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NSR: 1/1/13-12/31/13
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DATE: June 10, 2015

MEMORANDUM TO: Paul Piquado
Assistant Secretary
for Enforcement and Compliance

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

SUBJECT: Wooden Bedroom Furniture from the People's Republic of China:
Issues and Decision Memorandum for the Final Results of the
2013 Administrative Review and New Shipper Review

Summary

The Department of Commerce ("Department") analyzed the case brief submitted in the above-referenced administrative review ("AR"). After our analysis, we made no changes to our Preliminary Results.¹ We recommend that you approve the positions described in the "Discussion of the Issues" section of this memorandum.

Background

On February 11, 2015, the Department published in the Federal Register the Preliminary Results of the AR and new shipper review ("NSR") of the antidumping duty order on wooden bedroom furniture ("WBF") from the People's Republic of China. We invited parties to comment on our Preliminary Results. On March 13, 2015, the American Furniture Manufacturers Committee for Legal Trade and Vaughan-Bassett Furniture Company, Inc. ("Petitioners") submitted comments on the AR.² No other party commented on the Preliminary Results of the AR or NSR.

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

¹ See Wooden Bedroom Furniture From the People's Republic of China: Preliminary Results of Antidumping Duty Administrative Review and New Shipper Reviews; 2013, 80 FR 7576 (February 11, 2015) ("Preliminary Results").

² See Letter from Petitioners to the Department, Re: "Wooden Bedroom Furniture from the People's Republic of China: Petitioners' Case Brief," dated March 13, 2015.



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, bureaux, 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,³ highboys,⁴ lowboys,⁵ chests of drawers,⁶ chests,⁷ door chests,⁸ chiffoniers,⁹ hutches,¹⁰ and armoires;¹¹ (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

³ 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.

⁴ 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).

⁵ A lowboy is typically a short chest of drawers, not more than four feet high, normally set on short legs.

⁶ A chest of drawers is typically a case containing drawers for storing clothing.

⁷ 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.

⁸ 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.

⁹ A chiffonier is typically a tall and narrow chest of drawers normally used for storing undergarments and lingerie, often with mirror(s) attached.

¹⁰ A hutch is typically an open case of furniture with shelves that typically sits on another piece of furniture and provides storage for clothes.

¹¹ 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.

furniture in which bentwood parts predominate;¹² (9) jewelry armories;¹³ (10) cheval mirrors;¹⁴ (11) certain metal parts;¹⁵ (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 beds¹⁶; (14) toy boxes¹⁷; (15) enclosable wall bed units;¹⁸ and (16) shoe cabinets.¹⁹

¹² 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.

¹³ 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).

¹⁴ 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).

¹⁵ 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.

¹⁶ 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).

¹⁷ 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.

¹⁸ Enclosable wall bed units, also referred to as murphy beds, 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. *See* Wooden Bedroom Furniture From the People's Republic of

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, 9403.20.0018, or 9403.90.8041. 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.

Discussion of the Issues

Comment 1: Whether Jiedong Lehouse Furniture Co., Ltd (“Jiedong Lehouse”) has Demonstrated Eligibility for Separate Rate Status

Petitioners

- Consistent with the Department’s practice²⁰ to deny separate rate status to mandatory respondents which fail to respond to all parts of the questionnaire, in the Initiation Notice, the Department stated that mandatory respondents must respond to all parts of the questionnaire in order to be eligible for a separate rate.²¹
- The Department selected Jiedong Lehouse as a mandatory respondent in the AR; however, despite submitting a separate rate application, Jiedong Lehouse failed to completely respond to any section of the Department’s questionnaire, refused to submit complete financial statements as required by section A of the questionnaire, failed to submit reconciliations for its U.S. sales and factors of production databases as required by sections C and D of the questionnaire, respectively, and ultimately withdrew from the review. Therefore, the Department should continue to deny Jiedong Lehouse a separate rate for these final results.

China: Final Results of Changed Circumstances Review, and Revocation of Antidumping Duty Order, in Part, 79 FR 64569 (October 30, 2014).

¹⁹ Excluded shoe cabinets are 31.5-33.5 inches wide by 15.5-17.5 inches deep by 34.5-36.5 inches high. They are designed strictly to store shoes, which are intended to be aligned in rows perpendicular to the wall along which the cabinet is positioned. Shoe cabinets do not have drawers, rods, or other indicia for the storage of clothing other than shoes. The cabinets are not designed, manufactured, or offered for sale in coordinated groups or sets and are made substantially of wood, have two to four shelves inside them, and are covered by doors. The doors often have blinds that are designed to allow air circulation and release of bad odors. The doors themselves may be made of wood or glass. The depth of the shelves does not exceed 14 inches. Each shoe cabinet has doors, adjustable shelving, and ventilation holes. See Wooden Bedroom Furniture From the People’s Republic of China: Final Results of Changed Circumstances Review, and Revocation of Antidumping Duty Order, in Part, 80 FR 18383 (April 6, 2015).

²⁰ See Wooden Bedroom Furniture from the People’s Republic of China, 78 FR 35249 (June 12, 2013) and accompanying Issues and Decision Memorandum at Comment 1. See also Wooden Bedroom Furniture from the People’s Republic of China, 79 FR 51954 (September 2, 2014) and accompanying Issues and Decision Memorandum at Comment 2.

²¹ See Initiation of Antidumping and Countervailing Duty Administrative Reviews and Requests for Revocation, in Part, 79 FR 11401 (February 28, 2014) (“Initiation Notice”).

Jiedong Lehouse did not comment on this issue.

Department's Position:

We agree with Petitioners. In proceedings involving non-market economy (“NME”) countries, the Department maintains a rebuttable presumption that all companies within the country are subject to government control and, thus, should be assigned a single dumping rate. It is the Department’s policy to assign all exporters of subject merchandise in an NME country this single rate unless an exporter can demonstrate that it is sufficiently independent so as to be entitled to a separate rate.²² Furthermore, the Department has instituted a practice whereby exporters and producers which submit a separate rate application or separate rate certification which are subsequently selected as mandatory respondents, are no longer eligible for separate-rate status unless they respond to all parts of the questionnaire as mandatory respondents.²³ During the course of this review, Jiedong Lehouse submitted a separate rate application, and was subsequently selected as a mandatory respondent.²⁴

However, Jiedong Lehouse never fully responded to the questionnaire, despite being provided multiple opportunities to provide the required information through supplemental questionnaires. Thus the record is incomplete with respect to Jiedong Lehouse. 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 it had considered all necessary information in deciding whether to grant Jiedong Lehouse a separate rate.

Mandatory respondents may not dictate their level of participation for the purposes of determining a more favorable separate rate based on another party’s data. After providing separate rate information, a mandatory respondent could cease participating in a proceeding by not providing a full response to the antidumping questionnaire, believing that its own data may result in a higher antidumping duty margin than if it simply participated as a separate-rate respondent.

Moreover, Jiedong Lehouse’s failure to respond to all parts of the questionnaire prevented the Department from conducting a comprehensive analysis of its activities during the POR. Thus, because the Department was unable to analyze Jiedong Lehouse’s activities during the POR, we consider the information that was provided by Jiedong Lehouse, including its separate rate information, to be unreliable, and we cannot determine Jiedong Lehouse’s eligibility for separate rate status. Therefore, we continue to find that Jiedong Lehouse has not demonstrated its

²² 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”), as amplified by 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”); see also 19 CFR 351.107(d).

²³ See Initiation Notice at 11402.

²⁴ See Letter from the Department to Jiedong Lehouse, Re: “Wooden Bedroom Furniture from the People’s Republic of China,” dated June 3, 2014.

separate rate eligibility for separate rate status, and as a result, the Department is treating Jiedong Lehouse as part of the PRC-wide entity.²⁵

Recommendation

Based on our analysis of the comments received, we recommend adopting the above position. If this recommendation is accepted, we will publish the final results of these reviews in the Federal Register.

Agree ✓ Disagree _____

Paul Piquado
Paul Piquado
Assistant Secretary
for Enforcement and Compliance

10 JUNE 2015
Date

²⁵ 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).