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DEPARTMENT OF COMMERCE

International Trade Administration

[A-351-853, A-570-117]

Wood Mouldings and Millwork Products from Brazil and the People's Republic of China:
Initiation of Less-Than-Fair-Value Investigations

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

DATES: Applicable January 28, 2020.

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Operations, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230.

SUPPLEMENTARY INFORMATION:

The Petitions

On January 8, 2020, the U.S. Department of Commerce (Commerce) received antidumping duty (AD) petitions concerning imports of wood mouldings and millwork products (millwork products) from Brazil and China.¹ The AD Petitions were filed in proper form by the Coalition of American Millwork Producers (the petitioner or the Coalition).² The AD Petitions were accompanied by the countervailing duty (CVD) petition concerning imports of millwork products from China.

¹ See Petitioner's Letter, "Wood Mouldings and Millwork Products from Brazil and the People's Republic of China: Petitions for the Imposition of Antidumping and Countervailing Duties," dated January 8, 2020 (the AD Petitions).

² The Coalition of American Millwork Producers is comprised of Bright Wood Corporation, Cascade Wood Products, Inc., Endura Products, Inc., Sierra Pacific Industries, Sunset Moulding, Woodgrain Millwork Inc., and Yuba River Moulding.

On January 10, 13, 17, and 21, 2020, Commerce requested supplemental information pertaining to certain aspects of the AD Petitions in separate supplemental questionnaires and phone calls with the petitioner.³ Responses to the supplemental questionnaires were filed on January 15, 16, and 22, 2020.⁴

In accordance with section 732(b) of the Tariff Act of 1930, as amended (the Act), the petitioner alleges that imports of millwork products from Brazil and China are being, or are likely to be, sold in the United States at less than fair value (LTFV) within the meaning of section 731 of the Act, and that such imports are materially injuring, or threatening material injury to, the domestic industry producing millwork products in the United States. Consistent with section 732(b)(1) of the Act, the AD Petitions are accompanied by information reasonably available to the petitioner supporting its allegations.

Commerce finds that the petitioner filed the AD Petitions on behalf of the domestic industry, because the Coalition is an interested party under section 771(9)(F) of the Act.

³ See Commerce's Letters, "Petitions for the Imposition of Antidumping Duties on Imports of Wood Mouldings and Millwork Products from Brazil and the People's Republic of China and Countervailing Duties on Imports of Wood Mouldings and Millwork Products from the People's Republic of China: Supplemental Questions;" dated January 10, 2020; "Petition for the Imposition of Antidumping Duties on Imports of Wood Mouldings and Millwork Products from Brazil: Supplemental Questions;" dated January 13, 2020; "Petition for the Imposition of Antidumping Duties on Imports of Wood Mouldings and Millwork Products from the People's Republic of China: Supplemental Questions," dated January 13, 2020. See also Memorandum, "January 21, 2020 Phone Call with Counsel for Coalition of American Millwork Producers," dated January 21, 2020; and Memorandum, "Phone Call with Counsel to the Petitioner," dated January 22, 2020 (Scope Phone Call Memo).

⁴ See Petitioner's Letters, "Wood Mouldings and Millwork Products from Brazil and the People's Republic of China: Responses to First Supplemental Questionnaire on General Issues Volume I of the Petition," dated January 15, 2020 (General Issues Supplement); "Wood Mouldings and Millwork Products from Brazil: Responses to First Supplemental Questionnaire on Brazil AD Volume II of the Petition," dated January 16, 2020; "Wood Mouldings and Millwork Products from the People's Republic of China: Responses to First Supplemental Questions on China AD Volume III of the Petition," dated January 16, 2020; "Wood Mouldings and Millwork Products from Brazil and the People's Republic of China: Responses to Second Supplemental Questionnaire on General Issues Volume I of the Petition," dated January 22, 2020 (Second General Issues Supplement); "Wood Mouldings and Millwork Products from Brazil: Responses to First Supplemental Questions on Brazil AD Volume II of the Petition," dated January 22, 2020; and "Wood Mouldings and Millwork Products from the People's Republic of China: Responses to First Supplemental Questions on China AD Volume III of the Petition," dated January 22, 2020.

Commerce also finds that the petitioner demonstrated sufficient industry support with respect to the initiation of the requested AD investigations.⁵

Periods of Investigation

Because the AD Petitions were filed on January 8, 2020, pursuant to 19 CFR 351.204(b)(1), the period of investigation (POI) for the Brazil investigation is January 1, 2019 through December 31, 2019. Because China is a non-market economy (NME) country, pursuant to 19 CFR 351.204(b)(1), the POI for the China investigation is July 1, 2019 through December 31, 2019.

Scope of the Investigations

The products covered by these investigations are millwork products from Brazil and China. For a full description of the scope of these investigations, *see* the appendix to this notice.

Scope Comments

During our review of the AD Petitions, we contacted the petitioner regarding the proposed scope to ensure that the scope language in the AD Petitions is an accurate reflection of the products for which the domestic industry is seeking relief.⁶ As a result, the scope of the AD Petitions was modified to clarify the description of the merchandise covered by the AD Petitions. The description of the merchandise covered by these investigations, as described in the appendix to this notice, reflects these clarifications.

As discussed in the *Preamble* to Commerce's regulations, we are setting aside a period for interested parties to raise issues regarding product coverage (scope).⁷ Commerce will consider all comments received from interested parties and, if necessary, will consult with

⁵ *See infra*, section on "Determination of Industry Support for the AD Petitions."

⁶ *See* Scope Phone Call Memo; *see also* General Issues Supplement at 2-11; and Second General Issues Supplement at 1-6.

⁷ *See Antidumping Duties; Countervailing Duties, Final Rule*, 62 FR 27296, 27323 (May 19, 1997) (*Preamble*).

interested parties prior to the issuance of the preliminary determinations. If scope comments include factual information,⁸ all such factual information should be limited to public information. To facilitate preparation of its questionnaires, Commerce requests that all interested parties submit scope comments by 5:00 p.m. Eastern Time (ET) on February 18, 2020, which is the next business day after 20 calendar days from the signature date of this notice.⁹ Any rebuttal comments, which may include factual information, must be filed by 5:00 p.m. ET on February 28, 2020, which is 10 calendar days from the initial comment deadline.¹⁰

Commerce requests that any factual information parties consider relevant to the scope of the investigations be submitted during this period. However, if a party subsequently finds that additional factual information pertaining to the scope of the investigations may be relevant, the party may contact Commerce and request permission to submit the additional information. All such submissions must be filed on the records of the concurrent AD and CVD investigations.

Filing Requirements

All submissions to Commerce must be filed electronically via Enforcement and Compliance's Antidumping Duty and Countervailing Duty Centralized Electronic Service System (ACCESS).¹¹ An electronically filed document must be received successfully in its entirety by the time and date it is due. Documents exempted from the electronic submission

⁸ See 19 CFR 351.102(b)(21) (defining "factual information").

⁹ The current deadline for scope comments falls on Monday, February 17, 2020, which is a federal holiday. Therefore, in accordance with our *Next Business Day Rule*, the deadline is moved to Tuesday, February 18, 2020. See *Notice of Clarification: Application of "Next Business Day" Rule for Administrative Determination Deadlines Pursuant to the Tariff Act of 1930, As Amended*, 70 FR 24533 (May 10, 2005) (*Next Business Day Rule*).

¹⁰ See 19 CFR 351.303(b).

¹¹ See *Antidumping and Countervailing Duty Proceedings: Electronic Filing Procedures; Administrative Protective Order Procedures*, 76 FR 39263 (July 6, 2011); see also *Enforcement and Compliance; Change of Electronic Filing System Name*, 79 FR 69046 (November 20, 2014), for details of Commerce's electronic filing requirements, effective 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 and 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

Commerce is providing interested parties an opportunity to comment on the appropriate physical characteristics of millwork products to be reported in response to Commerce'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 of production (FOPs) 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 millwork products, 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 which the physical characteristics should be used in matching products. Generally, Commerce 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 questionnaires, all product characteristics comments must be filed by 5:00 p.m. ET on February 18, 2020, which is the next business day after 20 calendar days from the signature date of this notice.¹² Any rebuttal comments must be filed by 5:00 p.m. ET on February 28, 2020. All comments and submissions to Commerce must be filed electronically using ACCESS, as explained above, on the record of each of the AD investigations.

Determination of Industry Support for the AD Petitions

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, Commerce 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 Commerce to look to producers and workers who produce the domestic like

¹² See 19 CFR 351.303(b). The current deadline for product characteristics comments falls on Monday, February 17, 2020, which is a federal holiday. Therefore, in accordance with our *Next Business Day Rule*, the deadline is moved to Tuesday, February 18, 2020.

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 Commerce 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, Commerce’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, the petitioner does not offer a definition of the domestic like product distinct from the scope of the investigations.¹⁵ Based on our analysis of the information submitted on the record, we have determined that millwork products, as defined in the scope, constitute a single domestic like product, and we have analyzed industry support in terms of that domestic like product.¹⁶

¹³ See section 771(10) of the Act.

¹⁴ See *USEC, Inc. v. United States*, 132 F. Supp. 2d 1, 8 (Ct. Int’l Trade 2001) (citing *Algoma Steel Corp., Ltd. v. United States*, 688 F. Supp. 639, 644 (Ct. Int’l Trade 1988), *aff’d* 865 F.2d 240 (Fed. Cir. 1989)).

¹⁵ See Volume I of the AD Petitions, at 13-15; see also General Issues Supplement, at 11-14.

¹⁶ For a discussion of the domestic like product analysis as applied to these cases and information regarding industry support, see Antidumping Duty Investigation Initiation Checklist: Wood Mouldings and Millwork Products from Brazil (Brazil AD Initiation Checklist) at Attachment II, Analysis of Industry Support for the Antidumping and Countervailing Duty Petitions Covering Wood Mouldings and Millwork Products from Brazil and the People’s Republic of China (Attachment II); see also Antidumping Duty Investigation Initiation Checklist: Wood Mouldings and Millwork Products from the People’s Republic of China (China AD Initiation Checklist), at Attachment II.

On January 23, 2020, we received comments on industry support from Composite Technology International, Inc. (CTI), an importer of the subject merchandise.¹⁷ The petitioner responded to CTI's industry support comments on January 27, 2020.¹⁸

In determining whether the petitioner has standing under section 732(c)(4)(A) of the Act, we considered the industry support data contained in the AD Petitions with reference to the domestic like product as defined in the "Scope of the Investigations," in the appendix to this notice. To establish industry support, the petitioner provided the 2018 production of the domestic like product for the U.S. producers that support the AD Petitions.¹⁹ The petitioner estimated the production of the domestic like product for the remaining U.S. producers of millwork products based on production information from the Moulding and Millwork Producers Association and the Architectural Woodwork Institute, as well as estimated production information for U.S. producers that are not members of either of these two groups.²⁰ The petitioner notes that 2019 production data are not yet available and contends that 2018 calendar year production data are a reasonable estimate of production in 2019.²¹ The petitioner compared the production of the companies supporting the AD Petitions to the estimated total production of

These checklists are 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 Commerce building.

¹⁷ See CTI's Letter, "Wood Mouldings & Millwork Products from Brazil and the People's Republic of China: Pre-Initiation Comments on Industry Support," dated January 23, 2020.

¹⁸ See Petitioner's Letter, "Wood Mouldings and Millwork Products from Brazil and the People's Republic of China: Response to Pre-Initiation Comments on Industry Support," dated January 27, 2020.

¹⁹ See Volume I of the AD Petitions, at 2-3 and Exhibits I-3 – I-5; see also General Issues Supplement, at 16 and Exhibits I-Supp-13 and I-Supp-14.

²⁰ See Volume I of the AD Petitions, at 2-4 and Exhibits I-3, I-6, I-7, I-8, and I-9; see also General Issues Supplement, at 16-18 and Exhibits I-Supp-14 – I-Supp-16.

²¹ See Second General Issues Supplement, at 7-8.

the domestic like product for the entire domestic industry.²² We relied on data provided by the petitioner for purposes of measuring industry support.²³

Our review of the data provided in the AD Petitions, the General Issues Supplement, the Second General Issues Supplement, and other information readily available to Commerce indicates that the petitioner has established industry support for the AD Petitions.²⁴ First, the AD Petitions 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, Commerce is not required to take further action in order to evaluate industry support (*e.g.*, polling).²⁵ 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 AD Petitions account for at least 25 percent of the total production of the domestic like product.²⁶ 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 AD Petitions 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 AD Petitions.²⁷ Accordingly, Commerce determines that the AD Petitions

²² See Volume I of the AD Petitions, at 4 and Exhibit I-3; *see also* General Issues Supplement, at 16 and Exhibit I-Supp-14.

²³ See Volume I of the AD Petitions, at 2-4 and Exhibits I-3 – I-9; *see also* General Issues Supplement, at 14-18 and Exhibits I-Supp-11 – I-Supp-16. For further discussion, *see* Brazil AD Initiation Checklist, at Attachment II; *see also* China AD Initiation Checklist, at Attachment II.

²⁴ See Brazil AD Initiation Checklist, at Attachment II; *see also* China AD Initiation Checklist, at Attachment II.

²⁵ See section 732(c)(4)(D) of the Act; *see also* Brazil AD Initiation Checklist, at Attachment II; and China AD Initiation Checklist, at Attachment II.

²⁶ See Brazil AD Initiation Checklist, at Attachment II; *see also* China AD Initiation Checklist, at Attachment II.

²⁷ *Id.*

were filed on behalf of the domestic industry within the meaning of section 732(b)(1) of the Act.²⁸

Allegations and Evidence of Material Injury and Causation

The petitioner alleges 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 merchandise sold at LTFV. In addition, the petitioner alleges that subject imports exceed the negligibility threshold provided for under section 771(24)(A) of the Act.²⁹

The petitioner contends that the industry's injured condition is illustrated by a significant and increasing volume of subject imports; reduced market share; underselling and price depression or suppression; lost sales and revenues; declining financial performance; a decline in the domestic industry's capacity utilization and production and related workers; shuttered manufacturing facilities and bankruptcies; and actual and potential negative effects on cash flow.³⁰ We have assessed the allegations and supporting evidence regarding material injury, threat of material injury, causation, as well as negligibility, and we have determined that these allegations are properly supported by adequate evidence, and meet the statutory requirements for initiation.³¹

Allegations of Sales at LTFV

The following is a description of the allegation of sales at LTFV upon which Commerce based its decision to initiate AD investigations of imports of millwork products from Brazil and

²⁸ *Id.*

²⁹ See General Issues Supplement, at 18-19 and Exhibit I-Supp-17.

³⁰ See Volume I of the AD Petitions, at 12-13, 15-26, and Exhibits I-13 through I-23.

³¹ See Brazil AD Initiation Checklist, at Attachment III, Analysis of Allegations and Evidence of Material Injury and Causation for the Antidumping Duty Petition Covering Wood Mouldings and Millwork Products from Brazil and the Republic of China (Attachment III); see also China AD Initiation Checklist, at Attachment III.

China. The sources of data for the deductions and adjustments relating to U.S. price and normal value (NV) are discussed in greater detail in the AD Initiation Checklist for each country.

Export Price

For both Brazil and China, the petitioner based export price (EP) on price quotes for millwork products produced in, and exported from, Brazil and China and offered for sale in the United States during the POI.³² Where appropriate, the petitioner made deductions from U.S. price for foreign brokerage and handling, foreign inland freight, ocean freight, marine insurance, U.S. inland freight, U.S. brokerage and handling, and U.S. customs duties and fees, consistent with the terms of sale, as applicable.³³

Normal Value

For Brazil, the petitioner obtained home market prices through market research for millwork products produced in and sold, or offered for sale, in Brazil during the POI. The petitioner calculated net home market prices, adjusted as appropriate for Brazilian taxes.³⁴ The petitioner provided information indicating that the prices were below the cost of production (COP) and, therefore, the petitioner calculated NV based on constructed value (CV).³⁵ For further discussion of COP and NV based on CV, *see* the section “Normal Value Based on Constructed Value” below.³⁶

³² *See* Brazil AD Initiation Checklist and China AD Initiation Checklist.

³³ *Id.*

³⁴ *See* Brazil AD Initiation Checklist.

³⁵ *Id.*

³⁶ In accordance with section 773(b)(2) of the Act, for this investigation, Commerce will request information necessary to calculate the CV and COP to determine whether there are reasonable grounds to believe or suspect that sales of the foreign like product have been made at prices less than the COP of the product.

With respect to China, Commerce considers China to be an NME country.³⁷ In accordance with section 771(18)(C)(i) of the Act, the presumption of NME status remains in effect until revoked by Commerce. Therefore, we continue to treat China as an NME for purposes of the initiation of this investigation. Accordingly, NV in China is appropriately based on FOPs valued in a surrogate market economy country, in accordance with section 773(c) of the Act.³⁸

The petitioner claims that Brazil is an appropriate surrogate country for China, because it is a market economy country that is at a level of economic development comparable to that of China and a significant producer of comparable merchandise.³⁹ Further, public information from Brazil is available to value all material input factors.⁴⁰ Based on the information provided by the petitioner, we determine that it is appropriate to use Brazil as a surrogate country for initiation purposes.

Interested parties will have the 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

Because information regarding the volume of inputs consumed by the Chinese producers/exporters is not reasonably available, the petitioner relied on the production

³⁷ See *Antidumping Duty Investigation of Certain Aluminum Foil from the People's Republic of China: Affirmative Preliminary Determination of Sales at Less-Than-Fair Value and Postponement of Final Determination*, 82 FR 50858, 50861 (November 2, 2017), and accompanying Memorandum, "China's Status as a Non-Market Economy," unchanged in *Certain Aluminum Foil from the People's Republic of China: Final Determination of Sales at Less Than Fair Value*, 83 FR 9282 (March 5, 2018).

³⁸ See China AD Initiation Checklist.

³⁹ See Volume III of the AD Petitions at 10-12.

⁴⁰ *Id.* at Exhibit III-22.

experience of a domestic producer as an estimate of Chinese manufacturers' FOPs.⁴¹ The petitioner valued the estimated FOPs using surrogate values from Brazil and used the average POI exchange rate to convert the data to U.S. dollars, where necessary.⁴²

Normal Value Based on Constructed Value

As noted above, for Brazil, the petitioner obtained home market prices but provided information indicating that these prices were below the COP during the POI; therefore, the petitioner based NV on CV pursuant to section 773(a)(4) of the Act. Pursuant to section 773(e) of the Act, CV consists of the cost of manufacturing (COM), selling, general, and administrative (SG&A) expenses, financial expenses, profit, and packing expenses.

The petitioner calculated the COM based on a domestic producer's production inputs and usage rates for raw materials, labor, energy, and packing.⁴³ The petitioner valued the production inputs using publicly available data on costs specific to Brazil during the POI. Specifically, the petitioner based the prices for raw material and packing inputs on publicly available import price data for Brazil.⁴⁴ The petitioner valued labor and energy costs using publicly available sources for Brazil.⁴⁵ The petitioner calculated factory overhead, SG&A, financial expenses, and profit for Brazil based on the experience of a Brazilian producer of comparable merchandise.⁴⁶

Fair Value Comparisons

Based on the data provided in the AD Petitions, there is reason to believe that imports of millwork products from Brazil and China are being, or are likely to be, sold in the United States at LTFV. Based on comparisons of EP to NV in accordance with sections 772 and 773 of the

⁴¹ *Id.* at 12.

⁴² *Id.* at 14; *see also* China AD Initiation Checklist.

⁴³ *See* Brazil AD Initiation Checklist.

⁴⁴ *Id.*

⁴⁵ *Id.*

⁴⁶ *Id.*

Act, the estimated dumping margins for millwork products for each of the countries covered by this initiation are as follows: (1) Brazil – 86.73 percent;⁴⁷ and (2) China – 181.17 and 359.16 percent.⁴⁸

Initiation of LTFV Investigations

Based upon the examination of the AD Petitions and supplemental responses, we find that the AD Petitions meet the requirements of section 732 of the Act. Therefore, we are initiating AD investigations to determine whether imports of millwork products from Brazil and China are being, or are likely to be, sold in the United States at LTFV. In accordance with section 733(b)(1)(A) of the Act and 19 CFR 351.205(b)(1), unless postponed, we will make our preliminary determinations no later than 140 days after the date of this initiation.

Respondent Selection

The petitioner named 27 companies in Brazil as producers/exporters of millwork products.⁴⁹ Following standard practice in AD investigations involving market economy countries, in the event Commerce determines that the number of companies is large and it cannot individually examine each company based upon Commerce's resources, where appropriate, Commerce intends to select respondents in Brazil based on U.S. Customs and Border Protection (CBP) data for U.S. imports under the appropriate Harmonized Tariff Schedule of the United States (HTSUS) numbers listed with the scope in the appendix, below.⁵⁰

On January 24, 2020, Commerce released CBP data on imports of millwork products from Brazil under administrative protective order (APO) to all parties with access to information

⁴⁷ See Brazil AD Initiation Checklist.

⁴⁸ See China AD Initiation Checklist.

⁴⁹ See Volume I of the AD Petitions, at Exhibit I-11.

⁵⁰ See, e.g., *Polyester Textured Yarn from India and the People's Republic of China: Initiation of Less-Than-Fair-Value Investigations*, 83 FR 58223, 58227 (November 19, 2018).

protected by APO and indicated that interested parties wishing to comment on the CBP data must do so within three business days of the publication date of the notice of initiation of these investigations. Commerce will not accept rebuttal comments regarding the CBP data or respondent selection. Interested parties must submit applications for disclosure under APO in accordance with 19 CFR 351.305(b). Instructions for filing such applications may be found on the Commerce's website at <http://enforcement.trade.gov/apo>.

The petitioner named 92 producers/exporters of millwork products in China.⁵¹ In AD investigations involving NME countries, Commerce selects respondents based on quantity and value (Q&V) questionnaires in cases where it has determined that the number of companies is large and it cannot individually examine each company based upon its resources. After considering the large number of producers and exporters identified in the China AD Petition, and considering the resources that must be used by Commerce to mail Q&V questionnaires to all of these companies, Commerce has determined that it does not have sufficient administrative resources to mail Q&V questionnaires to all 92 identified producers and exporters. Therefore, Commerce has determined to limit the number of Q&V questionnaires it will send out to exporters and producers based on CBP data for imports during the POI under the appropriate HTSUS numbers listed within the scope in the appendix, below. Accordingly, Commerce will send Q&V questionnaires to the largest producers and exporters that are identified in the CBP data for which there is address information on the record.

In addition, Commerce will post the Q&V questionnaire along with filing instructions on the Enforcement and Compliance website at <http://www.trade.gov/enforcement/news.asp>. In accordance with our standard practice for respondent selection in AD cases involving NME

⁵¹ See Volume I of the AD Petitions, at Exhibit I-11.

countries, we intend to base respondent selection on the responses to the Q&V questionnaire that we receive.

Producers/exporters of millwork products from China that do not receive Q&V questionnaires by mail may still submit a response to the Q&V questionnaire and can obtain a copy of the Q&V questionnaire from Enforcement and Compliance's website. The Q&V response must be submitted by the relevant Chinese exporters/producers no later than 5:00 p.m. ET on February 11, 2020.

Separate Rates

In order to obtain separate-rate status in an NME investigation, exporters and producers must submit a separate-rate application.⁵² The specific requirements for submitting a separate-rate application in the China investigation are outlined in detail in the application itself, which is available on Commerce's website 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.⁵³

Exporters and producers who submit a separate-rate application and are selected as mandatory respondents will be eligible for consideration for separate-rate status only if they respond to all parts of Commerce's AD questionnaire as mandatory respondents. Commerce requires that companies from China 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

⁵² 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).

⁵³ 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.

Commerce 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.⁵⁴

Distribution of Copies of the AD Petitions

In accordance with section 732(b)(3)(A) of the Act and 19 CFR 351.202(f), copies of the public version of the AD Petitions have been provided to the governments of Brazil and China via ACCESS. To the extent practicable, we will attempt to provide a copy of the public version of the AD Petitions to each exporter named in the AD Petitions, as provided under 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 Determination by the ITC

The ITC will preliminarily determine, within 45 days after the date on which the AD Petitions were filed, whether there is a reasonable indication that imports of millwork products from Brazil and/or China are materially injuring, or threatening material injury to, a U.S.

⁵⁴ See Policy Bulletin 05.1 at 6 (emphasis added).

industry.⁵⁵ A negative ITC determination for any country will result in the investigation being terminated with respect to that country.⁵⁶ Otherwise, the investigations 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 Commerce; and (v) evidence other than factual information described in (i)–(iv). Section 351.301(b) of Commerce’s regulations requires any party, when submitting factual information, to specify under which subsection of 19 CFR 351.102(b)(21) the information is being submitted⁵⁷ 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.⁵⁸ 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. Interested parties should review the regulations prior to submitting factual information in these investigations.

Particular Market Situation Allegation

Section 504 of the Trade Preferences Extension Act of 2015 amended the Act by adding the concept of particular market situation (PMS) for purposes of CV under section 773(e) of the

⁵⁵ See section 733(a) of the Act.

⁵⁶ *Id.*

⁵⁷ See 19 CFR 351.301(b).

⁵⁸ See 19 CFR 351.301(b)(2).

Act.⁵⁹ Section 773(e) of the Act states that “if a particular market situation exists such that the cost of materials and fabrication or other processing of any kind does not accurately reflect the cost of production in the ordinary course of trade, the administering authority may use another calculation methodology under this subtitle or any other calculation methodology.” When an interested party submits a PMS allegation pursuant to section 773(e) of the Act, Commerce will respond to such a submission consistent with 19 CFR 351.301(c)(2)(v). If Commerce finds that a PMS exists under section 773(e) of the Act, then it will modify its dumping calculations appropriately.

Neither section 773(e) of the Act nor 19 CFR 351.301(c)(2)(v) set a deadline for the submission of PMS allegations and supporting factual information. However, in order to administer section 773(e) of the Act, Commerce must receive PMS allegations and supporting factual information with enough time to consider the submission. Thus, should an interested party wish to submit a PMS allegation and supporting new factual information pursuant to section 773(e) of the Act, it must do so no later than 20 days after submission of a respondent’s initial section D questionnaire response.

Extensions 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 Commerce. 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. 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

⁵⁹ See Trade Preferences Extension Act of 2015, Pub. L. No. 114-27, 129 Stat. 362 (2015).

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 a letter or memorandum of 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. Parties should 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 these investigations.

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 must use the certification formats provided in 19 CFR 351.303(g).⁶¹ Commerce intends to reject factual submissions if the submitting party does not comply with the applicable 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, Commerce published *Antidumping and Countervailing Duty Proceedings: Documents Submission Procedures; APO Procedures*, 73 FR 3634 (January 22, 2008). Parties wishing to participate in these investigations 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)).

⁶⁰ See section 782(b) of the Act.

⁶¹ See also *Certification of Factual Information to Import Administration During Antidumping and Countervailing Duty Proceedings*, 78 FR 42678 (July 17, 2013) (*Final Rule*). Answers to frequently asked questions regarding the *Final Rule* are available at http://enforcement.trade.gov/tlei/notices/factual_info_final_rule_FAQ_07172013.pdf.

This notice is issued and published pursuant to sections 732(c)(2) and 777(i) of the Act,
and 19 CFR 351.203(c).

Dated: January 28, 2020.

Jeffrey I. Kessler,
Assistant Secretary
for Enforcement and Compliance.

Appendix

Scope of the Investigations

The merchandise subject to these investigations consists of wood mouldings and millwork products that are made of wood (regardless of wood species), bamboo, laminated veneer lumber (LVL), or of wood and composite materials (where the composite materials make up less than 50 percent of the total merchandise), and which are continuously shaped wood that undergoes additional manufacturing or finger-jointed or edge-glued moulding or millwork blanks (whether or not resawn).

The percentage of composite materials contained in a wood moulding or millwork product is measured by length, except when the composite material is a coating or cladding. Wood mouldings and millwork products that are coated or clad, even along their entire length, with a composite material, but that are otherwise comprised of wood, LVL, or wood and composite materials (where the non-coating composite materials make up 50 percent or less of the total merchandise) are covered by the scope.

The merchandise subject to these investigations consists of wood, LVL, bamboo, or a combination of wood and composite materials that is continuously shaped throughout its length (with the exception of any endwork/dados), profiled wood having a repetitive design in relief, similar milled wood architectural accessories, such as rosettes and plinth blocks, and finger-jointed or edge-glued moulding or millwork blanks (whether or not resawn). The scope includes continuously shaped wood in the forms of dowels, building components such as interior paneling and jamb parts, and door components such as rails and stiles.

The covered products may be solid wood, laminated, finger-jointed, edge-glued, face-glued, or otherwise joined in the production or remanufacturing process and are covered by the scope whether imported raw, coated (*e.g.*, gesso, polymer, or plastic), primed, painted, stained, wrapped (paper or vinyl overlay), any combination of the aforementioned surface coatings, treated, or which incorporate rot-resistant elements (whether wood or composite). The covered products are covered by the scope whether or not any surface coating(s) or covers obscures the grain, textures, or markings of the wood, whether or not they are ready for use or require final machining (*e.g.*, endwork/dado, hinge/strike machining, weatherstrip or application thereof, mitre) or packaging.

All wood mouldings and millwork products are included within the scope even if they are trimmed; cut-to-size; notched; punched; drilled; or have undergone other forms of minor processing.

Subject merchandise also includes wood mouldings and millwork products that have been further processed in a third country, including but not limited to trimming, cutting, notching, punching, drilling, coating, or any other processing that would not otherwise remove the merchandise from the scope of the investigations if performed in the country of manufacture of the in-scope product.

Excluded from the scope of these investigations are exterior fencing, exterior decking and exterior siding products (including solid wood siding, non-wood siding (e.g., composite or cement), and shingles) that are not LVL or finger jointed; finished and unfinished doors; flooring; parts of stair steps (including newel posts, balusters, easing, gooseneck, risers, treads and rail fittings); and picture frame components three feet and under in individual lengths.

Excluded from the scope of these investigations are all products covered by the scope of the antidumping and countervailing duty orders on *Hardwood Plywood from the People's Republic of China*. See *Certain Hardwood Plywood Products from the People's Republic of China: Amended Final Determination of Sales at Less Than Fair Value, and Antidumping Duty Order*, 83 FR 504 (January 4, 2018); *Certain Hardwood Plywood Products from the People's Republic of China: Countervailing Duty Order*, 83 FR 513 (January 4, 2018).

Excluded from the scope of these investigations are all products covered by the scope of the antidumping and countervailing duty orders on *Multilayered Wood Flooring from the People's Republic of China*. See *Multilayered Wood Flooring from the People's Republic of China: Amended Final Determination of Sales at Less Than Fair Value and Antidumping Duty Order*, 76 FR 76690 (December 8, 2011); *Multilayered Wood Flooring from the People's Republic of China: Countervailing Duty Order*, 76 FR 76693 (December 8, 2011).

Imports of wood mouldings and millwork products are primarily entered under the following Harmonized Tariff Schedule of the United States (HTSUS) numbers: 4409.10.4010, 4409.10.4090, 4409.10.4500, 4409.10.5000, 4409.22.4000, 4409.22.5000, 4409.29.4100, and 4409.29.5100. Imports of wood mouldings and millwork products may also enter under HTSUS numbers: 4409.10.6000, 4409.10.6500, 4409.22.6000, 4409.22.6500, 4409.29.6100, 4409.29.6600, 4418.99.9095 and 4421.99.9780. While the HTSUS subheadings are provided for convenience and customs purposes, the written description of the scope of these investigations is dispositive.

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