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DEPARTMENT OF COMMERCE

INTERNATIONAL TRADE ADMINISTRATION

(C-570-971)

Multilayered Wood Flooring from the People's Republic of China: Final Results and Partial Rescission of Countervailing Duty Administrative Review; 2013

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

SUMMARY: The Department of Commerce (the Department) completed its administrative review of the countervailing duty (CVD) order on multilayered wood flooring (wood flooring) from the People's Republic of China (PRC). The period of review (POR) is January 1, 2013, through December 31, 2013. We find that the mandatory respondents, Dalian Penghong Floor Products Co., Ltd. (Penghong) and The Lizhong Wood Industry Limited Company of Shanghai (Lizhong) (also known as "Shanghai Lizhong Wood Products Co., Ltd."), received countervailable subsidies during the POR. The final net subsidy rates are listed below in "Final Results of Administrative Review." We are also rescinding the review for five companies that timely certified that they made no shipments of subject merchandise during the POR.

DATES: Effective (INSERT DATE OF PUBLICATION IN THE *FEDERAL REGISTER*.)

FOR FURTHER INFORMATION CONTACT: Mary Kolberg, AD/CVD Operations, Office I, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-1785.

Background

On January 11, 2016, the Department published the *Preliminary Results* of this administrative review.¹ In the *Preliminary Results*, we stated our intent to rescind the review for the seven companies that certified that they made no shipments of subject merchandise during the POR, provided we did not receive information from Customs and Border Protection (CBP) which contradicted these companies' claims of no sales, shipments, or entries of subject merchandise to the United States during the POR. On February 22, 2016, CBP notified the Department that Linyi Bonn Flooring Manufacturing Co., Ltd. (Linyi Bonn), and Changbai Mountain Development and Protection Zone Hongtu Wood Industrial Co., Ltd. (Changbai Mountain) made shipments to the United States. On February 26, 2016, and March 11, 2016, respectively, these two companies, withdrew their certifications of no shipments.²

We issued an additional supplemental questionnaire to Lizhong on January 12, 2016, and received a response on January 22, 2016.³ On February 17, 2016, we received case briefs from Fine Furniture (Shanghai) Limited (Fine Furniture) and Penghong.⁴ No party filed a rebuttal brief.

¹ See *Multilayered Wood Flooring From the People's Republic of China: Preliminary Results of Countervailing Duty Administrative Review and Intent To Rescind the Review in Part; 2013*, 81 FR 1169 (January 11, 2016) (*Preliminary Results*).

² See letter from Linyi Bonn Flooring Manufacturing Co., Ltd., re: "Correction of Information and Withdrawal of No Shipment Statement" dated February 26, 2016; see also letter from Changbai Mountain Development and Protection Zone Hongtu Wood Industrial Co., Ltd., re: "Multilayered Wood Flooring from The People's Republic of China: Supplemental Questionnaire Response" dated March 11, 2016.

³ See letter from Lizhong re: "Multilayered Wood Flooring from the People's Republic of China: Lizhong's Response to the Third Supplemental Countervailing Duty Questionnaire," (January 22, 2016) (L3SQR).

⁴ See letter from Fine Furniture, re: "Administrative Review of the Countervailing Duty Order on Multilayered Wood Flooring from the People's Republic of China: Case Brief" dated February 17, 2016; see also letter from Penghong, re: "*Multilayered Wood Flooring from the People's Republic of China- Dalian Penghong Case Brief*" dated February 17, 2016.

Scope of the Order

Multilayered wood flooring is composed of an assembly of two or more layers or plies of wood veneer(s)⁵ in combination with a core. Imports of the subject merchandise are provided for under the following subheadings of the Harmonized Tariff Schedule of the United States (HTSUS): 4412.31.0520; 4412.31.0540; 4412.31.0560; 4412.31.2510; 4412.31.2520; 4412.31.4040; 4412.31.4050; 4412.31.4060; 4412.31.4070; 4412.31.5125; 4412.31.5135; 4412.31.5155; 4412.31.5165; 4412.31.6000; 4412.31.9100; 4412.32.0520; 4412.32.0540; 4412.32.0560; 4412.32.2510; 4412.32.2520; 4412.32.3125; 4412.32.3135; 4412.32.3155; 4412.32.3165; 4412.32.3175; 4412.32.3185; 4412.32.5600; 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; 4412.94.1030; 4412.94.1050; 4412.94.3105; 4412.94.3111; 4412.94.3121; 4412.94.3131; 4412.94.3141; 4412.94.3160; 4412.94.3171; 4412.94.4100; 4412.94.5100; 4412.94.6000; 4412.94.7000; 4412.94.8000; 4412.94.9000; 4412.94.9500; 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; 4412.99.5100; 4412.99.5710; 4412.99.6000; 4412.99.7000; 4412.99.8000; 4412.99.9000; 4412.99.9500; 4418.71.2000; 4418.71.9000; 4418.72.2000; and 4418.72.9500.

While HTSUS subheadings are provided for convenience and customs purposes, the written product description remains dispositive.

A full description of the scope of the order is contained in the memorandum from Christian Marsh, Deputy Assistant Secretary for Antidumping and Countervailing Duty

⁵ A “veneer” is a thin slice of wood, rotary cut, sliced or sawed from a log, bolt or flitch. Veneer is referred to as a ply when assembled.

Operations, to Paul Piquado, Assistant Secretary for Enforcement and Compliance, “Decision Memorandum for Final Results of Countervailing Duty Administrative Review: Multilayered Wood Flooring from the People’s Republic of China” dated concurrently with this notice (Decision Memorandum), which is hereby adopted by this notice.

Analysis of Comments Received

All issues raised in the parties’ briefs are addressed in the Decision Memorandum. A list of the issues raised is attached to this notice at Appendix I. The Decision Memorandum is a public document and is on file electronically via Enforcement and Compliance’s Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS). ACCESS is available to registered users at <https://access.trade.gov> and in the Central Records Unit, Room B8024 of the main Department building. In addition, a complete version of the Decision Memorandum can be accessed directly on the Internet at <https://enforcement.trade.gov/frn>. The signed Decision Memorandum and the electronic versions of the Decision Memorandum are identical in content.

Partial Rescission of Administrative Review

We received timely filed no-shipment certifications from Zhejiang Shuimojiangnan New Material Technology Co., Ltd., Tongxiang Jisheng Import and Export Co., Ltd., Jiangsu Guyu International Trading Co., Ltd., Jiangsu Mingle Flooring Co., Ltd., Shenyang Senwang Wooden Industry Co., Ltd., Changbai Mountain, and Linyi Bonn.⁶ We received from CBP evidence that Changbai Mountain and Linyi Bonn made shipments to the United States during the POR. Both

⁶ See letter from Zhejiang Shuimojiangnan New Material Technology Co., Ltd., “Multilayered Wood Flooring from the People’s Republic of China-No Sales Certification,” dated April 3, 2015; see also letter from Tongxiang Jisheng Import and Export Co., Ltd., Jiangsu Guyu International Trading Co., Ltd., Jiangsu Mingle Flooring CO., Ltd., Shenyang Senwang Wooden Industry Co., Ltd., Changbai Mountain Development and Protection Zone Hongtu Wood Industrial Co., Ltd., and Linyi Bonn Flooring Manufacturing Co., Ltd., “Multilayered Wood Flooring from the People’s Republic of China: Submission of No Shipment Certifications,” dated April 6, 2015.

companies subsequently withdrew their certifications of no shipments, and remain subject to this administrative review. The Department is rescinding the administrative review of Zhejiang Shuimojiangnan New Material Technology Co., Ltd., Tongxiang Jisheng Import and Export Co., Ltd., Jiangsu Guyu International Trading Co., Ltd., Jiangsu Mingle Flooring Co., Ltd., and Shenyang Senwang Wooden Industry Co., Ltd.

Methodology

We conducted this review in accordance with section 751(a)(1)(A) of the Tariff Act of 1930, as amended (the Act). For each of the subsidy programs found to be countervailable, we find that there is a subsidy, *i.e.*, a government-provided financial contribution that gives rise to a benefit to the recipient, and that the subsidy is specific.⁷ For a full description of the methodology underlying our conclusions, *see* Decision Memorandum.

Final Results of Administrative Review

In accordance with 19 CFR 351.221(b)(4)(i), we calculated a countervailable subsidy rate for each of the mandatory respondents, Penghong and Lizhong.

For the non-selected respondents, we followed the Department's practice, which is to base the subsidy rates on an average of the subsidy rates calculated for those companies selected for individual review, excluding *de minimis* rates or rates based entirely on adverse facts available.⁸ In this case, we assigned to the non-selected respondents the simple average of the rates calculated for Penghong and Lizhong. We are using a simple, rather than a weighted, average due to inconsistent units of measure in the publicly ranged quantity and value data provided by Penghong and Lizhong.

⁷ See sections 771(5)(B) and (D) of the Act regarding financial contribution; section 771(5)(E) of the Act regarding benefit; and, section 771(5A) of the Act regarding specificity.

⁸ See, e.g., *Certain Pasta from Italy: Preliminary Results of the 13th (2008) Countervailing Duty Administrative Review*, 75 FR 18806, 18811 (April 13, 2010), unchanged in *Certain Pasta from Italy: Final Results of the 13th (2008) Countervailing Duty Administrative Review*, 75 FR 37386 (June 29, 2010).

We find the countervailable subsidy rates for the producers/exporters under review to be as follows:⁹

Producer/Exporter	Net Subsidy Rate (percent)
Dalian Penghong Floor Products Co., Ltd. (Penghong)	1.83
Shanghai Lizhong Wood Products Co., Ltd. (aka The Lizhong Wood Industry Limited Company of Shanghai); Linyi Youyou Wood Co., Ltd.	0.92
A&W (Shanghai) Woods Co., Ltd.	1.38
Anhui Longhua Bamboo Product Co., Ltd.	1.38
Armstrong Wood Products (Kunshan) Co., Ltd.	1.38
Baishan Huafeng Wood Product Co., Ltd.	1.38
Baiying Furniture Manufacturer Co., Ltd.	1.38
Baroque Timber Industries (Zhongshan) Co., Ltd.	1.38
Benxi Wood Company	1.38
Changbai Mountain Development and Protection Zone Hongtu Wood Industrial Co., Ltd.	1.38
Changzhou Hawd Flooring Co., Ltd.	1.38
Cheng Hang Wood Co., Ltd.	1.38
Chinafloors Timber (China) Co., Ltd.	1.38
Dalian Dajen Wood Co., Ltd.	1.38
Dalian Huade Wood Product Co., Ltd.	1.38
Dalian Huilong Wooden Products Co., Ltd.	1.38
Dalian Jiuyuan Wood Industry Co., Ltd.	1.38
Dalian Kemian Wood Industry Co., Ltd.	1.38
Dalian Shumaike Floor Manufacturing Co., Ltd.	1.38
Dalian Xinjinghua Wood Co., Ltd.	1.38
Dasso Industrial Group Co., Ltd.	1.38
Dazhuang Floor Co. (dba Dasso Industrial Group Co., Ltd.)	1.38
Dongtai Fuan Universal Dynamics LLC.	1.38
Dun Hua City Jisen Wood Industry Co., Ltd.	1.38
Dun Hua Sen Tai Wood Co., Ltd.	1.38
Dunhua City Dexin Wood Industry Co., Ltd.	1.38
Dunhua City Hongyuan Wood Industry Co., Ltd.	1.38
Dunhua City Wanrong Wood Industry Co., Ltd.	1.38
Dunhua Jisheng Wood Industry Co., Ltd.	1.38
Dunhua Shengda Wood Industry Co., Ltd.	1.38
Era Solar Co., Ltd.	1.38
Fine Furniture (Shanghai) Limited	1.38
Fu Lik Timber (HK) Co., Ltd.	1.38

⁹ The Department published a Correction of Notice of Initiation, 80 FR 11166 (March 2, 2015) and removed Zhejiang Layo Wood Industry Co. Ltd. (“Layo Wood”) because this company was excluded from the countervailing duty order in the investigation.

Fusong Jinlong Wooden Group Co., Ltd.	1.38
Fusong Qianqiu Wooden Product Co., Ltd.	1.38
GTP International Ltd.	1.38
Guangdong Fu Lin Timber Technology Limited	1.38
Guangdong Yihua Timber Industry Co., Ltd.	1.38
Guangzhou Homebon Timber Manufacturing Co., Ltd.	1.38
Guangzhou Panyu Kangda Board Co., Ltd.	1.38
Guangzhou Panyu Shatou Trading Co., Ltd.	1.38
Guangzhou Panyu Southern Star Co., Ltd.	1.38
HaiLin LinJing Wooden Products, Ltd.	1.38
HaiLin XinCheng Wooden Products, Ltd.	1.38
Hangzhou Dazhuang Floor Co., Ltd. (dba Dasso Industrial Group Co., Ltd.).	1.38
Hangzhou Hanje Tec Co., Ltd.	1.38
Hangzhou Zhengtian Industrial Co., Ltd.	1.38
Henan Xingwangjia Technology Co., Ltd.	1.38
Hunchun Forest Wolf Wooden Industry Co., Ltd.	1.38
Hunchun Xingjia Wooden Flooring Inc.	1.38
Huzhou Chenghang Wood Co., Ltd.	1.38
Huzhou Fulinmen Imp. & Exp. Co., Ltd.	1.38
Huzhou Fuma Wood Co., Ltd.	1.38
Huzhou Jesonwood Co., Ltd.	1.38
Huzhou Ruifeng Imp. & Exp. Co., Ltd.	1.38
Huzhou Sunergy World Trade Co., Ltd.	1.38
Jiafeng Wood (Suzhou) Co, Ltd.	1.38
Jiangsu Senmao Bamboo and Wood Industry Co., Ltd.	1.38
Jiangsu Simba Flooring Co., Ltd.	1.38
Jiangsu Yuhui International Trade Co., Ltd.	1.38
Jiashan HuiJiaLe Decoration Material Co., Ltd.	1.38
Jiaxing Hengtong Wood Co., Ltd.	1.38
Jilin Forest Industry Jinqiao Flooring Group Co., Ltd.	1.38
Jilin Xinyuan Wooden Industry Co., Ltd.	1.38
Karly Wood Product Limited	1.38
Kemian Wood Industry (Kunshan) Co., Ltd.	1.38
Linyi Anying Wood Co., Ltd.	1.38
Linyi Bonn Flooring Manufacturing Co., Ltd.	1.38
Mudanjiang Bosen Wood Industry Co., Ltd.	1.38
Nakahiro Jyou Sei Furniture (Dalian) Co., Ltd.	1.38
Nanjing Minglin Wooden Industry Co., Ltd.	1.38
Ningbo Qixin Solar Electrical Appliance Co., Ltd.	1.38
Ningbo Tianyi Bamboo & Wood Products Co., Ltd.	1.38
Pinge Timber Manufacturing (Zhejiang) Co., Ltd.	1.38
Power Dekor Group Co., Ltd.	1.38
Puli Trading Limited	1.38
Qingdao Barry Flooring Co., Ltd.	1.38
Riverside Plywood Corporation	1.38

Samling Riverside Co., Ltd.	1.38
Shanghai Anxin (Weiguang) Timber Co., Ltd.	1.38
Shanghai Eswell Timber Co., Ltd.	1.38
Shanghai Lairunde Wood Co., Ltd.	1.38
Shanghai New Sihe Wood Co., Ltd.	1.38
Shanghai Shenlin Corporation	1.38
Shenyang Haobainian Wooden Co., Ltd.	1.38
Shenzhenshi Huanwei Woods Co., Ltd.	1.38
Sino-Maple (JiangSu) Co., Ltd.	1.38
Suzhou Anxin Weiguang Timber Co., Ltd.	1.38
Suzhou Dongda Wood Co., Ltd. ¹⁰	1.38
Vicwood Industry (Suzhou) Co. Ltd.	1.38
Xiamen Yung De Ornament Co., Ltd.	1.38
Xuzhou Antop International Trade Co., Ltd.	1.38
Xuzhou Shenghe Wood Co., Ltd.	1.38
Yekalon Industry, Inc.	1.38
Yingyi-Nature (Kunshan) Wood Industry Co., Ltd.	1.38
Yixing Lion-King Timber Industry Co., Ltd.	1.38
Zhejiang Anji Xinfeng Bamboo and Wood Co., Ltd.	1.38
Zhejiang Biyork Wood Co., Ltd.	1.38
Zhejiang Dadongwu GreenHome Wood Co., Ltd.	1.38
Zhejiang Desheng Wood Industry Co., Ltd.	1.38
Zhejiang Fudeli Timber Industry Co., Ltd.	1.38
Zhejiang Fuerjia Wooden Co., Ltd.	1.38
Zhejiang Fuma Warm Technology Co., Ltd.	1.38
Zhejiang Haoyun Wooden Co., Ltd.	1.38
Zhejiang Jeson Wood Co., Ltd.	1.38
Zhejiang Longsen Lumbering Co., Ltd.	1.38
Zhejiang Shiyou Timber Co., Ltd.	1.38
Zhejiang Tianzhen Bamboo & Wood Development Co., Ltd.	1.38

Assessment Rates

Consistent with 19 CFR 351.212(b)(2), we intend to issue assessment instructions to U.S. Customs and Border Protection (CBP) fifteen days after publication of the final results of

¹⁰ See *Multilayered Wood Flooring from the People's Republic of China: Final Results and Partial Rescission of Countervailing Duty Administrative Review: 2012* (80 FR 41007, July 14, 2015) and accompanying Issues and Decision Memorandum at 23-24. We have omitted Anhui Suzhou Dongda Wood Co., Ltd. and Yixing Lion-King Timber Industry from the notice because we have now included the correct spelling of these companies. Dongtai Fuan Universal Dynamics LLC and Zhejiang Longsen Lumbering Co., Ltd. were listed twice in the Initiation Notice.

this review. We will instruct CBP to assess countervailing duties on all appropriate entries covered by this review in the amounts shown above.

Cash Deposit Requirements

In accordance with section 751(a)(1) of the Act, the Department intends to instruct CBP to collect cash deposits of estimated countervailing duties in the amounts shown above on shipments of subject merchandise entered, or withdrawn from warehouse, for consumption on or after the date of publication of the final results of this review. For all non-reviewed firms, we will instruct CBP to continue to collect cash deposits at the most recent company specific or all-others rate applicable to the company. Accordingly, the cash deposit rates that will be applied to companies covered by the *Amended Order*, but not examined in this review, are those established in the most recently completed segment of the proceeding for each company. These cash deposit requirements, when imposed, shall remain in effect until further notice.

Administrative Protective Order

This notice serves as a final reminder to parties subject to administrative protective order (APO) of their responsibility concerning the disposition of proprietary information disclosed under APO in accordance with 19 CFR 351.305(a)(3). Timely written notification of return or destruction of APO materials or conversion to judicial protective order is hereby requested. Failure to comply with the regulations and the terms of an APO is a sanctionable violation.

We are issuing and publishing these results in accordance with sections 751(a)(1) and 777(i)(1) of the Act and 19 CFR 351.213.

Paul Piquado
Assistant Secretary
for Enforcement and Compliance

May 13, 2016
Date

Appendix

List of Topics Discussed in the Issues and Decision Memorandum

- I. Summary
- II. Background
- III. Changes Since The Preliminary Results
- IV. Scope of the Order
- V. Partial Rescission of Administrative Review
- VI. Analysis of Comments

Comment 1: Whether the Department Should Include the Name of Fine Furniture's Affiliate, Double F Limited (Double F), in its Instructions to U.S. Customs and Border Protection (CBP)

Comment 2: Whether Penghong's Electricity Rates Are Calculated Incorrectly

- VII. Recommendation

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