes of this investigation a “veneer” is a slice of wood regardless of thickness which is cut, sliced or sawed from a log, bolt, or flitch. The face and back veneers are the outermost veneer of wood on either side of the core irrespective of additional surface coatings or covers as described below.

The core of hardwood and decorative plywood consists of the layer or layers of one or more material(s) that are situated between the face and back veneers. The core may be composed of a range of materials, including but not limited to hardwood, softwood, particleboard, or medium-density fiberboard (“MDF”).

All hardwood plywood is included within the scope of this investigation regardless of whether or not the face and/or back veneers are surface coated or covered and whether or not such surface coating(s) or covers obscures the grain, textures, or markings of the wood. Examples of surface coatings and covers include, but are not limited to: ultra-violet light cured polyurethanes; oil or oil-modified or water based polyurethanes; wax; epoxy-ester finishes; moisture-cured urethanes; paints; stains; paper; aluminum; high pressure laminate; MDF; medium density overlay (“MDO”); and phenolic film. Additionally, the face veneer of hardwood plywood may be sanded; smoothed or given a “distressed” appearance through such methods as hand-scraping or wire brushing. All hardwood plywood is included within the scope even if it is trimmed; cut-to-size; notched; punched; drilled; or has underwent other forms of minor processing.

All hardwood and decorative plywood is included within the scope of this investigation, without regard to dimension (overall thickness, thickness of face veneer, thickness of back veneer, thickness of core, thickness of inner veneers, width, or length). However, the most common panel sizes of hardwood and decorative plywood are 1219 x 1829 mm (48 x 72 inches), 1219 x 2438 mm (48 x 96 inches), and 1219 x 3048 mm (48 x 120 inches).

Subject merchandise also includes hardwood and decorative plywood that has been further processed in a third country, including but not limited to trimming, cutting, notching, punching, drilling, or any other processing that would not otherwise remove the merchandise from the scope of the investigation if performed in the country of manufacture of the in-scope product.

The scope of the investigation excludes the following items: (1) structural plywood (also known as “industrial plywood” or “industrial panels”) that is manufactured to meet U.S. Products

Standard PS 1-09, PS 2-09, or PS 2-10 for Structural Plywood (including any revisions to that standard or any substantially equivalent international standard intended for structural plywood), and which has both a face and a back veneer of coniferous wood; (2) products which have a face and back veneer of cork; (3) multilayered wood flooring, as described in the antidumping duty and countervailing duty orders on Multilayered Wood Flooring from the People's Republic of China, Import Administration, International Trade Administration. *See Multilayered Wood Flooring from the People's Republic of China*, 76 FR 76,690 (Dec. 8, 2011) (*amended final determination of sales at less than fair value and antidumping duty order*), and *Multilayered Wood Flooring from the People's Republic of China*, 76 FR 76,693 (Dec. 8, 2011) (*countervailing duty order*), as amended by *Multilayered Wood Flooring from the People's Republic of China: Amended Antidumping and Countervailing Duty Orders*, 77 FR 5,484 (Feb. 3, 2012); (4) multilayered wood flooring with a face veneer of bamboo or composed entirely of bamboo; (5) plywood which has a shape or design other than a flat panel, with the exception of any minor processing described above; and (6) products made entirely from bamboo and adhesives (also known as "solid bamboo").

Imports of hardwood plywood are primarily entered under the following Harmonized Tariff Schedule of the United States (HTSUS) subheadings: 4412.10.0500; 4412.31.0520; 4412.31.0540; 4412.31.0560; 4412.31.2510; 4412.31.2520; 4412.31.4040; 4412.31.4050; 4412.31.4060; 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; 4412.32.0565; 4412.32.0570; 4412.32.2510; 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; 4412.94.1030; 4412.94.1050; 4412.94.3105; 4412.94.3111; 4412.94.3121; 4412.94.3131; 4412.94.3141; 4412.94.3160; 4412.94.3161; 4412.94.3171; 4412.94.3175; 4412.94.4100; 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; 4412.99.5115; and 4412.99.5710.

Imports of hardwood plywood may also enter under HTSUS subheadings 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; 4412.99.6000; 4412.99.7000; 4412.99.8000; 4412.99.9000; 4412.10.9000; 4412.94.5100; 4412.94.9500; and 4412.99.9500. While the HTSUS subheadings are provided for convenience and customs purposes, the written description of the scope of this investigation is dispositive.

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