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AR: 1/1/13 - 12/31/13
NSR: 1/1/13 – 12/31/13
Public Document
E&C/OIV: PO

MEMORANDUM TO: Paul Piquado
Assistant Secretary
for Enforcement and Compliance

FROM: Christian Marsh CBM
Deputy Assistant Secretary
for Antidumping and Countervailing Duty Operations

SUBJECT: Decision Memorandum for Preliminary Results of Antidumping Duty Administrative and New Shipper Review: Wooden Bedroom Furniture from the People's Republic of China

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SUMMARY

In response to requests from interested parties, the Department of Commerce ("Department") is conducting an administrative review ("AR") and a new shipper review ("NSR") of the antidumping duty order on wooden bedroom furniture ("WBF") from the People's Republic of China ("PRC") for the period of review ("POR") January 1, 2013, through December 31, 2013. The AR covers 28 exporters of the subject merchandise, including one mandatory respondent, Jiedong Lehouse Furniture Co., Ltd. ("Jiedong Lehouse"). The NSR covers one exporter and producer of subject merchandise, Wuxi Yushea Furniture Co., Ltd. ("Wuxi Yushea"). The Department preliminarily finds that sixteen companies, including Jiedong Lehouse, have not established their entitlement to separate rate status and, therefore, they have been treated as part of the PRC-wide entity. The Department preliminarily determines that Wuxi Yushea established eligibility for separate rate status and did not sell subject merchandise in the United States at prices below normal value ("NV") during the POR. No other party established its eligibility for separate rate status. The Department also preliminarily determines that 12 companies made no shipments of subject merchandise during the POR.

If these preliminary results are adopted in our final results of review, we will instruct U.S. Customs and Border Protection ("CBP") to assess antidumping duties on all appropriate entries of subject merchandise during the POR. Interested parties are invited to comment on these preliminary results. We will issue final results no later than 120 days from the date of publication of this notice, pursuant to section 751(a)(3)(A) of the Tariff Act of 1930, as amended ("the Act").

Background

On January 4, 2005, the Department published in the Federal Register the antidumping duty order on wooden bedroom furniture from the PRC.[1] On January 2, 2014, the Department notified interested parties of their opportunity to request an AR of orders, findings, or suspended investigations with anniversaries in January 2014, including the antidumping duty order on wooden bedroom furniture from the PRC.[2] In January 2014, the American Furniture Manufacturers Committee for Legal Trade ("AMFC") and Vaughan-Bassett Furniture Company, Inc. (collectively, "Petitioners"), and domestic interested parties, Kimball International, Inc., Kimball Furniture Group, Inc. and Kimball Hospitality Inc. (collectively, "Kimball"), and Ashley Furniture Industries, Inc. ("Ashley"), as well as certain foreign exporters, requested that the Department conduct an administrative review of certain exporters covering the period January 1, 2013 through December 31, 2013. Also, in January 2013, Wuxi Yushea requested that the Department conduct an antidumping duty NSR of its sales of subject merchandise during the period January 1, 2013 through December 31, 2013.

In total, the Department received review requests covering 126 companies or company groupings. On February 28, 2014, the Department published a notice initiating an antidumping duty AR of wooden bedroom furniture from the PRC covering 116 companies or company groupings for the period January 1, 2013 through December 31, 2013.[3] On April 1, 2014, the Department published an addendum to the Initiation Notice because 10 companies or company groupings were inadvertently omitted from the Initiation Notice.[4]

For the AR, from March through May 2014, Petitioners withdrew numerous review requests in a timely manner, and Kimball and Ashley withdrew all of their review requests. On October 16, 2014, the Department published a notice rescinding the review with respect to 59 companies or company groupings which had previously established separate rates and for which all review requests had been withdrawn, 12 companies that had lost their separate rate status during the POR for whom all review requests had been withdrawn, and 30 companies that did not have separate rates and are subject to the PRC-wide entity rate for whom all review requests had been withdrawn.[5]

On November 26, 2014, the Department aligned the NSR with the AR.[6] The Department originally extended the deadline for the preliminary results of the AR until January 31, 2014.[7]

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[1] 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).
[2] See Antidumping or Countervailing Duty Order, Finding, or Suspended Investigation; Opportunity To Request Administrative Review, 79 FR 103 (January 2, 2014) ("Opportunity to Request Administrative Review").
[3] See Initiation of Antidumping and Countervailing Duty Administrative Reviews and Request for Revocation in Part, 79 FR 11401 (February 28, 2014) ("Initiation Notice").
[4] See Initiation of Antidumping and Countervailing Duty Administrative Reviews and Request for Revocation in Part,79 FR 18262 (April 1, 2014) ("Initiation Notice Addendum").
[5] See Wooden Bedroom Furniture From the People's Republic of China: Partial Rescission of Antidumping Duty Administrative Review, 79 FR 62099 (October 16, 2014) ("Partial Rescission Notice").
[6] See Memorandum from Jeff Pedersen to the File, regarding "Alignment of the 2013 New Shipper Review of Wooden Bedroom Furniture from the People's Republic of China with the 2013 Administrative Review," dated November 26, 2014.

For the AR, Jiedong Lehouse submitted responses to the Department's antidumping questionnaire from July 2014 to October 2014; however Jiedong Lehouse did not fully respond to the Department's antidumping duty questionnaire and did not provide a U.S. sales database or factor of production database with which the Department could calculate an antidumping duty margin.

For the NSR, on January 30, 2014, pursuant to section 751(a)(2)(B)(i), and 19 CFR 351.214(b), the Department received a timely request for a NSR from Wuxi Yushea. On February 21, 2014, the Department released the results of its U.S. Customs and Border Protection ("CBP") database query related to Wuxi Yushea's request for a NSR. No parties commented on the results of the query. On February 27, 2014, the Department initiated this NSR in order to determine whether imports into the United States of WBF from Wuxi Yushea are being sold below NV.[8] On March 5, 2014, the Department issued its antidumping duty questionnaire to Wuxi Yushea. Between March 26, 2014, and October 7, 2014, we received timely questionnaire, and supplemental questionnaire, responses from Wuxi Yushea. On June 19 and 23, 2014, Petitioners filed comments regarding selection of a surrogate country and surrogate value information. On July 10, 2014, and November 18, 2014, Wuxi Yushea filed surrogate value information.

Scope of the Order

The product covered by the order is wooden bedroom furniture. Wooden bedroom furniture is generally, but not exclusively, designed, manufactured, and offered for sale in coordinated groups, or bedrooms, in which all of the individual pieces are of approximately the same style and approximately the same material and/or finish. The subject merchandise is made substantially of wood products, including both solid wood and also engineered wood products made from wood particles, fibers, or other wooden materials such as plywood, strand board, particle board, and fiberboard, with or without wood veneers, wood overlays, or laminates, with or without non-wood components or trim such as metal, marble, leather, glass, plastic, or other resins, and whether or not assembled, completed, or finished.

The subject merchandise includes the following items: (1) wooden beds such as loft beds, bunk beds, and other beds; (2) wooden headboards for beds (whether stand-alone or attached to side rails), wooden footboards for beds, wooden side rails for beds, and wooden canopies for beds; (3) night tables, night stands, dressers, commodes, bureaus, mule chests, gentlemen's chests, bachelor's chests, lingerie chests, wardrobes, vanities, chessers, chifforobes, and wardrobe-type cabinets; (4) dressers with framed glass mirrors that are attached to, incorporated in, sit on, or hang over the dresser; (5) chests-on-chests,[9] highboys,[10] lowboys,[11] chests of drawers,[12] chests,[13]

[7] See Memorandum to Christian Marsh, Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations, regarding "Wooden Bedroom Furniture from the People's Republic of China: Extension of Deadline for Preliminary Results of Antidumping Duty Administrative Review," dated September 24, 2014.

[8] See Wooden Bedroom Furniture from the People's Republic of China: Initiation of Antidumping Duty New Shipper Review,79 FR 11082 (February 27, 2014) ("NSR Initiation Notice").

[9] A chest-on-chest is typically a tall chest-of-drawers in two or more sections (or appearing to be in two or more sections), with one or two sections mounted (or appearing to be mounted) on a slightly larger chest; also known as a tallboy.

[10] A highboy is typically a tall chest of drawers usually composed of a base and a top section with drawers, and supported on four legs or a small chest (often 15 inches or more in height).

door chests,[14] chiffoniers,[15] hutches,[16] and armoires;[17] (6) desks, computer stands, filing cabinets, book cases, or writing tables that are attached to or incorporated in the subject merchandise; and (7) other bedroom furniture consistent with the above list.

The scope of the order excludes the following items: (1) seats, chairs, benches, couches, sofas, sofa beds, stools, and other seating furniture; (2) mattresses, mattress supports (including box springs), infant cribs, water beds, and futon frames; (3) office furniture, such as desks, stand-up desks, computer cabinets, filing cabinets, credenzas, and bookcases; (4) dining room or kitchen furniture such as dining tables, chairs, servers, sideboards, buffets, corner cabinets, china cabinets, and china hutches; (5) other non-bedroom furniture, such as television cabinets, cocktail tables, end tables, occasional tables, wall systems, book cases, and entertainment systems; (6) bedroom furniture made primarily of wicker, cane, osier, bamboo or rattan; (7) side rails for beds made of metal if sold separately from the headboard and footboard; (8) bedroom furniture in which bentwood parts predominate;[18] (9) jewelry armories;[19] (10) cheval mirrors;[20]

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[11] A lowboy is typically a short chest of drawers, not more than four feet high, normally set on short legs.
[12] A chest of drawers is typically a case containing drawers for storing clothing.
[13] A chest is typically a case piece taller than it is wide featuring a series of drawers and with or without one or more doors for storing clothing. The piece can either include drawers or be designed as a large box incorporating a lid.
[14] A door chest is typically a chest with hinged doors to store clothing, whether or not containing drawers. The piece may also include shelves for televisions and other entertainment electronics.
[15] A chiffonier is typically a tall and narrow chest of drawers normally used for storing undergarments and lingerie, often with mirror(s) attached.
[16] A hutch is typically an open case of furniture with shelves that typically sits on another piece of furniture and provides storage for clothes.
[17] An armoire is typically a tall cabinet or wardrobe (typically 50 inches or taller), with doors, and with one or more drawers (either exterior below or above the doors or interior behind the doors), shelves, and/or garment rods or other apparatus for storing clothes. Bedroom armoires may also be used to hold television receivers and/or other audio-visual entertainment systems.
[18] As used herein, bentwood means solid wood made pliable. Bentwood is wood that is brought to a curved shape by bending it while made pliable with moist heat or other agency and then set by cooling or drying. *See* CBP's Headquarters Ruling Letter 043859, dated May 17, 1976.
[19] Any armoire, cabinet or other accent item for the purpose of storing jewelry, not to exceed 24 inches in width, 18 inches in depth, and 49 inches in height, including a minimum of 5 lined drawers lined with felt or felt-like material, at least one side door (whether or not the door is lined with felt or felt-like material), with necklace hangers, and a flip-top lid with inset mirror. *See* Issues and Decision Memorandum from Laurel LaCivita to Laurie Parkhill, Office Director, concerning "Jewelry Armoires and Cheval Mirrors in the Antidumping Duty Investigation of Wooden Bedroom Furniture from the People's Republic of China," dated August 31, 2004. See also Wooden Bedroom Furniture From the People's Republic of China: Final Changed Circumstances Review, and Determination To Revoke Order in Part, 71 FR 38621 (July 7, 2006).
[20] Cheval mirrors are any framed, tiltable mirror with a height in excess of 50 inches that is mounted on a floor-standing, hinged base. Additionally, the scope of the order excludes combination cheval mirror/jewelry cabinets. The excluded merchandise is an integrated piece consisting of a cheval mirror, *i.e.*, a framed tiltable mirror with a height in excess of 50 inches, mounted on a floor-standing, hinged base, the cheval mirror serving as a door to a cabinet back that is integral to the structure of the mirror and which constitutes a jewelry cabinet line with fabric, having necklace and bracelet hooks, mountings for rings and shelves, with or without a working lock and key to secure the contents of the jewelry cabinet back to the cheval mirror, and no drawers anywhere on the integrated piece. The fully assembled piece must be at least 50 inches in height, 14.5 inches in width, and 3 inches in depth. See Wooden Bedroom Furniture From the People's Republic of China: Final Changed Circumstances Review and Determination To Revoke Order in Part, 72 FR 948 (January 9, 2007).

(11) certain metal parts;[21] (12) mirrors that do not attach to, incorporate in, sit on, or hang over a dresser if they are not designed and marketed to be sold in conjunction with a dresser as part of a dresser-mirror set; (13) upholstered beds[22] ; and (14) toy boxes.[23] Also excluded from the scope are certain enclosable wall bed units, also referred to as murphy beds, which are composed of the following three major sections: (1) a metal wall frame, which attaches to the wall and uses coils or pistons to support the metal mattress frame; (2) a metal frame, which has euro slats for supporting a mattress and two legs that pivot; and (3) wood panels, which attach to the metal wall frame and/or the metal mattress frame to form a cabinet to enclose the wall bed when not in use. Excluded enclosable wall bed units are imported in ready-to-assemble format with all parts necessary for assembly. Enclosable wall bed units do not include a mattress. Wood panels of enclosable wall bed units, when imported separately, remain subject to the order.

Imports of subject merchandise are classified under subheadings 9403.50.9042 and 9403.50.9045 of the HTSUS as "wooden . . . beds" and under subheading 9403.50.9080 of the HTSUS as "other . . . wooden furniture of a kind used in the bedroom." In addition, wooden headboards for beds, wooden footboards for beds, wooden side rails for beds, and wooden canopies for beds may also be entered under subheading 9403.50.9042 or 9403.50.9045 of the HTSUS as "parts of wood." Subject merchandise may also be entered under subheadings 9403.50.9041, 9403.60.8081, or 9403.20.0018. Further, framed glass mirrors may be entered under subheading 7009.92.1000 or 7009.92.5000 of the HTSUS as "glass mirrors . . . framed." The order covers all wooden bedroom furniture meeting the above description, regardless of tariff classification. Although the HTSUS subheadings are provided for convenience and customs purposes, our written description of the scope of this proceeding is dispositive.

Respondent Selection for the AR

Section 777A(c)(1) of the Act directs the Department to calculate an individual weighted-average dumping margin for each known exporter or producer of the subject merchandise. However, section 777A(c)(2) of the Act gives the Department discretion to limit its examination

[21] Metal furniture parts and unfinished furniture parts made of wood products (as defined above) that are not otherwise specifically named in this scope (*i.e.*, wooden headboards for beds, wooden footboards for beds, wooden side rails for beds, and wooden canopies for beds) and that do not possess the essential character of wooden bedroom furniture in an unassembled, incomplete, or unfinished form. Such parts are usually classified under HTSUS subheadings 9403.90.7005, 9403.90.7010, or 9403.90.7080.

[22] Upholstered beds that are completely upholstered, *i.e.*, containing filling material and completely covered in sewn genuine leather, synthetic leather, or natural or synthetic decorative fabric. To be excluded, the entire bed (headboards, footboards, and side rails) must be upholstered except for bed feet, which may be of wood, metal, or any other material and which are no more than nine inches in height from the floor. See Wooden Bedroom Furniture from the People's Republic of China: Final Results of Changed Circumstances Review and Determination to Revoke Order in Part, 72 FR 7013 (February 14, 2007).

[23] To be excluded the toy box must: (1) be wider than it is tall; (2) have dimensions within 16 inches to 27 inches in height, 15 inches to 18 inches in depth, and 21 inches to 30 inches in width; (3) have a hinged lid that encompasses the entire top of the box; (4) not incorporate any doors or drawers; (5) have slow-closing safety hinges; (6) have air vents; (7) have no locking mechanism; and (8) comply with American Society for Testing and Materials ("ASTM") standard F963-03. Toy boxes are boxes generally designed for the purpose of storing children's items such as toys, books, and playthings. See Wooden Bedroom Furniture from the People's Republic of China: Final Results of Changed Circumstances Review and Determination to Revoke Order in Part, 74 FR 8506 (February 25, 2009). Further, as determined in the scope ruling memorandum "Wooden Bedroom Furniture from the People's Republic of China: Scope Ruling on a White Toy Box," dated July 6, 2009, the dimensional ranges used to identify the toy boxes that are excluded from the wooden bedroom furniture order apply to the box itself rather than the lid.

to a reasonable number of exporters and producers if it is not practicable to make individual weighted average dumping margin determinations because of the large number of exporters and producers involved in the review.

On December 17, 2013, Petitioners submitted comments in which they requested that the Department amend its respondent selection process and also request additional information from respondents applying for separate-rate status.[24] In the Opportunity to Request Administrative Review, the Department stated that if it limited the number of respondents selected for individual examination in the WBF AR, it intended to select respondents based on volume data contained in responses to the quantity and value ("Q&V") questionnaire.[25] Further, in the Opportunity to Request Administrative Review, the Department stated that it would require all parties filing separate rate applications or certifications to respond to the Q&V questionnaire and certain additional questions.[26] No other parties commented on the proposed methodology.

In the Initiation Notice, the Department notified interested parties that for the purposes of this AR, it would modify the process by which it collects Q&V information for purposes of selecting mandatory respondents. Specifically, the Department stated that in the event that it limited the number of respondents for individual examination in the AR, it would select respondents based on volume data contained in responses to the Q&V questionnaire on the Department's website.[27] Further, the Department noted that all parties that wanted to be considered for separate rate status must either file a separate rate application ("SRA") or separate rate certification ("SRC"), as appropriate, as well as provide both a response to the Q&V questionnaire and a response to certain additional questions that were posted on the Department's website.[28] The Department received SRAs and SRCs containing Q&V information and responses to the additional questions (collectively "the required information") from several companies or company groupings from March 2014 through May 2014. In May 2014, Petitioners, Ashley, and Kimball withdrew review requests for all companies except Jiedong Lehouse that had provided the required information. Seven companies that had requested reviews of themselves and had filed the required information also withdrew their review requests. However, one company which filed the required information remained under review: Jiedong Lehouse. On June 3, 2014, the Department issued an antidumping questionnaire to Jiedong Lehouse.[29]

DISCUSSION OF THE METHODOLOGY

Preliminary Determination of No Shipments

Among the companies under review, 15 companies reported that they made no shipments of subject merchandise to the United States during the POR. These 15 companies are: (1) Baigou Crafts Factory Of Fengkai; (2) Clearwise Company Limited; (3) Dongguan Chengcheng

[24] See Letter from Petitioners to the Department, regarding "Wooden bedroom Furniture from the People's Republic of China: Request That All Ninth Review Respondents Be Required To File Q&V Data And Respond To The Additional Questions Issued In The Eight Review," dated December 17, 2013.
[25] See Opportunity to Request Administrative Review, 79 FR at 103.
[26] Id.
[27] See Initiation Notice, 79 FR at 13626.
[28] Id. at 13627-28.
[29] See Letter from Howard Smith to Jiedong Lehouse Furniture Co., Ltd., Re: "Wooden Bedroom Furniture from the People's Republic of China," dated June 3, 2014.

Furniture Co., Ltd./Dongguan Chengcheng Furniture Co., Ltd.; (4) Dongguan Hung Sheng Artware Products Co., Ltd., Coronal Enterprise Co., Ltd. (5) Dongguan Singways Furniture Co., Ltd.; (6) Eurosa (Kunshan) Co., Ltd., Eurosa Furniture Co., (Pte) Ltd.; (7) Golden Well International (HK) Ltd./Zhangzhou XYM Furniture Product Co., Ltd.; (8) Hangzhou Cadman Trading Co., Ltd./Haining Changbei Furniture Co., Ltd.; (9) Hualing Furniture (China) Co., Ltd., Tony House Manufacture (China) Co., Ltd., Buysell Investments Ltd., Tony House Industries Co., Ltd.; (10) Liang Huang (Jiaxing) Enterprise Co., Ltd.; (11) Prime Wood International Co., Ltd; (12) Rizhao Sanmu Woodworking Co., Ltd.; (13) Shenyang Shining Dongxing Furniture Co., Ltd.; (14) Yeh Brothers World Trade, Inc.; and (15) Zhejiang Tianyi Scientific & Educational Equipment Co., Ltd./Zhejiang Tianyi Scientific & Educational Equipment Co., Ltd. To test these claims, the Department ran a CBP data query, issued a no-shipment inquiry to CBP requesting that it provide any information that contradicted the no-shipment claims, and obtained entry documents from CBP.[30]

Based on the certifications of all companies and our analysis of CBP information, we preliminarily determine that the following companies had no reviewable transactions during the POR: (1) Baigou Crafts Factory Of Fengkai; (2) Clearwise Company Limited; (3) Dongguan Chengcheng Furniture Co., Ltd./Dongguan Chengcheng Furniture Co., Ltd.; (4) Dongguan Singways Furniture Co., Ltd.; (5) Eurosa (Kunshan) Co., Ltd., Eurosa Furniture Co., (Pte) Ltd.; (6) Golden Well International (HK) Ltd./Zhangzhou XYM Furniture Product Co., Ltd.; (7) Hangzhou Cadman Trading Co., Ltd./Haining Changbei Furniture Co., Ltd.; (8) Hualing Furniture (China) Co., Ltd., Tony House Manufacture (China) Co., Ltd., Buysell Investments Ltd., Tony House Industries Co., Ltd.; (9) Rizhao Sanmu Woodworking Co., Ltd.; (10) Shenyang Shining Dongxing Furniture Co., Ltd.; (11) Yeh Brothers World Trade, Inc.; and (12) Zhejiang Tianyi Scientific & Educational Equipment Co., Ltd./Zhejiang Tianyi Scientific & Educational Equipment Co., Ltd.[31] However, the Department finds that consistent with its announced refinement to its assessment practice in non-market economy ("NME") cases, it is not appropriate to rescind the review with respect to these companies but, rather, it is appropriate to complete the review with respect to these twelve companies and issue instructions to CBP based on the final results of the review.[32]

Bona Fides Analysis

Consistent with the Department's practice for NSRs, we investigated the *bona fide* nature of the sale made by Wuxi Yushea during the POR. In evaluating whether or not sales in an NSR are commercially reasonable, and therefore *bona fide*, the Department considers, *inter alia*, such

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[30] See Memorandum to the File from Patrick O'Connor, Re: "Release of U.S. Customs and Border Protection Information Relating to No Shipment Claims Made in the 2013 Administrative Review of Wooden Bedroom Furniture from the People's Republic of China," dated December 2, 2014.

[31] See Memorandum from Patrick O'Connor, International Trade Compliance Analyst, Office IV, to Abdelali Elouaradia Director, Office IV, AD/CVD Operations, regarding the "Antidumping Duty Administrative Review of Wooden Bedroom Furniture from the People's Republic of China: Analysis of No Exports, Sales, or Entries by Certain Companies," dated concurrently with this memorandum. The Department preliminarily found that the Dongguan Hung Sheng Artware Products Co., Ltd., Coronal Enterprise Co., Ltd. had sales, shipments or entries of subject merchandise during the POR, and that Prime Best International Co., Ltd., Liang Huang (Jiaxing) Enterprise Co., Ltd., Prime Wood International Co., Ltd., and Prime Best Factory has not established its eligibility for separate rate status.

[32] See Non-Market Economy Antidumping Proceedings: Assessment of Antidumping Duties, 76 FR 65694 (October 24, 2011).

factors as: (1) the timing of the sales; (2) the prices and quantities of the sales; (3) the expenses arising from the transactions; (4) whether the goods were resold at a profit; and (5) whether the transactions were made on an arm's-length basis.[33] Accordingly, the Department considers a number of factors in its *bona fide* sale analysis, "all of which may speak to the commercial realities surrounding an alleged sale of subject merchandise."[34]

The Department preliminarily finds that the sale of subject merchandise made by Wuxi Yushea was made on a *bona fide* basis. Specifically, the Department preliminarily finds that: (1) the timing of the sale does not indicate that the sale is not *bona fide*; (2) the price and quantity of the sale are commercially reasonable and not atypical of normal business practices of WBF exporters; (3) there were no extraordinary expenses arising from the transaction; (4) the goods were resold by Wuxi Yushea' unaffiliated U.S. customer at a profit; and (5) the sale was made at arm's length.[35] Therefore, the Department preliminarily finds that Wuxi Yushea's sale of subject merchandise to the United States was *bona fide* for the purposes of this NSR.

Duty Absorption

On March 31, 2014 Petitioners requested that the Department determine whether antidumping duties have been absorbed by exporters and producers subject to the AR.[36] FAG Italia makes clear that the Department may not conduct a duty absorption inquiry after the first sunset review.[37] Consistent with FAG Italia, we have not conducted duty absorption because it is not the second or fourth review after the order.

NME Country Status

The Department considers the PRC to be a NME country.[38] In accordance with section 771(18)(C)(i) of the Act, any determination that a foreign country is an NME country shall remain in effect until revoked by the administering authority. Therefore, the Department will continue to treat the PRC as an NME country for purposes of these preliminary results of review. Accordingly, we calculated NV using the factors of production ("FOP") methodology in accordance with section 773(c) of the Act, which applies to NME countries.

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[33] See, e.g., Tianjin Tiancheng Pharmaceutical Co., Ltd. v. United States, 366 F. Supp. 2d 1246, 1250 (CIT 2005).

[34] See Hebei New Donghua Amino Acid Co., Ltd. v. United States, 374 F. Supp. 2d 1333, 1342 (CIT 2005) (citing Fresh Garlic From the People's Republic of China: Final Results of Antidumping Administrative Review and Rescission of New Shipper Review, 67 FR 11283 (March 13, 2002)).

[35] See the *bona fide* analysis memorandum issued concurrently with this memorandum.

[36] See Letter from Petitioners to the Department, Re: "Wooden Bedroom Furniture From the People's Republic of China/Request for Duty Absorption Determination," dated March 31, 2014.

[37] See FAG Italia S.p.A. v. United States, 291 F.3d 806, 815 n.13 (Fed. Cir. 2002) ("FAG Italia"), FAG Italia S.p.A. v. United States, 291 F.3d 806, 815 n.13 (Fed. Cir. 2002) ("FAG Italia") (rejecting the claim that the Department has the authority to conduct duty absorption inquires every second and fourth year after each successive sunset review because "neither the statute nor its legislative history suggests that Commerce may conduct duty absorption inquiries beyond the initial sunset review, and the plain language of the statute provides that duty absorption inquiries be conducted '2 years or 4 years after the publication of an antidumping duty order.'")."

[38] See Hardwood and Decorative Plywood From the People's Republic of China: Final Determination of Sales at Less Than Fair Value, 78 FR 58273 (September 23, 2013) and the accompanying Issues and Decision Memorandum at the Background section.

Separate Rates

In all proceedings involving NME countries, the Department maintains a rebuttable presumption that all companies within the PRC are subject to government control and, thus, should be assessed a single weighted-average dumping margin.[39] In the *Initiation Notice*, the Department stated that its usual practice, in cases involving NME countries, is to require a company seeking to establish its eligibility for an antidumping duty rate separate from the NME-wide entity to provide evidence of both a *de jure* and *de facto* absence of government control over the company's export activities. Further, the Department noted that this NSR of Wuxi Yushea would proceed if the company provided sufficient indication that it is not subject to either *de jure* or *de facto* government control with respect to its exports of wooden bedroom furniture.[40] To establish whether a company is sufficiently independent to be entitled to a separate, company-specific rate, the Department analyzes each exporting entity in an NME country under the test established in Sparklers,[41] as amplified by Silicon Carbide.[42] However, if the Department determines that a company is wholly foreign-owned or located in a market economy ("ME"), then analysis of the *de jure* and *de facto* criteria are not necessary to determine whether the company is independent from government control and eligible for a separate rate.[43]

In the AR, the only remaining company under review that filed a separate rate application or certification is the mandatory respondent, Jiedong Lehouse. Although Wuxi Yushea did not submit a separate rate application in the AR, it provided separate rate information in the NSR which covers the same POR as the AR.[44] Because the AR and NSR are aligned and Wuxi Yushea provided a separate rate application for the same POR, we are considering Wuxi Yushea's separate rate application for both proceedings.

Separate Rate Recipient

Wholly Chinese-Owned

Wuxi Yushea reported that it is a wholly Chinese-owned company.[45] According to Wuxi Yushea's business license, it has an "Enterprise Legal Person Business License" with a business scope to sell and produce furniture including the legal right to "import and export self-produced products and technology and agent service."[46] Therefore, the Department must analyze whether this respondent can demonstrate the absence of both de jure and de facto governmental control over export activities.

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[39] See Policy Bulletin 05.1: Separate-Rates Practice and Application of Combination Rates in Antidumping Investigations involving Non-Market Economy Countries, available at http://ia.ita.doc.gov/policy/bull05-1.pdf.
[40] See Initiation Notice, 79 FR at 11083.
[41] See Final Determination of Sales at Less Than Fair Value: Sparklers From the People's Republic of China, 56 FR 20588 (May 6, 1991) ("Sparklers").
[42] See Notice of 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").
[43] See, e.g., Final Results of Antidumping Duty Administrative Review: Petroleum Wax Candles From the People's Republic of China, 72 FR 52355, 52356 (September 13, 2007).
[44] See Letter from Wuxi Yushea to the Department, Re: "Wooden Bedroom Furniture from the People's Republic of China - Section A Response," dated March 26, 2014 ("Wuxi Yushea Section A Response").
[45] See Wuxi Yushea's Section A Response at Exhibit A-3.
[46] Id.

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.[47] The evidence provided by Wuxi Yushea supports a preliminary finding of a *de jure* absence of government control based on the criteria outlined above.[48]

b) Absence of De Facto Control

Typically, the Department considers four factors in evaluating whether a respondent is subject to *de facto* government control of its export functions: (1) whether the export prices ("EP") 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 the disposition of profits or the financing of losses.[49] The Department has determined that an analysis of *de facto* control is critical in determining whether a respondent is, in fact, subject to a degree of governmental control, which would preclude the Department from assigning the respondent a separate rate. The evidence provided by Wuxi Yushea supports a preliminary finding of a *de facto* absence of government control based on the criteria outlined above.[50]

As a result of our analysis, the Department preliminarily finds that Wuxi Yushea qualifies for a separate rate under the criteria established by Silicon Carbide and Sparklers.

Companies that Failed to Establish Their Eligibility for Separate Rate Status

i) Jiedong Lehouse

The Department selected Jiedong Lehouse as a mandatory respondent; however, despite being provided multiple opportunities through supplemental questionnaires to fully provide the information sought in the questionnaire, Jiedong Lehouse never did so. Thus the record is incomplete. Without a complete record, the Department was not able to conduct a full analysis of Jiedong Lehouse's sales and production activities, including determining whether the Department had considered all necessary information in determining whether to grant Jiedong Lehouse a separate rate. Moreover, Jiedong Lehouse's failure to cooperate also prevented the Department from verifying its information. Thus, we consider the information that was provided by Jiedong Lehouse, including its separate rate information, to be unverifiable and therefore it

[47] See Sparklers, 56 FR at 20589.
[48] See Wuxi Yushea's Section A Response at questions 2(d) through 2(f).
[49] See Silicon Carbide, 59 FR at 22587; 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).
[50] See Wuxi Yushea's Section A Response at questions 2(a)(iii)-(v), 2(b)-(c), and 2(g)-(q).

cannot be relied upon for purposes of the Department's determination. Therefore, the Department preliminarily determines that Jiedong Lehouse has not met the above requirement for separate rate eligibility. As a result, the Department is preliminarily treating Jiedong Lehouse as part of the PRC-wide entity.[51]

ii) Companies that did not provide separate rate applications or separate rate certifications

In addition, the 15 companies listed below, for which a review was requested, failed to provide SRAs or SRCs necessary to establish their eligibility for a separate rate. Hence, the Department preliminarily determines to treat the following companies as part of the PRC-wide entity:

(1) Art Heritage International, Ltd., Super Art Furniture Co., Ltd., Artwork Metal & Plastic Co., Ltd., Jibson Industries Ltd., Always Loyal International;
(2) Cheng Meng Furniture (Pte) Ltd., Cheng Meng Decoration & Furniture (Suzhou) Co., Ltd.;
(3) Coe., Ltd.
(4) Dalian Huafeng Furniture Co., Ltd.;
(5) Dalian Huafeng Furniture Group Co., Ltd.;
(6) Dongguan Hung Sheng Artware Products Co., Ltd., Coronal Enterprise Co., Ltd.
(7) Dongguan Yujia Furniture Co., Ltd./Dongguan Yujia Furniture Co., Ltd.;
(8) Liang Huang (Jiaxing) Enterprise Co., Ltd.
(9) Marvin Furniture (Shanghai) Co. Ltd.;
(10) Prime Best Factory;
(11) Prime Best International Co., Ltd.;
(12) Prime Wood International Co., Ltd;
(13) Sen Yeong International Co., Ltd., Sheh Hau International Trading Ltd.;
(14) Strongson Furniture (Shenzhen) Co., Ltd., Strongson Furniture Co., Ltd., Strongson (Hk) Co.; and
(15) Zhang Zhou Sanlong Wood Product Co., Ltd.

Since the Department preliminarily determined that Jiedong Lehouse and 15 other companies are not eligible for separate rate status, we are treating them as part of the PRC-wide entity. Because no review request was made of the PRC-wide entity, the Department intends to rescind the review with respect to those 16 companies, including Jiedong Lehouse, as part of the PRC-wide entity, at the final results.[52]

[51] See, e.g., Steel Wire Garment Hangers From the People's Republic of China: Preliminary Results and Preliminary Rescission, in Part, of the Second Antidumping Duty Administrative Review, 76 FR 66903, 66906 (October 28, 2011) (where the Department assigned certain unresponsive mandatory respondents to the PRC-wide entity because they failed to demonstrate their separate rate eligibility) unchanged in Steel Wire Garment Hangers From the People's Republic of China: Final Results and Final Partial Rescission of Second Antidumping Duty Administrative Review, 77 FR 12553 (March 1, 2012).
[52] See Antidumping Proceedings: Announcement of Change in Department Practice for Respondent Selection in Antidumping Duty Proceedings and Conditional Review of the Nonmarket Economy Entity in NME Antidumping Duty Proceedings, 78 FR 65963, 65969-70 (November 4, 2013).

Surrogate Country

When the Department investigates imports from an NME country, section 773(c)(1) of the Act directs it to base NV, in most circumstances, on the NME producer's factors of production ("FOP") valued in a surrogate ME country or countries considered to be appropriate by the Department. In accordance with section 773(c)(4) of the Act, in valuing the FOP, the Department shall utilize, to the extent possible, the prices or costs of FOP in one or more ME countries that are: (1) at a level of economic development comparable to that of the NME country; and (2) significant producers of comparable merchandise.[53] Once the Department has identified one or more countries that are economically comparable to the PRC and which are significant producers of comparable merchandise, the Department will select a primary surrogate country based upon whether the surrogate value data for valuing FOP from potential surrogate countries are both available and reliable. The Department normally values all FOP in a single surrogate country.[54]

On June 12, 2014, the Department invited parties to comment on surrogate country selection and provide information regarding FOP valuation in the NSR.[55] On May 9, 2013, Petitioners filed surrogate country comments in the NSR, stating that the Department should choose the Philippines as the surrogate country in each review because: (1) it is economically comparable to the PRC; (2) it is a significant producer of comparable merchandise; and (3) its data for valuing FOPs are readily available and sufficient.[56] No other parties filed comments or rebuttal comments regarding the selection of a surrogate country. On November 18, 2014, Wuxi Yushea filed surrogate value information for Thailand on the record.[57]

Economic Comparability

As explained in the NSR Request for Surrogate Country Comments and Surrogate Value ("SV") Data, the Department considers Bulgaria, Colombia, Ecuador, Indonesia, South Africa, and Thailand to be comparable to the PRC in terms of economic development.[58] Therefore, we consider all six countries as having satisfied this prong of the surrogate country selection criteria.[59]

Significant Producer of Comparable Merchandise

Section 773(c)(4)(B) of the Act requires the Department to value FOP in a surrogate country that is a significant producer of comparable merchandise. Neither the statute nor the Department's regulations provide further guidance on what may be considered comparable merchandise. Given the absence of any definition in the statute or regulations, the Department looks to other sources, such as Policy Bulletin 04.1, for guidance on defining comparable merchandise.[60]

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[53] See section 773(c)(4) of the Act.
[54] See 19 CFR 351.408(c)(2).
[55] Id.
[56] See Petitioners' June 23, 2014 submission.
[57] See Wuxi Yushea's November 18, 2014 submission.
[58] See AR Request for Surrogate Country and SV Data; see also NSR Request for Surrogate Country and SV Data.
[59] See section 773(c)(4)(A) of the Act.
[60] See Policy Bulletin 04.1: Non-Market Economy Surrogate Country Selection Process (March 1, 2004) ("Policy Bulletin 04.1"), available at http://enforcement.trade.gov/policy/.

Policy Bulletin 04.1 states that "{i}n all cases, if identical merchandise is produced, the country qualifies as a producer of comparable merchandise. In cases where the identical merchandise is not produced, the team must determine if other merchandise that is comparable is produced. How the team does this, depends on the subject merchandise."[61]

Petitioners provided a report entitled The Furniture Industry in the Philippines published by the international research firm CSIL Milano in October 2007 which states that in 2006 Philippine manufacturers produced furniture valued at $813 million and the Philippines exported furniture valued at $279 million.[62] Wuxi Yushea placed on the record surrogate value data for Thailand. The Department downloaded from the Global Trade Atlas ("GTA") statistics that identify exports of merchandise under consideration from Thailand of over 2 billion Thai baht for the POR.[63]

Data Availability

If more than one country satisfies the statutory requirements for selection as a surrogate country, the Department selects a surrogate country from among the potential countries based on data availability and quality. When evaluating surrogate value data, the Department considers several factors including whether the surrogate values are publicly available, contemporaneous with the POI, representative of a broad market average, from an approved surrogate country, tax and duty-exclusive, and specific to the inputs being valued.[64] There is no surrogate value information on the record for any country on the surrogate country list except for Thailand.

Because Thailand is the only country listed on the Surrogate Country Memorandum found to be both economically comparable to the PRC and a significant producer of comparable merchandise for which we have reliable data to value almost every one of the FOPs, we have selected Thailand as the surrogate country. Given that one of the countries found to be economically comparable to the PRC satisfies the requirements for selection as a surrogate country, for purposes of the preliminary determination, there is no need for the Department to evaluate the Philippines as a potential surrogate country.

Date of Sale

Consistent with the Department's regulation, 19 CFR 351.401(i), Wuxi Yushea reported the invoice date as the date of sale. We found no evidence that another alternative date better reflects that date on which the material terms of sale are established. Thus, the Department used invoice date as the date of sale for these preliminary results of review in accordance with 19 CFR

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[61] Id.
[62] See Petitioners' June 23, 2014 submission.
[63] See Memorandum to the File from Jeffrey Pedersen, Senior International Trade Compliance Analyst, Office IV, AD/CVD Operations, to the File, "Surrogate Value Memorandum for the Preliminary Results of the 2013 New Shipper Review of Wooden Bedroom Furniture from the People's Republic of China" dated concurrently with this memorandum ("NSR Surrogate Value Memorandum").
[64] See, e.g., Notice of Final Determination of Sales at Less Than Fair Value and Affirmative Critical Circumstances, In Part: Certain Lined Paper Products From the People's Republic of China, 71 FR 53079 (September 8, 2006) ("CLPP"), and accompanying Issues and Decision Memorandum at Comment 3.

351.401(i).[65]

Fair Value Comparisons

Pursuant to section 773(a) of the Act and 19 CFR 351.414(c)(1), in order to determine whether the sale of WBF to the United States by Wuxi Yushea was made at less than NV, we compared the EP of the sale to NV, as described in the "Export Price" and "Normal Value" sections below.

Differential Pricing Analysis

Pursuant to 19 CFR 351.414(c)(1), the Department calculates dumping margins by comparing weighted-average NVs to weighted-average EPs (or constructed export prices ("CEP")) (the average-to-average method unless the Department determines that another method is appropriate in a particular situation. In recent investigations, the Department applied a "differential pricing" analysis to determine whether application of average-to-transaction comparisons is appropriate in a particular situation pursuant to 19 CFR 351.414(c)(1) and consistent with section 777A(d)(1)(B) of the Act.[66] The Department has found that the differential pricing analysis used in those recent investigations may be instructive for purposes of examining whether to apply an alternative comparison method in administrative reviews. In the differential pricing analysis, the Department examines whether there is a pattern of EPs (or CEPs) for comparable merchandise that differs significantly among purchasers, regions, or time periods. However, in this review, we do not have two or more sales to compare in order to test whether a pattern of prices that differ significantly exists. Accordingly, we have not conducted a differential pricing analysis. Thus, we determined whether Wuxi Yushea sold subject merchandise at less than NV using the standard comparison method. Specifically, we compared the weighted-average NV to the weighted-average EP in our dumping margin calculations.

U.S. Price

Export Price

According to section 772(a) of the Act, EP is the price at which the subject merchandise is first sold (or agreed to be sold) before the date of importation by the producer or exporter of the subject merchandise outside of the United States to an unaffiliated purchaser in the United States or to an unaffiliated purchaser for exportation to the United States, as adjusted under section 772(c) of the Act. In accordance with section 772(a) of the Act, we treated the U.S. sales price as an EP in our calculations because the subject merchandise was sold directly to the unaffiliated customer in the United States prior to importation, and because CEP was not otherwise warranted. In accordance with section 772(c)(2)(A) of the Act, in order to calculate the net U.S. price for comparing to NV, we made deductions from the starting price for movement expenses, marine insurance, customs duties, domestic inland freight, and market economy brokerage &

65 See Letter to the Department from Wuxi Yushea, regarding "Section C Response" (April 2, 2014) ("Section C Response") at 15.

66 See, e.g., Xanthan Gum From the People's Republic of China: Final Determination of Sales at Less Than Fair Value, 78 FR 33351 (June 4, 2013); Notice of Affirmative Final Determination of Sales at Less Than Fair Value: Diffusion-Annealed, Nickel-Plated Flat-Rolled Steel Products From Japan, 79 FR 19869 (April 10, 2014).

handling, as applicable.[67] We also deducted value added taxes ("VAT") from the starting price as explained below.

VAT

The Department's recent practice, in NME cases, is to subtract from EP or the CEP the amount of any un-refunded (irrecoverable) VAT, in accordance with section 772(c)(2)(B) of the Act.[68] Where the irrecoverable VAT is a fixed percentage of EP, the Department makes a tax-neutral dumping comparison by reducing the U.S. price by this percentage.[69]

The Chinese VAT schedule placed on the record of this review demonstrates that, the VAT rate is 17 percent and the rebate rate for subject merchandise is 15 percent.[70] For the purposes of these preliminary results of review, therefore, we reduced the U.S. price by the difference between the rates, *i.e.*, two percent, which is the irrecoverable VAT.[71]

Normal Value

Section 773(c)(1) of the Act provides that, the Department shall determine NV using an FOP methodology if the merchandise is exported from an NME country and the Department finds that the available 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. When determining NV in a NME context, the Department will base NV on FOP because the presence of government controls on various aspects of these economies renders price comparisons and the calculation of production costs invalid under our normal methodologies. Under section 773(c)(3) of the Act, FOP include, but are not limited to: (1) hours of labor required; (2) quantities of raw materials employed; and (3) representative capital costs. In accordance with section 773(c) of the Act and 19 CFR 351.408(c)(1), we calculated NV by multiplying the reported per-unit FOP consumption rates by publicly available SVs.

Factor Valuations

As noted above, when selecting from among the available information for valuing FOP, the Department's practice is to select, to the extent practicable, SVs which are non-export average values, contemporaneous with the POR or closest in time to the POR, product-specific, and tax-exclusive.[72] The record shows that import statistics from the primary surrogate country, Thailand, are generally contemporaneous with the POR, product-specific, and tax-exclusive. Thus, we based SVs for Wuxi Yushea's FOP (i.e., direct materials and packing materials), on weighted-average per-unit import values calculated from import statistics reported by Thailand's

[67] See NSR Analysis Memorandum, issued concurrently with this memorandum.
[68] See Methodological Change for Implementation of Section 772(c)(2)(B) of the Tariff Act of 1930, as Amended, In Certain Non-Market Economy Antidumping Proceedings, 77 FR 36481, 36483-84 (June 19, 20 12).
[69] Id.
[70] See Wuxi Yushea's April 20, 2014 response at C-41.
[71] Id.
[72] 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).

National Statistics Office, the official source and primary statistical agency of the Thai government, published by the GTA.[73]

We disregarded certain import values when calculating SVs. In accordance with legislative history, we have continued to apply the Department's long-standing practice of disregarding import prices that we have reason to believe or suspect are subsidized or dumped.[74] In this regard, the Department previously found that it is appropriate to disregard prices of imports from India, Indonesia, South Korea, and Thailand because it determined that these countries maintain broadly available, non-industry specific export subsidies.[75] 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.[76] Rather, the Department bases its decision on information that is available to it at the time it makes its determination. Based on the existence of these subsidy programs, that were generally available to all exporters and producers in these countries at the time of the POR, the Department finds that it is reasonable to infer that all exporters in India, Indonesia, South Korea and Thailand may have benefitted from these subsidies. Therefore, we have not used prices of Thai imports from India, Indonesia, and South Korea in calculating the import-based SVs. Additionally, in selecting import data for SVs, we disregarded prices from NME countries.[77] Finally, we excluded from our calculation of the average import value imports that were labeled as originating from an "unspecified" country, because we could not be certain that they were not from either an NME country or a country with generally available export subsidies.[78]

As appropriate, we added freight costs to SVs. Specifically, we added surrogate inland freight costs to import values used as SVs using the shorter of the reported distance from the domestic supplier to the factory that produced the subject merchandise or the distance from the nearest port to the factory that produced the subject merchandise, where appropriate. This adjustment is in accordance with the Court of Appeals for the Federal Circuit's decision in Sigma Corp.[79]

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[73] See NSR Surrogate Value Memorandum.
[74] See Omnibus Trade and Competitiveness Act of 1988, Conf. Report to Accompany H.R. 3, H.R. Rep. No. 576, 100th Cong., 2nd Sess. (1988) at 590.
[75] See, e.g., 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 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 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 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 23.
[76] See Conference Report to the 1988 Omnibus Trade & Competitiveness Act, H.R. Rep. No. 100-576, at 590 (1988); see also Preliminary Determination of Sales at Less Than Fair Value and Postponement of Final Determination: Coated Free Sheet Paper from the People's Republic of China, 72 FR 30758, 30763 (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).
[77] See, e.g., Certain Kitchen Appliance Shelving and Racks From the People's Republic of China: Preliminary Determination of Sales at Less Than Fair Value and Postponement of Final Determination, 74 FR 9591, 9600 (March 5, 2009), unchanged in 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) and Certain Kitchen Appliance Shelving and Racks from the People's Republic of China: Amended Final Determination of Sales at Less Than Fair Value and Notice of Antidumping Duty Order, 74 FR 46971 (September 14, 2009).
[78] Id.
[79] See Sigma Corp. v. United States, 117 F.3d 1401, 1407-08 (Fed. Cir. 1997) ("Sigma Corp.").

We valued Wuxi Yushea's labor consumption based on Thailand's National Statistical Office ("NSO") Labor Force Survey of Whole Kingdom, which were based on data from surveys taken in 2013. We valued labor using a single-country labor cost based on compensation data consistent with the International Standard Classification of Occupation, 2008 (ISCO-08) of the International Labor Organization ("ILO").[80] The data cover the first three quarters of 2013 for all manufacturing sectors. Because these rates were in effect during the POR, we have not adjusted the calculated rate for inflation/deflation.

We valued inland truck freight using the World Bank's "2014 Doing Business in Thailand" survey and report, which was published in June 2013.[81] This World Bank report gathers information concerning the distance and cost to transport products in a 20-foot container containing 10 metric tons of goods from the peri-urban area (*i.e.*, Bangkok's Industrial Park Area) of the economy's largest business city (Bangkok) to the country's major port. We did not inflate/deflate this rate since it is contemporaneous with the POR.

We valued electricity using contemporaneous Thai data from the Metropolitan Electricity Authority.[82] The rates were applicable to medium-sized industrial entities and were in effect during the POR and so we have not adjusted the rates for inflation/deflation.

According to 19 CFR 351.408(c)(4), the Department is directed to value overhead, general and administrative ("SG&A") expenses and profit using non-proprietary information gathered from producers of identical or comparable merchandise in the surrogate country. The record for the NSR contains contemporaneous financial statements for following Thai companies: (1) Furnist Industry Company Limited ("Furnist"); (2) Trans-Inter Alliance Company Limited ("TIAC"); and (3) Flexiplan Design Company Limited ("Flexiplan").[83] The Department determined that Furnist and Flexiplan are producers of furniture and thus manufacturers of comparable merchandise,[84] and will rely on these financial statements to value factory overhead, SG&A and profit. However, TIAC's financial statements indicate that it manufactures and distributes tanning leathers and does not make furniture. Because it does not manufacture comparable merchandise, we have not relied on TIAC's financial statements.

The Department may consider other publicly available financial statements for the final results, as appropriate. For a complete listing of all of the inputs and a detailed discussion regarding our SV selections, see the NSR Surrogate Value Memorandum.

Currency Conversion

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

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[80] See Wuxi Yushea's November 18, 2014 submission at Exhibit 2.
[81] See Wuxi Yushea's November 18, 2014 submission at Exhibit 4.
[82] See Wuxi Yushea's November 18, 2014 submission at Exhibit 3.
[83] See Wuxi Yushea's November 18, 2014 submission at Exhibit 6.
[84] Furnist's financial statements indicate that it manufactures and sells furniture, and Flexiplan's financial statements indicate that it manufactures and sells furniture for office, building and home.

CONCLUSION

We recommend applying the above methodology for these preliminary results.

✓
Agree   Disagree

Paul Piquado
Assistant Secretary
for Enforcement and Compliance

2 February 2015
Date