DEPARTMENT OF COMMERCE
International Trade Administration

Wooden Cabinets and Vanities and Components Thereof From the People’s Republic of China: Initiation of Countervailing Duty Investigation

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

DATES: Applicable March 26, 2019.


SUPPLEMENTARY INFORMATION:

The Petition

On March 6, 2019, the U.S. Department of Commerce (Commerce) received a countervailing duty (CVD) Petition concerning imports of wooden cabinets and vanities and components thereof (wooden cabinets and vanities) from the People’s Republic of China (China). The Petition, was filed in proper form by the American Kitchen Cabinet Alliance (the petitioner). The CVD Petition was accompanied by an antidumping duty (AD) Petition concerning imports of wooden cabinets and vanities from China. Between March 11 and 20, 2019, Commerce requested supplemental information pertaining to certain aspects of the Petition. The petitioner filed responses to these requests between March 12 and March 22, 2019.

In accordance with section 702(b)(1) of the Tariff Act of 1930, as amended (the Act), the petitioner alleges that the Government of China is providing countervailable subsidies, within the meaning of sections 701 and 771(5) of the Act, to producers of wooden cabinets and vanities in China, and that such imports are materially injuring, or threatening material injury to, the domestic industry producing wooden cabinets and vanities in the United States. Consistent with section 702(b)(1) of the Act and 19 CFR 351.202(b), for those alleged programs on which we are initiating a CVD investigation, the Petition is accompanied by information reasonably available to the petitioner supporting its allegations.

Commerce finds that the petitioner filed this Petition on behalf of the domestic industry because the petitioner is an interested party as defined in section 771(9)(E) of the Act. Commerce also finds that the petitioner demonstrated sufficient industry support with respect to the initiation of the requested CVD investigation.

Period of Investigation

Because the Petition was filed on March 6, 2019, the period of investigation (POI) is January 1, 2018, through December 31, 2018.

Scope of the Investigation

The merchandise covered by this investigation consists of wooden cabinets and vanities from China. For a full description of the scope of this investigation, see the Appendix to this notice.

Scope Comments

During our review of the Petition, we contacted the petitioner regarding the proposed scope language to ensure that the scope language in the Petition is an accurate reflection of the products for which the domestic industry is seeking relief. As a result, the scope of the Petition was modified to clarify the description of merchandise covered by the Petition. The description of the merchandise covered by this investigation, as described in the Appendix to this notice, reflects these clarifications.

As discussed in the Preamble to Commerce’s regulations, we are setting aside a period for interested parties to raise issues regarding product coverage (scope). Commerce will consider all comments received from interested parties and, if necessary, will consult with interested parties prior to the issuance of the preliminary determination. If scope comments include factual information, all such factual information should be limited to public information. To facilitate preparation of its questionnaires, Commerce requests that all interested parties submit scope comments by 5:00 p.m. Eastern Time (ET) on April 15, 2019, which is the next business day after 20 calendar days from the signature date of this notice. Any rebuttal comments, which may include factual information, must be filed by 5:00 p.m. ET on April 25, 2019, which is 10 calendar days from the initial comments deadline.

Commerce requests that any factual information parties consider relevant to the scope of the investigation be submitted during this period. However, if a party subsequently finds that...
additional factual information pertaining to the scope of the investigation may be relevant, the party may contact Commerce and request permission to submit the additional information. All such submissions must be filed on the records of the concurrent AD and CVD investigations.

Filing Requirements

All submissions to Commerce must be filed electronically using Enforcement and Compliance’s Antidumping Duty and Countervailing Duty Centralized Electronic Service System (ACCESS). An electronically filed document must be received successfully in its entirety by the time and date it is due. Documents exempted from the electronic submission requirements must be filed manually (i.e., in paper form) with Enforcement and Compliance’s APO/Dockets Unit, Room 18022, U.S. Department of Commerce, 1401 Constitution Avenue NW, Washington, DC 20230, and stamped with the date and time of receipt by the applicable deadlines.

Consultations

Pursuant to sections 702(b)(4)(A)(i) and (ii) of the Act, Commerce notified China of the receipt of the Petition and provided it the opportunity for consultations with respect to the CVD Petition. China did not request consultations.

Determination of Industry Support for the Petition

Section 702(b)(1) of the Act requires that a petition be filed on behalf of the domestic industry. Section 702(c)(4)(A) of the Act provides that a petition meets this requirement if the domestic producers or workers who support the petition account for: (i) At least 25 percent of the total production of the domestic like product; and (ii) more than 50 percent of the production of the domestic like product produced by that portion of the industry expressing support for, or opposition to, the petition. Moreover, section 702(c)(4)(D) of the Act provides that, if the petition does not establish support of domestic producers or workers accounting for more than 50 percent of the total production of the domestic like product, Commerce shall: (i) Poll the industry or rely on other information in order to determine if there is support for the petition, as required by subparagraph (A); or (ii) determine industry support using a statistically valid sampling method to poll the “industry.”

Section 771(4)(A) of the Act defines the “industry” as the producers, as a whole, of a domestic like product. Thus, to determine whether a petition has the requisite industry support, the statute directs Commerce to look to producers and workers who produce the domestic like product. The International Trade Commission (ITC), which is responsible for determining whether “the domestic industry” has been injured, must also determine what constitutes a domestic like product in order to define the industry. While both Commerce and the ITC must apply the same statutory definition regarding the domestic like product, they do so for different purposes and pursuant to a separate and distinct authority. In addition, Commerce’s determination is subject to limitations of time and information. Although this may result in different definitions of the like product, such differences do not render the decision of either agency contrary to law.

Section 771(10) of the Act defines the domestic like product as “a product which is like, or in the absence of like, most similar in characteristics and uses with, the article subject to an investigation under this title.” Thus, the reference point from which the domestic like product analysis begins is “the article subject to an investigation” (i.e., the class or kind of merchandise to be investigated, which normally will be the scope as defined in the petition).

With regard to the domestic like product, the petitioner does not offer a definition of the domestic like product distinct from the scope of the Petition. Based on our analysis of the information submitted on the record, we have determined that wooden cabinets and vanities, as defined in the scope, constitute a single domestic like product, and we have analyzed industry support in terms of that domestic like product.

In determining whether the petitioner has standing under section 702(c)(4)(A) of the Act, we considered the industry support data contained in the Petition with reference to the domestic like product as defined in the “Scope of the Investigation,” in the Appendix to this notice. To establish industry support, the petitioner provided 2018 shipments of the domestic like product for the U.S. producers that support the Petition. The petitioner estimated the production of the domestic like product for the entire domestic industry based on shipment value data, because production quantity data for the entire domestic industry are not available, and shipments are a close approximation of production in the wooden cabinets and vanities industry. The petitioner compared the shipments of the products supporting the Petition to the estimated total 2018 shipments of the domestic like product for the entire domestic industry. We relied on data provided by the petitioner for purposes of measuring industry support.

On March 20, 2019, we received comments on industry support from American Home Furnishings Alliance (AHFA), an alliance representing the U.S. residential furniture industry, and Fabuwood Cabinetry Corp. (Fibuwood), a U.S. importer. On March 22, 2019, we received industry support comments.


12 For a discussion of the domestic like product analysis as applied to this case and information regarding industry support, see Countervailing Duty Investigation Initiation Checklist: Wooden Cabinets and Vanities from the People’s Republic of China (China CVD Initiation Checklist), at Attachment II, Analysis of Industry Support for the Antidumping and Countervailing Duty Petition Covering Wooden Cabinets and Vanities and Components Thereof from the People’s Republic of China (Attachment II). This checklist is dated concurrently with this notice and on file electronically via ACCESS. Access to documents filed via ACCESS is also available in the Central Records Unit, Room B8024 of the main Department of Commerce building.


16 See China CVD Initiation Checklist, at Attachment II.

from Huisen Furniture Longnan Co. Ltd. (Huisen), a Chinese producer and exporter of living room floor-standing furniture, and Kimball Hospitality Inc. (Kimball), a U.S. producer and importer of hospitality furniture.21 The petitioner responded to the industry support comments from AHFA, Fabuwood, Huisen, and Kimball on March 25, 2019,22

Our review of the data provided in the Petition, the General Issues Supplement, the Petitioner’s Letter, and other information readily available to Commerce indicates that the petitioner has established industry support for the Petition.23 First, the Petition established support from domestic producers (or workers) accounting for more than 50 percent of the total production of the domestic like product and, as such, Commerce is not required to take further action in order to evaluate industry support (e.g., polling).24 Second, the domestic producers (or workers) have met the statutory criteria for industry support under section 702(c)(4)(A)(i) of the Act because the domestic producers (or workers) who support the Petition account for at least 25 percent of the total production of the domestic like product.25 Finally, the domestic producers (or workers) have met the statutory criteria for industry support under section 702(c)(4)(A)(ii) of the Act because the domestic producers (or workers) who support the Petition account for more than 50 percent of the production of the domestic like product produced by that portion of the industry expressing support for, or opposition to, the Petition.26 Accordingly, Commerce determines that the Petition was filed on behalf of the domestic industry within the meaning of section 702(b)(1) of the Act.

Injury Test

Because China is a “Subsidies Agreement Country” within the meaning of section 701(b) of the Act, section 701(a)(2) of the Act applies to this investigation. Accordingly, the ITC must determine whether imports of the subject merchandise from China materially injure, or threaten material injury to, a U.S. industry.

Allegations and Evidence of Material Injury and Causation

The petitioner alleges that imports of the subject merchandise are benefiting from countervailable subsidies and that such imports are causing, or threaten to cause, material injury to the U.S. industry producing the domestic like product. In addition, the petitioner alleges that subject imports exceed the negligibility threshold provided for under section 771(24)(A) of the Act.27 The petitioner contends that the industry’s injured condition is illustrated by a significant and increasing volume of subject imports; reduced market share; underselling and price depression or suppression; lost sales and revenues; closure of manufacturing facilities and hindered planned expansion efforts due to market conditions caused by subject imports; and a decline in the domestic industry’s U.S. production, capacity utilization, commercial shipments, employment, and financial performance.28 We have assessed the allegations and supporting evidence regarding material injury, threat of material injury, causation, as well as negligibility, and we have determined that these allegations are properly supported by adequate evidence, and meet the statutory requirements for initiation.29

Initiation of CVD Investigation

Based on the examination of the Petition, we find that the Petition meets the requirements of section 702 of the Act. Therefore, we are initiating a CVD investigation to determine whether imports of wooden cabinets and vanities from China benefit from countervailable subsidies conferred by the Government of China. Based on our review of the Petition, we find that there is sufficient information to initiate a CVD investigation, in whole or part, on 36 of the 37 alleged programs. For a full discussion of the basis for our decision to initiate on each program, see China CVD Initiation Checklist. A public version of the initiation checklist for this investigation is available on www.trade.gov/enforcement/news.asp.

In accordance with section 703(b)(1) of the Act and 19 CFR 351.205(b)(1), unless postponed, we will make our preliminary determination no later than 65 days after the date of this initiation.

Respondent Selection

Commerce normally selects respondents in a CVD investigation using CBP entry data. However, for this investigation, the HTSUS numbers the subject merchandise would enter under include basket categories containing products unrelated to wooden cabinets and vanities, and the reported entry data contain differing units of quantity. Therefore, we cannot rely on CBP entry data in selecting respondents. Instead, for this investigation, Commerce will request quantity and value (Q&V) information from known exporters and producers identified, with complete contact information, in the Petition. In addition, Commerce will post the Q&V questionnaire along with filing instructions on the Enforcement and Compliance website at http://www.trade.gov/enforcement/news.asp.

The petitioner named 727 companies in China as producers/exporters of wooden cabinets and vanities.30 After considering our resources, Commerce has determined that we do not have sufficient administrative resources to issue Q&V questionnaires to all 727 identified producers and exporters. Therefore, Commerce has determined to limit the number of Q&V questionnaires we will send out to exporters and producers identified in U.S. Customs and Border Protection (CBP) data for U.S. imports of wooden cabinets and vanities during the POI under the appropriate Harmonized Tariff Schedule of the United States number listed in the “Scope of the Investigation,” in the Appendix. Accordingly, Commerce will send Q&V questionnaires to the largest producers and exporters that are identified in the CBP data for which there is address information on the record.

On March 26, 2019, Commerce released CBP data on imports of wooden cabinets and vanities from China under APO to all parties with access to information protected by APO and indicated that interested parties wishing to comment on the CBP data must do so within three business days of the publication date of the notice of initiation of this investigation.31 We
further stated that we will not accept rebuttal comments.

Interested parties must submit applications for disclosure under APO in accordance with 19 CFR 351.305(b). Instructions for filing such applications may be found on the Commerce website at http://enforcement.trade.gov/apo.

Comments must be filed electronically using ACCESS. An electronically filed document must be received successfully, in its entirety, by ACCESS no later than 5:00 p.m. ET on the date noted above. We intend to finalize our decisions regarding respondent selection within 20 days of publication of this notice.

Producers/exporters of wooden cabinets and vanities from China that do not receive Q&V questionnaires by mail may still submit a response to the Q&V questionnaire and can obtain a copy from the Enforcement & Compliance website. The Q&V response must be submitted by the relevant China exporters/producers no later than April 15, 2019. All Q&V responses must be filed electronically via ACCESS.

Distribution of Copies of the Petition

In accordance with section 702(b)(4)(A)(i) of the Act and 19 CFR 351.202(f), a copy of the public version of the Petition has been provided to China via ACCESS. To the extent practicable, we will attempt to provide a copy of the public version of the Petition to each exporter named in the Petition, as provided under 19 CFR 351.203(c)(2).

ITC Notification

We will notify the ITC of our initiation, as required by section 702(d) of the Act.

Preliminary Determination by the ITC

The ITC will preliminarily determine, within 45 days after the date on which the Petition were filed, whether there is a reasonable indication that imports of wooden cabinets and vanities from China are materially injuring, or threatening material injury to, a U.S. industry. A negative ITC determination in any country will result in the investigation being terminated with respect to that country.

Otherwise, this investigation will proceed according to statutory and regulatory time limits.

Submission of Factual Information

Factual information is defined in 19 CFR 351.102(b)(21) as: (i) Evidence submitted in response to questionnaires; (ii) evidence submitted in support of allegations; (iii) publicly available information to value factors under 19 CFR 351.408(c) or to measure the adequacy of remuneration under 19 CFR 351.511(a)(2); (iv) evidence placed on the record by Commerce; and (v) evidence other than factual information described in (i)–(iv). Section 351.301(b) of Commerce’s regulations requires any party, when submitting factual information, to specify under which time limits. Parties should review the regulations prior to submitting factual information in this investigation.

Extensions of Time Limits

Parties may request an extension of time limits before the expiration of a time limit established under 19 CFR 351.301, or as otherwise specified by the Secretary. In general, an extension request will be considered untimely if it is filed after the expiration of the time limit established under 19 CFR 351.301. For submissions that are due from multiple parties simultaneously, an extension request will be considered untimely if it is filed after 10:00 a.m. ET on the due date. Under certain circumstances, we may elect to specify a different time limit by which extension requests will be considered untimely for submissions which are due from multiple parties simultaneously. In such a case, we will inform parties in the letter or memorandum of the deadline (including a specified time) by which extension requests must be filed to be considered timely. An extension request must be made in a separate, stand-alone submission; under limited circumstances we will grant untimely-filed requests for the extension of time limits. Parties should review Extension of Time Limits; Final Rule, 78 FR 57790 (September 20, 2013), available at http://www.gpo.gov/fdsys/pkg/FR-2013-09-20/html/2013-22853.htm. prior to submitting factual information in this investigation.

Certification Requirements

Any party submitting factual information in an AD or CVD proceeding must certify to the accuracy and completeness of that information. Parties must use the certification formats provided in 19 CFR 351.303(g). Commerce intends to reject factual submissions if the submitting party does not comply with the applicable certification requirements.

Notification to Interested Parties

Interested parties must submit applications for disclosure under APO in accordance with 19 CFR 351.305. On January 22, 2008, Commerce published Antidumping and Countervailing Duty Proceedings: Documents Submission Procedures: APO Procedures, 73 FR 3634 (January 22, 2008). Parties wishing to participate in this investigation should ensure that they meet the requirements of these procedures (e.g., the filing of letters of appearance as discussed at 19 CFR 351.103(d)).

This notice is issued and published pursuant to sections 702 and 777(i) of the Act and 19 CFR 351.203(c).

Dated: March 26, 2019.

Gary Taverman,

Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations, performing the non-exclusive functions and duties of the Assistant Secretary for Enforcement and Compliance.

Appendix

Scope of the Investigation

The merchandise subject to this investigation consists of wooden cabinets and vanities that are for permanent installation (including floor mounted, wall mounted, ceiling hung or by attachment of plumbing), and wooden components thereof. Wooden cabinets and vanities and wooden components are made substantially of wood products, including solid wood and engineered wood products (including those made from wood particles, fibers, or other wooden materials such as plywood, strand board, block board, particle board, or fiberboard), and bamboo. Wooden cabinets and vanities consist of a cabinet box (which typically includes a top, bottom, sides, back, base blockers, ends/end panels, stretcher rails, toe kicks, and/or shelves) and may or may not include a frame, door, drawers and/or shelves. Subject merchandise includes wooden cabinets and vanities with or without wood veneers, wood, paper or other overlays, or laminates, with or without non-

36 See section 782(b) of the Act.

wood components or trim such as metal, marble, glass, plastic, or other resins, whether or not surface finished or unfinished, and whether or not completed.

Wooden cabinets and vanities are covered by the investigation whether or not they are imported attached to, or in conjunction with, faucets, metal plumbing, sinks and/or sink bowls, or countertops. If wooden cabinets or vanities are imported attached to, or in conjunction with, such merchandise, only the wooden cabinet or vanity is covered by the scope.

Subject merchandise includes the following wooden component parts of cabinets and vanities: (1) Wooden cabinet and vanity frames (2) wooden cabinet and vanity boxes (which typically include a top, bottom, sides, back, base blockers, ends/end panels, stretcher rails, toe kicks, and/or shelves), (3) wooden cabinet or vanity doors, (4) wooden cabinet or vanity drawers and drawer components (which typically include sides, back, bottoms, and faces), (5) back panels and end panels (6) and desks, shelves, and tables that are attached to or incorporated in the subject merchandise.

Subject merchandise includes all unassembled, assembled and/or “ready to assemble” (RTA) wooden cabinets and vanities, also commonly known as “flat packs,” except to the extent such merchandise is already covered by the scope of antidumping and countervailing duty orders on Hardwood Plywood from the People’s Republic of China. See Certain Hardwood Plywood Products from the People’s Republic of China: Amended Final Determination of Sales at Less Than Fair Value and Antidumping Duty Order: Hardwood Plywood Products from the People’s Republic of China, 70 FR 329 (January 4, 2005).

Also excluded from the scope of this investigation are:

(1) All products covered by the scope of the antidumping duty order on Wooden Bedroom Furniture from the People’s Republic of China. See Notice of Amended Final Determination of Sales at Less Than Fair Value and Antidumping Duty Order: Wooden Bedroom Furniture from the People’s Republic of China, 70 FR 329 (January 4, 2005).


(3) Non-wooden cabinet hardware and/or accessories (e.g., brackets, catches, locks, drawer slides, fasteners (nails, screws, tacks, staples), handles, and knobs).

Also excluded from the scope of this investigation are:


Imports of subject merchandise are classified under Harmonized Tariff Schedule of the United States (HTSUS) statistical numbers 9403.40.9060 and 9403.60.8081. The subject component parts of wooden cabinets and vanities may be entered into the United States under HTSUS statistical number 9403.40.9060. Although the HTSUS subheadings are provided for convenience and customs purposes, the written description of the scope of this investigation is dispositive.

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DEPARTMENT OF COMMERCE
International Trade Administration
[A–570–848]
Freshwater Crawfish Tail Meat From the People’s Republic of China: Preliminary Results of Antidumping Duty New Shipper Review; 2017–2018
AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce.
SUMMARY: The Department of Commerce (Commerce) preliminarily determines that Nanjing Yinxiangchen International Trade Co., Ltd. (Nanjing Yinxiangchen) did not make sales of subject merchandise at prices below normal value during the period of review (POR), September 1, 2017, through February 28, 2018. We invite interested parties to comment on the preliminary results.

DATES: Applicable April 2, 2019.


SUPPLEMENTARY INFORMATION:

Background

Commerce is conducting a new shipper review of the antidumping duty order on freshwater crawfish tail meat from the People’s Republic of China (China). The new shipper review covers Nanjing Yinxiangchen. Commerce exercised its discretion to toll all deadlines affected by the partial federal government closure from December 22, 2018, through the resumption of operations on January 29, 2019. 1 If the new deadline falls on a non-business day, in accordance with Commerce’s practice, the deadline will become the next business day. Accordingly, the revised deadline for the final results of this review is now March 26, 2019.

Scope of the Order

The merchandise subject to the antidumping duty order is freshwater crawfish tail meat, which is currently classified in the Harmonized Tariff Schedule of the United States (HTSUS) under subheadings 1605.40.10, 1605.40.90, 0306.19.00, and 0306.29.00. On February 10, 2012, Commerce added HTSUS classification number 0306.29.01.00 to the scope description pursuant to a request by U.S. Customs and Border Protection (CBP). On September 21, 2018, Commerce added HTSUS classification numbers 0306.39.0000 and 0306.99.0000 to the scope description pursuant to a request by CBP. While the HTSUS numbers are provided for convenience and customs purposes, the written description is dispositive. A full description of the scope of the order is contained in the Preliminary Decision Memorandum. 2

1 See Memorandum, “Deadlines Affected by the Partial Shutdown of the Federal Government,” dated January 26, 2019. All deadlines in this segment of the proceeding have been extended by 40 days.

2 See Memorandum, “Freshwater Crawfish Tail Meat from the People’s Republic of China: Decision Contined