

### Scope of the Order

The scope of the order includes certain orange juice for transport and/or further manufacturing, produced in two different forms: (1) Frozen orange juice in a highly concentrated form, sometimes referred to as frozen concentrated orange juice for manufacture (FCOJM); and (2) pasteurized single-strength orange juice which has not been concentrated, referred to as not-from-concentrate (NFC). At the time of the filing of the petition, there was an existing antidumping duty order on frozen concentrated orange juice (FCOJ) from Brazil. See *Antidumping Duty Order; Frozen Concentrated Orange Juice From Brazil*, 52 FR 16426 (May 5, 1987). Therefore, the scope of the order with regard to FCOJM covers only FCOJM produced and/or exported by those companies which were excluded or revoked from the pre-existing antidumping order on FCOJ from Brazil as of December 27, 2004. Those companies are Cargill Citrus Limitada, Coinbra-Frutesp (SA), Fischer S.A. Comercio, Industria, and Agricultura, Montecitrus Trading S.A., and Sucocitriculo Cutrale, S.A.

Excluded from the scope of the order are reconstituted orange juice and frozen concentrated orange juice for retail (FCOJR). Reconstituted orange juice is produced through further manufacture of FCOJM, by adding water, oils and essences to the orange juice concentrate. FCOJR is concentrated orange juice, typically at 42 Brix, in a frozen state, packed in retail-sized containers ready for sale to consumers. FCOJR, a finished consumer product, is produced through further manufacture of FCOJM, a bulk manufacturer's product.

The subject merchandise is currently classifiable under subheadings 2009.11.00, 2009.12.25, 2009.12.45, and 2009.19.00 of the Harmonized Tariff Schedule of the United States (HTSUS). These HTSUS subheadings are provided for convenience and for customs purposes only and are not dispositive. Rather, the written description of the scope of the order is dispositive.

### Analysis of Comments Received

All issues raised in this review are addressed in the "Issues and Decision Memorandum for the Expedited Sunset Review of the Antidumping Duty Order on Certain Orange Juice from Brazil" to Ronald K. Lorentzen, Deputy Assistant Secretary for Import Administration (May 19, 2011) (Decision Memo), which is hereby adopted by this notice. The issues discussed in the Decision Memo

include the likelihood of continuation or recurrence of dumping and the magnitude of the margin likely to prevail if the order were revoked. Parties can find a complete discussion of all issues raised in this review and the corresponding recommendations in this public memorandum which is on file in the Central Records Unit, Room 7046 of the main Department building.

In addition, a complete version of the Decision Memo can be accessed directly on the Web at <http://ia.ita.doc.gov/frn>. The paper copy and electronic version of the Decision Memo are identical in content.

### Final Results of Review

We determine that revocation of the antidumping duty order on OJ from Brazil would be likely to lead to the continuation or recurrence of dumping at the following weighted-average percentage margins:

Manufacturers/Exporters/ Producers	Weighted- average mar- gin (percent)
Fischer S.A. Comercio, Industria, and Agricultura *	12.46
Montecitrus Trading S.A. ....	60.29
Sucocitriculo Cutrale, S.A. ....	19.19
All-Others Rate ** .....	16.51

\* Fischer S.A. Comercio, Industria, and Agricultura is the successor-in-interest to Fischer S/A—Agroindustria.

\*\* The all-others rate in regards to FCOJM applies to Cargill Citrus Limitada and Coinbra-Frutesp (SA). The all-others rate for NFC applies to all other companies not identified above.

This notice also serves as the only reminder to parties subject to administrative protective order (APO) of their responsibility concerning the return or destruction of proprietary information disclosed under APO in accordance with 19 CFR 351.305. Timely notification of the return or destruction of APO materials or conversion to judicial protective orders is hereby requested. Failure to comply with the regulations and terms of an APO is a violation which is subject to sanction.

We are issuing and publishing the results and notice in accordance with sections 751(c), 752(c), and 777(i)(1) of the Act.

Dated: May 19, 2011.

**Ronald K. Lorentzen,**

*Deputy Assistant Secretary for Import Administration.*

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## DEPARTMENT OF COMMERCE

### International Trade Administration

[A-570-970]

### Multilayered Wood Flooring From the People's Republic of China: Preliminary Determination of Sales at Less Than Fair Value

**AGENCY:** Import Administration, International Trade Administration, Department of Commerce.

**DATES:** *Effective Date:* May 26, 2011.

**SUMMARY:** The Department of Commerce ("Department") preliminarily determines that multilayered wood flooring from the People's Republic of China ("PRC") is being, or is likely to be, sold in the United States at less than fair value ("LTFV"), as provided in section 733 of the Tariff Act of 1930, as amended ("the Act"). The estimated margins of sales at LTFV are shown in the "Preliminary Determination" section of this notice.

#### FOR FURTHER INFORMATION CONTACT:

Charles Riggle, John Hollwitz, Brandon Petelin or Erin Kearney, AD/CVD Operations, Office 4, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC 20230; *telephone:* (202) 482-0650, (202) 482-2336, (202) 482-8173 or (202) 482-0167, respectively.

#### SUPPLEMENTARY INFORMATION:

#### Background

On October 21, 2010, the Department received a petition concerning imports of multilayered wood flooring from the PRC filed in proper form by the Coalition for American Hardwood Parity<sup>1</sup> ("Petitioner").<sup>2</sup> On October 27, 2010, the Department issued several requests for information and clarification of certain areas of the petition, to which Petitioner timely filed additional responses.

On November 4, 2010, the Department received comments from Lumber Liquidators Services, LLC ("Lumber Liquidators") and Home Legend LLC ("Home Legend"), U.S. importers of wood flooring. Lumber Liquidators and Home Legend are interested parties as defined by section 771(9)(A) of the Act. Additionally, on November 9, 2010, we

<sup>1</sup> The Coalition for American Hardwood Parity is comprised of Anderson Hardwood Floors, LLC, Award Hardwood Floors, Baker's Creek Wood Floors, Inc., From the Forest, Howell Hardwood Flooring, Mannington Mills, Inc., Nydree Flooring and Shaw Industries Group, Inc.

<sup>2</sup> See Petitions for the Imposition of Antidumping and Countervailing Duties: Multilayered Wood Flooring from the People's Republic of China, dated October 21, 2010 ("Petition").

received further comments filed by Lumber Liquidators, Home Legend and U.S. Floors LLC.

The Department initiated an antidumping duty investigation of multilayered wood flooring from the People's Republic of China on November 10, 2010.<sup>3</sup>

In the *Initiation Notice*, the Department stated that it intended to select PRC respondents based on quantity and value ("Q&V") questionnaires.<sup>4</sup> On November 15, 2010, the Department requested Q&V information from 190 companies identified in the petition as potential producers and/or exporters of multilayered wood flooring from the PRC.<sup>5</sup> The Department received timely responses to its Q&V questionnaire from 80 companies. Additionally, the Department received documentation from Petitioner claiming that UA Wood Floors, Inc. ("UA Floors"), is located in Taiwan and, accordingly, does not sell merchandise subject to this investigation. Accordingly, Petitioner agreed to the redaction of UA Floors from the Department's listing of producers and exporters of subject merchandise for the purposes of this investigation.<sup>6</sup> Additionally, the Department received documentation from UA Floors claiming that the company is located in Taiwan.<sup>7</sup>

In the *Initiation Notice*, the Department notified parties of the application process by which exporters and producers may obtain separate-rate status in non-market economy ("NME") investigations. The process requires exporters and producers to submit a separate-rate status application ("SRA")<sup>8</sup> and to demonstrate an absence of both *de jure* and *de facto* government control over their export activities. The SRA for this investigation was posted on the Department's Web site, <http://ia.ita.doc.gov/ia-highlights-and-news.html>, on November 12, 2010. The

deadline for filing an SRA was January 18, 2011.

On December 6, 2010, the International Trade Commission ("ITC") preliminary determined that there is a reasonable indication that an industry in the United States is materially injured by reason of imports of multilayered wood flooring from the PRC.<sup>9</sup>

#### Postponement of Final Determination

Section 735(a)(2)(A) of the Act provides that a final determination may be postponed until not later than 135 days after the date of the publication of the preliminary determination if, in the event of an affirmative preliminary determination, a request for such postponement is made by exporters who account for a significant proportion of exports of the subject merchandise. In the event of a negative preliminary determination, a request for such a postponement must be made by Petitioners. See Section 735(a)(2)(B). Section 351.210(e)(2) of the Department's regulations requires that exporters requesting postponement of the final determination must also request an extension of the provisional measures referred to in section 733(d) of the Act from a four-month period until not more than six months. We received requests to postpone the final determination from Petitioner on April 20, 2011, from Zhejiang Yuhua Timber Co., Ltd. ("Yuhua") on April 27, 2011, and from Zhejiang Layo Wood Industry Co., Ltd. ("Layo Wood") on April 29, 2011. Layo Wood and Yuhua consented to the extension of provisional measures from a four-month period to not longer than six months. Because this preliminary determination is affirmative, the requests for postponement were made by exporters who account for a significant proportion of exports of the subject merchandise, and there is no compelling reason to deny the respondents' requests, we have extended the deadline for issuance of the final determination until the 135th day after the date of publication of this preliminary determination in the **Federal Register** and have extended provisional measures to not longer than six months.

#### Period of Investigation

The period of investigation ("POI") is April 1, 2010, through September 30, 2010. This period corresponds to the two most recent fiscal quarters prior to

the month of the filing of the petition, which was October 2011.<sup>10</sup>

#### Postponement of Preliminary Determination

On March 3, 2011, Petitioners made a timely request pursuant to section 733(c)(1)(A) of the Act and 19 CFR 351.205(b)(2) and (e) for a 50-day postponement of the preliminary determination. On March 11, 2011, the Department published a postponement of the preliminary AD determination on wood flooring from the PRC.<sup>11</sup>

#### Scope of the Investigation<sup>12</sup>

Multilayered wood flooring is composed of an assembly of two or more layers or plies of wood veneer(s)<sup>13</sup> in combination with a core. The several layers, along with the core, are glued or otherwise bonded together to form a final assembled product. Multilayered wood flooring is often referred to by other terms, *e.g.*, "engineered wood flooring" or "plywood flooring." Regardless of the particular terminology, all products that meet the description set forth herein are intended for inclusion within the definition of subject merchandise.

All multilayered wood flooring is included within the definition of subject merchandise, without regard to: Dimension (overall thickness, thickness of face ply, thickness of back ply, thickness of core, and thickness of inner plies; width; and length); wood species used for the face, back and inner veneers; core composition; and face grade. Multilayered wood flooring included within the definition of subject merchandise may be unfinished (*i.e.*, without a finally finished surface to protect the face veneer from wear and tear) or "prefinished" (*i.e.*, a coating applied to the face veneer, including, but not exclusively, oil or oil-modified or water-based polyurethanes, ultra-violet light cured polyurethanes, wax, epoxy-ester finishes, moisture-cured urethanes and acid-curing formaldehyde finishes.) The veneers may be also soaked in an acrylic-impregnated finish. All multilayered wood flooring is included within the definition of subject

<sup>10</sup> See 19 CFR 351.204(b)(1).

<sup>11</sup> See *Multilayered Wood Flooring from the People's Republic of China: Postponement of Preliminary Determinations of Antidumping Duty Investigations*, 76 FR 13357 (March 11, 2011).

<sup>12</sup> See Memorandum to Christian Marsh through Susan Kuhbach and Nancy Decker from Joshua Morris: Antidumping and Countervailing Duty Investigations: Multilayered Wood Flooring from the People's Republic of China; Scope, dated May 19, 2011.

<sup>13</sup> A "veneer" is a thin slice of wood, rotary cut, sliced or sawed from a log, bolt or flitch. Veneer is referred to as a ply when assembled.

<sup>3</sup> See *Multilayered Wood Flooring from the People's Republic of China: Initiation of Antidumping Duty Investigation*, 75 FR 70714 (November 18, 2010) ("*Initiation Notice*").

<sup>4</sup> See *Initiation Notice*, 75 FR at 70718.

<sup>5</sup> See Letter from Charles Riggle, Program Manager, AD/CVD Operations, Office 4, to All Interested Parties, "Antidumping Duty Investigation of Multilayered Wood Flooring from the People's Republic of China: Quantity and Value Questionnaire" (November 12, 2010).

<sup>6</sup> See Letter from Petitioner, dated March 31, 2011.

<sup>7</sup> See Letter from UA Floors, dated April 5, 2011.

<sup>8</sup> See Policy Bulletin 05.1: Separate-Rates Practice and Application of Combination Rates in Antidumping Investigations Involving Non-Market Economy Countries (April 5, 2005) ("Policy Bulletin 05.1"), available at <http://ia.ita.doc.gov/policy/bull05-1.pdf>.

<sup>9</sup> See *Investigation Nos. 701-TA-476 and 731-TA-1179* (Preliminary), 75 FR 79019 (Int'l Trade Comm'n Dec. 17, 2010).

merchandise regardless of whether the face (or back) of the product is smooth, wire brushed, distressed by any method or multiple methods, or hand-scraped. In addition, all multilayered wood flooring is included within the definition of subject merchandise regardless of whether or not it is manufactured with any interlocking or connecting mechanism (for example, tongue-and-groove construction or locking joints). All multilayered wood flooring is included within the definition of the subject merchandise regardless of whether the product meets a particular industry or similar standard.

The core of multilayered wood flooring may be composed of a range of materials, including but not limited to hardwood or softwood veneer, particleboard, medium-density fiberboard (MDF), high-density fiberboard (HDF), stone and/or plastic composite, or strips of lumber placed edge-to-edge.

Multilayered wood flooring products generally, but not exclusively, may be in the form of a strip, plank, or other geometrical patterns (e.g., circular, hexagonal). All multilayered wood flooring products are included within this definition regardless of the actual or nominal dimensions or form of the product.

Specifically excluded from the scope are cork flooring and bamboo flooring, regardless of whether any of the sub-surface layers of either flooring are made from wood. Also excluded is laminate flooring. Laminate flooring consists of a top wear layer sheet not made of wood, a decorative paper layer, a core-layer of high-density fiberboard, and a stabilizing bottom layer.

Imports of the subject merchandise are provided for under the following subheadings of the Harmonized Tariff Schedule of the United States (HTSUS):

4412.31.0520; 4412.31.0540;  
4412.31.0560; 4412.31.2510;  
4412.31.2520; 4412.31.4040;  
4412.31.4050; 4412.31.4060;  
4412.31.4070; 4412.31.5125;  
4412.31.5135; 4412.31.5155;  
4412.31.5165; 4412.31.3175;  
4412.31.6000; 4412.31.9100;  
4412.32.0520; 4412.32.0540;  
4412.32.0560; 4412.32.2510;  
4412.32.2520; 4412.32.3125;  
4412.32.3135; 4412.32.3155;  
4412.32.3165; 4412.32.3175;  
4412.32.3185; 4412.32.5600;  
4412.39.1000; 4412.39.3000;  
4412.39.4011; 4412.39.4012;  
4412.39.4019; 4412.39.4031;  
4412.39.4032; 4412.39.4039;  
4412.39.4051; 4412.39.4052;  
4412.39.4059; 4412.39.4061;

4412.39.4062; 4412.39.4069;  
4412.39.5010; 4412.39.5030;  
4412.39.5050; 4412.94.1030;  
4412.94.1050; 4412.94.3105;  
4412.94.3111; 4412.94.3121;  
4412.94.3131; 4412.94.3141;  
4412.94.3160; 4412.94.3171;  
4412.94.4100; 4412.94.5100;  
4412.94.6000; 4412.94.7000;  
4412.94.8000; 4412.94.9000;  
4412.94.9500; 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; 4412.99.5100;  
4412.99.5710; 4412.99.6000;  
4412.99.7000; 4412.99.8000;  
4412.99.9000; 4412.99.9500;  
4418.71.2000; 4418.71.9000;  
4418.72.2000; and 4418.72.9500.

In addition, imports of subject merchandise may enter the United States under the following HTSUS subheadings: 4409.10.0500; 4409.10.2000; 4409.29.0515; 4409.29.0525; 4409.29.0535; 4409.29.0545; 4409.29.0555; 4409.29.0565; 4409.29.2530; 4409.29.2550; 4409.29.2560; 4418.71.1000; 4418.79.0000; and 4418.90.4605.

While HTSUS subheadings are provided for convenience and customs purposes, the written description of the subject merchandise is dispositive.

#### Non-Market Economy Country

For purposes of initiation, Petitioner submitted an LTFV analysis for the PRC as an NME.<sup>14</sup> The Department's most recent examination of the PRC's market status determined that NME status should continue for the PRC.<sup>15</sup> In accordance with section 771(18)(C)(i) of the Act, the NME status remains in effect until revoked by the Department. The Department has not revoked the PRC's status as an NME country, and we have therefore treated the PRC as an NME in this preliminary determination and applied our NME methodology.

#### Selection of Respondents

In accordance with section 777A(c)(2) of the Act, the Department selected the three largest exporters (by volume) of wood flooring as the mandatory respondents in this investigation based

<sup>14</sup> See *Initiation Notice*, 75 FR at 70716.

<sup>15</sup> See Memorandum for David M. Spooner, Assistant Secretary for Import Administration, Antidumping Duty Investigation of Certain Lined Paper Products from the People's Republic of China ("China") China's Status as a Non-Market Economy ("NME") (August 30, 2006) (memorandum is on file in the CRU on the record of case number A-570-901).

on the information contained in the timely submitted Quantity & Value ("Q&V") questionnaire responses filed by 81 exporters/producers: Layo Wood; Yuhua; and Riverside Plywood Corporation, Samling Elegant Living Trading (Labuan) Limited, Samling Global USA, Inc., Samling Riverside Co., Ltd. and Suzhou Times Flooring (collectively, the "Samling Group").<sup>16</sup> On January 10, 2010, the Department issued antidumping questionnaires to these three companies. In January and February 2011, Layo Wood, Yuhua and the Samling Group submitted timely responses to sections A, C, and D of the Department's antidumping questionnaire.

Fine Furniture (Shanghai) Limited ("Fine Furniture") requested to be treated as a voluntary respondent in this investigation on November 12, 2010. Shanghai Lizhong Wood Products Co., Ltd. ("Lizhong") and Dun Hua City Jisen Wood Co., Ltd., asked to be treated as voluntary respondents on November 15, 2010. Armstrong Wood Products asked to be treated as a voluntary respondent on December 3, 2010. On January 31, 2011, Fine Furniture and Lizhong each submitted unsolicited responses to section A of the Department's original questionnaire. On February 23, 2011, Fine Furniture and Lizhong each submitted unsolicited responses to sections C and D of the Department's original questionnaire.

The Department issued supplemental questionnaires to Layo Wood, Yuhua and the Samling Group from January to April 2011. Layo Wood, Yuhua and the Samling Group submitted timely responses to the Department's supplemental questionnaires from January to May 2011. From January to May 2011, Petitioner submitted comments to the Department regarding the submissions and/or responses of Layo Wood, Yuhua and the Samling Group.

#### Surrogate Country

When the Department is investigating imports from an NME, section 773(c)(1) of the Act directs it to base normal value, in most circumstances, on the NME producer's factors of production ("FOPs") valued in a surrogate market-economy country or countries considered to be appropriate by the Department. In accordance with section 773(c)(4) of the Act, in valuing the FOPs, the Department shall utilize, to

<sup>16</sup> See the Department's memorandum entitled, "Antidumping Duty Investigation of Multilayered Wood Flooring from the People's Republic of China: Revised Respondent Selection Memorandum," dated February 8, 2011 ("Respondent Selection Memo").

the extent possible, the prices or costs of FOPs in one or more market-economy countries that are at a level of economic development comparable to that of the NME country and are significant producers of comparable merchandise. The sources of the surrogate values we have used in this investigation are discussed under the "Normal Value" section below.

The Department determined that India, the Philippines, Indonesia, Thailand, Ukraine and Peru are countries comparable to the PRC in terms of economic development.<sup>17</sup> Once the countries that are economically comparable to the PRC have been identified, we select an appropriate surrogate country by determining whether an economically comparable country is a significant producer of comparable merchandise and whether the data for valuing FOPs is both available and reliable.<sup>18</sup> Fine Furniture, Layo Wood, Petitioner, the Samling Group and Yuhua submitted comments regarding surrogate country selection on March 15, 2011. Layo Wood, Petitioner, the Samling Group and Yuhua submitted further comments regarding surrogate country selection on March 21, 2011. On April 6, 2011, Petitioner submitted further comments regarding surrogate country and surrogate value selection. On April 8, 2011, Layo Wood included comments regarding surrogate country selection in response to section D of the Department's second supplemental questionnaire. On May 2, 2011, Layo Wood submitted further comments regarding surrogate country and surrogate value selection.

We have determined that it is appropriate to use the Philippines as a surrogate country pursuant to section 773(c)(4) of the Act based on the following: (1) It is at a similar level of economic development; (2) it is a significant producer of comparable merchandise; and (3) we have reliable data from the Philippines that we can use to value the FOPs.<sup>19</sup> Thus, we have calculated normal value ("NV") using Philippine prices when available and appropriate to value the FOPs of the

<sup>17</sup> See Memorandum to Wendy Frankel from Carole Showers, "Request for a List of Surrogate Countries for an Antidumping Duty Investigation of Multilayered Wood Flooring from the People's Republic of China ("PRC") ("Office of Policy Surrogate Countries Memorandum"), dated February 17, 2011. The Department notes that these six countries are part of a non-exhaustive list of countries that are at a level of economic development comparable to the PRC.

<sup>18</sup> See *id.*

<sup>19</sup> See Memorandum to Abdelali Elouaradia from Drew Jackson, "Multilayered Wood Flooring from the People's Republic of China: Surrogate Country Memorandum" (May 19, 2011).

multilayered wood flooring producers under investigation. We have obtained and relied upon contemporaneous publicly available information wherever possible.<sup>20</sup>

In accordance with 19 CFR 351.301(c)(3)(i), for the final determination in an antidumping investigation, interested parties may submit publicly available information to value the FOPs within 40 days after the date of publication of the preliminary determination.<sup>21</sup>

#### Surrogate Value Comments

Surrogate factor valuation comments and surrogate value information with which to value the FOPs for the preliminary determination in this proceeding were originally due March 11, 2011. On March 1, 2011, Layo Wood, Yuhua and the Samling Group requested an extension of time to submit potential surrogate value. On March 3, 2011, the Department extended the deadline for submission of surrogate value information for all interested parties until March 15, 2011. Surrogate value submissions were filed March 15, 2011, by Petitioner, Layo Wood, Yuhua, the Samling Group and Fine Furniture. Petitioner, Layo Wood, Yuhua and the Samling Group filed rebuttal surrogate value comments on March 21, 2011.<sup>22</sup>

#### Targeted Dumping

On April 4, 2011, the Department received Petitioner's allegations of targeted dumping by Layo Wood, Yuhua and the Samling Group using the Department's methodology as established in *Steel Nails*.<sup>23</sup> Based on our examination of the targeted

<sup>20</sup> See *id.*

<sup>21</sup> In accordance with 19 CFR 351.301(c)(1), for the final determination of this investigation, interested parties may submit factual information to rebut, clarify, or correct factual information submitted by any other interested party less than ten days before, on, or after, the applicable deadline for submission of such factual information. However, the Department notes that 19 CFR 351.301(c)(1) permits new information only insofar as it rebuts, clarifies, or corrects information recently placed on the record. The Department generally will not accept the submission of additional, previously absent-from-the-record alternative surrogate value information. See *Glycine from the People's Republic of China: Final Results of Antidumping Duty Administrative Review and Final Rescission, in part*, 72 FR 58809 (October 17, 2007), and accompanying Issues and Decision Memorandum at Comment 2.

<sup>22</sup> See the "Factor Valuation" section below; see also Memorandum to Abdelali Elouaradia through Charles Riggle re: Selection of Surrogate Values, dated May 19, 2011 ("Surrogate Value Memorandum").

<sup>23</sup> See *Certain Steel Nails from the United Arab Emirates: Notice of Final Determination of Sales at Not Less Than Fair Value*, 73 FR 33985 (June 16, 2008) ("*Steel Nails*") and accompanying Issues and Decision Memorandum at Comments 1-9.

dumping allegations filed by Petitioner, and pursuant to section 777A(d)(1)(B)(i) of the Act, the Department has determined that Petitioner's allegations sufficiently indicate that there is a pattern of export prices (or constructed export prices) for comparable merchandise that differ significantly among purchasers and regions.

As a result, the Department has applied the targeted dumping analysis established in *Steel Nails* to Layo Wood, Yuhua and the Samling Group's U.S. sales to targeted purchasers and regions. The methodology we employed involves a two-stage test; the first stage addresses the pattern requirement and the second stage addresses the significant-difference requirement.<sup>24</sup> In this test we made all price comparisons on the basis of comparable merchandise (*i.e.*, by control number or CONNUM). The test procedures are the same for the customer and region targeted-dumping allegations. We based all of our targeted-dumping calculations on the net U.S. price that we determined for U.S. sales by Layo Wood, Yuhua and the Samling Group in our standard margin calculations.<sup>25</sup>

As a result of our analysis, we preliminarily determine that there is a pattern of prices for U.S. sales of comparable merchandise that differ significantly among certain purchasers and regions for Layo Wood and the Samling Group in accordance with section 777A(d)(1)(B)(i) of the Act, and our practice as discussed in *Steel Nails*. Our analysis, however, indicates that there is no pattern of prices for U.S. sales of comparable merchandise that differ significantly among certain purchasers and regions for Yuhua. We also find that the result using the standard average-to-average methodology is not substantially different from that using the alternative average-to-transaction methodology for Layo Wood because both methods result in a *de minimis* margin. Accordingly, for this preliminary determination we have applied the standard average-to-average methodology to all U.S. sales that Yuhua and Layo Wood reported, and have applied the alternative average-to-transaction methodology to all U.S. sales that Samling Group reported.

<sup>24</sup> See section 777A(d)(1)(B)(i) of the Act and *Steel Nails*, and accompanying Issues and Decision Memorandum at Comment 2.

<sup>25</sup> For further discussion of the test and the results, see Samling Analysis Memorandum, Layo Analysis Memorandum and Yuhua Analysis Memorandum.

### Affiliation

Based on the evidence presented in Layo Wood's questionnaire responses, we preliminarily find that Layo Wood and Jiaying Brilliant Import and Export Company ("Jiaying Brilliant") are not affiliated pursuant to section 771(33) of the Act.<sup>26</sup>

Based on the evidence included in the Samling Group's questionnaire responses, we preliminarily find affiliation between Baroque Timber Industries (Zhongshan) Co., Ltd. ("BTI"), Riverside Plywood Corporation ("RPC"), Samling Elegant Living Trading (Labuan) Limited ("SELT"), Samling Global USA, Inc. ("SGUSA"), Samling Riverside Co., Ltd. ("SRC"), and Suzhou Times Flooring ("STF"), pursuant to section 771(33)(A) and (F) of the Act. In addition, based on the evidence presented in the Samling Group's questionnaire responses, we find that BTI, RPC, and STF should be collapsed and treated as a single entity for purposes of this investigation, pursuant to sections 771(33)(A) and (F) of the Act, and 19 CFR 351.401(f)(1) and (2).<sup>27</sup>

Based on the evidence included in Yuhua's questionnaire responses, we preliminarily determine that there is no basis for finding affiliation between Yuhua and A-Timber Co., Ltd., A-Timber Flooring Co., Ltd., or Oriental Asia International Ltd., pursuant to sections 771(33)(A) and (F) of the Act.<sup>28</sup>

### Separate Rates

In the *Initiation Notice*, the Department notified parties of the application process by which exporters and producers may obtain separate-rate status in NME investigations.<sup>29</sup> The process requires exporters and producers to submit an SRA.<sup>30</sup> The

<sup>26</sup> See Memorandum to Abdelali Elouaradia through Charles Riggle re: Preliminary Determination Regarding Affiliation and Collapsing of Zhejiang Layo Wood Industry Co., Ltd. and Jiaying Brilliant Import & Export Co., Ltd., dated May 19, 2011.

<sup>27</sup> See Memorandum to Abdelali Elouaradia through Charles Riggle re: Preliminary Determination Regarding Affiliation and Collapsing of Baroque Timber Industries (Zhongshan) Co., Ltd., Riverside Plywood Corporation, Samling Elegant Living Trading (Labuan) Limited, Samling Riverside Co., Ltd., and Suzhou Times Flooring Co., Ltd., dated May 19, 2011.

<sup>28</sup> See Memorandum to Abdelali Elouaradia through Charles Riggle re: Preliminary Determination Regarding Affiliation Zhejiang Yuhua Timber Co., Ltd.

<sup>29</sup> See *Initiation Notice*, 75 FR 70718.

<sup>30</sup> See Policy Bulletin 05.1: "While continuing the practice of assigning separate rates only to exporters, all separate rates that the Department will now assign in its NME investigations will be specific to those producers that supplied the exporter during the period of investigation. Note, however, that one rate is calculated for the exporter and all of the producers which supplied subject

standard for eligibility for a separate rate is whether a firm can demonstrate an absence of both *de jure* and *de facto* government control over its export activities. In the instant investigation, the Department received timely-filed SRAs from 73 companies.<sup>31</sup>

merchandise to it during the period of investigation. This practice applied both to mandatory respondents receiving an individually calculated separate rate as well as the pool of non-investigated firms receiving the weighted-average of the individually calculated rates. This practice is referred to as the application of 'combination rates' because such rates apply to specific combinations of exporters and one or more producers. The cash-deposit rate assigned to an exporter will apply only to merchandise both exported by the firm in question and produced by a firm that supplied the exporter during the period of investigation." See Policy Bulletin 05.1 at 6.

<sup>31</sup> The 73 separate-rate applicants are: (1) MuDanJiang Bosen Wood Industry Co., Ltd., (2) Huzhou Chenghang Wood Co., Ltd., (3) Hangzhou Hanje Tec Co., Ltd., (4) Nakahiro Jyou Sei Furniture (Dalian) Co., Ltd., (5) Shenyang Haobainian Wooden Co., Ltd., (6) Dalian Dajen Wood Co., Ltd., (7) HaiLin LinJing Wooden Products, Ltd., (8) Dun Hua Sen Tai Wood Co., Ltd., (9) Dunhua Jisheng Wood Industry Co., Ltd., (10) Hunchun Forest Wolf Industry Co., Ltd., (11) Guangzhou Panyu Southern Star Co., Ltd., (12) Nanjing Minglin Wooden Industry Co., Ltd., (13) Zhejiang Fudeli Timber Industry Co., Ltd., (14) Suzhou Dongda Wood Co., Ltd., (15) Guangzhou Pan Yu Kang Da Board Co., Ltd., (16) Kornbest Enterprises Ltd., (17) Metropolitan Hardwood Floors, Inc., (18) Zhejiang Longsen Lumbering Co., Ltd., (19) Xinyuan Wooden Industry Co., Ltd., (20) Dasso Industrial Group Co., Ltd., (21) Hong Kong Eason Wood Technology Co., Ltd., (22) Armstrong Wood Products Kunshan Co., Ltd., (23) Baishan Huafeng Wooden Product Co., Ltd., (24) Changbai Mountain Development and Protection Zone Hongtu Wood Industry Co., Ltd., (25) Changzhou Hawd Flooring Co., Ltd., (26) Dalian Jiuyuan Wood Industry Co., Ltd., (27) Dalian Penghong Floor Products Co., Ltd., (28) Dongtai Fuan Universal Dynamics LLC, (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) Fusong Jinlong Wooden Group Co., Ltd., (34) Fusong Qianqiu Wooden Product Co., Ltd., (35) GTP International, (36) Guangdong Yihua Timber Industry Co., Ltd., (37) HaiLin LinJing Wooden Products, Ltd., (38) Huzhou Fulinmen Imp & Exp. Co., Ltd., (39) Huzhou Fuma Wood Bus. Co., Ltd., (40) Jiafeng Wood (Suzhou) Co., Ltd., (41) Jiashan Hui Jia Le Decoration Material Co., Ltd., (42) Jilin Forest Industry Jinqiao Flooring Group Co., Ltd., (43) Karly Wood Product Limited, (44) Kunshan Yingyi-Nature Wood Industry Co., Ltd., (45) Puli Trading Limited, (46) Shanghai Eswell Timber Co. Ltd., (47) Shanghai Lairunde Wood Co., Ltd., (48) Shanghai New Sihe Wood Co., Ltd., (49) Shanghai Shenlin Corporation, (50) Shenzhenshi Huanwei Woods Co., Ltd., (51) Vicwood Industry (Suzhou) Co., Ltd., (52) Xiamen Yung De Ornament Co., Ltd., (53) Xuzhou Shenghe Wood Co., Ltd., (54) Yixing Lion-King Timber Industry Co., Ltd., (55) Jiangsu Simba Flooring Industry Co., Ltd., (56) Zhejiang Biyork Wood Co., Ltd., (57) Zhejiang Dadongwu GreenHome Wood Co., Ltd., (58) Zhejiang Desheng Wood Industry Co., Ltd., (59) Zhejiang Shiyu Timber Co., Ltd., (60) Zhejiang Tianzhen Bamboo & Wood Development Co., Ltd., (61) Chinafloors Timber (China) Co. Ltd., (62) Shanghai Lizhong Wood Products Co., Ltd., (63) Fine Furniture (Shanghai) Limited, (64) Huzhou Sunergy World Trade Co. Ltd., (65) Huzhou Jesonwood Co., Ltd., (66) A&W (Shanghai) Woods Co., Ltd., (67) Fu Lik

Of the SR applicants, Jiangsu Senmao Bamboo and Wood Industry Co., Ltd. and Guangdong Yihua Timber Industry Co., Ltd. submitted SRAs on January 31, 2011, and January 21, 2011, respectively, pursuant to extensions granted by the Department. In addition to the aforementioned 73 companies, in response to the Department's requests for information, Jiaying Brilliant provided information in Layo Wood's responses to the Department's supplemental questionnaires on January 31, 2011, February 23, 2011, April 5, 2011 and April 8, 2011. Based on the information provided in those responses, the Department preliminarily finds that Jiaying Brilliant is eligible for a separate rate.

In proceedings involving NME countries, the Department has a rebuttable presumption that all companies within the country are subject to government control and thus should be assessed a single antidumping duty rate. It is the Department's policy to assign all exporters of merchandise subject to investigation in an NME country this single rate unless an exporter can demonstrate that it is sufficiently independent so as to be entitled to a separate rate. Exporters can demonstrate this independence through the absence of both *de jure* and *de facto* governmental control over export activities. The Department analyzes each entity exporting the subject merchandise under a test arising from *Final Determination of Sales at Less Than Fair Value: Sparklers from the People's Republic of China*, 56 FR 20588 (May 6, 1991) ("Sparklers"), as further developed in *Final Determination of Sales at Less Than Fair Value: Silicon Carbide from the People's Republic of China*, 59 FR 22585 (May 2, 1994) ("Silicon Carbide"). In accordance with the separate-rates criteria, the Department assigns separate rates in NME cases only if respondents can demonstrate the absence of both *de jure* and *de facto* governmental control over export activities.

Timber (HK) Company Limited, (68) Yekalon Industry, Inc./Sennorwell International Group (Hong Kong) Limited, (69) Kemian Wood Industry (Kunshan) Co., Ltd., (70) Dalian Kemian Wood Industry Co., Ltd., (71) Dalian Huilong Wooden Products Co., Ltd., (72) Jiangsu Senmao Bamboo and Wood Industry Co., Ltd., and (73) Real Wood Floors, LLC.

### A. Separate-Rate Recipients<sup>32</sup>

#### 1. Wholly Foreign-Owned or Located in a Market Economy

Twelve separate rate applicants provided evidence in their SRAs that they are wholly owned by individuals or companies located in a market economy (“ME”) (collectively “Foreign-Owned SR Applicants”).<sup>33</sup> Therefore, because they are wholly foreign-owned or located in a market economy, and we have no evidence indicating that they are under the control of the PRC, a separate-rate analysis is not necessary to determine whether these companies are independent from government control.<sup>34</sup> Accordingly, we have preliminarily granted a separate rate to these companies.

#### 2. Joint Ventures Between Chinese and Foreign Companies or Wholly Chinese-Owned Companies

Sixty-two of the separate-rate companies in this investigation stated that they are either joint ventures between Chinese and foreign companies or are wholly Chinese-owned companies (collectively “PRC SR Applicants”). Therefore, the Department must analyze whether these respondents can demonstrate the absence of both *de jure* and *de facto* governmental control over export activities.

##### a. Absence of *De Jure* Control

The Department considers the following *de jure* criteria in determining whether an individual company may be granted a separate rate: (1) An absence of restrictive stipulations associated with an individual exporter’s business and export licenses; (2) any legislative enactments decentralizing control of companies; and (3) other formal measures by the government decentralizing control of companies.<sup>35</sup>

The evidence provided by the PRC SR Recipients supports a preliminary

finding of *de jure* absence of governmental control based on the following: (1) An absence of restrictive stipulations associated with the individual exporters’ business and export licenses; (2) there are applicable legislative enactments decentralizing control of the companies; and (3) and there are formal measures by the government decentralizing control of Chinese companies.

##### b. Absence of *De Facto* Control

Typically, the Department considers four factors in evaluating whether each respondent is subject to *de facto* government control of its export functions: (1) Whether the export prices are set by or are subject to the approval of a government agency; (2) whether the respondent has authority to negotiate and sign contracts and other agreements; (3) whether the respondent has autonomy from the government in making decisions regarding the selection of management; and (4) whether the respondent retains the proceeds of its export sales and makes independent decisions regarding disposition of profits or financing of losses.<sup>36</sup> The Department has determined that an analysis of *de facto* control is critical in determining whether respondents are, in fact, subject to a degree of government control which would preclude the Department from assigning separate rates.

In this investigation, the separate rate applicants each asserted the following: (1) That the export prices are not set by, and are not subject to, the approval of a governmental agency; (2) they have authority to negotiate and sign contracts and other agreements; (3) they have autonomy from the government in making decisions regarding the selection of management; and (4) they retain the proceeds of their export sales and make independent decisions regarding disposition of profits or financing of losses. Additionally, each of these companies’ SRA responses indicates that its pricing during the POI does not involve coordination among exporters.

Evidence placed on the record of this investigation by 73 of the SR Applicants demonstrates an absence of *de jure* and *de facto* government control with respect to their exports of the merchandise under investigation, in accordance with the criteria identified in *Sparklers* and *Silicon Carbide*. Therefore, we are preliminarily granting

a separate rate to these entities and have identified each of them in the *Preliminary Determination* section of this notice, below.

#### Companies Not Receiving a Separate Rate

Real Wood Floors, LLC (“RWF”), submitted a timely response to the Department’s separate rate application on January 19, 2011. In its response, RWF claims that it is the first seller of the subject merchandise in the United States. Sales-related documentation submitted by RWF in its SRA indicates that RWF is an importer of subject merchandise.<sup>37</sup> As RWF is neither an exporter, nor a Chinese producer, of subject merchandise that entered the United States during the POI, the Department finds that RWF is not eligible to apply for a separate rate.

#### Application of Facts Available and Adverse Facts Available

#### The PRC-Wide Entity and PRC-Wide Rate

We issued our request for Q&V information to 190 potential Chinese exporters of the subject merchandise, in addition to posting the Q&V questionnaire on the Department’s Web site.<sup>38</sup> While information on the record of this investigation indicates that there are numerous producers/exporters of multilayered wood flooring in the PRC, we received 80 timely filed Q&V responses. Although all exporters were given an opportunity to provide Q&V information, not all exporters provided a response to the Department’s Q&V letter. Therefore, the Department has preliminarily determined that there were exporters/producers of the subject merchandise during the POI from the PRC that did not respond to the Department’s request for information. We have treated these non-responsive PRC producers/exporters as part of the PRC-wide entity because they did not demonstrate their eligibility for a separate rate.<sup>39</sup>

Section 776(a)(2) of the Act provides that, if an interested party (A) withholds information that has been requested by the Department, (B) fails to provide such information in a timely manner or in the form or manner requested, subject to subsections 782(c)(1) and (e) of the Act, (C) significantly impedes a proceeding under the antidumping statute, or (D) provides such information but the

<sup>37</sup> See Separate Rate Application of Real Wood Floors, LLC: Multilayered Wood Flooring from the People’s Republic of China, dated January 19, 2011.

<sup>38</sup> See Respondent Selection Memo.

<sup>39</sup> See, e.g., *Kitchen Racks Prelim*, unchanged in *Kitchen Racks Final*.

<sup>32</sup> All separate-rate applicants receiving a separate rate are hereby referred to collectively as the “SR Recipients,” including the mandatory respondents.

<sup>33</sup> The wholly foreign-owned SR Applicants are: (1) Jianfeng Wood (Suzhou) Co. Ltd.; (2) Fu Lik Timber (HK) Company Limited; (3) Xiamen Yung De Ornament Co., Ltd.; (4) Metropolitan Hardwood Floors, Inc.; (5) A&W (Shanghai) Woods Co., Ltd.; (6) Vicwood Industry (Suzhou) Co., Ltd.; (7) Armstrong Wood Products Kunshan Co., Ltd.; (8) Kunshan Yingyi-Nature Wood Industry Co., Ltd.; (9) Dongtai Fuan Universal Dynamics LLC; (10) Yixing Lion-King Timber Industry Co., Ltd.; (11) Chinafloors Timber (China) Co., Ltd.; and (12) Fine Furniture (Shanghai) Limited.

<sup>34</sup> See, e.g., *Certain New Pneumatic Off-The-Road Tires From the People’s Republic of China; Preliminary Determination of Sales at Less Than Fair Value and Postponement of Final Determination*, 73 FR 9278, 9284 (February 20, 2008) (unchanged for the final determination).

<sup>35</sup> See *Sparklers*, 56 FR at 20589.

<sup>36</sup> See *Silicon Carbide*, 59 FR at 22586–87; see also *Notice of Final Determination of Sales at Less Than Fair Value: Furfuryl Alcohol From the People’s Republic of China*, 60 FR 22544, 22545 (May 8, 1995).

information cannot be verified, the Department shall, subject to subsection 782(d) of the Act, use facts otherwise available in reaching the applicable determination.

Information on the record of this investigation indicates that the PRC-wide entity was non-responsive. Specifically, certain companies did not respond to our questionnaire requesting Q&V information. Accordingly, we find that the PRC-entity withheld information requested by the Department; failed to provide information in a timely manner and neither indicated that it was having difficulty providing the information nor requested that it be allowed to submit the information in an alternate form; and significantly impeded the proceeding by not submitting the requested information. As a result, pursuant to sections 776(a)(2)(A)–(C) of the Act, we find that the use of facts available is appropriate to determine the PRC-wide rate. See *Preliminary Determination of Sales at Less Than Fair Value, Affirmative Preliminary Determination of Critical Circumstances and Postponement of Final Determination: Certain Frozen Fish Fillets from the Socialist Republic of Vietnam*, 68 FR 4986 (January 31, 2003), unchanged in *Final Determination of Sales at Less Than Fair Value and Affirmative Critical Circumstances: Certain Frozen Fish Fillets from the Socialist Republic of Vietnam*, 68 FR 37116 (June 23, 2003).

Section 776(b) of the Act provides that, in selecting from among the facts otherwise available, the Department may employ an adverse inference if an interested party fails to cooperate by not acting to the best of its ability to comply with requests for information.<sup>40</sup> We find that, because the PRC-wide entity did not respond to our requests for information, it has failed to cooperate to the best of its ability. Furthermore, the PRC-wide entity's refusal to provide the requested information constitutes circumstances under which it is reasonable to conclude that less than full cooperation has been shown.<sup>41</sup>

<sup>40</sup> See *Statement of Administrative Action*, accompanying the Uruguay Round Agreements Act ("URAA"), H.R. Rep. No. 103–316, 870 (1994) ("SAA"); see also *Notice of Final Determination of Sales at Less Than Fair Value: Certain Cold-Rolled Flat-Rolled Carbon-Quality Steel Products from the Russian Federation*, 65 FR 5510, 5518 (February 4, 2000).

<sup>41</sup> See *Nippon Steel Corporation v. United States*, 337 F.3d 1373, 1383 (Fed. Cir. 2003) ("*Nippon Steel*") (noting that the Department need not show intentional conduct existed on the part of the respondent, but merely that a "failure to cooperate to the best of a respondent's ability" existed (i.e., information was not provided "under circumstances

Therefore, the Department preliminarily finds that, in selecting from among the facts available, an adverse inference is appropriate.

When employing an adverse inference, section 776 of the Act indicates that the Department may rely upon information derived from the petition, the final determination from the LTFV investigation, a previous administrative review, or any other information placed on the record. In selecting a rate for AFA, the Department selects a rate that is sufficiently adverse to ensure that the uncooperative party does not obtain a more favorable result by failing to cooperate than if it had fully cooperated. It is the Department's practice to select, as AFA, the higher of the (a) Highest margin alleged in the petition, or (b) the highest calculated rate of any respondent in the investigation.<sup>42</sup> The petition identified rates of 194.49 and 280.60 percent.<sup>43</sup> These rates are higher than any of the calculated rates assigned to individually examined companies. Thus, as AFA, the Department's practice would be to assign the rate of 280.60 percent to the PRC-wide entity.

#### Corroboration of Information

Section 776(c) of the Act, however, requires the Department to corroborate, to the extent practicable, secondary information used as facts available. Secondary information is defined as "information derived from the petition that gave rise to the investigation or review, the final determination concerning the subject merchandise, or any previous review under section 751 concerning the subject merchandise." See 19 CFR 351.308(c) and (d).

The SAA clarifies that "corroborate" means that the Department will satisfy itself that the secondary information to be used has probative value. See the SAA at 870. The SAA also states that independent sources used to corroborate such evidence may include, for example, published price lists, official import statistics and customs data, and information obtained from interested parties during the particular investigation. *Id.* To corroborate secondary information, the Department will, to the extent practicable, examine

in which it is reasonable to conclude that less than full cooperation has been shown").

<sup>42</sup> See *Final Determination of Sales at Less Than Fair Value: Certain Cold-Rolled Carbon Quality Steel Products from the People's Republic of China*, 65 FR 34660 (May 31, 2000), and accompanying Issues and Decision Memorandum, at "Facts Available."

<sup>43</sup> See *Multilayered Wood Flooring from the People's Republic of China: Initiation of Antidumping Investigation*, 75 FR 70714 (November 18, 2010).

the reliability and relevance of the information used.

In order to determine the probative value of the margins in the petition for use as AFA for purposes of this preliminary determination, we analyzed the U.S. prices and normal values for each of the individually investigated parties. Based on this analysis, we determined that while there were U.S. prices within the range of the prices contained in the petition, the normal value information contained in the petition does not have probative value for purposes of this preliminary determination. Thus, with respect to AFA, for the preliminary determination, we have assigned the PRC-wide entity the rate of 82.65 percent, the highest calculated transaction-specific rate among mandatory respondents. No corroboration of this rate is necessary because we are relying on information obtained in the course of this investigation, rather than secondary information.<sup>44</sup>

#### Margin for the Separate Rate Companies

As discussed above, the Department has preliminarily determined that in addition to the individually investigated entities, 73 other companies have demonstrated their eligibility for a separate rate. Normally, the Department's practice is to establish a margin, as the separate rate, for these entities based on the average of the rates we calculated for the mandatory respondents, excluding any rates that were zero, *de minimis*, or based entirely on AFA.<sup>45</sup> In the instant investigation, only one of the margins assigned is neither zero or *de minimis* nor based on AFA. Thus, we are assigning that rate, 10.88%, to the separate rate applicants.<sup>46</sup> The separate-rate applicants are listed in the "Suspension of Liquidation" section of this notice.

<sup>44</sup> See 19 CFR 351.308(c) and (d) and section 776(c) of the Act; see also *Final Determination of Sales at Less Than Fair Value and Affirmative Determination of Critical Circumstances, in Part: Light-Walled Rectangular Pipe and Tube from the People's Republic of China*, 73 FR 35652, 35653 (June 24, 2008), and accompanying Issues and Decision Memorandum at 1.

<sup>45</sup> See, e.g., *Preliminary Determination of Sales at Less Than Fair Value and Partial Affirmative Determination of Critical Circumstances: Certain Polyester Staple Fiber from the People's Republic of China*, 71 FR 77373, 77377 (December 26, 2006), unchanged in *Final Determination of Sales at Less Than Fair Value and Partial Affirmative Determination of Critical Circumstances: Certain Polyester Staple Fiber from the People's Republic of China*, 72 FR 19690 (April 19, 2007).

<sup>46</sup> See Section 735(c)(5)(B) of the Act; see also *Certain Kitchen Appliance Shelving and Racks From the People's Republic of China: Final Determination of Sales at Less Than Fair Value*, 74 FR 36656 (July 24, 2009).

## Date of Sale

19 CFR 351.401(i) states that, “in identifying the date of sale of the merchandise under consideration or foreign like product, the Secretary normally will use the date of invoice, as recorded in the exporter or producer’s records kept in the normal course of business.” In *Allied Tube & Conduit Corp. v. United States*, the CIT noted that a “party seeking to establish a date of sale other than invoice date bears the burden of producing sufficient evidence to ‘satisfy’ the Department that ‘a different date better reflects the date on which the exporter or producer establishes the material terms of sale.’”<sup>47</sup> The date of sale is generally the date on which the parties agree upon all substantive terms of the sale. This normally includes the price, quantity, delivery terms and payment terms.<sup>48</sup>

For sales by the Samling Group, we used the commercial invoice date as the sale date because record evidence indicates that the terms of sale were not set until the issuance of the commercial invoice.

Consistent with 19 CFR 351.401(i), for sales made by Layo Wood and Yuhua, the Department finds that the date of invoice does not always reflect the date on which the terms of sale were finalized. For those sales made by Layo Wood and Yuhua that shipped prior to the invoice date, the Department has used the shipment date as the date of sale. For all other relevant sales made by Layo Wood and Yuhua over the course of POI, the Department has used invoice date as the date of sale.<sup>49</sup>

## Fair Value Comparisons

To determine whether sales of multilayered wood flooring to the United States by the respondents were made at LTFV, we compared export price (“EP”) and constructed export price (“CEP”) to normal value (“NV”), as described in the “Constructed Export Price,” “Export Price,” and “Normal Value” sections of this notice.

<sup>47</sup> *Allied Tube & Conduit Corp. v. United States* 132 F. Supp. 2d 1087, 1090 (CIT 2001).

<sup>48</sup> See *Carbon and Alloy Steel Wire Rod from Trinidad and Tobago: Final Results of Antidumping Duty Administrative Review*, 72 FR 62824 (November 7, 2007), and accompanying Issue and Decision Memorandum at Comment 1; *Notice of Final Determination of Sales at Less Than Fair Value: Certain Cold-Rolled Flat-Rolled Carbon Quality Steel Products from Turkey*, 65 FR 15123 (March 21, 2000), and accompanying Issues and Decision Memorandum at Comment 2.

<sup>49</sup> See Layo, Samling and Yuhua Analysis Memorandums.

## U.S. Price

## Constructed Export Price

In accordance with section 772(b) of the Act, CEP is “the price at which the subject merchandise is first sold (or agreed to be sold) in the United States before or after the date of importation by or for the account of the producer or exporter of such merchandise or by a seller affiliated with the producer or exporter, to a purchaser not affiliated with the producer or exporter, as adjusted under subsections (c) and (d).” In its questionnaire responses, the Samling Group stated that it made certain CEP sales through U.S. affiliates. In accordance with section 772(b) of the Act, we used CEP for the Samling Group’s U.S. sales where the merchandise subject to this investigation was sold directly to an affiliated purchaser located in the United States.

For sales reported by the Samling Group as CEP sales, we calculated CEP based on delivered prices to unaffiliated purchasers in the United States. We made deductions from the U.S. sales price, where applicable, for movement expenses in accordance with section 772(c)(2)(A) of the Act. These included such expenses as foreign inland freight from the plant to the port of exportation and marine insurance. In accordance with section 772(d)(1) of the Act, the Department deducted commissions, billing adjustments, early payment discounts, domestic inland freight, domestic brokerage and handling, U.S. inland freight, other U.S. transportation costs, U.S. duties, direct and indirect selling expenses, international freight and marine insurance, credit expenses, inventory carrying costs and indirect selling expenses from the U.S. price, all of which relate to commercial activity in the United States. Finally, we deducted CEP profit, in accordance with sections 772(d)(3) and 772(f) of the Act.<sup>50</sup>

## Export Price

In accordance with section 772(a) of the Act, we used EP for certain U.S. sales reported by the Samling Group and all sales reported by Layo Wood and Yuhua. We calculated EP based on the packed prices to unaffiliated purchasers in, or for exportation to, the United States. We made deductions, as appropriate, for any movement expenses (e.g., foreign inland freight from the plant to the port of exportation, domestic brokerage, international freight to the port of importation) in accordance with section 772(c)(2)(A) of the Act. Where foreign inland freight or foreign

brokerage and handling fees were provided by PRC service providers or paid for in renminbi, we based those charges on surrogate value rates.<sup>51</sup>

## Normal Value

Section 773(c)(1) of the Act provides that the Department shall determine the NV using an FOP methodology if the merchandise is exported from an NME and the information does not permit the calculation of NV using home-market prices, third-country prices, or constructed value under section 773(a) of the Act. The Department bases NV on the FOPs because the presence of government controls on various aspects of NMEs renders price comparisons and the calculation of production costs invalid under the Department’s normal methodologies. Therefore, for this preliminary determination we have calculated NV based on FOPs in accordance with sections 773(c)(3) and (4) of the Act and 19 CFR 351.408(c). The FOPs include: (1) Hours of labor required; (2) quantities of raw materials employed; (3) amounts of energy and other utilities consumed; and (4) representative capital costs.<sup>52</sup> In accordance with 19 CFR 351.408(c)(1), the Department will normally use publicly available information to find an appropriate surrogate value to value FOPs, but when a producer sources an input from a ME and pays for it in a ME currency, the Department may value the factor using the actual price paid for the input.<sup>53</sup>

## Factor Valuation Methodology

In accordance with section 773(c) of the Act, we calculated NV based on FOP data reported by respondents during the POI. To calculate NV, we multiplied the reported per-unit factor-consumption rates by publicly available surrogate values (except as discussed below). In selecting the surrogate values, we considered the quality, specificity, and contemporaneity of the data.<sup>54</sup> As appropriate, we adjusted input prices by including freight costs to make them delivered prices. Specifically, we added to Philippine import surrogate values an

<sup>51</sup> See “Factor Valuation” section below for further discussion of surrogate value rates.

<sup>52</sup> See Section 773(c)(3)(A)–(D) of the Act.

<sup>53</sup> See 19 CFR 351.408(c)(1); see also *Shakeproof Assembly Components Div of Ill v. United States*, 268 F.3d 1376, 1382–83 (Fed. Cir. 2001) (affirming the Department’s use of market-based prices to value certain FOPs).

<sup>54</sup> See, e.g., *New Pneumatic Off-the-Road Tires from the People’s Republic of China: Final Affirmative Determination of Sales at Less Than Fair Value and Partial Affirmative Determination of Critical Circumstances*, 73 FR 40485 (July 15, 2008), and accompanying Issues and Decision Memorandum at Comment 9.

<sup>50</sup> See Surrogate Value Memorandum.



Indian surrogate freight cost using the shorter of the reported distance from the domestic supplier to the factory or the distance from the nearest seaport to the factory where appropriate. This adjustment is in accordance with the Court of Appeals for the Federal Circuit's decision in *Sigma Corp. v. United States*, 117 F.3d 1401, 1407–08 (Fed. Cir. 1997) (remanding to Commerce its freight expense calculation to avoid double-counting). A detailed description of all surrogate values used for Layo Wood, Yuhua and the Samling Group can be found in the Surrogate Value Memorandum.

For the preliminary determination, in accordance with the Department's practice, we used data from the Philippine Import Statistics and other publicly available sources from the Philippines in order to calculate surrogate values for Layo Wood, Yuhua and the Samling Group's FOPs (direct materials, energy, and packing materials) and certain movement expenses. In selecting the best available information for valuing FOPs in accordance with section 773(c)(1) of the Act, the Department's practice is to select, to the extent practicable, surrogate values which are non-export average values, most contemporaneous with the POI, product-specific, and tax-exclusive.<sup>55</sup> The record shows that data in the Philippines' Import Statistics, as well as those from the other sources from the Philippines, are contemporaneous with the POI, product-specific, and tax-exclusive.<sup>56</sup> In those instances where we could not obtain publicly available information contemporaneous to the POI with which to value factors, we adjusted the surrogate values using, where appropriate, the Philippines' WPI as published in the IMF's *International Financial Statistics*.<sup>57</sup>

Furthermore, with regard to the Philippines' import-based surrogate values, we have disregarded import prices that we have reason to believe or suspect may be subsidized. We have reason to believe or suspect that prices of inputs from India, Indonesia, South Korea, and Thailand may have been subsidized. We have found in other

proceedings that these countries maintain broadly available, non-industry-specific export subsidies and, therefore, it is reasonable to infer that all exports to all markets from these countries may be subsidized.<sup>58</sup>

Further, guided by the legislative history, it is the Department's practice not to conduct a formal investigation to ensure that such prices are not subsidized.<sup>59</sup> Rather, the Department bases its decision on information that is available to it at the time it makes its determination.<sup>60</sup> Therefore, we have not used prices from these countries in calculating the Philippines' import-based surrogate values. Additionally, we disregarded prices from NME countries. Finally, imports that were labeled as originating from an "unspecified" country were excluded from the average value, because the Department could not be certain that they were not from either an NME country or a country with general export subsidies.<sup>61</sup>

Pursuant to 19 CFR 351.408(c)(1), when a respondent sources inputs from an ME supplier in meaningful quantities (*i.e.*, not insignificant quantities), we use the actual price paid by respondent for those inputs, except when prices may have been distorted by findings of

<sup>58</sup> See *Notice of Final Determination of Sales at Less Than Fair Value and Negative Final Determination of Critical Circumstances: Certain Color Television Receivers From the People's Republic of China*, 69 FR 20594 (April 16, 2004), and accompanying Issues and Decision Memorandum at Comment 7; see, also, *Carbazole Violet Pigment 23 from India: Final Results of the Expedited Five-year (Sunset) Review of the Countervailing Duty Order*, 75 FR 13257 (March 19, 2010), and accompanying Issues and Decision Memorandum at pages 4–5; *Certain Cut-to-Length Carbon Quality Steel Plate from Indonesia: Final Results of Expedited Sunset Review*, 70 FR 45692 (August 8, 2005), and accompanying Issues and Decision Memorandum at page 4; *Corrosion-Resistant Carbon Steel Flat Products from the Republic of Korea: Final Results of Countervailing Duty Administrative Review*, 74 FR 2512 (January 15, 2009), and accompanying Issues and Decision Memorandum at pages 17, 19–20; *Final Affirmative Countervailing Duty Determination: Certain Hot-Rolled Carbon Steel Flat Products from Thailand*, 66 FR 50410 (October 3, 2001), and accompanying Issues and Decision Memorandum at page 23.

<sup>59</sup> See Omnibus Trade and Competitiveness Act of 1988, Conference Report to accompany H.R. Rep. 100–576 at 590 (1988) reprinted in 1988 U.S.C.C.A.N. 1547, 1623–24; see also *Preliminary Determination of Sales at Less Than Fair Value: Coated Free Sheet Paper from the People's Republic of China*, 72 FR 30758 (June 4, 2007) unchanged in *Final Determination of Sales at Less Than Fair Value: Coated Free Sheet Paper from the People's Republic of China*, 72 FR 60632 (October 25, 2007).

<sup>60</sup> See *Polyethylene Terephthalate Film, Sheet, and Strip from the People's Republic of China: Preliminary Determination of Sales at Less Than Fair Value*, 73 FR 24552, 24559 (May 5, 2008), unchanged in *Polyethylene Terephthalate Film, Sheet, and Strip from the People's Republic of China: Final Determination of Sales at Less Than Fair Value*, 73 FR 55039 (September 24, 2008).

<sup>61</sup> See *id.*

dumping by the PRC and/or subsidies.<sup>62</sup> Where we find ME purchases to be of significant quantities (*i.e.*, 33 percent or more), in accordance with our statement of policy as outlined in *Antidumping Methodologies: Market Economy Inputs*,<sup>63</sup> we use the actual purchases of these inputs to value the inputs. Where the quantity of the reported input purchased from ME suppliers is below 33 percent of the total volume of the input purchased from all sources during the POI, and were otherwise valid, we weight-average the ME input's purchase price with the appropriate surrogate value for the input according to their respective shares of the reported total volume of purchases.<sup>64</sup> Where appropriate, we add freight to the ME prices of inputs.

Layo Wood, Yuhua and the Samling Group all claimed that certain of their reported raw material inputs were sourced from an ME country and paid for in ME currencies. Because information reported by Yuhua and Samling Group demonstrates that they each purchased significant quantities (*i.e.*, 33 percent or more) of certain inputs from market economy suppliers, the Department used each respondent's actual market economy purchase prices to value each of their FOPs for those inputs.<sup>65</sup> Where appropriate, freight expenses were added to the market economy prices of these inputs.

Because Layo Wood was unable to demonstrate that it purchased its inputs from ME sources, the Department has valued all of Layo Wood's inputs using surrogate values.

On May 14, 2010, the Court of Appeals for the Federal Circuit ("CAFC") in *Dorbest Ltd. v. United States*, 604 F.3d 1363, 1372 (CAFC 2010) ("Dorbest IV"), found that the regression-based method for calculating wage rates, as stipulated by 19 CFR 351.408(c)(3), uses data not permitted by the statutory requirements laid out in section 773 of the Act (*i.e.*, 19 U.S.C. 1677b(c)). The Department is continuing to evaluate options for determining labor values in light of the recent CAFC decision. See *Antidumping Methodologies in Proceedings Involving Non-Market Economies: Valuing the Factor of Production: Labor; Request for*

<sup>62</sup> See *Antidumping Duties; Countervailing Duties; Final Rule*, 62 FR 27296, 27366 (May 19, 1997).

<sup>63</sup> See *Antidumping Methodologies: Market Economy Inputs, Expected Non-Market Economy Wages, Duty Drawback; and Request for Comments*, 71 FR 61716, 61717 (October 19, 2006) ("Antidumping Methodologies: Market Economy Inputs").

<sup>64</sup> See *Antidumping Methodologies: Market Economy Inputs*, 71 FR at 61718.

<sup>65</sup> See *id.* at 71 FR 61717.

<sup>55</sup> See, e.g., *Notice of Preliminary Determination of Sales at Less Than Fair Value, Negative Preliminary Determination of Critical Circumstances and Postponement of Final Determination: Certain Frozen and Canned Warmwater Shrimp From the Socialist Republic of Vietnam*, 69 FR 42672, 42682 (July 16, 2004), unchanged in *Final Determination of Sales at Less Than Fair Value: Certain Frozen and Canned Warmwater Shrimp from the Socialist Republic of Vietnam*, 69 FR 71005 (December 8, 2004).

<sup>56</sup> See Surrogate Value Memorandum.

<sup>57</sup> See, e.g., *Kitchen Racks*, 74 FR at 9600.

Comment, 76 FR 9544 (February 18, 2011). However, for this preliminary determination we have calculated an hourly wage rate to use in valuing respondents' reported labor input by averaging industry-specific earnings and/or wages in countries that are economically comparable to the PRC and that are significant producers of comparable merchandise.

For the preliminary determination of this investigation, the Department is valuing labor using a simple average industry-specific wage rate using earnings or wage data reported under Chapter 5B by the International Labor Organization ("ILO"). To achieve an industry-specific labor value, we relied on industry-specific labor data from the countries we determined to be both economically comparable to the PRC, and significant producers of comparable merchandise. A full description of the industry-specific wage rate calculation methodology is provided in the Surrogate Value Memorandum. The Department calculated a simple average industry-specific wage rate of \$1.15 for this preliminary determination. Specifically, for this review, the Department has calculated the wage rate using a simple average of the data provided to the ILO under Sub-Classification 20 of the ISIC-Revision 3 standard by countries determined to be both economically comparable to the PRC and significant producers of comparable merchandise. The Department finds the two-digit description under ISIC-Revision 3 ("Manufacture of wood and of products

of wood and cork, except furniture; manufacture of articles of straw and plaiting materials") to be the best available wage rate surrogate value on the record because it is specific and derived from industries that produce merchandise comparable to the subject merchandise. Consequently, we averaged the ILO industry-specific wage rate data or earnings data available from the following countries found to be economically comparable to the PRC and are significant producers of comparable merchandise: Philippines, Egypt, Indonesia, Ukraine, Jordan, Thailand, Ecuador and Peru. For further information on the calculation of the wage rate, see Surrogate Values Memorandum.

We valued truck freight expenses using a per-unit average rate for Indian truck freight calculated from data on the Infobanc Web site: <http://www.infobanc.com/logistics/logtruck.htm>.<sup>66</sup> The logistics section of this Web site contains inland freight truck rates between many large Indian cities. We used this source because there were no reliable Philippine data on the record with which to value truck freight.

We valued electricity using contemporaneous Philippine data from *The Cost of Doing Business in Camarines Sur* available at the Philippine government's Web site for the province: <http://www.camarinessur.gov.ph>. These data pertained only to industrial consumption.

To value factory overhead, selling, general, and administrative expenses,

and profit, we used audited financial statements from the following producers of comparable merchandise in the Philippines: Davao Panels Enterprises, Inc., Megaplywood Corporation, Premium Plywood Manufacturing Corporation and Winlex Marketing Corporation, and, each covering the fiscal year ending December 2009. The Department may consider other publicly available financial statements for the final determination, as appropriate.

Currency Conversion

Where necessary, we made currency conversions into U.S. dollars, in accordance with section 773A(a) of the Act, based on the exchange rates in effect on the dates of the U.S. sales as certified by the Federal Reserve Bank.

Verification

As provided in section 782(i)(1) of the Act, we intend to verify the information from Layo Wood, Yuhua and the Samling Group.

Combination Rates

In the *Initiation Notice*, the Department stated that it would calculate combination rates for respondents that are eligible for a separate rate in this investigation.<sup>68</sup> This practice is described in Policy Bulletin 05.1.

Preliminary Determination

The weighted-average dumping margins are as follows:

Exporter	Producer	Weighted average margin
Zhejiang Layo Wood Industry Co., Ltd	Zhejiang Layo Wood Industry Co., Ltd	* 0.00
The Samling Group **	The Samling Group **	10.88
Zhejiang Yuhua Timber Co., Ltd	Zhejiang Yuhua Timber Co., Ltd	* 0.00
Jiaxing Brilliant Import & Export Co., Ltd	Zhejiang Layo Wood Industry Co., Ltd	10.88
MuDanJiang Bosen Wood Industry Co., Ltd	MuDanJiang Bosen Wood Industry Co., Ltd	10.88
MuDanJiang Bosen Wood Industry Co., Ltd	Dun Hua Sen Tai Wood Co., Ltd	10.88
Huzhou Chenghang Wood Co., Ltd	Huzhou Chenghang Wood Co., Ltd	10.88
Hangzhou Hanje Tec Co., Ltd	Zhejiang Jiechen Wood Industry Co., Ltd	10.88
Nakahiro Jyou Sei Furniture (Dalian) Co., Ltd	Nakahiro Jyou Sei Furniture (Dalian) Co., Ltd	10.88
Shenyang Haobainian Wooden Co., Ltd	Shenyang Sende Wood Co., Ltd	10.88
Shenyang Haobainian Wooden Co., Ltd	Shenyang Haobainian Wooden Co., Ltd	10.88
Shenyang Haobainian Wooden Co., Ltd	Shanghai Demeijia Wooden Co., Ltd	10.88
Dalian Dajen Wood Co., Ltd	Dalian Dajen Wood Co., Ltd	10.88
HaiLin LinJing Wooden Products, Ltd	HaiLin LinJing Wooden Products, Ltd	10.88
Dun Hua Sen Tai Wood Co., Ltd	Dun Hua Sen Tai Wood Co., Ltd	10.88
Dunhua Jisheng Wood Industry Co., Ltd	Dunhua Jisheng Wood Industry Co., Ltd	10.88
Hunchun Forest Wolf Industry Co., Ltd	Hunchun Forest Wolf Industry Co., Ltd	10.88
Guangzhou Panyu Southern Star Co., Ltd	Guangzhou Jiasheng Timber Industry Co., Ltd	10.88
Nanjing Minglin Wooden Industry Co., Ltd	Nanjing Minglin Wooden Industry Co., Ltd	10.88
Zhejiang Fudeli Timber Industry Co., Ltd.	Zhejiang Fudeli Timber Industry Co., Ltd	10.88
Suzhou Dongda Wood Co., Ltd	Suzhou Dongda Wood Co., Ltd	10.88
Guangzhou Pan Yu Kang Da Board Co., Ltd	Guangzhou Pan Yu Kang Da Board Co., Ltd	10.88

<sup>66</sup> See Samling Group Surrogate Value Suggestions, submitted March 15, 2011, at Exhibit 10.

<sup>68</sup> See *Initiation Notice*, 75 FR at 22113-14.

Exporter	Producer	Weighted average margin
Kornbest Enterprises Ltd .....	Guangzhou Pan Yu Kang Da Board Co., Ltd .....	10.88
Metropolitan Hardwood Floors, Inc .....	Dalian Huilong Wooden Products Co., Ltd .....	10.88
Metropolitan Hardwood Floors, Inc .....	Mudanjiang Bosen Wood Co., Ltd .....	10.88
Metropolitan Hardwood Floors, Inc .....	Nakahiro Jyou Sei Furniture (Dalian) Co., Ltd .....	10.88
Metropolitan Hardwood Floors, Inc .....	Hunchun Forest Wolf Wooden Industry Co., Ltd .....	10.88
Metropolitan Hardwood Floors, Inc .....	Kemian Wood Industry (Kunshan) Co., Ltd .....	10.88
Metropolitan Hardwood Floors, Inc .....	Shenyang Haobainian Wooden Co., Ltd .....	10.88
Zhejiang Longsen Lumbering Co., Ltd .....	Zhejiang Longsen Lumbering Co., Ltd .....	10.88
Xinyuan Wooden Industry Co., Ltd .....	Xinyuan Wooden Industry Co., Ltd .....	10.88
Dasso Industrial Group Co., Ltd .....	Dasso Industrial Group Co., Ltd .....	10.88
Hong Kong Easoon Wood Technology Co., Ltd .....	Dasso Industrial Group Co., Ltd .....	10.88
Armstrong Wood Products Kunshan Co., Ltd .....	Armstrong Wood Products Kunshan Co., Ltd .....	10.88
Baishan Huafeng Wooden Product Co., Ltd .....	Baishan Huafeng Wooden Product Co., Ltd .....	10.88
Changbai Mountain Development and Protection Zone Hongtu Wood Industry Co., Ltd.	Changbai Mountain Development and Protection Zone Hongtu Wood Industry Co., Ltd.	10.88
Changzhou Hawd Flooring Co., Ltd .....	Changzhou Hawd Flooring Co., Ltd .....	10.88
Dalian Jiuyuan Wood Industry Co., Ltd .....	Dalian Jiuyuan Wood Industry Co., Ltd .....	10.88
Dalian Penghong Floor Products Co., Ltd .....	Dalian Penghong Floor Products Co., Ltd .....	10.88
Dongtai Fuan Universal Dynamics LLC .....	Dongtai Fuan Universal Dynamics LLC .....	10.88
Dunhua City Dexin Wood Industry Co., Ltd .....	Dunhua City Dexin Wood Industry Co., Ltd .....	10.88
Dunhua City Hongyuan Wood Industry Co., Ltd .....	Dunhua City Hongyuan Wood Industry Co., Ltd .....	10.88
Dunhua City Jisen Wood Industry Co., Ltd .....	Dunhua City Jisen Wood Industry Co., Ltd .....	10.88
Dunhua City Wanrong Wood Industry Co., Ltd .....	Dunhua City Wanrong Wood Industry Co., Ltd .....	10.88
Fusong Jinlong Wooden Group Co., Ltd .....	Fusong Jinlong Wooden Group Co., Ltd .....	10.88
Fusong Qianqiu Wooden Product Co., Ltd .....	Fusong Qianqiu Wooden Product Co., Ltd .....	10.88
GTP International .....	Jiangsu Senmao Bamboo and Wood Industry Co., Ltd .....	10.88
GTP International .....	Jiafeng Wood (Suzhou) Co., Ltd .....	10.88
GTP International .....	Suzhou Dongda Wood Co., Ltd .....	10.88
GTP International .....	Kemian Wood Industry (Kunshan) Co., Ltd .....	10.88
Guangdong Yihua Timber Industry Co., Ltd .....	Guangdong Yihua Timber Industry Co., Ltd .....	10.88
HaiLin LinJing Wooden Products, Ltd .....	HaiLin LinJing Wooden Products, Ltd .....	10.88
Huzhou Fulinmen Imp & Exp. Co., Ltd .....	Huzhou Fulinmen Wood Floor Co., Ltd .....	10.88
Huzhou Fuma Wood Bus. Co., Ltd .....	Huzhou Fuma Wood Bus. Co., Ltd .....	10.88
Jiafeng Wood (Suzhou) Co., Ltd .....	Jiafeng Wood (Suzhou) Co., Ltd .....	10.88
Jiashan Hui Jia Le Decoration Material Co., Ltd .....	Jiashan Hui Jia Le Decoration Material Co., Ltd .....	10.88
Jilin Forest Industry Jinqiao Flooring Group Co., Ltd .....	Jilin Forest Industry Jinqiao Flooring Group Co., Ltd .....	10.88
Karly Wood Product Limited .....	Karly Wood Product Limited .....	10.88
Kunshan Yingyi-Nature Wood Industry Co., Ltd .....	Kunshan Yingyi-Nature Wood Industry Co., Ltd .....	10.88
Puli Trading Ltd .....	Baiying Furniture Manufacturer Co., Ltd .....	10.88
Shanghai Eswell Timber Co. Ltd .....	Shanghai Eswell Timber Co. Ltd .....	10.88
Shanghai Lairunde Wood Co., Ltd .....	Shanghai Lairunde Wood Co., Ltd .....	10.88
Shanghai New Sihe Wood Co., Ltd .....	Shanghai New Sihe Wood Co., Ltd .....	10.88
Shanghai Shenlin Corporation .....	Shanghai Shenlin Corporation .....	10.88
Shenzhen Huanwei Woods Co., Ltd .....	Shenzhen Huanwei Woods Co., Ltd .....	10.88
Vicwood Industry (Suzhou) Co., Ltd .....	Vicwood Industry (Suzhou) Co., Ltd .....	10.88
Xiamen Yung De Ornament Co., Ltd .....	Xiamen Yung De Ornament Co., Ltd .....	10.88
Xuzhou Shenghe Wood Co., Ltd .....	Xuzhou Shenghe Wood Co., Ltd .....	10.88
Yixing Lion-King Timber Industry Co., Ltd .....	Yixing Lion-King Timber Industry Co., Ltd .....	10.88
Jiangsu Simba Flooring Industry Co., Ltd .....	Yixing Lion-King Timber Industry Co., Ltd .....	10.88
Zhejiang Biyork Wood Co., Ltd .....	Zhejiang Biyork Wood Co., Ltd .....	10.88
Zhejiang Dadongwu GreenHome Wood Co., Ltd .....	Zhejiang Dadongwu GreenHome Wood Co., Ltd .....	10.88
Zhejiang Desheng Wood Industry Co., Ltd .....	Zhejiang Desheng Wood Industry Co., Ltd .....	10.88
Zhejiang Shiyou Timber Co., Ltd .....	Zhejiang Shiyou Timber Co., Ltd .....	10.88
Zhejiang Tianzhen Bamboo & Wood Development Co., Ltd .....	Zhejiang Tianzhen Bamboo & Wood Development Co., Ltd .....	10.88
Chinafloors Timber (China) Co. Ltd .....	Chinafloors Timber (China) Co. Ltd .....	10.88
Shanghai Lizhong Wood Products Co., Ltd .....	Shanghai Lizhong Wood Products Co., Ltd .....	10.88
Fine Furniture (Shanghai) Limited .....	Fine Furniture (Shanghai) Limited .....	10.88
Huzhou Sunergy World Trade Co. Ltd .....	Zhejiang Haoyun Wood Co., Ltd .....	10.88
Huzhou Sunergy World Trade Co. Ltd .....	Nanjing Minglin Wooden Industry Co., Ltd .....	10.88
Huzhou Sunergy World Trade Co. Ltd .....	Zhejiang AnJi XinFeng Bamboo & Wood Co., Ltd .....	10.88
Huzhou Jesonwood Co., Ltd .....	Zhejiang Jeson Wood Co., Ltd .....	10.88
Huzhou Jesonwood Co., Ltd .....	Huzhou Jesonwood Co., Ltd .....	10.88
A&W (Shanghai) Woods Co., Ltd .....	A&W (Shanghai) Woods Co., Ltd .....	10.88
A&W (Shanghai) Woods Co., Ltd .....	Suzhou Anxin Weiguang Timber Co., Ltd .....	10.88
Fu Lik Timber (HK) Company Limited .....	Guangdong Fu Lin Timber Technology Limited .....	10.88
Yekalon Industry, Inc./Sennorwell International Group (Hong Kong) Limited.	Jilin Xinyuan Wooden Industry Co., Ltd .....	10.88
Kemian Wood Industry (Kunshan) Co., Ltd .....	Kemian Wood Industry (Kunshan) Co., Ltd .....	10.88
Dalian Kemian Wood Industry Co., Ltd .....	Dalian Kemian Wood Industry Co., Ltd .....	10.88
Dalian Huilong Wooden Products Co., Ltd .....	Dalian Huilong Wooden Products Co., Ltd .....	10.88
Jiangsu Senmao Bamboo and Wood Industry Co., Ltd .....	Jiangsu Senmao Bamboo and Wood Industry Co., Ltd .....	10.88

Exporter	Producer	Weighted average margin
PRC-wide Entity .....	.....	82.65

\* *de minimis*.

\*\* The Samling Group consists of the following companies: Baroque Timber Industries (Zhongshan) Co., Ltd, Riverside Plywood Corporation, Samling Elegant Living Trading (Labuan) Limited, Samling Riverside Co., Ltd, and Suzhou Times Flooring Co., Ltd

#### Disclosure

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

#### Suspension of Liquidation

In accordance with section 733(d) of the Act, we will instruct U.S. Customs and Border Protection ("CBP") to suspend liquidation of all appropriate entries of multilayered wood flooring from the PRC as described in the "Scope of Investigation" section, entered, or withdrawn from warehouse, for consumption on or after the date of publication of this notice in the **Federal Register**. We will instruct CBP to require a cash deposit or the posting of a bond equal to the weighted-average amount by which the normal value exceeds U.S. price, as follows: (1) The rate for the exporter/producer combinations listed in the chart above will be the rate we have determined in this preliminary determination; (2) for all PRC exporters of subject merchandise which have not received their own rate, the cash-deposit rate will be the PRC-wide rate; and (3) for all non-PRC exporters of subject merchandise which have not received their own rate, the cash-deposit rate will be the rate applicable to the PRC exporter/producer combination that supplied that non-PRC exporter. These suspension-of-liquidation instructions will remain in effect until further notice.

#### International Trade Commission Notification

In accordance with section 733(f) of the Act, we have notified the ITC of our preliminary affirmative determination of sales at LTFV. Section 735(b)(2) of the Act requires the ITC to make its final determination as to whether the domestic industry in the United States is materially injured, or threatened with material injury, by reason of imports of multilayered wood flooring, or sales (or the likelihood of sales) for importation, of the merchandise under consideration within 45 days of our final determination.

#### Public Comment

CBP has indicated to the Department that imports of subject merchandise entering under HTSUS subheadings 4409.10.0500; 4409.10.2000; 4409.29.0515; 4409.29.0525; 4409.29.0535; 4409.29.0545; 4409.29.0555; 4409.29.0565; 4409.29.2530; 4409.29.2550; 4409.29.2560; 4418.71.1000; 4418.79.0000; and 4418.90.4605 would be incorrectly classified. Therefore we invite comment on whether those HTSUS subheadings should be eliminated from the scope description. These comments may be submitted to the Department no later than 20 days after the date of publication of this notice, and rebuttal comments no later than five days later.

Case briefs or other written comments for all other, non-scope related issues, may be submitted to the Assistant Secretary for Import Administration no later than seven days after the date on which the final verification report is issued in this proceeding, and rebuttal briefs, limited to issues raised in case briefs, may be submitted no later than five days after the deadline date for case briefs.<sup>69</sup> A table of contents, list of authorities used and an executive summary of issues should accompany any briefs submitted to the Department. This summary should be limited to five pages total, including footnotes. The Department also requests that parties provide an electronic copy of its case and rebuttal brief submissions in either a "Microsoft Word" or a "pdf" format.

In accordance with section 774 of the Act, we will hold a public hearing, if requested, to afford interested parties an opportunity to comment on arguments raised in case or rebuttal briefs. Interested parties, who wish to request a hearing, or to participate if one is requested, must submit a written request to the Assistant Secretary for Import Administration, U.S. Department of Commerce, Room 1870, within 30 days after the date of publication of this notice.<sup>70</sup> Requests should contain the party's name, address, and telephone number, the number of participants, and a list of the issues to be discussed. If a

request for a hearing is made, we intend to hold the hearing at the U.S.

Department of Commerce, 14th Street and Constitution Ave., NW., Washington, DC 20230, at a time and location to be determined.<sup>71</sup> Parties should confirm by telephone the date, time, and location of the hearing two days before the scheduled date.

We will make our final determination no later than 135 days after the date of publication of this preliminary determination, pursuant to section 735(a)(2) of the Act.

This determination is issued and published in accordance with sections 733(f) and 777(i)(1) of the Act.

Dated: May 19, 2011.

**Ronald K. Lorentzen,**

*Deputy Assistant Secretary for Import Administration.*

[FR Doc. 2011-13097 Filed 5-25-11; 8:45 am]

**BILLING CODE 3510-DS-P**

## DEPARTMENT OF DEFENSE

### Office of the Secretary

[Transmittal Nos. 11-04]

#### 36(b)(1) Arms Sales Notification

**AGENCY:** Department of Defense, Defense Security Cooperation Agency.

**ACTION:** Notice.

**SUMMARY:** The Department of Defense is publishing the unclassified text of a section 36(b)(1) arms sales notification. This is published to fulfill the requirements of section 155 of Public Law 104-164 dated 21 July 1996.

**FOR FURTHER INFORMATION CONTACT:** Ms. B. English, DSCA/DBO/CFM, (703) 601-3740.

The following is a copy of a letter to the Speaker of the House of Representatives, Transmittals 11-04 with attached transmittal, and policy justification.

Dated: May 23, 2011.

**Aaron Siegel,**

*Alternate OSD Federal Register Liaison Officer, Department of Defense.*

**BILLING CODE 5001-06-P**

<sup>69</sup> See 19 CFR 351.309.

<sup>70</sup> See 19 CFR 351.310(c).

<sup>71</sup> See 19 CFR 351.310.