



## FACT SHEET

### **Commerce Initiates Antidumping Duty Investigations of Imports of Wood Mouldings and Millwork Products from Brazil and China and a Countervailing Duty Investigation of Imports from China**

- On January 29, 2020, the Department of Commerce (Commerce) announced the initiation of antidumping duty (AD) and a countervailing duty (CVD) investigations of imports of wood mouldings and millwork products from Brazil (AD only) and China.
- The AD and CVD laws provide U.S. businesses and workers with a transparent, quasi-judicial, and internationally accepted mechanism to seek relief from market-distorting effects caused by injurious dumping and unfair subsidization of imports into the United States, establishing an opportunity to compete on a level playing field.
- For the purpose of AD investigations, dumping occurs when a foreign company sells a product in the United States at less than its fair value. For the purpose of CVD investigations, a countervailable subsidy is financial assistance from a foreign government that benefits the production of goods from foreign companies and is limited to specific enterprises or industries or is contingent either upon export performance or upon the use of domestic goods over imported goods.
- The petitioner is the Coalition of American Millwork Producers, whose members are Bright Wood Corporation (Madras, OR), Cascade Wood Products, Inc. (White City, OR), Endura Products, Inc. (Colfax, NC), Sierra Pacific Industries (Red Bluff, CA), Sunset Moulding (Live Oak, CA), Woodgrain Millwork, Inc. (Fruitland, ID), and Yuba River Moulding (Yuba City, CA).
- The scope of these investigations is provided in Appendix I.
- In 2018, imports of wood mouldings and millwork products from Brazil and China were valued at an estimated \$291.8 million and \$208.4 million, respectively.
- The Initiation Decision Checklists are on file electronically via Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS). ACCESS is available to registered users at <https://access.trade.gov>, and to all parties in the Central Records Unit, Room B8024 of the main Department of Commerce building. Please refer to case numbers: A-570-117 and C-570-118 for the China AD and CVD investigations, respectively; and A-351-853 for the Brazil AD investigation.

### **NEXT STEPS**

- The U.S. International Trade Commission (ITC) is scheduled to make its preliminary injury determinations on or before February 24, 2020.
- If the ITC determines that there is a reasonable indication that imports of wood mouldings and millwork products from Brazil and/or China materially injure, or threaten material injury to, the domestic industry, the investigations will continue and Commerce will be scheduled to announce its preliminary CVD determination on April 3, 2020, and its preliminary AD determinations on June 17,

2020, although these dates may be extended. If the ITC's determinations are negative, the investigations will be terminated.

**ALLEGED DUMPING MARGINS:**

COUNTRY	DUMPING MARGINS
Brazil	86.73 percent
China	181.17 and 359.16 percent

**ESTIMATED SUBSIDY RATE:**

COUNTRY	SUBSIDY RATE
China	Above <i>de minimis</i>

\* *de minimis* = less than 1% for developed countries, less than 2% for developing countries.

**CASE CALENDAR:**

EVENT	CVD INVESTIGATION	AD INVESTIGATIONS
Petitions Filed	January 8, 2020	January 8, 2020
ITA Initiation Date	January 28, 2020	January 28, 2020
ITC Preliminary Determinations*	February 24, 2020†	February 24, 2020†
ITA Preliminary Determinations	April 2, 2020	June 16, 2020
ITA Final Determinations	June 16, 2020	August 31, 2020†
ITC Final Determinations**	July 31, 2020	October 15, 2020
Issuance of Orders***	August 7, 2020	October 22, 2020

NOTE: Commerce's preliminary and final determination deadlines are governed by statute. For CVD investigations, the deadlines are set forth in sections 703(b) and 705(a)(1) of the Tariff Act of 1930, as amended (the Act). For AD investigations, the deadlines are set forth in sections 733(b) and 735(a) of the Act. These deadlines may be extended under certain circumstances.

\* If the ITC makes negative preliminary determinations of injury, the investigations are terminated.

\*\*This will take place only in the event of final affirmative determinations from Commerce.

\*\*\*This will take place only in the event of final affirmative determinations from Commerce and the ITC.

†Where the deadline falls on a weekend/holiday, the appropriate date is the next business day.

**IMPORT STATISTICS:**

<b>BRAZIL</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
Volume (meters)	369,985,255	420,297,558	434,040,698
Value (USD)	258,906,522	316,186,057	291,760,096
<b>CHINA</b>			
<b>CHINA</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
Volume (meters)	277,992,974	271,865,595	267,585,072
Value (USD)	99,393,136	158,402,017	208,388,081

Source: U.S. Census Bureau, accessed through Global Trade Atlas (Harmonized Tariff Schedule of the United States (HTSUS) subheadings 4409.10.4010, 4409.10.4090, 4409.10.4500, 4409.10.5000, 4409.22.4000, 4409.22.5000, 4409.29.4000, 4409.29.4100, 4409.29.5000, and 4409.29.5100).

## Appendix I:

The scope of the investigations is as follows:

The merchandise subject to these investigations consist of wood mouldings and millwork products that are made of wood (regardless of wood species), bamboo, laminated veneer lumber (LVL), or of wood and composite materials (where the composite materials make up less than 50 percent of the total merchandise), and which are continuously shaped wood that undergoes additional manufacturing or finger-jointed or edge-glued moulding or millwork blanks (whether or not resawn).

The percentage of composite materials contained in a wood moulding or millwork product is measured by length, except when the composite material is a coating or cladding. Wood mouldings and millwork products that are coated or clad, even along their entire length, with a composite material, but that are otherwise comprised of wood, LVL, or wood and composite materials (where the non-coating composite materials make up 50 percent or less of the total merchandise) are covered by the scope.

The merchandise subject to these investigations consist of wood, LVL, bamboo, or a combination of wood and composite materials that is continuously shaped throughout its length (with the exception of any endwork/dados), profiled wood having a repetitive design in relief, similar milled wood architectural accessories, such as rosettes and plinth blocks, and finger-jointed or edge-glued moulding or millwork blanks (whether or not resawn). The scope includes continuously shaped wood in the forms of dowels, building components such as interior paneling and jamb parts, and door components such as rails and stiles.

The covered products may be solid wood, laminated, finger-jointed, edge-glued, face-glued, or otherwise joined in the production or remanufacturing process and are covered by the scope whether imported raw, coated (*e.g.*, gesso, polymer, or plastic), primed, painted, stained, wrapped (paper or vinyl overlay), any combination of the aforementioned surface coatings, treated, or which incorporate rot-resistant elements (whether wood or composite). The covered products are covered by the scope whether or not any surface coating(s) or covers obscures the grain, textures, or markings of the wood, whether or not they are ready for use or require final machining (*e.g.*, endwork/dado, hinge/strike machining, weatherstrip or application thereof, mitre) or packaging.

All wood mouldings and millwork products are included within the scope even if they are trimmed; cut-to-size; notched; punched; drilled; or have undergone other forms of minor processing.

Subject merchandise also includes wood mouldings and millwork products that have been further processed in a third country, including but not limited to trimming, cutting, notching, punching, drilling, coating, or any other processing that would not otherwise remove the merchandise from the scope of the investigation if performed in the country of manufacture of the in-scope product.

Excluded from the scope of these investigations are exterior fencing, exterior decking and exterior siding products (including solid wood siding, non-wood siding (*e.g.*, composite or cement), and shingles) that are not LVL or finger jointed; finished and unfinished doors; flooring; parts of stair steps (including newel posts, balusters, easing, gooseneck, risers, treads and rail fittings); and picture frame components three feet and under in individual lengths.

Excluded from the scope of these investigations are all products covered by the scope of the 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*, 83 FR 504 (January 4, 2018); *Certain Hardwood Plywood Products from the People's Republic of China: Countervailing Duty Order*, 83 FR 513 (January 4, 2018).

Excluded from the scope of these investigations are all products covered by the scope of the antidumping and countervailing duty orders on *Multilayered Wood Flooring from the People's Republic of China*. See *Multilayered Wood Flooring from the People's Republic of China: Amended Final Determination of Sales at Less Than Fair Value and Antidumping Duty Order*, 76 FR 76690 (December 8, 2011); *Multilayered Wood Flooring from the People's Republic of China: Countervailing Duty Order*, 76 FR 76693 (December 8, 2011).

Imports of wood mouldings and millwork products are primarily entered under the following Harmonized Tariff Schedule of the United States (HTSUS) numbers: 4409.10.4010, 4409.10.4090, 4409.10.4500, 4409.10.5000, 4409.22.4000, 4409.22.5000, 4409.29.4100, and 4409.29.5100. Imports of wood mouldings and millwork products may also enter under HTSUS numbers: 4409.10.6000, 4409.10.6500, 4409.22.6000, 4409.22.6500, 4409.29.6100, 4409.29.6600, 4418.99.9095 and 4421.99.9780. While the HTSUS subheadings are provided for convenience and customs purposes, the written description of the scope of these investigations is dispositive.