



DEPARTMENT OF COMMERCE

International Trade Administration

[C-570-107]

Wooden Cabinets and Vanities and Components Thereof from the People's Republic of China: Preliminary Results and Partial Rescission of Countervailing Duty Administrative Review; 2022

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

SUMMARY: The U.S. Department of Commerce (Commerce) preliminarily determines that countervailable subsidies were provided to producers and exporters of wooden cabinets and vanities and components thereof (wooden cabinets) from the People's Republic of China (China), during the period of review (POR) January 1, 2022, through December 31, 2022. In addition, Commerce is rescinding this review, in part, with respect to 28 companies. Interested parties are invited to comment on these preliminary results.

DATES: Applicable [Insert date of publication in the *Federal Register*].

FOR FURTHER INFORMATION CONTACT: Suresh Maniam or Michael Romani, AD/CVD Operations, Office I, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-1603 or (202) 482-0198, respectively.

Background

On April 21, 2020, Commerce published in the *Federal Register* the countervailing duty (CVD) order on wooden cabinets from China.¹ On June 12, 2023, Commerce published in the *Federal Register* the notice of initiation of an administrative review of the *Order*.² On August

¹ See *Wooden Cabinets and Vanities and Components Thereof from the People's Republic of China: Countervailing Duty Order*, 85 FR 22134 (April 21, 2020) (*Order*).

² See *Initiation of Antidumping and Countervailing Duty Administrative Reviews*, 88 FR 38021, 38033 (June 12, 2023).

16, 2023, Commerce selected The Ancientree Cabinet Co., Ltd. (Ancientree) and Jiangsu Sunwell Cabinet Co. Ltd. (Sunwell) for individual examination as the mandatory respondents in this administrative review.³ Between September 13 and October 25, 2023, multiple parties either withdrew their requests for review or did not respond to our initial questionnaire.⁴ On November 13, 2023, we also selected Yixing Pengjia Cabinetry Co., Ltd. for individual examination as a mandatory respondent.⁵ During the course of this proceeding, Yixing Pengjia Cabinetry Co., Ltd. explained that its name changed to Yixing Pengjia Technology Co., Ltd. (Pengjia). On December 4, 2023, we extended the deadline for the preliminary results of this administrative review until April 26, 2024.⁶

For a complete description of the events that followed the initiation of this review, *see* the Preliminary Decision Memorandum.⁷ A list of topics discussed in the Preliminary Decision Memorandum is included as Appendix I to this notice. 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 <http://access.trade.gov>. In addition, a complete version of the Preliminary Decision Memorandum can be accessed directly at <https://access.trade.gov/public/FRNoticesListLayout.aspx>.

Scope of the *Order*

The product covered by the *Order* is wooden cabinets from China. For a complete description of the scope of the *Order*, *see* the Preliminary Decision Memorandum.

Methodology

³ *See* Memorandum, “Respondent Selection,” dated August 16, 2023.

⁴ For a full description of events regarding respondent selection, *see* Memorandum “Fourth Respondent Selection,” dated November 13, 2023.

⁵ *Id.*

⁶ *See* Memorandum, “Extension of Deadline for Preliminary Results of Countervailing Duty Administrative Review,” dated October 30, 2023.

⁷ *See* Memorandum, “Decision Memorandum for the Preliminary Results of the Administrative Review of the Countervailing Duty Order on Wooden Cabinets and Vanities and Components Thereof from the People’s Republic of China; 2022,” dated concurrently with, and hereby adopted by, this notice (Preliminary Decision Memorandum).

Commerce is conducting this administrative 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 countervailable, Commerce preliminarily finds 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).⁸ For a full description of the methodology underlying our 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.

Rescission of Administrative Review, in Part

Pursuant to 19 CFR 351.213(d)(1), Commerce will rescind an administrative review, in whole or in part, if the parties that requested a review withdraw the request within 90 days of the date of publication of the notice of initiation. Commerce received timely-filed withdrawal of review requests for nine companies.⁹ Because the withdrawal requests were timely filed and no other parties requested a review of these companies, we are rescinding this review of the *Order*, in accordance with 19 CFR 351.213(d)(1). For a list of these companies with timely-filed withdrawal of review requests, *see* Appendix II.

Based on our analysis of U.S. Customs and Border Protection (CBP) data, we determine that 19 companies had no entries of subject merchandise during the POR. On August 21, 2023, we notified parties of our intent to rescind the administrative review with respect to 19 companies because there are no reviewable suspended entries.¹⁰ No parties commented on the notification of intent to rescind the review, in part. Pursuant to 19 CFR 351.213(d)(3), we are rescinding the administrative review of these companies. For additional information regarding

⁸ *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.

⁹ *See* Letter on Behalf of Several Companies, “Withdrawal of Request for Administrative Review,” dated July 11, 2023 (on behalf of Shanghai Zifeng International Trading Co., Ltd. and Linyi Bonn Flooring Manufacture Co. Ltd.); *see also* Letter on Behalf of Several Companies, “Withdrawal of Requests for Administrative Review,” dated September 11, 2023.

¹⁰ *See* Memorandum, “Intent to Rescind Review, in Part,” dated August 21, 2023.

this determination, *see* the Preliminary Decision Memorandum. For a list of these companies with no reviewable suspended entries, *see* Appendix III.

Preliminary Rate for Non-Selected Companies Under Review

There are seven 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. The statute and Commerce's regulations do not directly address the establishment of rates to be applied to companies not selected for individual examination where Commerce limits its examination in an administrative review pursuant to section 777A(e)(2) of the Act. However, Commerce normally determines the rates for non-selected companies in reviews in a manner that is consistent with section 705(c)(5) of the Act, which provides the basis for calculating the all-others rate in an investigation.

Section 705(c)(5)(A)(i) of the Act instructs Commerce, as a general rule, to calculate an all-others rate equal to the weighted average of the countervailable subsidy rates established for exporters and/or producers individually examined, excluding any rates that are zero, *de minimis*, or based entirely on facts available. In this review, the preliminary rates calculated for Ancientree and Pengjia were above *de minimis* and not based entirely on facts available. Therefore, we are applying to the non-selected companies the average of the net subsidy rates calculated for Ancientree and Pengjia, which we calculated using the publicly-ranged sales data.¹¹ This methodology to establish the rate for the non-selected companies uses section 705(c)(5)(A) of the Act, which governs the calculation of the all-others rate in an investigation,

¹¹ With two respondents under examination, Commerce normally calculates: (A) a weighted-average of the estimated subsidy rates calculated for the examined respondents; (B) a simple average of the estimated subsidy rates calculated for the examined respondents; and (C) a weighted-average of the estimated subsidy rates calculated for the examined respondents using each company's publicly-ranged U.S. sale quantities for the merchandise under consideration. Commerce then compares (B) and (C) to (A) and selects the rate closest to (A) as the most appropriate rate for all other producers and exporters. *See, e.g., Ball Bearings and Parts Thereof from France, Germany, Italy, Japan, and the United Kingdom: Final Results of Antidumping Duty Administrative Reviews, Final Results of Changed-Circumstances Review, and Revocation of an Order in Part*, 75 FR 53661, 53663 (September 1, 2010).

as guidance. For further information on the calculation of the non-selected respondent rate, *see* the Preliminary Decision Memorandum.

Preliminary Results of Review

We preliminarily find that Yixing Pengjia Technology Co., Ltd.’s claim that it is the same company as Yixing Pengjia Cabinetry Co., Ltd. is supported by information on the record. For a complete description, *see* the Preliminary Decision Memorandum. Parties are invited to comment on this issue for the final results. As a result of this administrative review, we preliminarily find that the following net countervailable subsidy rates exist for the period January 1, 2022, through December 31, 2022:

Company	Subsidy Rate (percent <i>ad valorem</i>)
The Ancientree Cabinet Co., Ltd.	14.23
Yixing Pengjia Technology Co., Ltd. ¹²	0.91
Jiangsu Sunwell Cabinetry Co Ltd. ¹³	163.46
Taizhou Overseas Trading Company Ltd.	163.46
Taishan Oversea Trading Company Ltd.	163.46
Review-Specific Average Rate Applicable to the Following Companies¹⁴	
Fujian Dushi Wooden Industry Co., Ltd.	17.20
Fuzhou CBM Import & Export Co., Ltd.	17.20
KM Cabinetry Co., Ltd.	17.20
Nantong Aershin Cabinet Co., Ltd	17.20
Shouguang Fushi Wood Co., Ltd	17.20
Weifang Fuxing Wood Co., Ltd.	17.20
Xiamen Adler Cabinetry Co., Ltd.	17.20

¹² This company was formerly known as Yixing Pengjia Cabinetry Co., Ltd. *See* Pengjia’s Letter “Section III,” dated January 4, 2024, at 2 and Exhibit 5.1.

¹³ Commerce previously found Shanghai Beautystar Cabinetry Co., Ltd. to be a cross-owned affiliate with Jiangsu Sunwell Cabinetry Co Ltd. *See Wooden Cabinets and Vanities and Components Thereof from the People’s Republic of China: Preliminary Results of Countervailing Duty Administrative Review, Rescission of Administrative Review in Part, and Intent To Rescind in Part; 2021, 88 FR 29084 (May 5, 2023), and accompanying Preliminary Decision Memorandum at 33, unchanged in Wooden Cabinets and Vanities and Components Thereof from the People’s Republic of China: Final Results and Partial Rescission of Countervailing Duty Administrative Review, 2021, 88 FR 76732 (November 7, 2023).*

¹⁴ This rate is based on the rate for the respondents that were selected for individual review, excluding rates that are zero, *de minimis*, or based entirely on facts available. *See* section 705(c)(5)(A) of the Act.

Cash Deposit Requirements

In accordance with section 751(a)(2)(C) 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 calculated in the final results of this review for 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. If the rate calculated in the final results is zero or *de minimis*, no cash deposit will be required on shipments of the 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 companies, CBP will continue to collect cash deposits of estimated countervailing duties at the all-others rate (*i.e.*, 20.93 percent)¹⁵ or the most recent company-specific rate applicable to the company, as appropriate. These cash deposit requirements, when imposed, shall remain in effect until further notice.

Assessment Rates

In accordance with 19 CFR 351.221(b)(4)(i), we preliminarily assigned subsidy rates in the amounts shown above for the producers/exporters shown above. Consistent with section 751(a)(1) of the Act and 19 CFR 351.212(b)(2), upon issuance of the final results, Commerce shall determine, and CBP shall assess, countervailing duties on all appropriate entries covered by this review.

For the companies for which this review is rescinded with these preliminary results, we 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, 2022, through December 31, 2022, in accordance with 19 CFR 351.212(c)(1)(i). For companies remaining under review, we intend to

¹⁵ See *Order*, 85 FR at 22135.

issue assessment instructions to CBP no earlier than 35 days after the date of publication of the final results of this review in the *Federal Register*. If a timely summons is filed at the U.S. Court of International Trade, the assessment instructions will direct CBP not to liquidate relevant entries until the time for parties to file a request for a statutory injunction has expired (*i.e.*, within 90 days of publication).

Disclosure and Public Comment

Commerce intends to disclose its calculations and analysis performed to interested parties for these preliminary results within five days of any public announcement or, if there is no public announcement, within five days of the date of publication of this notice in accordance with 19 CFR 351.224(b).

Pursuant to 19 CFR 351.309(c)(1)(ii), interested parties may submit case briefs no later than 30 days after the date of publication of this notice. Rebuttal briefs, limited to issues raised in the case briefs, may be filed no later than seven days after the date for filing case briefs.¹⁶ Parties who submit case or rebuttal briefs in this proceeding are encouraged to submit with each argument: (1) a table of contents listing each issue; and (2) a table of authorities.¹⁷

As provided under 19 CFR 351.309(c)(2) and (d)(2), in prior proceedings we have encouraged interested parties to provide an executive summary of their brief that should be limited to five pages total, including footnotes. In this review, we instead request that interested parties provide at the beginning of their briefs a public, executive summary for each issue raised in their briefs.¹⁸ Further, we request that interested parties limit their public executive summary of each issue to no more than 450 words, not including citations. We intend to use the public executive summaries as the basis of the comment summaries included in the issues and decision memorandum that will accompany the final results in this administrative review. We request

¹⁶ See 19 CFR 351.309(d).

¹⁷ See 19 CFR 351.309(c)(2) and (d)(2).

¹⁸ We use the term “issue” here to describe an argument that Commerce would normally address in a comment of the Issues and Decision Memorandum.

that interested parties include footnotes for relevant citations in the public executive summary of each issue. Note that Commerce has amended certain of its requirements pertaining to the service of documents in 19 CFR 351.303(f).¹⁹

Pursuant to 19 CFR 351.310(c), interested parties who wish to request a hearing, limited to issues raised in the case and rebuttal briefs, must submit a written request to the Assistant Secretary for Enforcement and Compliance, filed electronically via ACCESS. 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 within 30 days after the date of publication of this notice.²⁰ Requests should contain: (1) the party's name, address, and telephone number; (2) the number of participants and whether any participant is a foreign national; and (3) a list of issues to be discussed. If a request for a hearing is made, we will inform parties of the scheduled date and time for the hearing.

Final Results

Unless extended, we intend to issue the final results of this administrative review, which will include the results of our analysis of the issues raised in case briefs, within 120 days after the date of publication of these preliminary results in the *Federal Register*, pursuant to section 751(a)(3)(A) of the Act and 19 CFR 351.213(h).

Notification to Interested Parties

These preliminary results and notice 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: April 26, 2024.

Ryan Majerus,

Deputy Assistant Secretary

for Policy and Negotiations,

performing the non-exclusive functions and duties

of the Assistant Secretary for Enforcement and Compliance.

¹⁹ See *Administrative Protective Order, Service, and Other Procedures in Antidumping and Countervailing Duty Proceedings*, 88 FR 67069, 67077 (September 29, 2023).

²⁰ See 19 CFR 351.310(c).

Appendix I

List of Topics Discussed in the Preliminary Decision Memorandum

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

Appendix II

List of Companies Which Timely Withdrew Requests for Review

1. Shanghai Zifeng International Trading Co., Ltd.
2. Linyi Bonn Flooring Manufacture Co. Ltd.
3. Linyi Bomei Furniture Co., Ltd.
4. Honsoar New Building Material Co., Ltd.
5. Qingdao Shousheng Industry Co., Ltd.
6. Jiang Su Rongxin Wood Industry Co., Ltd.
7. Weifang Yuanlin Woodenware Co., Ltd.
8. Morewood Cabinetry Co., Ltd.
9. Pizhou Ouyme Import & Export Trade Co., Ltd.

Appendix III

List of Companies Which Did Not Have Reviewable Entries During the POR

1. Changyi Zhengheng Woodwork Co. Ltd.
2. Dalian Hualing Wood Co., Ltd.
3. Dalian Meisen Woodworking Co. Ltd. and Dalian Hechang Technology Development Co., Ltd.
4. Fujian Leifeng Cabinetry Co., Ltd.
5. Goldenhome Living Co. Ltd.
6. Guangzhou Nuolande Import and Export Co., Ltd.
7. Jiangsu Beichen Wood Co., Ltd.
8. Jiangsu Xiangsheng Bedtime Furniture Co., Ltd,
9. Linyi Kaipu Furniture Co., Ltd.
10. Senke Manufacturing Company
11. Shandong Jinhua Wood Co., Ltd.
12. Shandong Longsen Woods Co., Ltd.
13. Suofeiya Home Collection Co., Ltd.
14. Taishan Hongxiang Trading Co., Ltd.
15. Xuzhou Yihe Wood Co., Ltd.
16. Zaozhuang New Sharp Import & Export Trading Co., Ltd.
17. Zhangzhou OCA Furniture Co., Ltd.
18. Zhongshan NU Furniture Co., Ltd.
19. Zhoushan For-Strong Wood Co. Ltd.

Appendix IV

List of Non-Selected Companies Subject to this Administrative Review

1. Fujian Dushi Wooden Industry Co., Ltd.
2. Fuzhou CBM Import & Export Co., Ltd.
3. KM Cabinetry Co., Ltd.
4. Nantong Aershin Cabinet Co., Ltd
5. Shouguang Fushi Wood Co., Ltd
6. Weifang Fuxing Wood Co., Ltd.
7. Xiamen Adler Cabinetry Co., Ltd.

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