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DEPARTMENT OF COMMERCE

International Trade Administration

[A-570-051]

Certain Hardwood Plywood Products from the People's Republic of China: Preliminary Results of Antidumping Duty Administrative Review; 2017-2018

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

SUMMARY: The Department of Commerce (Commerce) preliminarily determines that certain producers and exporters of certain hardwood plywood products (hardwood plywood) from the People's Republic of China (China) made sales of subject merchandise at prices below normal value (NV) during the period of review (POR) June 23, 2017 through December 31, 2018. We invite interested parties to comment on these preliminary results.

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

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

SUPPLEMENTARY INFORMATION:

Background

On January 4, 2018, Commerce issued an antidumping duty (AD) order on hardwood plywood from China.¹ Several interested parties requested that Commerce conduct an administrative review of the *AD Order*, and on April 1, 2019, Commerce published in the

¹ 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) (*AD Order*).

Federal Register a notice of initiation of an administrative review of the *AD Order* for 58 producers/exporters for the POR.² Subsequent to the initiation of the administrative review, several interested parties timely withdrew their request for 29 companies, and on November 15, 2019, we published a partial rescission of this administrative review.³ On September 20, 2019, Commerce extended the time limit for completing the preliminary results of this review.⁴ The current extended deadline for completing the preliminary results of this review is January 31, 2020.⁵

Scope of the Order

The product covered by the order is hardwood plywood from China. A full description of the scope of the order is contained in the Preliminary Decision Memorandum.⁶

Methodology

Commerce is conducting this review in accordance with section 751(a)(1)(B) of the Tariff Act of 1930, as amended (the Act). Commerce preliminarily determines that the reported U.S. sales of Linyi Chengen Import and Export Co., Ltd. (Chengen) were export price (EP) sales.⁷ We calculated EP sales in accordance with section 772 of the Act. Given that China is a non-market economy (NME) country, within the meaning of section 771(18) of the Act, Commerce calculated NV in accordance with section 773(c) of the Act.

² See *Initiation of Antidumping and Countervailing Duty Administrative Reviews*, 84 FR 12200 (April 1, 2019) (*Initiation Notice*).

³ See *Certain Hardwood Plywood Products from the People's Republic of China: Partial Rescission of Antidumping Duty Administrative Review; 2017-2018*, 84 FR 62509 (November 15, 2019).

⁴ See Memorandum, "Extension of Deadline for Preliminary Results of Antidumping Duty Administrative Review," dated September 20, 2019.

⁵ *Id.*

⁶ See Memorandum, "Decision Memorandum for the Preliminary Results of the Antidumping Duty Administrative Review of Certain Hardwood Plywood Products from the People's Republic of China; 2017-2018," dated January 31, 2020 (Preliminary Decision Memorandum).

⁷ See, e.g., Chengen's July 23, 2019, Section C Questionnaire Response, at 31.

For a full description of the methodology underlying the preliminary results of this review, *see* the Preliminary Decision Memorandum, which is incorporated by, and hereby adopted by, this notice. The Preliminary Decision Memorandum is a public document and is made available to the public via Enforcement and Compliance’s Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS). ACCESS is available to registered users at <http://access.trade.gov> and is available to all parties in the Central Records Unit, room B8024 of the main Commerce building. In addition, a complete version of the Preliminary Decision Memorandum can be found at <http://enforcement.trade.gov/frn/>. The signed and the electronic versions of the Preliminary Decision Memorandum are identical in content. A list of topics included in the Preliminary Decision Memorandum is provided in Appendix I to this notice.

Separate Rates

Commerce preliminarily determines that the information placed on the record by Chengen, as well as by the other companies listed in the rate table in the “Preliminary Results of Review” section below, demonstrates that these companies are entitled to separate rate status. Neither the Act nor Commerce’s regulations address the establishment of the rate applied to individual companies not selected for examination where Commerce limited its examination in an administrative review pursuant to section 777A(c)(2) of the Act. Commerce’s practice in cases involving limited selection based on exporters accounting for the largest volume of imports has been to look to section 735(c)(5) of the Act for guidance, which provides instructions for calculating the all-others rate in a market economy investigation. Section 735(c)(5)(A) of the Act instructs Commerce to use rates established for individually investigated producers and exporters, excluding any rates that are zero, *de minimis*, or based entirely on facts available in

investigations. In this administrative review, Chengen is the only reviewed respondent that received a calculated weighted-average margin. Therefore, for the preliminary results, Commerce has preliminarily determined to assign Chengen's margin to the non-selected separate-rate companies.

In addition, Commerce preliminarily determines that certain companies have not demonstrated their entitlement to separate rate status because they did not timely file their separate rate application and/or certification and, consequently, did not rebut the presumption of *de jure* or *de facto* government control of their operations. See Appendix II of this notice for a complete list of companies not receiving a separate rate.

Commerce is treating the companies that were not granted separate rate status as part of the China-wide entity. Because no party requested a review of the China-wide entity,⁸ the entity is not under review, and the entity's rate (*i.e.*, 183.36 percent)⁹ is not subject to change.¹⁰

Adjustments for Export Subsidies

Commerce has preliminarily adjusted Chengen's U.S. price for export subsidies, pursuant to section 772(c)(1)(C) of the Act.

⁸ See *Antidumping Proceedings: Announcement of Change in Department Practice for Respondent Selection in Antidumping Duty Proceedings and Conditional Review of the Nonmarket Economy Entity in NME Antidumping Duty Proceedings*, 78 FR 65963, 65970 (November 4, 2013).

⁹ See *AD Order*, 83 FR at 512.

¹⁰ For additional information regarding Commerce's separate rate determinations, see the Preliminary Decision Memorandum.

Preliminary Results of Review

As a result of this review, we preliminarily determine that the following weighted-average dumping margins exist for the period June 23, 2017 through December 31, 2018:

Exporter	Weighted-Average Dumping Margin (Percent)
Linyi Chengen Import and Export Co., Ltd.	0.93
Anhui Hoda Wood Co., Ltd.	0.93
Cosco Star International Co., Ltd.	0.93
Happy Wood Industrial Group Co., Ltd.	0.93
Jiangsu High Hope Arser Co., Ltd	0.93
Jiaxing Hengtong Wood Co., Ltd.	0.93
Linyi Evergreen Wood Co., Ltd.	0.93
Linyi Glary Plywood Co., Ltd.	0.93
Linyi Huasheng Yongbin Wood Co., Ltd.	0.93
Linyi Jiahe Wood Industry Co., Ltd.	0.93
Linyi Sanfortune Wood Co., Ltd.	0.93
Qingdao Top P&Q International Corp.	0.93
Shanghai Brightwood Trading Co., Ltd.	0.93
Shanghai Futuwood Trading Co., Ltd.	0.93
Shanghai Luli Trading Co., Ltd.	0.93
Suqian Hopeway International Trade Co., Ltd.	0.93
Suzhou Oriental Dragon Import and Export Co., Ltd.	0.93
Xuzhou Jiangheng Wood Products Co., Ltd.	0.93
Xuzhou Jiangyang Wood Industries Co., Ltd.	0.93
Xuzhou Timber International Trade Co., Ltd.	0.93
Zhejiang Dehua TB Import & Export Co., Ltd.	0.93

Verification

As provided in section 782(i)(3)(B) of the Act, provided that the conditions in China allow, Commerce intends to verify certain information relied upon in making its final results because we find that good cause exists to verify the questionnaire responses of Chengen.¹¹

¹¹ See Preliminary Decision Memorandum.

Disclosure and Public Comment

Commerce intends to disclose to parties the calculations performed for these preliminary results of review within five days of the date of publication of this notice in the *Federal Register* in accordance with 19 CFR 351.224(b). Commerce will establish a deadline for interested parties to submit case briefs and rebuttal briefs at a later date.¹² Parties who submit case briefs or rebuttal briefs in this proceeding are encouraged to submit with each argument: (1) a statement of the issue, (2) a brief summary of the argument, and (3) a table of authorities. Case and rebuttal briefs should be filed using ACCESS.

Interested parties who wish to request a hearing must submit a written request to the Assistant Secretary for Enforcement and Compliance, U.S. Department of Commerce, within 30 days after the date of publication of this notice.¹³ Requests should contain: (1) the party's name, address and telephone number; (2) the number of participants; and (3) a list of issues to be discussed. Issues raised in the hearing will be limited to those raised in the respective case briefs. If a request for a hearing is made, Commerce intends to hold the hearing at the U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230, at a date and time to be determined.¹⁴ Parties should confirm by telephone the date, time, and location of the hearing two days before the scheduled date of the hearing.

All submissions, with limited exceptions, must be filed electronically using ACCESS.¹⁵ An electronically filed document must be received successfully in its entirety by Commerce's electronic records system, ACCESS, by 5:00 p.m. Eastern Time (ET) on the due date. Documents excepted from the electronic submission requirements must be filed manually (*i.e.*, in

¹² See 19 CFR 351.309(c)(1)(ii) and 351.309(d)(1).

¹³ See 19 CFR 351.310(c).

¹⁴ See 19 CFR 351.310(d).

¹⁵ See generally 19 CFR 351.303.

paper form) with the APO/Dockets Unit in Room 18022 and stamped with the date and time of receipt by 5:00 p.m. ET on the due date.¹⁶

Unless otherwise extended, Commerce intends to issue the final results of this administrative review, which will include the results of its analysis of issues raised in any briefs, within 120 days of publication of these preliminary results of review, pursuant to section 751(a)(3)(A) of the Act.

Assessment Rates

Upon issuance of the final results of this review, Commerce will determine, and U.S. Customs and Border Protection (CBP) shall assess, AD duties on all appropriate entries covered by this review.¹⁷ Commerce intends to issue assessment instructions to CBP 15 days after the publication date of the final results of this review. Where the individually examined respondent's weighted-average dumping margin in the final results of review is not zero or *de minimis* (i.e., less than 0.5 percent), Commerce intends to calculate importer-specific assessment rates, in accordance with 19 CFR 351.212(b)(1).¹⁸ For Chengen, Commerce intends to calculate an importer-specific per-unit assessment rate by dividing the amount of dumping for reviewed sales to the importer by the total sales quantity associated with those transactions. Where an importer-specific *ad valorem* or per-unit assessment rate is not zero or *de minimis*, Commerce will instruct CBP to collect the appropriate duties at the time of liquidation. Where either the respondent's weighted-average dumping margin is zero or *de minimis*, or an importer-specific *ad valorem* or per-unit assessment rate is zero or *de minimis*, Commerce will instruct CBP to

¹⁶ *Id.* (for general filing requirements); see also *Antidumping and Countervailing Duty Proceedings: Electronic Filing Procedures; Administrative Protective Order Procedures*, 76 FR 39263 (July 6, 2011).

¹⁷ See 19 CFR 351.212(b)(1).

¹⁸ See *Antidumping Proceedings: Calculation of the Weighted Average Dumping Margin and Assessment Rate in Certain Antidumping Proceedings: Final Modification*, 77 FR 8101 (February 14, 2012) (*Final Modification*).

liquidate appropriate entries without regard to AD duties.¹⁹ We intend to instruct CBP to take into account the “provisional measures deposit cap,” in accordance with 19 CFR 351.212(d).

Pursuant to Commerce’s practice, for entries that were not reported in the U.S. sales database submitted by Chengen during this review, Commerce will instruct CBP to liquidate such entries at the rate for the China-wide entity.²⁰

For the respondents that were not selected for individual examination in this administrative review and that qualified for a separate rate, the assessment rate will be equal to the weighted-average dumping margin determined for Chengen in the final results of this administrative review. We will also instruct CBP to take into account the “provisional measures deposit cap” in accordance with 19 CFR 351.212(d).

For the final results, if we continue to treat the seven exporters preliminarily found not to qualify for separate rates as part of the China-wide entity, we will instruct CBP to apply an *ad valorem* assessment rate of 183.36 percent, the current rate established for the China-wide entity, to all entries of subject merchandise during the POR which were exported by those companies.

In accordance with section 751(a)(2)(C) of the Act, the final results of this review shall be the basis for the assessment of AD duties on POR entries, and for future deposits of estimated AD duties, where applicable.

Cash Deposit Requirements

Commerce will instruct CBP to require a cash deposit for AD duties equal to the weighted-average amount by which NV exceeds U.S. price. The following cash deposit

¹⁹ See *Final Modification*, 77 FR at 8103.

²⁰ See *Non-Market Economy Antidumping Proceedings: Assessment of Antidumping Duties*, 76 FR 65694 (October 24, 2011), for a full discussion of this practice.

requirements will be effective upon publication of the final results of this administrative review for shipments of the subject merchandise from China entered, or withdrawn from warehouse, for consumption on or after the publication date of the final results of this administrative review, as provided by section 751(a)(2)(C) of the Act: (1) for the exporters listed above, the cash deposit rate will be equal to the weighted-average dumping margin established in the final results of this review (except that, if the rate is *de minimis* (*i.e.*, less than 0.5 percent), then the cash deposit rate will be zero for that exporter); (2) for previously investigated or reviewed China and non-China exporters not listed above that have separate rates, the cash deposit rate will continue to be the exporter-specific rate published for the most recently completed segment of this proceeding; (3) for all China exporters of subject merchandise that have not been found to be entitled to a separate rate, the cash deposit rate will be the rate for the China-wide entity (*i.e.*, 183.36 percent);²¹ and (4) for all non-China exporters of subject merchandise that have not received their own rate, the cash deposit rate will be the rate applicable to the China exporter that supplied that non-China exporter. These deposit requirements, when imposed, shall remain in effect until further notice.

Notification to Importers

This notice also serves as a preliminary reminder to importers of their responsibility under 19 CFR 351.402(f)(2) to file a certificate regarding the reimbursement of AD duties and/or countervailing duties prior to liquidation of the relevant entries during this POR. Failure to comply with this requirement could result in Commerce's presumption that reimbursement of AD duties and/or countervailing duties has occurred, and the subsequent assessment of double

²¹ See *AD Order*, 83 FR at 512.

AD duties and/or an increase in the amount of AD duties by the amount of the countervailing duties.

These preliminary results are issued and published in accordance with sections 751(a)(1) and 777(i)(1) of the Act and 19 CFR 351.213 and 351.221(b)(4).

Dated: January 31, 2020.
Jeffrey I. Kessler,
Assistant Secretary
for Enforcement and Compliance.

Appendix I

List of Topics Discussed in the Preliminary Decision Memorandum

- I. Summary
- II. Background
- III. Scope of the Order
- IV. Discussion of the Methodology
- V. Recommendation

Appendix II

List of Companies Not Receiving Separate Rate Status

1. Jiangsu Sunwell Cabinetry Co., Ltd.
 2. Linyi Bomei Furniture Co., Ltd.
 3. Linyi Dahua Wood Co., Ltd.
 4. Pingyi Jinniu Wood Co., Ltd.
 5. SAICG International Trading Co., Ltd.
 6. Shandong Jinhua International Trading Co., Ltd.
 7. Xuzhou Amish Import & Export Co., Ltd.
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