



## DEPARTMENT OF COMMERCE

### International Trade Administration

[A-570-051; C-570-052]

### **Certain Hardwood Plywood Products from the People's Republic of China: Initiation of Antidumping Duty and Countervailing Duty Changed Circumstances Reviews**

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

**SUMMARY:** The Department of Commerce (Commerce) is initiating changed circumstances reviews (CCRs) of the antidumping duty (AD) and countervailing duty (CVD) orders on certain hardwood plywood products (hardwood plywood) from the People's Republic of China (China).

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

**FOR FURTHER INFORMATION CONTACT:** Nicolas Mayora, 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) 482-3053.

### **SUPPLEMENTARY INFORMATION:**

#### Background

On January 4, 2018, Commerce published the AD and CVD orders on hardwood plywood from China.<sup>1</sup> On October 15, 2020, the Coalition for Fair Trade in Hardwood Plywood (the petitioner), requested that Commerce initiate CCRs to revoke, in part, the AD and CVD orders on hardwood plywood from China with respect to certain finished laminated veneer

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<sup>1</sup> 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), and *Certain Hardwood Plywood Products from the People's Republic of China: Countervailing Duty Order*, 82 FR 513 (January 4, 2018) (collectively, *Orders*).

lumber (LVL) door stiles and rails, pursuant to section 751(b)(1) of the Tariff Act of 1930, as amended (the Act), and 19 CFR 351.216(b).<sup>2</sup> The petitioner also requested that Commerce simultaneously issue the initiation and preliminary results partially revoking the *Orders* and that it conduct these CCRs on an expedited basis.<sup>3</sup>

### Scope of the *Orders*

The merchandise covered by these *Orders* is hardwood plywood from China. For a complete description of the scope of the *Orders*, see Appendix.

### Proposed Revocation of the *Orders*, in Part

The petitioner requests that the *Orders* be revoked, in part, with respect to certain door stiles and rails made of LVL that have a width not to exceed 50 millimeters, a thickness not to exceed 50 millimeters, and a length of less than 2,450 millimeters.<sup>4</sup> The petitioner further requests that Commerce specify an effective date of this partial revocation to the *Orders* that coincides with the preliminary determinations of the AD and CVD investigations in these proceedings, *i.e.*, June 23, 2017, and April 25, 2017, respectively.<sup>5</sup> Should Commerce determine to partially revoke the *Orders*, the petitioner proposes that Commerce amend the scope language as follows: “Also excluded are laminated veneer lumber door stiles and rails that have a width not to exceed 50 millimeters, a thickness not to exceed 50 millimeters, and a length of less than 2,450 millimeters.”<sup>6</sup>

### Initiation of Changed Circumstances Reviews

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<sup>2</sup> See Petitioner’s Letter, “Hardwood Plywood Products from the People’s Republic of China: Request for Changed Circumstances Review and Partial Revocation,” dated October 15, 2020 (CCR Request); Commerce’s Letter, “Clarification of Changed Circumstances Review and Partial Revocation Request,” dated November 12, 2020; Commerce’s Letter, “Clarification of Changed Circumstances Review and Partial Revocation Request,” dated November 17, 2020; and Petitioner’s Letter, “Hardwood Plywood Products from the People’s Republic of China: Response to Clarification of Changed Circumstances Review and Partial Revocation Request,” dated December 10, 2020 (CCR Clarification Response).

<sup>3</sup> See CCR Request at 8; and CCR Clarification Response at 7.

<sup>4</sup> *Id.* at 3.

<sup>5</sup> *Id.* at 6.

<sup>6</sup> *Id.*

Pursuant to section 751(b)(1) of the Act, and 19 CFR 351.216(d), Commerce will conduct a CCR of an AD or CVD order when it receives information which shows changed circumstances sufficient to warrant such a review. Section 782(h)(2) of the Act and 19 CFR 351.222(g)(1)(i) provide that Commerce may revoke an order (in whole or in part) if it determines that producers accounting for substantially all of the production of the domestic like product have no further interest in the order, in whole or in part. In the event Commerce determines that expedited action is warranted, 19 CFR 351.221(c)(3)(ii) permits Commerce to combine the notices of initiation and preliminary results.

The petitioner asserts that it accounts for “substantially all”<sup>7</sup> of the domestic production of hardwood plywood.<sup>8</sup> We are not combining this notice of initiation with a preliminary determination, pursuant to 19 CFR 351.222(c)(3)(ii), to provide interested parties with an opportunity to address the issue of domestic industry support with respect to this requested partial revocation of the *Orders*. Additionally, we request that interested parties notify Commerce if they have made any shipments of merchandise covered by the revocation request (door stiles and rails made of LVL that have a width not to exceed 50 millimeters, a thickness not to exceed 50 millimeters, and a length of less than 2,450 millimeters) that (a) were entered, or withdrawn from warehouse, for consumption on or after June 23, 2017, and April 25, 2017, and (b) are subject to ongoing litigation and enjoined from liquidation. After examining comments, if any, concerning these issues, we will issue the preliminary results of these CCRs.

Based on the petitioner’s affirmative statement of no interest in the *Orders* with respect to certain finished LVL door stiles and rails, and because more than 24 months have passed since

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<sup>7</sup> In its administrative practice, Commerce has interpreted “substantially all” to mean at least 85 percent of the total production of the domestic like product covered by the order. *See, e.g., Supercalendered Paper from Canada: Final Results of Changed Circumstances Review and Revocation of Countervailing Duty Order*, 83 FR 32268 (July 12, 2018).

<sup>8</sup> *See* CCR Request at 6-7 (identifying percentage production in 2019 (designated as business proprietary information)); *see also* CCR Clarification Response.

the publication of the *Final Determinations*,<sup>9</sup> we find that the conditions warrant initiation of these CCRs.<sup>10</sup> According to the petitioner, certain specific LVL door stiles and rails are more appropriately considered wood mouldings and/or millwork products and should not be covered by the scope of the *Orders*. Instead, these products should be covered by the scope of the AD and CVD investigations on wood mouldings and millwork products from China.<sup>11</sup>

### Public Comment

Interested parties are invited to provide comments and/or factual information regarding these CCRs, including comments on industry support, the proposed partial revocation language, and whether any of their entries are covered by this revocation request but enjoined from liquidation due to an injunction issued in ongoing litigation. Comments and factual information may be submitted to Commerce no later than ten days after the date of publication of this notice. Rebuttal comments and rebuttal factual information may be filed with Commerce no later than seven days after the comments and/or factual information are filed.<sup>12</sup> Note that Commerce has temporarily modified certain of its requirements for serving documents containing business proprietary information until further notice.<sup>13</sup> All submissions must be filed electronically using the Enforcement and Compliance's AD and CVD Centralized Electronic Service System (ACCESS). ACCESS is available to registered users at <https://access.trade.gov>. An

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<sup>9</sup> See 19 CFR 351.216(c); see also *Certain Hardwood Plywood Products from the People's Republic of China: Final Determination of Sales at Less Than Fair Value, and Final Affirmative Determination of Critical Circumstances, in Part*, 82 FR 53460 (November 16, 2017), and *Countervailing Duty Investigation of Certain Hardwood Plywood Products from the People's Republic of China: Final Affirmative Determination, and Final Affirmative Critical Circumstances Determination, in Part*, 82 FR 53473 (November 16, 2017) (collectively, *Final Determinations*).

<sup>10</sup> See, e.g., *Certain Cold-Rolled Steel Flat Products from Japan: Initiation and Preliminary Results of Changed Circumstances Review, and Intent to Revoke Order in Part*, 82 FR 821 (January 4, 2017) (finding that "Petitioners' affirmative statement of no interest in the order.....constitutes good cause for the conduct of this review").

<sup>11</sup> See *Wood Mouldings and Millwork Products from the People's Republic of China: Final Affirmative Determination of Sales at Less Than Fair Value*, 86 FR 63 (January 4, 2021); see also *Wood Mouldings and Millwork Products from the People's Republic of China: Final Affirmative Countervailing Duty Determination*, 86 FR 67 (January 4, 2021).

<sup>12</sup> Submissions of rebuttal factual information must comply with 19 CFR 351.301(b)(2); see also *Temporary Rule Modifying AD/CVD Service Requirements Due to COVID-19; Extension of Effective Period*, 85 FR 41363 (July 10, 2020) (*Temporary Rule*).

<sup>13</sup> See *Temporary Rule*.

electronically-filed document must be received successfully in its entirety in ACCESS by 5:00 p.m. Eastern Time on the due date set forth in this notice.

Preliminary and Final Results of the Review

Commerce intends to publish in the *Federal Register* a notice of the preliminary results of these AD and CVD CCRs in accordance with 19 CFR 351.221(b)(4) and (c)(3)(i), which will set forth Commerce's preliminary factual and legal conclusions. Commerce will issue its final results of these CCRs in accordance with the time limits set forth in 19 CFR 351.216(e).

Notification to Interested Parties

This notice is published in accordance with section 751(b)(1) of the Act, and 19 CFR 351.221(b)(1).

Dated: January 25, 2021.

**Christian Marsh,**

*Acting Assistant Secretary*

*for Enforcement and Compliance.*

## Appendix

### Scope of the Orders

The merchandise subject to these *Orders* is hardwood and decorative plywood, and certain veneered panels as described below. For purposes of this proceeding, hardwood and decorative plywood is defined as a generally flat, multilayered plywood or other veneered panel, consisting of two or more layers or plies of wood veneers and a core, with the face and/or back veneer made of non-coniferous wood (hardwood) or bamboo. The veneers, along with the core may be glued or otherwise bonded together. Hardwood and decorative plywood may include products that meet the American National Standard for Hardwood and Decorative Plywood, ANSI/HPVA HP-1-2016 (including any revisions to that standard).

For purposes of this proceeding a “veneer” is a slice of wood regardless of thickness which is cut, sliced or sawed from a log, bolt, or flitch. The face and back veneers are the outermost veneer of wood on either side of the core irrespective of additional surface coatings or covers as described below.

The core of hardwood and decorative plywood consists of the layer or layers of one or more material(s) that are situated between the face and back veneers. The core may be composed of a range of materials, including but not limited to hardwood, softwood, particleboard, or medium-density fiberboard (MDF).

All hardwood plywood is included within the scope of these *Orders* regardless of whether or not the face and/or back veneers are surface coated or covered and whether or not such surface coating(s) or covers obscures the grain, textures, or markings of the wood. Examples of surface coatings and covers include, but are not limited to: ultra violet light cured polyurethanes; oil or oil-modified or water based polyurethanes; wax; epoxy-ester finishes; moisture-cured urethanes; paints; stains; paper; aluminum; high pressure laminate; MDF; medium density overlay (MDO); and phenolic film. Additionally, the face veneer of hardwood plywood may be sanded; smoothed or given a “distressed” appearance through such methods as hand-scraping or wire brushing. All hardwood plywood is included within the scope even if it is trimmed; cut-to-size; notched; punched; drilled; or has underwent other forms of minor processing.

All hardwood and decorative plywood is included within the scope of these *Orders*, without regard to dimension (overall thickness, thickness of face veneer, thickness of back veneer, thickness of core, thickness of inner veneers, width, or length). However, the most common panel sizes of hardwood and decorative plywood are 1219 x 1829 mm (48 x 72 inches), 1219 x 2438 mm (48 x 96 inches), and 1219 x 3048 mm (48 x 120 inches).

Subject merchandise also includes hardwood and decorative plywood that has been further processed in a third country, including but not limited to trimming, cutting, notching, punching, drilling, or any other processing that would not otherwise remove the merchandise from the scope of the *Orders* if performed in the country of manufacture of the in-scope product.

The scope of the *Orders* excludes the following items: (1) structural plywood (also known as “industrial plywood” or “industrial panels”) that is manufactured to meet U.S. Products Standard PS 1-09, PS 2-09, or PS 2-10 for Structural Plywood (including any revisions to that standard or any substantially equivalent international standard intended for structural plywood), and which has both a face and a back veneer of coniferous wood; (2) products which have a face and back veneer of cork; (3) multilayered wood flooring, as described in the antidumping duty and countervailing duty orders on Multilayered Wood Flooring from the People’s Republic of China,

Import Administration, International Trade Administration. See *Multilayered Wood Flooring from the People's Republic of China*, 76 FR 76690 (December 8, 2011) (amended final determination of sales at less than fair value and antidumping duty order), and *Multilayered Wood Flooring from the People's Republic of China*, 76 FR 76693 (December 8, 2011) (countervailing duty order), as amended by *Multilayered Wood Flooring from the People's Republic of China: Amended Antidumping and Countervailing Duty Orders*, 77 FR 5484 (February 3, 2012); (4) multilayered wood flooring with a face veneer of bamboo or composed entirely of bamboo; (5) plywood which has a shape or design other than a flat panel, with the exception of any minor processing described above; (6) products made entirely from bamboo and adhesives (also known as "solid bamboo"); and (7) Phenolic Film Faced Plyform (PFF), also known as Phenolic Surface Film Plywood (PSF), defined as a panel with an "Exterior" or "Exposure 1" bond classification as is defined by The Engineered Wood Association, having an opaque phenolic film layer with a weight equal to or greater than 90g/m<sup>3</sup> permanently bonded on both the face and back veneers and an opaque, moisture resistant coating applied to the edges.

Excluded from the scope of these Orders are wooden furniture goods that, at the time of importation, are fully assembled and are ready for their intended uses. Also excluded from the scope of these Orders is "ready to assemble" (RTA) furniture. RTA furniture is defined as (A) furniture packaged for sale for ultimate purchase by an end-user that, at the time of importation, includes (1) all wooden components (in finished form) required to assemble a finished unit of furniture, (2) all accessory parts (e.g., screws, washers, dowels, nails, handles, knobs, adhesive glues) required to assemble a finished unit of furniture, and (3) instructions providing guidance on the assembly of a finished unit of furniture; (B) unassembled bathroom vanity cabinets, having a space for one or more sinks, that are imported with all unassembled hardwood and hardwood plywood components that have been cut-to-final dimensional component shape/size, painted or stained prior to importation, and stacked within a singled shipping package, except for furniture feet which may be packed and shipped separately; or (C) unassembled bathroom vanity linen closets that are imported with all unassembled hardwood and hardwood plywood components that have been cut-to-final dimensional shape/size, painted or stained prior to importation, and stacked within a single shipping package, except for furniture feet which may be packed and shipped separately.

Excluded from the scope of these Orders are kitchen cabinets that, at the time of importation, are fully assembled and are ready for their intended uses. Also excluded from the scope of these Orders are RTA kitchen cabinets. RTA kitchen cabinets are defined as kitchen cabinets packaged for sale for ultimate purchase by an end-user that, at the time of importation, includes (1) all wooden components (in finished form) required to assemble a finished unit of cabinetry, (2) all accessory parts (e.g., screws, washers, dowels, nails, handles, knobs, hooks, adhesive glues) required to assemble a finished unit of cabinetry, and (3) instructions providing guidance on the assembly of a finished unit of cabinetry.

Excluded from the scope of these Orders are finished table tops, which are table tops imported in finished form with pre-cut or drilled openings to attach the underframe or legs. The table tops are ready for use at the time of import and require no further finishing or processing.

Excluded from the scope of these Orders are finished countertops that are imported in finished form and require no further finishing or manufacturing.

Excluded from the scope of these Orders are laminated veneer lumber door and window components with (1) a maximum width of 44 millimeters, a thickness from 30 millimeters to 72 millimeters, and a length of less than 2413 millimeters (2) water boiling point exterior adhesive, (3) a modulus of elasticity of 1,500,000 pounds per square inch or higher, (4) finger-jointed or

lap-jointed core veneer with all layers oriented so that the grain is running parallel or with no more than 3 dispersed layers of veneer oriented with the grain running perpendicular to the other layers; and (5) top layer machined with a curved edge and one or more profile channels throughout.

Imports of hardwood plywood are primarily entered under the following Harmonized Tariff Schedule of the United States (HTSUS) subheadings: 4412.10.0500; 4412.31.0520; 4412.31.0540; 4412.31.0560; 4412.31.0620; 4412.31.0640; 4412.31.0660; 4412.31.2510; 4412.31.2520; 4412.31.2610; 4412.31.2620; 4412.31.4040; 4412.31.4050; 4412.31.4060; 4412.31.4075; 4412.31.4080; 4412.31.4140; 4412.31.4150; 4412.31.4160; 4412.31.4180; 4412.31.5125; 4412.31.5135; 4412.31.5155; 4412.31.5165; 4412.31.5175; 4412.31.5235; 4412.31.5255; 4412.31.5265; 4412.31.5275; 4412.31.6000; 4412.31.6100; 4412.31.9100; 4412.31.9200; 4412.32.0520; 4412.32.0540; 4412.32.0565; 4412.32.0570; 4412.32.0620; 4412.32.0640; 4412.32.0670; 4412.32.2510; 4412.32.2525; 4412.32.2530; 4412.32.2610; 4412.32.2630; 4412.32.3125; 4412.32.3135; 4412.32.3155; 4412.32.3165; 4412.32.3175; 4412.32.3185; 4412.32.3235; 4412.32.3255; 4412.32.3265; 4412.32.3275; 4412.32.3285; 4412.32.5600; 4412.32.3235; 4412.32.3255; 4412.32.3265; 4412.32.3275; 4412.32.3285; 4412.32.5700; 4412.94.1030; 4412.94.1050; 4412.94.3105; 4412.94.3111; 4412.94.3121; 4412.94.3141; 4412.94.3161; 4412.94.3175; 4412.94.4100; 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; 4412.99.5115; and 4412.99.5710.

Imports of hardwood plywood may also enter under HTSUS subheadings 4412.99.6000; 4412.99.7000; 4412.99.8000; 4412.99.9000; 4412.10.9000; 4412.94.5100; 4412.94.9500; and 4412.99.9500. While the HTSUS subheadings are provided for convenience and customs purposes, the written description of the scope of these *Orders* is dispositive.

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