



BILLING CODE: 3510-DS-P

DEPARTMENT OF COMMERCE

International Trade Administration

[A-570-051]

Certain Hardwood Plywood Products from the People's Republic of China: Initiation of Less-Than-Fair-Value Investigation

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

DATES: Effective December 8, 2016

FOR FURTHER INFORMATION CONTACT: Kabir Archuletta at (202) 482-2593 or Amanda Brings at (202) 482-3927, AD/CVD Operations, Office V, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230.

SUPPLEMENTARY INFORMATION:

The Petition

On November 18, 2016, the Department of Commerce (the Department) received an antidumping duty (AD) 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).¹

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

¹ 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 (the Petition), at Volumes I and II. 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.

² See Letters from the Department to Petitioners entitled, "Petitions for the Imposition of Antidumping and

November 29, 2016.³ 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.⁴ 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, 2016.⁵ On December 6, 2016, Petitioners provided a response to FEA's comments on industry support and provided further clarification regarding the scope.⁶ On December 7, 2016, Petitioners provided a response to the Furniture Producers' Letter.⁷ On December 7, 2016, the Government of the PRC (GOC) provided comments on industry support and requested the Department poll the industry to determine industry support.⁸

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 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 (AD Supplemental Questionnaire).

³ 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 22, 2016 Supplemental Questions Regarding Volume II of the Petition for the Imposition of Antidumping Duties," dated November 29, 2016 (AD Supplemental Response).

⁴ 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).

⁵ 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).

⁶ 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).

⁷ 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).

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

In accordance with section 732(b) of the Tariff Act of 1930, as amended (the Act), Petitioners allege that imports of hardwood plywood from the PRC are being, or are likely to be, sold in the United States at less-than-fair value within the meaning of section 731 of the Act, 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 732(b)(1) of the Act, 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 an interested party 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 AD investigation that Petitioners are requesting.⁹

Period of Investigation

Because the Petition was filed on November 18, 2016, pursuant to 19 CFR 351.204(b)(1), the period of investigation (POI) is April 1, 2016 through September 30, 2016.

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

⁹ *See* the “Determination of Industry Support for the Petition” section below.

relief.¹⁰

As discussed in the preamble to the Department's regulations,¹¹ 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 CVD 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).¹² An electronically filed document must be received successfully in its entirety by

¹⁰ *See* General Issues Supplemental Questionnaire; *see also* General Issues Supplement at 1-5; *see also* Letter from Petitioners to the Department entitled, "Certain Hardwood Plywood Products from the People's Republic of China," dated December 6, 2016, at Exhibit I.

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

¹² *See* 19 CFR 351.303 (describing general filing requirements); *see also Antidumping and Countervailing Duty*

the time and date when it is due. Documents excepted from the electronic submission requirements must be filed manually (*i.e.*, in paper form) with Enforcement & Compliance's APO/Dockets Unit, Room 18022, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230, and stamped with the date and time of receipt by the applicable deadlines.

Comments on Product Characteristics for AD Questionnaires

The Department requests comments from interested parties regarding the appropriate physical characteristics of hardwood plywood to be reported in response to the Department's AD questionnaires. This information will be used to identify the key physical characteristics of the subject merchandise in order to report the relevant factors and costs of production accurately as well as to develop appropriate product-comparison criteria.

Interested parties may provide any information or comments that they feel are relevant to the development of an accurate list of physical characteristics. Specifically, they may provide comments as to which characteristics are appropriate to use as: 1) general product characteristics and 2) product-comparison criteria. We note that it is not always appropriate to use all product characteristics as product-comparison criteria. We base product-comparison criteria on meaningful commercial differences among products. In other words, although there may be some physical product characteristics utilized by manufacturers to describe hardwood plywood, it may be that only a select few product characteristics take into account commercially meaningful physical characteristics. In addition, interested parties may comment on the order in

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>.

which the physical characteristics should be used in matching products. Generally, the Department attempts to list the most important physical characteristics first and the least important characteristics last.

In order to consider the suggestions of interested parties in developing and issuing the AD questionnaire, all comments must be filed by 5:00 P.M. ET on Wednesday, December 22, 2016. Any rebuttal comments, which may include factual information, must be filed by 5:00 p.m. ET on Monday, December 28, 2016. All comments and submissions to the Department must be filed electronically using ACCESS, as explained above, on the record of this less-than-fair-value investigation.

Determination of Industry Support for the Petition

Section 732(b)(1) of the Act requires that a petition be filed on behalf of the domestic industry. Section 732(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 732(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 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,¹³ 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.¹⁴

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 terms of that domestic like product.¹⁵

¹³ See section 771(10) of the Act.

¹⁴ 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)).

¹⁵ For a discussion of the domestic like product analysis in this case, see Antidumping Duty Investigation Initiation Checklist: Certain Hardwood Plywood Products from the People’s Republic of China (PRC AD 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, and hereby adopted by, this notice and on file electronically via ACCESS.

In determining whether Petitioners have standing under section 732(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 data of the domestic like product in 2015. Petitioners also provided estimated 2015 production of the domestic like product by the entire U.S. domestic industry.¹⁶ To establish industry support, Petitioners compared their production to the total 2015 production of the domestic like product for the entire domestic industry.¹⁷ We relied on data Petitioners provided for purposes of measuring industry support.¹⁸

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.¹⁹ Petitioners responded to these comments on December 6 and 7, 2016.²⁰ The GOC also provided comments on industry support on December 7, 2016.²¹ For further discussion of these comments, *see* the PRC AD Initiation Checklist, at Attachment II.

Our review of the data provided in the Petition, General Issues Supplement, letters from FEA, the Furniture Producers, the GOC, and Petitioners, and other information readily available

Access to documents filed via ACCESS is also available in the Central Records Unit, Room B8024 of the main Department of Commerce building.

¹⁶ *See* Volume I of the Petition, at Exhibit I-3; *see also* Petitioners’ Response to Furniture Producers’ Letter, at 6-8 and Exhibits 1-3

¹⁷ *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.

¹⁸ *Id.* For further discussion, *see* PRC AD Initiation Checklist, at Attachment II.

¹⁹ *See* FEA Letter and Furniture Producers’ Letter.

²⁰ *See* Petitioners’ Revised Scope and Response to FEA Letter and Petitioners’ Response to Furniture Producers’ Letter.

²¹ *See* GOC Comments.

to the Department indicates that Petitioners have established industry support.²² 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).²³ Second, the domestic producers (or workers) have met the statutory criteria for industry support under section 732(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.²⁴ Finally, the domestic producers (or workers) have met the statutory criteria for industry support under section 732(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.²⁵ Accordingly, the Department determines that the Petition was filed on behalf of the domestic industry within the meaning of section 732(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 sections 771(9)(C) and (F) of the Act and they have demonstrated sufficient industry support with respect to the AD investigation that they are requesting that the Department initiate.²⁶

Allegations and Evidence of Material Injury and Causation

Petitioners allege that the U.S. industry producing the domestic like product is being materially injured, or is threatened with material injury, by reason of the imports of the subject

²² See PRC AD Initiation Checklist, at Attachment II.

²³ See section 732(c)(4)(D) of the Act; *see also* PRC AD Initiation Checklist, at Attachment II.

²⁴ See PRC AD Initiation Checklist, at Attachment II.

²⁵ *Id.*

²⁶ *Id.*

merchandise sold at less than normal value (NV). In addition, Petitioners allege that subject imports exceed the negligibility threshold provided for under section 771(24)(A) of the Act.²⁷

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.²⁸ 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.²⁹

Allegations of Sales at Less-Than-Fair Value

The following is a description of the allegation of sales at less-than-fair value upon which the Department based its decision to initiate an investigation of imports of hardwood plywood from the PRC. The sources of data for the deductions and adjustments relating to U.S. price and NV are discussed in greater detail in the initiation checklist.

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

²⁸ See Volume I of the Petitions, 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.

²⁹ See PRC AD 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 (Attachment III).

Export Price

Petitioners based U.S. price on two offers for sale for hardwood plywood produced in the PRC from a Chinese exporter.³⁰ Petitioners made deductions from U.S. price for foreign inland freight and foreign brokerage and handling charges consistent with the delivery terms.³¹

Normal Value

Petitioners stated that the Department has found the PRC to be a non-market economy (NME) country in every administrative proceeding in which the PRC has been involved.³² In accordance with section 771(18)(C)(i) of the Act, the presumption of NME status remains in effect until revoked by the Department. The presumption of NME status for the PRC has not been revoked by the Department and, therefore, remains in effect for purposes of the initiation of this investigation. Accordingly, the NV of the product is appropriately based on factors of production (FOPs) valued in a surrogate market economy country, in accordance with section 773(c) of the Act. In the course of this investigation, all parties, and the public, will have the opportunity to provide relevant information related to the issues of the PRC's NME status and the granting of separate rates to individual exporters.

Petitioners claim that Thailand is an appropriate surrogate country because it is a market economy that is at a level of economic development comparable to that of the PRC and it is a significant producer of comparable merchandise.³³

Based on the information provided by Petitioners, we determine that it is appropriate to use Thailand as a surrogate country for initiation purposes. Interested parties will have the

³⁰ See Volume II of the Petition, at 3 and Exhibit II-2; see also AD Supplemental Response, at 1 and Exhibit II-Supp-1.

³¹ See Volume II of the Petition, at 5-8 and Exhibit II-4, Exhibit II-5, Exhibit II-7; see also AD Supplemental Response, at 4 and Exhibit II-Supp-4, Exhibit II-Supp-7, Exhibit II-Supp-10.

³² See Volume II of the Petition, at 8-9.

³³ *Id.* at 9-10 and Exhibit II-8, Exhibit II-9.

opportunity to submit comments regarding surrogate country selection and, pursuant to 19 CFR 351.301(c)(3)(i), will be provided an opportunity to submit publicly available information to value FOPs within 30 days before the scheduled date of the preliminary determination.

Factors of Production

Petitioners based the FOPs for materials, labor, and energy on the consumption rates of a producer of hardwood plywood in the United States.³⁴ Petitioners assert that the production process for hardwood plywood is similar regardless of whether the product is produced in the United States or in the PRC.³⁵ Petitioners valued the estimated factors of production using surrogate values from Thailand.³⁶

Valuation of Raw Materials

Petitioners valued the FOPs for raw materials using public import data for Thailand obtained from the Global Trade Atlas (GTA) for the POI.³⁷ Petitioners excluded all import values from countries previously determined by the Department to maintain broadly available, non-industry-specific export subsidies and from countries previously determined by the Department to be NME countries.³⁸ In addition, in accordance with the Department's practice, the average import value excludes imports that were labeled as originating from an unidentified country.³⁹ The Department determines that the surrogate values used by Petitioners are reasonably available and, thus, are acceptable for purposes of initiation.

Valuation of Energy

Petitioners valued electricity using electricity rates reported by the Thai Board of

³⁴ *Id.* at 1, 10-11 and Exhibit II-10, Exhibit II-11, Exhibit II-14; *see also* AD Supplemental Response, at 2.

³⁵ *See* Volume II of the Petition, at 14.

³⁶ *Id.* at 15.

³⁷ *Id.* at 17 and Exhibit II-15, Exhibit II-16; *see also* AD Supplemental Response, at Exhibit II-Supp-6.

³⁸ *See* Volume II of the Petition, at 17.

³⁹ *Id.*

Investment.⁴⁰ This information was reported in U.S. dollars (USD) per kilowatt hour and multiplied by the U.S. producer's usage rates.⁴¹ Petitioners valued water using water rates reported by the Thai Board of Investment.⁴² Petitioners converted the water rates reported from USD/cubic meter to USD/gallon and multiplied by the U.S. producer's usage rates.⁴³

Valuation of Labor

Petitioners valued labor using the most-recently-available labor data published by Thailand's National Statistics Office.⁴⁴ Specifically, Petitioners relied on data pertaining to wages and benefits earned by Thai workers engaged in the "manufacturing" sector of the Thai economy.⁴⁵ Petitioners converted Thai Baht to USD using the average exchange rate during the POI.⁴⁶

Valuation of Packing Materials

Petitioners valued the packing materials using import data obtained from GTA for the POI.⁴⁷

Valuation of Factory Overhead, Selling, General and Administrative Expenses, and Profit

Petitioners calculated ratios for factory overhead, selling, general and administrative expenses and profit based on the most recent audited financial statements for Vanachai Group Public Company Limited, a Thai manufacturer of comparable merchandise (*i.e.*, particle board, MDF products, laminated particleboard, and finished door frames, and panels).⁴⁸

⁴⁰ *Id.* at 18 and Exhibit II-18; *see also* AD Supplemental Response, at 2.

⁴¹ *Id.*

⁴² *See* Volume II of the Petition, at 18 and Exhibit II-19.

⁴³ *Id.*; *see also* AD Supplemental Response, at 3 and Exhibit II-Supp-3.

⁴⁴ *See* Volume II of the Petition at 18 and Exhibit II-20.

⁴⁵ *Id.*

⁴⁶ *See* Volume II of the Petition at 15-16 and Exhibit II-13.

⁴⁷ *Id.* at 19-20 and Exhibit II-14; *see also* AD Supplemental Response, at Exhibit II-Supp-5.

⁴⁸ *See* Volume II of the Petition, at 19-20 and Exhibit II-21 and Exhibit II-22; *see also* AD Supplemental Response, at Exhibit II-Supp-9.

Fair Value Comparisons

Based on the data provided by Petitioners, there is reason to believe that imports of hardwood plywood from the PRC are being, or are likely to be, sold in the United States at less-than-fair value. Based on comparisons of EP to NV, in accordance with section 773(c) of the Act, the estimated dumping margins for hardwood from the PRC range from 104.06 to 114.72 percent.⁴⁹

Initiation of Less-than-Fair-Value Investigation

Based upon the examination of the AD Petition on hardwood plywood from the PRC, we find that the Petition meets the requirements of section 732 of the Act. Therefore, we are initiating an AD investigation to determine whether imports of hardwood plywood from the PRC are being, or are likely to be, sold in the United States at less-than-fair value. In accordance with section 733(b)(1)(A) of the Act and 19 CFR 351.205(b)(1), unless postponed, we intend to make our preliminary determination no later than 140 days after the date of this initiation.

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.⁵⁰ 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.⁵¹ The amendments to sections

⁴⁹ See AD Supplemental Response, at Exhibit II-Supp-11; see also PRC AD Initiation Checklist.

⁵⁰ See Trade Preferences Extension Act of 2015, Pub. L. No. 114-27, 129 Stat. 362 (2015).

⁵¹ 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*).

771(15), 773, 776, and 782 of the Act are applicable to all determinations made on or after August 6, 2015, and, therefore, apply to this AD investigation.⁵²

Respondent Selection

In accordance with our standard practice for respondent selection in AD cases involving NME countries, we intend to issue quantity and value (Q&V) questionnaires to producers/exporters of merchandise subject to the investigation and base respondent selection on the responses received. For this investigation, the Department will request 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.

Separate Rates

In order to obtain separate-rate status in an NME investigation, exporters and producers must submit a separate-rate application.⁵³ The specific requirements for submitting a separate-rate application in the PRC investigation are outlined in detail in the application itself, which is

⁵² *Id.* at 46794-95. The 2015 amendments may be found at <https://www.congress.gov/bill/114th-congress/house-bill/1295/text/pl>.

⁵³ See Policy Bulletin 05.1: Separate-Rates Practice and Application of Combination Rates in Antidumping Investigation involving Non-Market Economy Countries (April 5, 2005), available at <http://enforcement.trade.gov/policy/bull05-1.pdf> (Policy Bulletin 05.1).

available on the Department's web site at <http://enforcement.trade.gov/nme/nme-sep-rate.html>.

The separate-rate application will be due 30 days after publication of this initiation notice.⁵⁴

Exporters and producers who submit a separate-rate application and have been selected as mandatory respondents will be eligible for consideration for separate-rate status only if they respond to all parts of the Department's AD questionnaire as mandatory respondents. The Department requires that companies from the PRC submit a response to both the Q&V questionnaire and the separate-rate application by the respective deadlines in order to receive consideration for separate-rate status. Companies not filing a timely Q&V response will not receive separate rate consideration.

Use of Combination Rates

The Department will calculate combination rates for certain respondents that are eligible for a separate rate in an NME investigation. The Separate Rates and Combination Rates Bulletin states:

{w}hile continuing the practice of assigning separate rates only to exporters, all separate rates that the Department will now assign in its NME Investigation will be specific to those producers that supplied the exporter during the period of investigation. Note, however, that one rate is calculated for the exporter and all of the producers which supplied subject merchandise to it during the period of investigation. This practice applies both to mandatory respondents receiving an individually calculated separate rate as well as the pool of non-investigated firms receiving the weighted-average of the individually calculated rates. This practice is referred to as the application of "combination rates" because such rates apply to specific combinations of exporters and one or more producers. The cash-deposit rate assigned to an exporter will apply only to merchandise both exported by the firm in question and produced by a firm that supplied the exporter during the period of investigation.⁵⁵

⁵⁴ Although in past investigations this deadline was 60 days, consistent with 19 CFR 351.301(a), which states that "the Secretary may request any person to submit factual information at any time during a proceeding," this deadline is now 30 days.

⁵⁵ See Policy Bulletin 05.1 at 6 (emphasis added).

Distribution of Copies of the Petition

In accordance with section 732(b)(3)(A) of the Act and 19 CFR 351.202(f), a copy of the public version of the Petition has been provided to the government of the PRC 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 732(d) of the Act.

Preliminary Determinations 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.⁵⁶ A negative ITC determination will result in the investigation being terminated;⁵⁷ 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). Any party, when submitting factual information, must specify under which subsection of 19 CFR

⁵⁶ See section 733(a) of the Act.

⁵⁷ *Id.*

351.102(b)(21) the information is being submitted⁵⁸ 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, clarify, or correct.⁵⁹ 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. Please review the regulations prior to submitting factual information in this investigation.

Extensions of Time Limits

Parties may request an extension of time limits before the expiration of a time limit established under 19 CFR 351, 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 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. ET 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.

⁵⁸ See 19 CFR 351.301(b).

⁵⁹ See 19 CFR 351.301(b)(2).

Certification Requirements

Any party submitting factual information in an AD or CVD proceeding must certify to the accuracy and completeness of that information.⁶⁰ Parties are hereby reminded that revised certification requirements are in effect for company/government officials, as well as their representatives. Investigations initiated on the basis of petition 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*.⁶¹ The Department intends to reject factual submissions if the submitting party does not comply with applicable revised certification requirements.

Notification to Interested Parties

Interested parties must submit applications for disclosure under administrative protective order (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 in 19 CFR 351.103(d)).

⁶⁰ See section 782(b) of the Act.

⁶¹ 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.

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

Dated: December 8, 2016

Christian Marsh
Deputy Assistant Secretary
for Antidumping and Countervailing Duty Operations

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 76690 (December 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 76693 (December 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 5484 (February 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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