



DEPARTMENT OF COMMERCE

International Trade Administration

[A-351-853]

Wood Mouldings and Millwork Products from Brazil: Final Negative Determination of Sales at Less Than Fair Value

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

SUMMARY: The Department of Commerce (Commerce) determines that imports of wood mouldings and millwork products (millwork products) from Brazil are not being, or are not likely to be, sold in the United States at less than fair value (LTFV). The period of investigation (POI) is January 1, 2019 through December 31, 2019.

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

FOR FURTHER INFORMATION CONTACT: George Ayache 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) 482-2623 or (202) 482-0783, respectively.

SUPPLEMENTARY INFORMATION:

Background

On August 12, 2020, Commerce published the *Preliminary Determination* in the LTFV investigation of millwork products from Brazil.¹ For a complete description of the events that followed the *Preliminary Determination*, see the Issues and Decision Memorandum.²

¹ See *Wood Mouldings and Millwork Products from Brazil: Preliminary Negative Determination of Sales at Less Than Fair Value and Postponement of Final Determination*, 85 FR 48667 (August 12, 2020) (*Preliminary Determination*), and accompanying Preliminary Decision Memorandum.

² See Memorandum, “Issues and Decision Memorandum for the Final Negative Determination in the Less-Than-Fair-Value Investigation of Wood Mouldings and Millwork Products from Brazil,” dated concurrently with, and hereby adopted by, this notice (Issues and Decision Memorandum).

Scope of the Investigation

The products covered by this investigation are millwork products from Brazil. For a complete description of the scope of this investigation, *see* Appendix I.

Scope Comments

On August 5, 2020, we issued a Preliminary Scope Memorandum.³ Several interested parties submitted case and rebuttal briefs concerning the scope of this investigation. For a summary of the product coverage comments and rebuttal comments submitted to the record for this final determination, and accompanying discussion and analysis of all comments timely received, *see* the Final Scope Memorandum.⁴ Based on the comments received from interested parties, we are revising the scope of this investigation as it appeared in the *Preliminary Determination*. The scope in Appendix I reflects these changes.

Verification

Commerce was unable to conduct on-site verification of the information relied upon in making its final determination in this investigation. However, we took additional steps in lieu of an on-site verification to verify the information relied upon in making this final determination, in accordance with section 782(i) of the Tariff Act of 1930, as amended (the Act).⁵

Analysis of Comments Received

All issues raised in the case and rebuttal briefs that were submitted by parties in this investigation are addressed in the Issues and Decision Memorandum. For a list of the issues raised by interested parties and addressed in the Issues and Decision Memorandum, *see* Appendix II to this notice. The Issues and Decision Memorandum is a public document and is

³ *See* Memorandum, “Wood Mouldings and Millwork Products from Brazil and the People’s Republic of China: Preliminary Scope Decision Memorandum,” dated August 5, 2020 (Preliminary Scope Memorandum).

⁴ *See* Memorandum, “Wood Mouldings and Millwork Products from Brazil and the People’s Republic of China: Scope Comments Decision Memorandum for the Final Determinations,” dated concurrently with, and hereby adopted by, this notice (Final Scope Memorandum).

⁵ *See* Commerce’s Letters with attached questionnaire in lieu of verification, dated October 14, 2020; *see also* Araupel S.A.’s Letter, “Wood Mouldings and Millwork Products from Brazil: Verification Questionnaire Response,” dated October 22, 2020; and Braslumber Industria de Molduras Ltda. and Braspine Madeiras Ltda.’s Letter, “Antidumping Duties on Imports of Wood Mouldings and Millwork Products from Brazil: BrasPine/Braslumber’s Response to the Department’s Questionnaire in Lieu of Verification,” dated October 22, 2020.

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>. In addition, a complete version of the Issues and Decision Memorandum can be accessed directly at <http://enforcement.trade.gov/frn/index.html>. The signed and electronic versions of the Issues and Decision Memorandum are identical in content.

Changes Since the Preliminary Determination

Based on our review and analysis of the comments received from interested parties, we made certain changes to the margin calculations for Araupel S.A./Braslumber Industria de Molduras Ltda./BrasPine Madeiras Ltda. For a discussion of these changes, *see* the Issues and Decision Memorandum.

Final Determination

The final estimated weighted-average dumping margin is as follows:

Exporter/Producer	Estimated Weighted-Average Dumping Margin (Percent)
Araupel S.A./Braslumber Industria de Molduras Ltda./BrasPine Madeiras Ltda. ⁶	0.00

Because the weighted-average dumping margin is zero, we determine that millwork products from Brazil are not being, or are not likely to be, sold in the United States at LTFV. Commerce has not calculated an estimated weighted-average dumping margin for all other producers and exporters pursuant to sections 735(c)(1)(B) and (c)(5) of the Act because it has not made a final affirmative determination of sales at LTFV.

Disclosure

We intend to disclose to parties in this proceeding the calculations performed for this final determination within five days of the date of publication of this notice, in accordance with 19 CFR 351.224(b).

⁶ Commerce determines that Araupel S.A., Braslumber Industria de Molduras Ltda., and Braspine Madeiras Ltda. are a single entity. *See* Issues and Decision Memorandum.

Suspension of Liquidation

In the *Preliminary Determination*, the weighted-average dumping margin for Araupel S.A./Braslumber Industria de Molduras Ltda./BrasPine Madeiras Ltda. was zero and, therefore, we did not suspend liquidation of entries of millwork products from Brazil.⁷ Because Commerce has made a final negative determination of sales at LTFV with regard to the subject merchandise, Commerce will not direct U.S. Customs and Border Protection to suspend liquidation or to require a cash deposit of estimated antidumping duties for entries of millwork products from Brazil.

International Trade Commission Notification

In accordance with section 735(d) of the Act, we will notify the International Trade Commission of our final determination. As our final determination is negative, this proceeding is terminated in accordance with section 735(c)(2) of the Act.

⁷ See *Preliminary Determination*, 85 FR at 48667.

Notification Regarding Administrative Protective Orders

This notice will serve as a reminder to the 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 terms of an APO is a violation which is subject to sanction.

Notification to Interested Parties

This determination is issued and published in accordance with sections 735(d) and 777(i)(1) of the Act, and 19 CFR 351.210(c).

Dated: December 28, 2020.

Jeffrey I. Kessler,

Assistant Secretary,

for Enforcement and Compliance.

Appendix I

Scope of the Investigation

The merchandise subject to this investigation 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 or finger-jointed or edge-glued moulding or millwork blanks (whether or not resawn). The merchandise subject to this investigation can be continuously shaped along any of its edges, ends, or faces.

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 this investigation 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, stiles, interior and exterior door frames or jambs (including split, flat, stop applied, single – or double-rabbeted), frame or jamb kits, and packaged door frame trim or casing sets, whether or not the door components are imported as part of a door kit or set.

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 obscure 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 this investigation if performed in the country of manufacture of the in-scope product.

Excluded from the scope of this investigation are countertop/butcherblocks imported as a full countertop/butcherblock panel, 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, rail fittings and stair stringers); picture frame components three feet and under in individual lengths; and lumber whether solid, finger-jointed, or edge-glued. To be excluded from the scope, finger-jointed or edge-glued lumber must have a nominal thickness of 1.5 inches or greater and a certification stamp from an American Lumber Standard Committee-certified grading agency. The exclusion for lumber whether solid, finger-jointed, or edge-glued does not apply to screen/"surfaced on 4 sides" (S4S) and/or "surface 1 side, 2 edges" (S1S2E) stock (also called boards) that are finger-jointed and/or edge-glued, or to finger-jointed and/or edge-glued moulding or millwork blanks (whether or not resawn). Accordingly, S4S and S1S2E stock/boards that are not finger-jointed or edge-glued are excluded from the scope of this investigation.

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, 4418.20.4000, 4418.20.8030, 4418.20.8060, 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 the investigation is dispositive.

Appendix II

List of Topics Discussed in the Issues and Decision Memorandum

- I. Summary
- II. Background
- III. Changes from the Preliminary Determination
- IV. Discussion of the Issues
 - Comment 1: Whether Commerce Should Treat All Three Mandatory Respondents as Affiliates and Collapse Them into a Single Entity
 - Comment 2: Whether Commerce Should Revise Its CV Profit Calculation
 - Comment 3: Whether Araupel's Log Valuations Are Inaccurate and Do Not Reflect an Accurate Market Price
 - Comment 4: Whether Commerce Should Recalculate the Fair Value Adjustment for Araupel's Costs for Biological Assets Consumed during the POI
 - Comment 5: Whether Commerce Incorrectly Decreased Araupel's Costs for Biological Assets Not Consumed during the POI
 - Comment 6: Whether Commerce Should Apply the Major Input Rule to Araupel's Log Purchases
 - Comment 7: Whether Unreconciled Costs Should Be Allocated to Production Costs
 - Comment 8: Whether Araupel's Non-Prime Merchandise Should Be Assigned Full Production Costs
 - Comment 9: Whether Commerce Should Use the Federal Reserve's Small Business Lending Survey Short-Term Interest Rate to Calculate Araupel's Credit Expenses
 - Comment 10: Whether Commerce Should Use the Earlier of the Shipment Date or Commercial Invoice as Braslumber/BrasPine's Date of Sale
 - Comment 11: Whether the Date of Sale Should Be Consistent Between the Mandatory Respondents
 - Comment 12: Whether Commerce Should Include Araupel's Reported Other Revenue
- V. Recommendation