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DEPARTMENT OF COMMERCE

International Trade Administration

[C-570-971]

Multilayered Wood Flooring from the People's Republic of China: Preliminary Results of Countervailing Duty Administrative Review, and Intent to Rescind Review, in Part; 2017

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

SUMMARY: The Department of Commerce (Commerce) preliminarily determines that countervailable subsidies are being provided to producers and exporters of multilayered wood flooring (wood flooring) from the People's Republic of China (China). Interested parties are invited to comment on these preliminary results of review.

DATES: Applicable [INSERT DATE OF PUBLICATION IN THE *FEDERAL REGISTER*].

FOR FURTHER INFORMATION CONTACT: Bob Palmer or Suzanne Lam, AD/CVD Operations, Office VIII, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230; telephone: 202-482-9068 or 202-482-0783, respectively.

SUPPLEMENTARY INFORMATION:

Background

On December 8, 2011, Commerce issued a countervailing duty (CVD) order on multilayered wood flooring from China.<sup>1</sup> Several interested parties requested that Commerce conduct an administrative review of the *Order*, and on March 14, 2019, Commerce published in the *Federal Register* a notice of initiation of an administrative review of the *Order* on 170

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<sup>1</sup> See *Multilayered Wood Flooring from the People's Republic of China: Countervailing Duty Order*, 76 FR 76693 (December 8, 2011) (*Order*).

producers/exporters for the period of review (POR).<sup>2</sup> Commerce exercised its discretion to toll all deadlines affected by the partial federal government closure from December 22, 2018, through the resumption of operations on January 29, 2019.<sup>3</sup> On September 11, 2019, Commerce partially extended the preliminary results deadline until December 13, 2019.<sup>4</sup> On November 18, 2019, Commerce fully extended the preliminary results deadline until January 31, 2020.<sup>5</sup>

### Scope of the Order

The product covered by the *Order* is wood flooring from China. For a complete description of the scope of this administrative review, *see* the Preliminary Decision Memorandum.<sup>6</sup>

### Methodology

Commerce is conducting this review in accordance with section 751(a)(1)(A) of the Tariff Act of 1930, as amended (Act). For each of the subsidy programs found countervailable, we preliminarily determine that there is a subsidy, *i.e.*, a financial contribution by an “authority” that confers a benefit to the recipient, and that the subsidy is specific.<sup>7</sup> For a full description of the methodology underlying our preliminary conclusions, including our reliance, in part, on adverse facts available pursuant to sections 776(a) and (b) of the Act, *see* the Preliminary Decision Memorandum.

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<sup>2</sup> *See Initiation of Antidumping and Countervailing Duty Administrative Reviews*, 84 FR 9297, 9304 (March 14, 2019) (*Initiation Notice*).

<sup>3</sup> *See* Memorandum, “December Order Deadlines Affected by the Partial Shutdown of the Federal Government,” dated August 8, 2019. All deadlines in this segment of the proceeding have been extended by 31 days.

<sup>4</sup> *See* Memorandum, “Multilayered Wood Flooring from the People’s Republic of China: Extension of Deadline for Preliminary Results of 2017 Countervailing Duty Administrative Review,” dated September 11, 2019.

<sup>5</sup> *See* Memorandum, “Multilayered Wood Flooring from the People’s Republic of China: Second Extension of Deadline for Preliminary Results of 2017 Countervailing Duty Administrative Review,” dated November 18, 2019.

<sup>6</sup> *See* Memorandum, “Decision Memorandum for the Preliminary Results in the Countervailing Duty Administrative Review of Multilayered Wood Flooring from the People’s Republic of China: 2017” (Preliminary Decision Memorandum), dated concurrently with, and hereby adopted by, this notice.

<sup>7</sup> *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.

The Preliminary Decision Memorandum is a public document and is on file electronically *via* Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS). ACCESS is available to registered users at <https://access.trade.gov> and in the Central Records Unit, Room B8024 of the main Commerce building. In addition, a complete version of the Preliminary Decision Memorandum can be accessed directly on the Internet at <http://enforcement.trade.gov/frn/index.html>. The signed Preliminary Decision Memorandum and the electronic version of the Preliminary Decision Memorandum are identical in content. A list of topics discussed in the Preliminary Decision Memorandum is included as an Appendix to this notice.

#### Intent to Rescind Administrative Review, in Part

Based on our analysis of U.S. Customs and Border Protection (CBP) information, and the no shipment certifications submitted by Anhui Boya Bamboo & Wood Products Co., Ltd., Anhui Yaolong Bamboo and Wood Products Co., Ltd., Armstrong Wood Products (Kunshan) Co., Ltd., Changzhou Hawd Flooring Co., Ltd., Dalian Shengyu Science and Technology Development Co., Ltd., Hunchun Forest Wolf Wooden Industry Co., Ltd., Jiashan On-Line Lumber Co., Ltd., Kingman Floors Co., Ltd., Yingyi-Nature (Kunshan) Wood Industry Co., Ltd., and Zhejiang Shiyou Timber Co., Ltd., Commerce preliminarily determines that these companies had no shipments of subject merchandise during the POR. For additional information regarding this determination, *see* the Preliminary Decision Memorandum. Absent any evidence of shipments being placed on the record, pursuant to 19 CFR 351.213(d)(3), we intend to rescind the administrative review of these companies in the final results of review.

#### Rate for Non-Selected Companies Under Review

There are 157 companies for which a review was requested and not rescinded, and which

were not selected as mandatory respondents or found to be cross-owned with a mandatory respondent. For these companies, because the rates calculated for the mandatory respondents, Baroque Timber Industries (Zhongshan) Co., Ltd. (Baroque Timber) and Jiangsu Guyu International Trading Co., Ltd. (Jiangsu Guyu) were above *de minimis* and not based entirely on facts available, we applied a subsidy rate based on a weighted-average of the subsidy rates calculated for Baroque Timber and Jiangsu Guyu using publicly-ranged sales data submitted by the respondents. This methodology to establish the all-others subsidy rate is consistent our practice and with section 705(c)(5)(A) of the Act. For further information on the calculation of the non-selected respondent rate, refer to the section in the Preliminary Decision Memorandum entitled “Non-Selected Companies Under Review.” For a list of the non-selected companies, please see Appendix III to this notice.

Preliminary Results of the Review

In accordance with 19 CFR 351.221(b)(4)(i), we calculated a countervailable subsidy rate for each of the mandatory respondents, Baroque Timber and Jiangsu Guyu, and their cross-owned affiliates where applicable.

We preliminarily find the countervailable subsidy rates for the mandatory and non-selected respondents under review to be as follows:

Producer/Exporter	Subsidy Rate (Percent)
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Baroque Timber Industries (Zhongshan) Co., Ltd. and its Cross-Owned Affiliates <sup>8</sup>	18.18
Jiangsu Guyu International Trading Co., Ltd. and its Cross-Owned Affiliates <sup>9</sup>	123.26
Non-Selected Companies Under Review <sup>10</sup>	24.61

### Disclosure and Public Comment

We will disclose to parties in this proceeding the calculations performed in reaching the preliminary results within five days of publication of these preliminary results.<sup>11</sup> Interested parties may submit written comments (case briefs) on the preliminary results no later than 30 days from the date of publication of this *Federal Register* notice, and rebuttal comments (rebuttal briefs) within five days after the time limit for filing case briefs.<sup>12</sup> Pursuant to 19 CFR 351.309(d)(2), rebuttal briefs must be limited to issues raised in the case briefs. Pursuant to 19 CFR 351.309(c)(2) and (d)(2), parties who submit case briefs or rebuttal briefs in this review are requested to submit with each argument: (1) a statement of the issue; (2) a brief summary of the argument; and (3) a table of authorities.

Pursuant to 19 CFR 351.310(c), interested parties who wish to request a hearing must submit a written request to the Assistant Secretary for Enforcement and Compliance within 30 days of the date of publication of this notice. Requests should contain: (1) the party's name, address and telephone number; (2) the number of participants; and (3) a list of issues parties intend to discuss. Issues raised in the hearing will be limited to those raised in the respective case and rebuttal briefs. If a request for a hearing is made, Commerce intends to hold the hearing

<sup>8</sup> Cross-owned affiliates are Riverside Plywood Corp. and Suzhou Times Flooring Co., Ltd.

<sup>9</sup> Cross-owned affiliates are Jiangsu Shengyu Flooring Co., Ltd., Siyang County Shunyang Wood Co., Ltd., and Shanghai Woyuan Industrial Co., Ltd.

<sup>10</sup> See Appendix III.

<sup>11</sup> See 19 CFR 351.224(b).

<sup>12</sup> See 19 CFR 351.309(c)(1)(ii) and 351.309(d)(1).

at the U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230, at a date and time to be determined.<sup>13</sup> Parties should confirm by telephone the date, time, and location of the hearing two days before the scheduled date.

Parties are reminded that briefs and hearing requests are to be filed electronically using ACCESS and that electronically filed documents must be received successfully in their entirety by 5 p.m. Eastern Time on the due date.

Unless the deadline is extended pursuant to section 751(a)(3)(A) of the Act, we intend to issue the final results of this administrative review, including the results of our analysis of the issues raised by the parties in their comments, within 120 days after publication of these preliminary results.

#### Assessment Rates

In accordance with 19 CFR 351.221(b)(4)(i), we preliminarily assigned subsidy rates in the amounts shown above for the producer/exporters shown above. Upon completion of the administrative review, consistent with section 751(a)(1) of the Act and 19 CFR 351.212(b)(2), Commerce shall determine, and CBP shall assess, countervailing duties on all appropriate entries covered by this review. We intend to issue instructions directly to CBP 15 days after publication of the final results of this review. For the companies for which this review is rescinded, Commerce will instruct CBP to assess countervailing duties on all appropriate entries at a rate equal to the cash deposit of estimated countervailing duties required at the time of entry, or withdrawal from warehouse, for consumption, during the period January 1, 2017, through December 31, 2017, in accordance with 19 CFR 351.212(c)(1)(i). Commerce intends to issue appropriate assessment instructions directly to CBP 15 days after publication of this notice.

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<sup>13</sup> See 19 CFR 351.310.

### Cash Deposit Requirements

In accordance with section 751(a)(1) of the Act, Commerce intends, upon publication of the final results, to instruct CBP to collect cash deposits of estimated countervailing duties in the amounts shown for each of the respective companies listed 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 administrative 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. These cash deposit requirements, when imposed, shall remain in effect until further notice.

### Notification to Interested Parties

These preliminary results are issued and published pursuant to sections 751(a)(1) and 777(i)(1) of the Act and 19 CFR 351.221(b)(4).

Dated: January 31, 2020.

Christian Marsh,  
Deputy Assistant Secretary  
for Enforcement and Compliance.

## Appendix

### List of Topics Discussed in the Preliminary Decision Memorandum

- I. Summary
- II. Background
- III. Non-Selected Companies Under Review
- IV. Scope of the Order
- V. Diversification of China's Economy
- VI. Subsidies Valuation
- VII. Interest Rate Benchmarks, Discount Rates, Inputs, Land-Use and Electricity
- VIII. Use of Facts Otherwise Available and Application of Adverse Inferences
- IX. Analysis of Programs
- IX. Recommendation

## Appendix II

### Non-Selected Companies Under Review

1. A&W (Shanghai) Woods Co., Ltd.
2. Anhui Longhua Bamboo Product Co., Ltd.
3. Anhui Suzhou Dongda Wood Co., Ltd.
4. Baishan Huafeng Wooden Product Co., Ltd.
5. Baiying Furniture Manufacturer Co., Ltd.
6. Benxi Flooring Factory (General Partnership)
7. Benxi Wood Company
8. Changbai Mountain Development And Protection Zone Hongtu Wood Industrial
9. Cheng Hang Wood Co., Ltd.
10. Chinafloors Timber (China) Co., Ltd.
11. Dalian Dajen Wood Co., Ltd.
12. Dalian Deerfu Wooden Product Co., Ltd.
13. Dalian Huade Wood Product Co., Ltd.
14. Dalian Huilong Wooden Products Co., Ltd.
15. Dalian Jaenmaken Wood Industry Co., Ltd.
16. Dalian Jiahong Wood Industry Co., Ltd.
17. Dalian Jinda Wood Products Corporation
18. Dalian Jiuyuan Wood Industry Co., Ltd.
19. Dalian Kemian Wood Industry Co., Ltd.
20. Dalian Meisen Woodworking
21. Dalian Penghong Floor Products Co., Ltd.
22. Dalian Qianqiu Wooden Product Co., Ltd.
23. Dalian Shumaike Floor Manufacturing Co., Ltd.
24. Dalian T-Boom Wood Products Co., Ltd.
25. Dalian Xinjinghua Wood Co., Ltd.
26. Dongtai Fuan Universal Dynamics, LLC
27. Dongtai Zhangshi Wood Industry Co. Ltd.
28. Dun Hua Sen Tai Wood Co., Ltd.
29. Dunhua City Dexin Wood Industry Co., Ltd.
30. Dunhua City Hongyuan Wood Industry Co., Ltd.
31. Dunhua City Jisen Wood Industry Co., Ltd.
32. Dunhua City Wanrong Wood Industry Co., Ltd.
33. Dunhua Shengda Wood Industry Co., Ltd.
34. Fine Furniture (Shanghai) Limited
35. Fu Lik Timber (HK) Co., Ltd.
36. Fujian Wuyishan Werner Green Industry Co., Ltd.
37. Furnco International Shanghai Company
38. Fusong Jinlong Wooden Group Co., Ltd.
39. Fusong Jinqiu Wooden Product Co., Ltd.
40. Fusong Qianqiu Wooden Product Co., Ltd.
41. Gaotang Weilong Industry and Trade
42. Gold Seagull Shanghai Flooring

43. GTP International Ltd.
44. Guangdong Fu Lin Timber Technology Limited
45. Guangdong Yihua Timber Industry Co., Ltd.
46. Guangzhou Homebon Timber Manufacturing Co., Ltd.
47. Guangzhou Panyu Kangda Board Co., Ltd.
48. Guangzhou Panyu Southern Star Co., Ltd.
49. HaiLin LinJing Wooden Products, Ltd.
50. HaiLin XinCheng Wooden Products, Ltd.
51. Hangzhou Dazhuang Floor Co., Ltd. (DBA Dasso Industrial Group Co., Ltd.)
52. Hangzhou Hanje Tee Company Limited
53. Hangzhou Huahi Wood Industry Co., Ltd.
54. Hangzhou Zhengtian Industrial Co., Ltd.
55. Henan Xingwangjia Technology Co., Ltd.
56. Hong Kong Chuanshi International
57. Hong Kong Easoon Wood Technology Co., Ltd.
58. Huaxin Jiasheng Wood Co., Ltd.
59. Huber Engineering Wood Corp.
60. Houzhou Chenchang Wood Co., Ltd.
61. Hunchun Xingjia Wooden Flooring Inc.
62. Huzhou City Nanxun Guangda Wood Co., Ltd.
63. Huzhou Daruo Import and Export
64. Huzhou Fulinmen Imp. & Exp. Co., Ltd.
65. Huzhou Fuma Wood Co., Ltd.
66. Huzhou Jesonwood Co., Ltd.
67. Huzhou Laike Import and Export Co
68. Huzhou Muyun Wood Co., Ltd.
69. Huzhou Sunergy World Trade Co., Ltd.
70. Innomaster Home (Zhongshan) Co., Ltd.
71. Jesonwood Forest Products ZJ
72. Jiafeng Wood (Suzhou) Co., Ltd.
73. Jiangsu Kentier Wood Co., Ltd.
74. Jiangsu Keri Wood Co., Ltd.
75. Jiangsu Mingle Flooring Co., Ltd.
76. Jiangsu Senmao Bamboo and Wood Industry Co., Ltd.
77. Jiangsu Simba Flooring Co., Ltd.
78. Jiangsu Yuhui International Trade Co., Ltd.
79. Jiashan Fengyun Timber Co., Ltd.
80. Jiashan HuiJiaLe Decoration Material Co., Ltd.
81. Jiaxing Hengtong Wood Co., Ltd.
82. Jilin Forest Industry Jinqiao Flooring Group Co., Ltd.
83. Jilin Xinyuan Wooden Industry Co., Ltd.
84. Karly Wood Product Limited
85. Kember Flooring, Inc.
86. Kemian Wood Industry (Kunshan) Co., Ltd.
87. Kornbest Enterprises Limited
88. Kunming Alston (AST) Wood Products Co., Ltd.

89. Les Planchers Mercier, Inc.
90. Liaoning Daheng Timber Group
91. Linyi Anying Wood Co., Ltd.
92. Linyi Bonn Flooring Manufacturing Co., Ltd.
93. Linyi Youyou Wood Co., Ltd.
94. Logwin Air and Ocean Hong Kong
95. Max Choice Wood Industry
96. Metropolitan Hardwood Floors, Inc.
97. Mudanjiang Bosen Wood Industry Co., Ltd.
98. Nakahiro Jyou Sei Furniture (Dalian) Co., Ltd.
99. Nanjing Minglin Wooden Industry Co., Ltd.
100. Ningbo Tianyi Bamboo and Wood Products Co., Ltd.
101. Pinge Timber Manufacturing (Zhejiang) Co., Ltd.
102. Power Dekor Group Co. Ltd.
103. Power Dekor North America Inc.
104. PT. Tanjung Kreasi Parquet Industry
105. Qingdao Barry Flooring Co., Ltd.
106. Qingdao Wisdom International
107. Samling Elegant Living Trading (Labuan) Ltd.
108. Samling Riverside Co., Ltd.
109. Scholar Home (Shanghai) New Material Co. Ltd.
110. Shandong Kaiyuan Wood Industry Co., Ltd.
111. Shandong Longteng Wood Co., Ltd.
112. Shandong Puli Trading Co., Ltd.
113. Shanghai Anxin (Weiguang) Timber Co., Ltd.
114. Shanghai Demeija Timber Co., Ltd.
115. Shanghai Eswell Timber Co., Ltd.
116. Shanghai Lairunde Wood Co., Ltd.
117. Shanghai Lizhong Wood Products Co., Ltd. (aka The Lizhong Wood Industry Limited Company of Shanghai)
118. Shanghai New Sihe Wood Co., Ltd.
119. Shanghai Shenlin Corporation
120. Shanghaiifloor Timber (Shanghai) Co., Ltd.
121. Shenyang Haobainian Wooden Co., Ltd.
122. Shenyang Sende Wood Co., Ltd.
123. Shenzhenshi Huanwei Woods Co., Ltd.
124. Sino-Maple (Jiangsu) Co., Ltd.
125. Suifenhe Chengfeng Trading Co., Ltd.
126. Sunyoung Wooden Products
127. Suzhou Anxin Weiguang Timber Co., Ltd.
128. Suzhou Dongda Wood Co., Ltd.
129. Tak Wah Building Material (Suzhou) Co.
130. Tech Wood International Ltd.
131. The Greenville Flooring Co., Ltd.
132. Tongxiang Jisheng Import and Export Co., Ltd.
133. Topocean Consolidation Service

134. Vicwood Industry (Suzhou) Co. Ltd.
135. Xiamen Yung De Ornament Co., Ltd.
136. Xuzhou Antop International Trade Co., Ltd.
137. Xuzhou Shenghe Wood Co., Ltd.
138. Yekalon Industry, Inc.
139. Yihua Lifestyle Technology Co., Ltd.
140. Yixing Lion-King Timber Industry
141. Zhejiang Anji Xinfeng Bamboo and Wood Industry Co., Ltd.
142. Zhejiang Biyork Wood Co., Ltd.
143. Zhejiang Dadongwu Auto Elect Motor
144. Zhejiang Dadongwu Green Home Wood Co., Ltd.
145. Zhejiang Desheng Wood Industry Co., Ltd.
146. Zhejiang Fudeli Timber Industry Co., Ltd.
147. Zhejiang Fuerjia Wooden Co., Ltd.
148. Zhejiang Fuma Warm Technology Co., Ltd.
149. Zhejiang Haoyun Wooden Co., Ltd.
150. Zhejiang Jesonwood Co., Ltd.
151. Zhejiang Jiaye Flooring
152. Zhejiang Jiechen Wood Industry Co., Ltd.
153. Zhejiang Longsen Lumbering Co., Ltd.
154. Zhejiang Shuimojiangnan New Material Technology Co., Ltd.
155. Zhejiang Simate Wooden Co., Ltd.
156. Zhejiang Tianzhen Bamboo & Wood Development Co., Ltd.
157. Zhejiang Yongyu Bamboo Joint-Stock Co., Ltd.

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