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International Trade Administration
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DATE: December 17, 2018

MEMORANDUM TO: 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

FROM: James Maeder
Associate Deputy Assistant Secretary
for Antidumping and Countervailing Duty Operations,
performing the duties of Deputy Assistant Secretary
for Antidumping and Countervailing Duty Operations

SUBJECT: Decision Memorandum for the Preliminary Results of Antidumping Duty Administrative Review: Multilayered Wood Flooring from the People's Republic of China; 2016-2017

I. SUMMARY

In response to requests from interested parties, the Department of Commerce (Commerce) is conducting an administrative review of the antidumping duty (AD) order on multilayered wood flooring (wood flooring) from the People's Republic of China (China) for the period of review (POR) December 1, 2016, through November 30, 2017. This review covers the China-wide entity and 146 companies, including two mandatory respondents: Jiangsu Senmao Bamboo and Wood Industry Co., Ltd. (Jiangsu Senmao), and Sino-Maple (Jiangsu) Co., Ltd. (Sino-Maple).

We preliminarily determine that: 61 companies demonstrated separate rate eligibility; 59 companies are part of the China-wide entity; 18 companies made no shipments of subject merchandise during the POR; and we are rescinding the review with respect to eight companies. Additionally, we preliminarily determine that Jiangsu Senmao did not make sales of subject merchandise at prices below normal value (NV), and we are basing Sino-Maple's estimated dumping margin on adverse facts available (AFA).

If these preliminarily results are adopted in the final results of this administrative 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. The preliminary rates assigned to each of these companies can be found in the "Preliminary Results of Review" section of the accompanying *Federal Register* notice.

Interested parties are invited to comment on these preliminary results. We intend to issue the final results no later than 120 days from the date of publication of the accompanying *Federal Register* notice of these preliminary results pursuant to section 751(a)(3)(A) of the Tariff Act of 1930, as amended (the Act), unless this deadline is extended.

II. BACKGROUND

On December 8, 2011, Commerce published the AD *Order* on wood flooring from China.[1] On December 4, 2017, we published a notice of opportunity for interested parties to request that Commerce conduct an administrative review of the *Order*.[2] Between December 11, 2017, and January 2, 2018, we received requests to conduct an administrative review of 146 companies.[3] On February 23, 2018, we published the notice of initiation of the administrative review in the *Federal Register*.[4] From March through May 2018, we received separate rate certifications (SRCs) from 62 companies, separate rate applications (SRAs) from 15 companies, no shipments certifications from 14 companies, and timely withdrawal requests from five companies.[5]

After selecting Jiangsu Senmao and Fine Furniture (Shanghai) Limited (Fine Furniture)[6] as mandatory respondents,[7] Fine Furniture was excluded from the *Order*.[8] We subsequently stated

[1] *See Multilayered Wood Flooring from the People's Republic of China: Notice of Amended Final Affirmative Determination of Sales at Less than Fair Value and Antidumping Duty Order*, 76 FR 76690 (December 8, 2011), as amended in *Multilayered Wood Flooring from the People's Republic of China*, 77 FR 5484 (February 3, 2012) (collectively, the *Order*).
[2] *See Antidumping or Countervailing Duty Order, Finding, Suspended Investigation; Opportunity to Request Administrative Review*, 82 FR 57219 (December 4, 2017).
[3] *See, e.g.,* Coalition for American Hardwood Parity's (CAHP's) Letter, "Request for Administrative Review," dated December 28, 2017 (CAHP Review Request). We note that the domestic producers formerly comprising the CAHP subsequently filed an entry of appearance under different counsel as the American Manufacturers of Multilayered Wood Flooring (AMMWF, hereinafter, the petitioner). *See* Petitioner's Letter, "Entry of Appearance and Application for Access to Information Provided Under Administrative Protective Order," dated February 27, 2018.
[4] *See Initiation of Antidumping and Countervailing Duty Administrative Reviews*, 82 FR 8058 (February 23, 2018) (*Initiation Notice*); *see also Initiation of Antidumping and Countervailing Duty Administrative Reviews*, 83 FR 16298 (April 16, 2018) (initiating with respect to Double F Limited) (*Initiation Notice II*), and *Initiation of Antidumping and Countervailing Duty Administrative Reviews*, 83 FR 19215 (May 2, 2018) (initiating with respect to the China-wide entity) (*Initiation Notice III*).
[5] *See, e.g.,* Dunhua City Dexin Wood Industry Co., Ltd.'s March 26, 2018 Separate Rate Certification (Dexin Wood SRC); Jilin Forest Industry Jinqiao Flooring Group Co., Ltd.'s March 27, 2018 Separate Rate Application (Jilin Forest SRA); Zhejiang Fuma Warm Technology Co., Ltd.'s March 26, 2018 No Shipments Certification (Fuma Warm NSC); and Dalian Penghong Floor Products Co., Ltd. and Dunhua City Jisen Wood Industry Co., Ltd.'s Letter, "Multilayered Wood Flooring from the People's Republic of China: Withdrawal of Request for Administrative Review," dated May 7, 2018 (Dalian Penghong/Jisen Wood Withdrawal).
[6] Including Fine Furniture's affiliated re-seller, Double F Limited.
[7] *See* Memorandum, "Multilayered Wood Flooring from the People's Republic of China: Selection of Respondents," dated April 7, 2018 (Respondent Selection Memorandum).
[8] *See Changzhou Hawd Flooring Co., et al. v. United States*, Ct. No. 12-20, Slip Op. 18-82 (Court of Int'l Trade July 3, 2018) and *Changzhou Hawd Flooring Co., et al. v. United States*, Ct. No. 12-20, Dkt. No. 199 (Court of Int'l Trade Aug. 15, 2018) (collectively, *Changzhou Hawd,* Slip Op. 18-82). We note that Armstrong Wood Products (Kunshan) Co., Ltd. (Armstrong Wood) and Jisen Wood were also excluded from the *Order*. *See Multilayered Wood Flooring from the People's Republic of China: Amendment to Notice of Court Decision Not in Harmony with*

our intention to rescind the review with respect to Fine Furniture and selected Sino-Maple as an additional mandatory respondent.[9]

From June through September 2018, we issued and received responses to the AD questionnaire from Jiangsu Senmao and Sino-Maple.[10] From October through November 2018, we issued and received responses to supplemental questionnaires from both mandatory respondents[11] and various separate rate respondents.[12]

On August 2, 2018, we extended the deadline for the preliminary results from September 5, 2018 until December 17, 2018.[13] From September through November 2018, we solicited and received comments from interested parties regarding the selection of surrogate value (SV) data, in accordance with 19 CFR 351.408(c).[14]

On November 30, 2018, officials from Commerce met with counsel to Sino-Maple regarding the respondent's request to submit certain previously unreported sales information.[15] Additionally,

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the Second Amended Final Determination and Amendment to Notice of Third Amended Final Determination of the Antidumping Duty Investigation, 83 FR 44027 (August 29, 2018).

[9] *See* Memorandum, "Multilayered Wood Flooring from the People's Republic of China: Selection of Additional Mandatory Respondent," dated July 30, 2018 (Additional Mandatory Respondent Memorandum).

[10] *See* Commerce Letters re: Jiangsu Senmao Antidumping Questionnaire, dated June 20, 2018 (Jiangsu Senmao AD Questionnaire); and Sino-Maple Antidumping Questionnaire, dated July 31, 2018 (Sino-Maple AD Questionnaire). *See also* Jiangsu Senmao July 11, 2018 Section A Questionnaire Response (Jiangsu Senmao AQR) and August 6, 2018 Sections C-D Questionnaire Response (Jiangsu Senmao CDQR); and Sino-Maple September 4, 2018 Section A Questionnaire Response (Sino-Maple AQR) and September 13, 2018 Sections C-D Questionnaire Response (Sino-Maple CDQR).

[11] *See* Commerce Letters re: Jiangsu Senmao First Supplemental Questionnaire, dated October 5, 2018 (Jiangsu Senmao First SQ); Sino-Maple First Supplemental Questionnaire, dated October 17, 2018 (Sino-Maple First SQ); and Sino-Maple Second Supplemental Questionnaire, dated November 9, 2018 (Sino-Maple Second SQ). *See also* Jiangsu Senmao October 19, 2018 First Supplemental Questionnaire Response (Jiangsu Senmao First SQR); Sino-Maple November 5, 2018 First Supplemental Questionnaire Response (Sino-Maple First SQR); and Sino-Maple November 16, 2018 Second Supplemental Questionnaire Response (Sino-Maple Second SQR).

[12] *See, e.g.,* Commerce Letters re: Dexin Wood SRC Supplemental Questionnaire, dated September 19, 2018 (Dexin Wood SRC SQ); and Jilin Forest SRA Supplemental Questionnaire, dated October 23, 2018 (Jilin Forest SRA SQ). *See also* Dexin Wood September 26, 2018 SRC Supplemental Questionnaire Response (Dexin Wood SRC SQR); and Jilin Forest October 30, 2018 SRA Supplemental Questionnaire Response (Jilin Forest SRA SQR).

[13] *See* Memorandum regarding: Extension of Deadline for Preliminary Results of Antidumping Duty Administrative Review, dated August 2, 2018 (Preliminary Deadline Extension).

[14] *See* Commerce Letter re: Request for Surrogate Value Comments, dated September 26, 2018 (Surrogate Comments Request); Petitioner Letter, "Multilayered Wood Flooring from the People's Republic of China: Comments on Surrogate Country Selection" (Petitioner SC Comments), dated October 17, 2018; Jiangsu Senmao and Sino-Maple Letter, "Multilayered Wood Flooring from the People's Republic of China: Surrogate Country Comments" (Jiangsu Senmao/Sino-Maple SC Comments), both dated October 17, 2018; Petitioner Letter, "Multilayered Wood Flooring from the People's Republic of China: Submission of Surrogate Values," dated November 2, 2018 (Petitioner SV Comments); and Jiangsu Senmao and Sino-Maple Letter, "Multilayered Wood Flooring from the People's Republic of China: Surrogate Value Comments," dated November 5, 2018 (Jiangsu Senmao/Sino-Maple SV Comments).

[15] *See* Memorandum regarding: *Ex Parte* Meeting with Counsel for Sino-Maple, dated November 30, 2018. We note that Sino-Maple subsequently filed a second request to submit this additional information. *See* Sino-Maple Letter, "Request for Opportunity to Submit Certain Additional Information in a Supplemental Questionnaire," dated December 3, 2018 (Second Request to Submit Additional Information).

on December 3, 2018, and December 13, 2018, we received comments from the petitioner and Jiangsu Senmao, respectively, for consideration in the preliminary results.[16]

III. PERIOD OF REVIEW

The POR is December 1, 2016, through November 30, 2017.

IV. SCOPE OF THE ORDER

Multilayered wood flooring is composed of an assembly of two or more layers or plies of wood veneer(s)[17] in combination with a core.[18] The several layers, along with the core, are glued or otherwise bonded together to form a final assembled product. Multilayered wood flooring is often referred to by other terms, *e.g.*, "engineered wood flooring" or "plywood flooring." Regardless of the particular terminology, all products that meet the description set forth herein are intended for inclusion within the definition of subject merchandise.

All multilayered wood flooring is included within the definition of subject merchandise, without regard to: dimension (overall thickness, thickness of face ply, thickness of back ply, thickness of core, and thickness of inner plies; width; and length); wood species used for the face, back and inner veneers; core composition; and face grade. Multilayered wood flooring included within the definition of subject merchandise may be unfinished (*i.e.*, without a finally finished surface to protect the face veneer from wear and tear) or "prefinished" (*i.e.*, a coating applied to the face veneer, including, but not exclusively, oil or oil-modified or water-based polyurethanes, ultra-violet light cured polyurethanes, wax, epoxy-ester finishes, moisture-cured urethanes and acid-curing formaldehyde finishes). The veneers may be also soaked in an acrylic-impregnated finish. All multilayered wood flooring is included within the definition of subject merchandise regardless of whether the face (or back) of the product is smooth, wire brushed, distressed by any method or multiple methods, or hand-scraped. In addition, all multilayered wood flooring is included within the definition of subject merchandise regardless of whether or not it is manufactured with any interlocking or connecting mechanism (for example, tongue-and-groove construction or locking joints). All multilayered wood flooring is included within the definition of the subject merchandise regardless of whether the product meets a particular industry or similar standard.

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

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[16] *See* Petitioner Letter, "Multilayered Wood Flooring from the People's Republic of China: AMMWF's Pre-Preliminary Determination Comments," dated December 3, 2018; *See* Jiangsu Senmao Letter, "Multilayered Wood Flooring from the People's Republic of China: Pre-Decision Comments on the Preliminary Determination and the Intermediate Input Methodology," dated December 13, 2018.

[17] A "veneer" is a thin slice of wood, rotary cut, sliced or sawed from a log, bolt or flitch. Veneer is referred to as a ply when assembled.

[18] Commerce Interpretive Note: Commerce interprets this language to refer to wood flooring products with a minimum of three layers.

Multilayered wood flooring products generally, but not exclusively, may be in the form of a strip, plank, or other geometrical patterns (*e.g.*, circular, hexagonal). All multilayered wood flooring products are included within this definition regardless of the actual or nominal dimensions or form of the product. Specifically excluded from the scope are cork flooring and bamboo flooring, regardless of whether any of the sub-surface layers of either flooring are made from wood. Also excluded is laminate flooring. Laminate flooring consists of a top wear layer sheet not made of wood, a decorative paper layer, a core-layer of HDF, and a stabilizing bottom layer.

Imports of the subject merchandise are provided for under the following subheadings of the Harmonized Tariff Schedule of the United States (HTSUS): 4412.31.0520; 4412.31.0540; 4412.31.0560; 4412.31.0620; 4412.31.0640; 4412.31.0660; 4412.31.2510; 4412.31.2520; 4412.31.2610; 4412.31.2620; 4412.31.3175; 4412.31.4040; 4412.31.4050; 4412.31.4060; 4412.31.4070; 4412.31.4075; 4412.31.4080; 4412.31.4140; 4412.31.4160; 4412.31.4175; 4412.31.5125; 4412.31.5135; 4412.31.5155; 4412.31.5165; 4412.31.5175; 4412.31.5225; 4412.31.6000; 4412.31.9100; 4412.32.0520; 4412.32.0540; 4412.32.0560; 4412.32.0565; 4412.32.0570; 4412.32.0640; 4412.32.0665; 4412.32.2510; 4412.32.2520; 4412.32.2525; 4412.32.2530; 4412.32.2610; 4412.32.2625; 4412.32.3125; 4412.32.3135; 4412.32.3155; 4412.32.3165; 4412.32.3175; 4412.32.3185; 4412.32.3225; 4412.32.5600; 4412.32.5700; 4412.39.1000; 4412.39.3000; 4412.39.4011; 4412.39.4012; 4412.39.4019; 4412.39.4031; 4412.39.4032; 4412.39.4039; 4412.39.4051; 4412.39.4052; 4412.39.4059; 4412.39.4061; 4412.39.4062; 4412.39.4069; 4412.39.5010; 4412.39.5030; 4412.39.5050; 4412.94.1030; 4412.94.1050; 4412.94.3105; 4412.94.3111; 4412.94.3121; 4412.94.3131; 4412.94.3141; 4412.94.3160; 4412.94.3171; 4412.94.4100; 4412.94.5100; 4412.94.6000; 4412.94.7000; 4412.94.8000; 4412.94.9000; 4412.94.9500; 4412.99.0600; 4412.99.1020; 4412.99.1030; 4412.99.1040; 4412.99.3110; 4412.99.3120; 4412.99.3130; 4412.99.3140; 4412.99.3150; 4412.99.3160; 4412.99.3170; 4412.99.4100; 4412.99.5100; 4412.99.5105; 4412.99.5115; 4412.99.5710; 4412.99.6000; 4412.99.7000; 4412.99.8000; 4412.99.9000; 4412.99.9500; 4418.71.2000; 4418.71.9000; 4418.72.2000; 4418.72.9500; 4418.74.2000; 4418.74.9000; 4418.75.4000; 4418.75.7000; 4418.79.0100; and 9801.00.2500.

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

V. SELECTION OF RESPONDENTS

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

In the *Initiation Notice*, we notified the public that, in the event we limited the number of respondents for individual examination, we intended to select respondents based on CBP data for

U.S. imports during the POR.[19] On March 7, 2018, we placed CBP data for imports made during the POR under the HTSUS numbers listed in the scope of the *Order,* on the record of the review, and requested comments on the data for use in respondent selection.[20] We subsequently received timely comments on the CBP data and respondent selection from various parties.[21] However, we later revised the respondent selection procedure for this review to base selection on quantity and value (Q&V) questionnaire responses,[22] and issued Q&V questionnaires to the largest 30 exporters by volume listed in the CBP data, in addition to the China-wide entity.[23] We also made the Q&V questionnaire available to all interested parties,[24] and received a total of 34 responses, none of which included the China-wide entity.[25]

On June 8, 2018, we issued the respondent selection memorandum, which explained that, pursuant to 777A(c)(2) of the Act, because of the large number of exporters and producers involved in the review, and given our resource constraints, it was not practicable to examine all companies individually.[26] Rather, we determined that we could only reasonably examine two exporters. Pursuant to section 777A(c)(2)(B) of the Act, we selected Jiangsu Senmao and Fine Furniture because, based on responses to Q&V questionnaires, they were the two largest exporters of subject merchandise by volume during the POR.[27] As noted, however, Fine Furniture was subsequently excluded from the *Order*, and we are rescinding this review with respect to Fine Furniture as part of these preliminary results, as discussed below. We, therefore, selected Sino-Maple, the next largest exporter of subject merchandise by volume during the POR, as an additional mandatory respondent.[28]

VI. PARTIAL RESCISSION OF REVIEW

As noted above, all the requests for review of the following companies were timely withdrawn: Dalian Penghong, Dalian Shumaike Floor Manufacturing Co., Ltd., Fusong Jinqiu Wooden Product Co., Ltd., Huzhou Jesonwood Co., Ltd. (Huzhou Jesonwood), and Jisen Wood.[29]

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[19] *See Initiation Notice*.
[20] *See* Memorandum regarding: Release of Customs and Border Protection Data, dated March 7, 2018 (CBP Data Release Memorandum).
[21] *See, e.g.,* Dalian Penghong Letter, "Multilayered Wood Flooring from the People's Republic of China: Comments on CBP Data and Respondent Selection," dated March 14, 2018 (Dalian Penghong CBP Data Comments).
[22] *See Initiation Notice III*.
[23] *See* Memorandum regarding: Issuance of Quantity and Value Questionnaires, dated May 18, 2018 (Q&V Memorandum). *See also* Commerce Letter re: Quantity and Value Questionnaire for the China-Wide Entity, dated May 18, 2018 (China-Wide Q&V Questionnaire); and Memorandum regarding: China-Wide Entity Quantity and Value Questionnaire: Delivery Confirmation, dated May 24, 2018 (China-Wide Q&V Questionnaire Delivery Confirmation).
[24] *See* Commerce Letter re: Quantity and Value Questionnaire for All Interested Parties, dated May 18, 2018.
[25] *See, e.g.,* Sino-Maple Letter, "Quantity and Value Questionnaire Response of Sino-Maple (Jiangsu) Co., Ltd.," dated May 28, 2018; and Jiangsu Senmao Letter, "Response to Quantity and Value Questionnaire," dated May 29, 2019.
[26] *See* Respondent Selection Memorandum.
[27] *Id*. at Attachment.
[28] *See* Additional Mandatory Respondent Memorandum.
[29] *See* Huzhou Jesonwood Letter, "Withdrawal of Review Request in the 6th Administrative Review of the Antidumping Duty Order on Multilayered Wood Flooring from the People's Republic of China," dated March 14,

Additionally, as noted, the *Order* was revoked with respect to the following companies: Armstrong Wood, Fine Furniture, and Jisen Wood.[30] Lastly, we inadvertently initiated the review with respect to Baroque Timber Industries (Zhongshan) Co., Ltd., despite no request for review of this company.[31] Accordingly, Commerce is rescinding this administrative review, in part, with respect to these eight companies.[32]

VII. PRELIMINARY DETERMINATION OF NO SHIPMENTS

In the *Initiation Notice*, we instructed the producers or exporters under review that had no exports, sales, or entries during the POR to notify Commerce within 30 days of publication of the notice.[33] We received timely certifications attesting to no exports, sales, or entries of subject merchandise during the POR from the following companies: Anhui Boya Bamboo & Wood Products Co., Ltd. (Anhui Boya); Chinafloors Timber (China) Co. Ltd. (Chinafloors); Dalian Huade Wood Product Co., Ltd. (Dalian Huade); Dalian Jaenmaken Wood Industry Co., Ltd. (Dalian Jaenmaken); Hangzhou Zhengtian Industrial Co., Ltd. (Hangzhou Zhengtian); Hunchun Forest Wolf Wooden Industry Co., Ltd. (Hunchun Forest); Jiafeng Wood (Suzhou) Co., Ltd. (Jiafeng Wood); Jiangsu Keri Wood Co., Ltd. (Keri Wood); Jiashan On-Line Lumber Co., Ltd. (Jiashan On-Line); Kingman Floors Co., Ltd. (Kingman Floors); Linyi Bonn Flooring Manufacturing Co., Ltd. (Linyi Bonn); Fuma Warm; Zhejiang Jiechen Wood Industry Co., Ltd. (Zhejiang Jiechen); and Zhejiang Shiyou Timber Co., Ltd. (Zhejiang Shiyou).[34]

Additionally, the following companies filed timely SRCs or SRAs, but subsequently indicated that, upon further review, each had no shipments or entries of subject merchandise during the POR: Anhui Longhua Bamboo Product Co., Ltd. (Anhui Longhua); Changzhou Hawd Co., Ltd. (Changzhou Hawd); Jiangsu Yuhui International Trade Co., Ltd. (Jiangsu Yuhui); Yingyi-Nature (Kunshan) Wood Industry Co., Ltd. (Yingyi-Nature); Xiamen Yung De Ornament Co., Ltd.

2018 (Huzhou Jesonwood Withdrawal); Petitioner Letter, "Multilayered Wood Flooring from the People's Republic of China: Withdrawal of Request for Administrative Review, in Part," dated March 24, 2017 (Petitioner First Withdrawal); CDC Distributors, Inc. Letter, "Multilayered Wood Flooring from the People's Republic of China: Partial Withdrawal of Administrative Review Request," dated March 24, 2017 (CDC Withdrawal); Petitioner Letter, "Multilayered Wood Flooring from the People's Republic of China: Withdrawal of Request for Administrative Review, in Part," dated May 3, 2018 (Petitioner Second Withdrawal); and Dalian Penghong/Jisen Wood Withdrawal.

[30] *See Changzhou Hawd,* Slip Op. 18-82.

[31] *See Initiation Notice*.

[32] *See* 19 CFR 351.213(d)(1).

[33] *See Initiation Notice*.

[34] *See* Anhui Boya March 13, 2018 No Shipments Certification; Chinafloors March 23, 2018 No Shipments Certification; Dalian Huade March 26, 2018 No Shipments Certification; Dalian Jaenmaken March 26, 2018 No Shipments Certification; Hangzhou Zhengtian March 26, 2018 No Shipments Certification; Hunchun Forest March 13, 2018 No Shipments Certification; Jiafeng Wood March 23, 2018 No Shipments Certification; Keri Wood March 14, 2018 No Shipments Certification; Jiashan On-Line March 13, 2018 No Shipments Certification; Kingman Floors March 13, 2018 No Shipments Certification; Linyi Bonn March 20, 2018 No Shipments Certification; Fuma Warm NSC; Zhejiang Jiechen March 26, 2018 No Shipments Certification; and Zhejiang Shiyou March 13, 2018 No Shipments Certification. On November 13, 2018, Huzhou Muyun Wood Co., Ltd. also submitted a no shipments certification, which we rejected as untimely. *See* Memorandum regarding: Rejection of Letter Submitted October 29, 2018, dated November 14, 2018.

(Xiamen Yung); Karly Wood Product Limited (Karly Wood); and Zhejiang Simite Wooden Co., Ltd. (Zhejiang Simite).[35]

We subsequently instructed CBP to report any information contrary to the above-referenced no shipments claims and placed this information on the record, providing parties the opportunity to file factual information to rebut, clarify, or correct the contrary information, in accordance with 19 CFR 351.301(c)(4).[36] Specifically, the information received from CBP indicates that certain companies made an entry of subject merchandise during the POR, despite indicating otherwise.[37] Therefore, because these companies did not demonstrate separate rate eligibility, *i.e.*, did not file a SRA or SRC, and/or rebut the contradicting CBP information, we determine these companies to be part of the China-wide entity for the preliminary results of this review.[38] Our preliminary determination with respect to the China-wide entity is discussed further below.

With respect to the 18 companies for which there is no contrary record information, we preliminarily determine that none of these companies had shipments to the United States during the POR.[39] Consistent with our practice in non-market economy (NME) cases, we are not rescinding the review of these companies, but intend to complete the review and issue appropriate instructions to CBP based on the final results.[40]

VIII. DISCUSSION OF THE METHODOLOGY

A. Non-Market Economy Country Status

Commerce considers China to be an NME country.[41] 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

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[35] *See* Anhui Longhua October 3, 2018 Supplemental SRC Questionnaire Response; Changzhou Hawd September 26, 2018 Supplemental SRC Questionnaire Response; Jiangsu Yuhui October 3, 2018 Supplemental SRC Questionnaire Response; Yingyi-Nature September 26, 2018 Supplemental SRC Questionnaire Response; Xiamen Yung September 26, 2018 Supplemental SRC Questionnaire Response; Karly Wood September 26, 2018 Supplemental SRC Questionnaire Response; and Zhejiang Simite October 17, 2018 Supplemental SRA Questionnaire Response. We note that Karly Wood and Zhejiang Simite indicated no *entries* of subject merchandise during the POR.

[36] *See* Commerce November 16, 2018 No Shipments Inquiry, Barcode: 3775902. *See also* Memorandum regarding: No Shipments Inquiry, dated December 4, 2018 and Attachment (No Shipments Inquiry Memorandum); and Dexin Wood Letter, "Multilayered Wood Flooring from the PRC: No Shipment Inquiry Comments," dated December 10, 2018 (No Shipment Inquiry Comments).

[37] *Id*. at Attachment. We note that Dexin Wood indicated in its No Shipment Inquiry Comments that, upon further review of its records, it did in fact make a sale of subject merchandise during the POR, and provided evidence in support.

[38] These companies are Fuma Warm, Zhejiang Jiechen, and Keri Wood.

[39] *See* the accompanying *Federal Register* notice.

[40] *See Non-Market Economy Antidumping Proceedings: Assessment of Antidumping Duties,* 76 FR 65694, 65694-95 (October 24, 2011).

[41] *See Antidumping Duty Investigation of Certain Aluminum Foil from the People's Republic of China: Affirmative Preliminary Determination of Sales at Less-Than-Fair Value and Postponement of Final Determination,* 82 FR 50858, 50861 (November 2, 2017) (citing Memorandum to Gary Taverman, "China's Status as a Non-Market Economy," dated October 26, 2017), unchanged in *Certain Aluminum Foil from the People's Republic of China: Final Determination of Sales at Less Than Fair Value*, 83 FR 9282 (March 5, 2018).

until revoked by Commerce. Therefore, we continue to treat China as a NME country for purposes of these preliminary results.

B. Separate Rate Determinations

Pursuant to section 771(18)(C) of the Act, in proceedings involving NME countries, Commerce maintains the rebuttable presumption that all companies within the country are subject to government control and, thus, should be assessed a single antidumping duty rate.[42] It is Commerce's policy to assign all exporters of the merchandise subject to review in an NME proceeding a single rate unless an exporter can affirmatively demonstrate an absence of government control, both in law (*de jure*) and in fact (*de facto*), with respect to exports. To establish whether a company is sufficiently independent to be entitled to a separate, company-specific rate, Commerce analyzes each exporting entity in an NME proceeding under the test established in *Sparklers*,[43] as amplified by *Silicon Carbide*,[44] and further refined by *Diamond Sawblades*.[45] However, if Commerce determines that a company is wholly foreign-owned, then an analysis of the *de jure* and *de facto* criteria is not necessary to determine whether it is independent from government control.[46]

In order to demonstrate separate rate status eligibility, Commerce normally requires entities, for whom a review was requested, and who were assigned a separate rate in a previous segment of this proceeding, to submit a separate rate certification stating that they continue to meet the criteria for obtaining a separate rate.[47] For entities that were not assigned a separate rate in a

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[42] *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; *see also 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, 53082 (September 8, 2006); *Final Determination of Sales at Less Than Fair Value and Final Partial Affirmative Determination of Critical Circumstances: Diamond Sawblades and Parts Thereof from the People's Republic of China*, 71 FR 29303, 29307 (May 22, 2006)) (*Diamond Sawblades I*).

[43] *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*).

[44] *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*).

[45] *See* Final Results of Redetermination Pursuant to Remand Order for Diamond Sawblades and Parts Thereof from the People's Republic of China (May 6, 2013) in *Advanced Technology & Materials Co., Ltd. v. United States*, 885 F. Supp. 2d 1343 (CIT 2012) (*Advanced Technology I*), sustained, *Advanced Technology & Materials Co. v. United States*, 938 F. Supp. 2d 1342 (CIT 2013), aff'd, Case No. 2014-1154 (Fed. Cir. 2014) (*Advanced Technology II*). This remand redetermination is on the Enforcement and Compliance website at http://enforcement.trade.gov/remands/12-147.pdf; *see also Diamond Sawblades and Parts Thereof from the People's Republic of China: Preliminary Results of Antidumping Duty Administrative Review; 2011-2012*, 78 FR 77098 (December 20, 2013) and accompanying Preliminary Decision Memorandum (PDM) at 7, unchanged in *Diamond Sawblades and Parts Thereof from the People's Republic of China: Final Results of Antidumping Duty Administrative Review; 2011-2012*, 79 FR 35723 (June 24, 2014) (*Diamond Sawblades II*) and accompanying Issues and Decision Memorandum (IDM) at Comment 1.

[46] *See, e.g., Tapered Roller Bearings and Parts Thereof, Finished and Unfinished, from the People's Republic of China: Final Results of the 2011-2012 Antidumping Duty Administrative Review and New Shipper Reviews*, 79 FR 4327 (January 27, 2014), and *Final Results of Antidumping Duty Administrative Review: Petroleum Wax Candles from the People's Republic of China*, 72 FR 52355, 52356 (September 13, 2007).

[47] *See Initiation Notice*.

previous segment of a proceeding, to demonstrate eligibility, Commerce requires a separate rate application.[48]

As noted, 62 companies filed separate rate certifications and 15 companies[49] submitted separate rate applications in this review.[50] We discuss our analysis with respect to the mandatory respondents and separate rate applicants below.

1. Sino-Maple and Wholly Foreign-Owned Separate Rate Applicants

Sino-Maple, a mandatory respondent, and Shanghaifloor Timber (Shanghai) Co., Ltd. (Shanghai Floor), a separate rate applicant, each reported being wholly foreign-owned by a market-economy (ME) company located in a ME country.[51] Therefore, as there is no Chinese ownership of these companies, and because we have no evidence indicating that these companies are under the control of the Chinese government, further analysis of the *de jure* and *de facto* criteria is not necessary to determine whether these companies are independent from government control of their export activities.[52] Accordingly, we have preliminarily granted a separate rate to Sino-Maple and Shanghaifloor.[53]

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[48] *Id.*

[49] *See* Baishan Huafeng Wood Product Co., Ltd. March 24, 2018 Separate Rate Application (Baishan Huafeng SRA); Benxi Flooring Factory (General Partnership) March 23, 2018 Separate Rate Application (Benxi Flooring SRA); Dalian Guhua Wooden Product Co., Ltd. March 24, 2018 Separate Rate Application (Dalian Guhua SRA); Guangzhou Homebon Timber Manufacturing Co., Ltd. March 27, 2018 Separate Rate Application (Guangzhou Homebon SRA); Innomaster Home (Zhongshan) Co., Ltd. March 26, 2018 Separate Rate Application (Innomaster Home SRA); Jilin Forest SRA; Liaoning Daheng Timber Group Co., Ltd. March 23, 2018 Separate Rate Application (Liaoning Daheng SRA); Power Dekor Group Co., Ltd. March 27, 2018 Separate Rate Application (Power Dekor SRA); Scholar Home (Shanghai) New Material Co., Ltd. April 2, 2018 Separate Rate Application (Scholar Home SRA); Shandong Longteng Wood Co., Ltd. March 23, 2018 Separate Rate Application (Shandong Longteng SRA); Shanghaifloor Timber (Shanghai) Co., Ltd. March 26, 2018 Separate Rate Application (Shanghaifloor SRA); Yekalon Industry Inc. March 26, 2018 Separate Rate Application (Yekalon Industry SRA); Zhejiang Biyork Wood Co., Ltd. March 25, 2018 Separate Rate Application (Zhejiang Biyork SRA); Zhejiang Fudeli Timber Industry Co., Ltd. March 25, 2018 Separate Rate Application (Zhejiang Fudeli SRA); and Zhejiang Simite Wooden Co., Ltd. March 25, 2018 Separate Rate Application (Zhejiang Simite SRA) (collectively, the 2016-2017 SRAs)

[50] For a complete list of companies for which we preliminarily found demonstrated separate rate status, including those that filed SRCs, see the Appendix.

[51] *See* Sino-Maple AQR and Shanghaifloor SRA.

[52] *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); *Brake Rotors from the People's Republic of China: Preliminary Results and Partial Rescission of the Fourth New Shipper Review and Rescission of the Third Antidumping Duty Administrative Review*, 66 FR 1303, 1306 (January 8, 2001), unchanged in *Brake Rotors from the People's Republic of China: Final Results and Partial Rescission of Fourth New Shipper Review and Rescission of Third Antidumping Duty Administrative Review*, 66 FR 27063 (May 16, 2001); *Notice of Final Determination of Sales at Less Than Fair Value: Creatine Monohydrate from the People's Republic of China*, 64 FR 71104, 71104-05 (December 20, 1999).

[53] *See* the accompanying *Federal Register* notice.

2. Jiangsu Senmao and Chinese-Owned Separate Rate Applicants

Jiangsu Senmao and the remaining separate rate applicants reported being either Chinese-foreign joint venture companies or wholly Chinese-owned companies.[54] In accordance with our practice, we analyzed whether these companies demonstrated the absence of *de jure* and *de facto* governmental control over their export activities.

a. Absence of *De Jure* Control

Commerce 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) any other formal measures by the government decentralizing control over export activities of companies.[55]

The evidence provided by Jiangsu Senmao and 10 other separate rate applicants supports a preliminary finding of the absence of *de jure* government control of export activities based on the following: (1) an absence of restrictive stipulations associated with the individual exporter's business and export licenses; (2) legislative enactments decentralizing control over export activities of the companies; and (3) other formal measures by the government decentralizing control over export activities of the companies.[56]

b. Absence of *De Facto* Control

Typically Commerce considers four factors in evaluating whether each respondent is subject to *de facto* government control of its export functions: (1) whether the export prices (EPs) are set by or are subject to the approval of a government agency; (2) whether the respondent has authority to negotiate and sign contracts and other agreements; (3) whether the respondent has autonomy from the government in making decisions regarding the selection of management; and (4) whether the respondent retains the proceeds of its export sales and makes independent decisions regarding disposition of profits or financing of losses.[57] As stated in previous cases, there is evidence that certain enactments of the Chinese central government have not been implemented uniformly among different sectors and/or jurisdictions in China.[58] Therefore, Commerce has determined that an analysis of *de facto* control is critical in determining whether respondents are, in fact, subject to a degree of government control which would preclude Commerce from assigning separate rates.[59]

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[54] *See* Jiangsu Senmao AQR and the 2016-2017 SRAs, excluding Shanghaifloor.
[55] *See Sparklers*, 56 FR at 20589.
[56] *See* Jiangsu Senmao AQR; *see also* Benxi Flooring SRA; Dalian Guhua SRA; Guangzhou Homebon SRA; Innomaster Home SRA; Power Dekor SRA; Shandong Longteng SRA; Yekalon Industry SRA; Zhejiang Biyork SRA; Zhejiang Fudeli SRA; and Zhejiang Simite SRA.
[57] *See Silicon Carbide*, 59 FR at 22586-87; *see also Notice of Final Determination of Sales at Less Than Fair Value: Furfuryl Alcohol from the People's Republic of China*, 60 FR 22544, 22545 (May 8, 1995).
[58] *See*, *e.g.*, *Silicon Carbide*, 59 FR at 22586-87.
[59] *Id*.

The evidence provided by Jiangsu Senmao and the 10 separate rate applicants noted above supports a preliminary finding of the absence of *de facto* government control based on the following: (1) the companies set their own export prices independent of the government and without the approval of a government authority; (2) the companies have authority to negotiate and sign contracts and other agreements; (3) the companies have autonomy from the government in making decisions regarding the selection of management; and (4) there is no restriction on any of the companies' use of export revenue.[60]

Therefore, Commerce preliminarily finds that the evidence placed on the record of this review demonstrates an absence of *de jure* and *de facto* government control with respect to the following companies: Jiangsu Senmao; Benxi Flooring; Dalian Guhua; Guangzhou Homebon; Innomaster Home; Power Dekor; Shandong Longteng; Yekalon Industry; Zhejiang Biyork; Zhejiang Fudeli; and Zhejiang Simite.[61] Thus, Commerce preliminarily finds that these companies have established that each qualifies for a separate rate under the criteria established by *Diamond Sawblades*, *Silicon Carbide* and *Sparklers*.

3. China-Wide Entity

Record evidence demonstrates that four separate rate applicants did not demonstrate separate rate eligibility. Specifically, we did not receive responses to supplemental questionnaires regarding separate rate eligibility from three companies: Baishan Huafeng, Liaoning Daheng, and Scholar Home.[62] As Commerce did not receive the requested information regarding these companies' separate rate eligibility, we were unable to determine whether these companies fully demonstrated the *de jure* and *de facto* criteria, discussed above, under which these companies may be granted a separate rate. Additionally, based on information subject to the administrative protective order of this review, we preliminarily determine that Jilin Forest did not demonstrate separate rate eligibility, and have addressed this determination in a separate business proprietary memorandum.[63] Therefore, we consider these four companies to be part of the China-wide entity for the preliminary results of this review.

Commerce's policy regarding conditional review of the China-wide entity applies to this administrative review.[64] Under this policy, the China-wide entity will not be under review unless a party specifically requests, or Commerce self-initiates, a review of the entity.[65] As noted in the

[60] *See* Jiangsu Senmao AQR; *see also* Benxi Flooring SRA; Dalian Guhua SRA; Guangzhou Homebon SRA; Innomaster Home SRA; Power Dekor SRA; Shandong Longteng SRA; Yekalon Industry SRA; Zhejiang Biyork SRA; Zhejiang Fudeli SRA; and Zhejiang Simite SRA. All companies to which we are granting a separate rate, including those companies which submitted SRCs, are listed in the Appendix.
[61] *Id*.
[62] *See* Commerce Letters re: Baishan Huafeng SRA Supplemental Questionnaire (Baishan Huafeng SRA SQ); Liaoning Daheng SRA Supplemental Questionnaire (Liaoning Daheng SRA SQ); and Scholar Home SRA Supplemental Questionnaire (Scholar Home SRA SQ), all dated October 5, 2018.
[63] *See* Memorandum, "Preliminary Separate Rate Analysis Memorandum for Jilin Forest Industry Jinqiao Flooring Group Co., Ltd.," dated concurrently with this memorandum.
[64] *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 (November 4, 2013).
[65] *Id*.

accompanying *Initiation Notice*, a request for a review of the China-wide entity was made in this review,[66] and, therefore, its current estimated dumping margin (*i.e.*, 25.62 percent[67]) is subject to change.

Aside from the companies for which we preliminarily find demonstrated separate rate eligibility, made no shipments of subject merchandise during the POR, and/or for which this review is being rescinded, Commerce considers all other companies to be part of the China-wide entity.[68] Therefore, for the preliminary results of this review, we consider 59 companies to be part of the China-wide entity.[69]

C. Application of AFA to the China-Wide Entity and Sino-Maple

Section 776(a)(1) and (2) of the Act provides that, if necessary information is missing from the record, or if an interested party: (A) withholds information that has been requested by Commerce, (B) fails to provide such information in a timely manner or in the form or manner requested, subject to subsections 782(c)(1) and (e) of the Act, (C) significantly impedes a proceeding under the antidumping statute, or (D) provides such information but the information cannot be verified, Commerce shall, subject to subsection 782(d) of the Act, use facts otherwise available in reaching the applicable determination.

Where Commerce determines that a response to a request for information does not comply with the request, section 782(d) of the Act provides that Commerce will so inform the party submitting the response and will, to the extent practicable, provide that party an opportunity to remedy or explain the deficiency. If the party fails to remedy or satisfactorily explain the deficiency within the applicable time limits, subject to section 782(e) of the Act, Commerce may disregard all or part of the original and subsequent responses, as appropriate.

Section 776(b) of the Act provides that Commerce may use an adverse inference in applying the facts otherwise available when a party fails to cooperate by not acting to the best of its ability to comply with a request for information. In doing so, Commerce is not required to determine, or make any adjustments to, a weighted-average dumping margin based on any assumptions about information an interested party would have provided if the interested party had complied with the request for information. Further, section 776(b)(2) states that an adverse inference may include reliance on information derived from the Petition, the final determination from the LTFV investigation, a previous administrative review, or other information placed on the record.[70]

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[66] *See* CAHP Review Request.
[67] *See Multilayered Wood Flooring from the People's Republic of China: Final Results of Antidumping Duty Administrative Review*, *Final Determination of No Shipments*, *Final Partial Rescission of Antidumping Duty Administrative Review; 2014–2015,* 82 FR 25766 (June 5, 2017).
[68] *See Initiation Notice* ("All firms listed below that wish to qualify for separate rate status in the administrative reviews involving NME countries must complete, as appropriate, either a separate rate application or certification, as described below.")
[69] Companies that are subject to this administrative review that are considered to be part of the China-wide entity are listed in the Appendix.
[70] *See also* 19 CFR 351.308(c).

When using facts otherwise available, section 776(c) of the Act provides that, where Commerce relies on secondary information (such as the petition) rather than information obtained in the course of an investigation or review, it must corroborate, to the extent practicable, information from independent sources that are reasonably at its disposal. Secondary information is defined as information derived from the Petition that gave rise to the investigation or review, the final determination concerning the subject merchandise, or any previous review under section 751 of the Act concerning the subject merchandise.[71] The SAA clarifies that "corroborate" means that Commerce will satisfy itself that the secondary information to be used has probative value,[72] however, section 776(c)(2) of the Act provides that Commerce is not required to corroborate any dumping margin applied in a separate segment of the same proceeding. To corroborate secondary information, Commerce will, to the extent practicable, examine the reliability and relevance of the information to be used.[73]

Under section 776(d) of the Act, Commerce may use any dumping margin from any segment of a proceeding under an AD order when applying an adverse inference, including the highest of such margins. Section 776(d) also provides that when selecting an AFA margin, Commerce is not required to estimate what the dumping margin would have been if the interested party failing to cooperate had cooperated or to demonstrate that the dumping margin reflects an "alleged commercial reality" of the interested party.

1. Application of Facts Available

As noted, in this administrative review, the petitioner requested a review of the China-wide entity. Commerce issued a Q&V questionnaire to the China-wide entity, to which the entity did not respond.[74] Thus, the China-wide entity failed to provide necessary information, withheld information requested by Commerce, and significantly impeded this proceeding by not submitting the requested information. Accordingly, Commerce preliminarily determines that the use of facts available is warranted in determining the rate to assign to the China-wide entity, pursuant to sections 776(a)(1) and (a)(2)(A)-(C) of the Act.[75]

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[71] *See* SAA at 870.

[72] *Id.*; *see also* 19 CFR 351.308(d).

[73] *See, e.g.*, *Tapered Roller Bearings and Parts Thereof, Finished and Unfinished, from Japan, and Tapered Roller Bearings, Four Inches or Less in Outside Diameter, and Components Thereof, from Japan; Preliminary Results of Antidumping Duty Administrative Reviews and Partial Termination of Administrative Reviews*, 61 FR 57391, 57392 (November 6, 1996), unchanged in *Tapered Roller Bearings and Parts Thereof, Finished and Unfinished, from Japan, and Tapered Roller Bearings, Four Inches or Less in Outside Diameter, and Components Thereof, from Japan; Final Results of Antidumping Duty Administrative Reviews and Termination in Part*, 62 FR 11825 (March 13, 1997).

[74] *See* China-Wide Q&V Questionnaire.

[75] *See, e.g.*, *Notice of Preliminary Determination of Sales at Less Than Fair Value, Affirmative Preliminary Determination of Critical Circumstances and Postponement of Final Determination: Certain Frozen Fish Fillets from the Socialist Republic of Vietnam*, 68 FR 4986, 4991 (January 31, 2003), unchanged in *Notice of Final Determination of Sales at Less Than Fair Value and Affirmative Critical Circumstances: Certain Frozen Fish Fillets from the Socialist Republic of Vietnam*, 68 FR 37116 (June 23, 2003).

We further find that Sino-Maple failed to provide necessary information, withheld information requested by Commerce, and significantly impeded this proceeding pursuant to sections 776(a)(1) and (a)(2)(A)-(C) of the Act. Specifically, Sino-Maple initially reported in its Section A questionnaire response that: (1) the company did not sell subject merchandise to any affiliated reseller during the POR, (2) the company was not aware of any merchandise sold to third countries that was ultimately shipped to the United States during the POR, and (3) that no other company assisted Sino-Maple in the manufacture of subject merchandise during the POR.[76]

After reviewing Sino-Maple's Section A questionnaire response, we identified a U.S. affiliate of Sino-Maple and requested the respondent to explain its relationship with this affiliate, including what role, if any, the affiliate played in the sale of subject merchandise, as Sino-Maple did not previously report any constructed export price (CEP) sales through affiliated resellers.[77] Sino-Maple subsequently failed to fully explain its relationship with this U.S. affiliate, or clarify its previous reporting to Commerce, in response to our first supplemental questionnaire.[78] It was not until we identified additional inconsistencies in Sino-Maple's reporting, and issued a second supplemental questionnaire, that, in seeking an extension of the applicable deadline, Sino-Maple finally acknowledged its business relationship with this affiliate and identified the existence of a significant number of CEP sales of subject merchandise made through this affiliate during the POR.[79] We denied the extension of time requested to report these additional CEP sales.[80]

Based on the above, we find that Sino-Maple's multiple failures to provide requested information left a wide range of its sales information missing and/or unreliable for calculating a preliminary margin. Therefore, we find that the use of facts available with respect to Sino-Maple, pursuant to section 776(a)(1) and 776(a)(2)(A)-(C) of the Act, is appropriate for the preliminary results of this review.

2. Application of Facts Available with an Adverse Inference

Section 776(b) of the Act provides that in selecting from among the facts otherwise available, Commerce may use an inference that is adverse to the interests of a party if that party has failed to cooperate by not acting to the best of its ability to comply with a request for information. We find that the China-wide entity did not act to the best of its ability to comply with our request for Q&V data,[81] and therefore, an adverse inference is warranted in selecting from the facts otherwise available with respect to the China-wide entity, in accordance with section 776(b) of the Act and 19 CFR 351.308(a).[82]

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[76] *See* Sino-Maple AQR at 1 and 19-22.
[77] *See* Sino-Maple First SQ at 4.
[78] *See* Sino-Maple First SQR at 5.
[79] *See* Sino-Maple Second SQ at 3. *See also* Sino-Maple Letter, "Multilayered Wood Flooring from the People's Republic of China: Extension of Time Request for Certain Additional Information in Response to Supplemental Questions," dated November 14, 2018; and Sino-Maple Second SQR at 4.
[80] *See* Commerce Letter re: Request for Extension, dated November 16, 2018. *See also* Second Request to Submit Additional Information. Due to the magnitude of the unreported sales, and the multiple prior opportunities Sino-Maple had to submit this information, we do not find it appropriate to reverse our decision to deny Sino-Maple's request.
[81] *See* China-Wide Q&V Questionnaire Delivery Confirmation.
[82] *See Nippon Steel Corp. v. United States*, 337 F.3d 1373, 1382-83 (Fed. Cir. 2003) (*Nippon Steel*).

We further find that Sino-Maple failed to cooperate by not acting to the best of its ability to comply with our multiple requests for certain sales information.[83] Specifically, as discussed above, we required Sino-Maple to report the full universe of its EP and CEP sales, as well as the nature of its relationship with its U.S. affiliate, in our initial questionnaire. Sino-Maple continued to withhold such information, despite repeated supplemental questionnaires, and it was not until shortly before these preliminary results did Sino-Maple finally reveal the details of its business relationship with the U.S. affiliate, and identify a large number of previously unreported CEP sales. Further, we find that Sino-Maple's failure to provide the requested information left a wide range of information necessary to calculate a preliminary margin missing, and, overall, calls into question the reliability of Sino-Maple's reported sales information.[84] Therefore, we find that an adverse inference is warranted in selecting from the facts otherwise available with respect to Sino-Maple, in accordance with section 776(b) of the Act and 19 CFR 351.308(a).[85]

3. Selection and Corroboration of the AFA Rate

To ensure that the China-wide entity does not benefit from its lack of cooperation, and to select a rate that is sufficiently adverse to induce cooperation in the future, we preliminarily assigned the highest transaction-specific dumping margin calculated for Jiangsu Senmao, or 96.51 percent, as AFA to the China-wide entity.[86] For the same reasons, we also preliminary assigned this rate as AFA to Sino-Maple.[87] Pursuant to section 776(c) of the Act, Commerce is not required to corroborate this rate because it was obtained in the course of this review and, therefore, does not constitute secondary information.[88]

D. Weighted-Average Dumping Margin for Non-Examined Separate-Rate Companies

As stated above in the "Respondent Selection" section of this memorandum, Commerce employed a limited examination methodology in this review, as it determined that it would not be practicable in light of its resources to individually examine all companies for which an administrative review was initiated and therefore selected the two largest exporters by volume as mandatory respondents in this review, Jiangsu Senmao and Sino-Maple. Fifty-nine additional exporters remain subject to review as non-individually examined, separate rate respondents.

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83 *See* Sino-Maple AD Questionnaire; Sino-Maple AQR; Sino-Maple CDQR; Sino-Maple First SQ; Sino-Maple First SQR; Sino-Maple Second SQ; and Sino-Maple Second SQR.

84 For a complete discussion, *see* Memorandum, "Application of Adverse Facts Available to Sino-Maple (Jiangsu) Co., Ltd.," dated concurrently with this memorandum.

85 *See Nippon Steel*, *337 F.3d at 1332-83*.

86 *See* Memorandum, "Preliminary Results Margin Calculation for Jiangsu Senmao Bamboo and Wood Industry Co., Ltd.," dated concurrently with this notice (Jiangsu Senmao Preliminary Calculation Memorandum).

87 *Id*. For discussion of Sino-Maple's separate rate status, *see* Separate Rate Determinations, *supra*.

88 *See* section 776(c) of the Act ("when {Commerce} relies on *secondary information rather than on information obtained in the course of an investigation* or review, {Commerce}, as the case may be, shall, to the extent practicable, corroborate that information form independent sources that are reasonably at their disposal (emphasis added)."). *See also, e.g., Certain Tool Chests and Cabinets from the People's Republic of China: Final Affirmative Determination of Sales at Less Than Fair Value*, 83 FR 15365 (April 10, 2018) (*Tool Chests – China*), and accompanying IDM at 3 and Comment 1.

The statute and Commerce's regulations do not address the establishment of a rate to be applied to individual respondents not selected for individual examination when Commerce limits its examination in an administrative review pursuant to section 777A(c)(2) of the Act. Generally, Commerce looks to section 735(c)(5) of the Act, which provides instructions for calculating the all-others rate in an investigation, for guidance when calculating the rate for separate-rate respondents which Commerce did not examine individually in an administrative review.

Under section 735(c)(5)(A) of the Act, the all-others rate is normally "an amount equal to the weighted average of the estimated weighted average dumping margins established for exporters and producers individually investigated, excluding any zero and *de minimis* margins, and any margins determined entirely {on the basis of facts available} (FA)." Accordingly, Commerce's usual practice in determining the rate for separate-rate respondents not selected for individual examination, has been to average the weighted-average dumping margins for the selected companies, excluding rates that are zero, *de minimis*, or based entirely on FA.[89] However, when the weighted-average dumping margins established for all individually investigated respondents are zero, *de minimis,* or based entirely on facts available, section 735(c)(5)(B) of the Act permits Commerce to "use any reasonable method to establish the estimated all-others rate for exporters and producers not individually investigated, including averaging the estimated weighted average dumping margins determined for the exporters and producers individually investigated." Furthermore, Congress, in the SAA, stated that when "the dumping margins for all of the exporters and producers that are individually investigated are determined entirely on the basis of the facts available or are zero or *de minimis* … {t}he expected method in such cases will be to weight-average the zero and the *de minimis* margins and margins determined pursuant to the facts available."[90] For the preliminary results of this review, we determined the estimated dumping margin for each of the individually examined respondents to be zero or based entirely on facts otherwise available.[91] Thus, we assigned to all eligible non-selected respondents the simple average of the separate rates assigned to Jiangsu Senmao and Sino-Maple for the preliminary results of this review, or 48.26 percent.

E. Surrogate Country and SV Data

As noted, on September 26, 2018, Commerce sent interested parties a letter inviting comments on: (1) the non-exhaustive list of countries that Commerce determined are at the same level of economic development as China based on annual per capita gross national income (GNI), (2) surrogate country selection, and (3) SV data to be used in this administrative review.[92] From September through November 2018, we received comments from interested parties regarding the

[89] *See Longkou Haimeng Mach. Co. v. United States*, 581 F. Supp. 2d 1344, 1357-60 (CIT 2008) (affirming Commerce's determination to assign a 4.22 percent dumping margin to the separate-rate respondents in a segment where the three mandatory respondents received dumping margins of 4.22 percent, 0.03 percent, and zero percent, respectively); *see also Certain Kitchen Appliance Shelving and Racks from the People's Republic of China: Final Determination of Sales at Less Than Fair Value*, 74 FR 36656, 36660 (July 24, 2009).
[90] *See* SAA accompanying the Uruguay Round Agreements Act, H.R. Doc. No. 103-316 at 873 (1994), reprinted in 1994 U.S.C.C.A.N. 4040, 4200.
[91] *See* Jiangsu Senmao Preliminary Calculation Memorandum at Attachment.
[92] *See* Surrogate Comments Request.

selection of SV data for use in the preliminary results of this review.[93]

1. Surrogate Country Selection

When Commerce 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 (FOPs), valued in a surrogate ME country or countries considered to be appropriate by Commerce. In accordance with section 773(c)(4) of the Act, in valuing the FOPs, Commerce shall utilize, to the extent possible, the prices or costs of FOPs 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.[94] As a general rule, Commerce selects a surrogate country that is at the same level of economic development as the NME country unless it is determined that none of the countries are viable options because, either (a) they are not significant producers of comparable merchandise, (b) do not provide sufficient reliable sources of publicly available SV data, or (c) are not suitable for use based on other reasons.[95] Surrogate countries that are not at the same level of economic development as the NME country, but still at a level of economic development comparable to the NME country, are selected only to the extent that data considerations outweigh the difference in levels of economic development. To determine which countries are at the same level of economic development, Commerce generally relies on GNI data from the World Bank's World Development Report.[96] Further, Commerce will normally value all FOPs from a single surrogate country.[97]

In the Surrogate Comments Request, Commerce identified Romania, Malaysia, Russia, Mexico, Brazil, and Kazakhstan, pursuant to section 773(c)(4) of the Act, as countries that are at the same level of economic development as China based on per capita 2017 GNI data available in the World Development Report provided by the World Bank.[98] In their surrogate country comments, both the petitioner and the mandatory respondents agreed that public information indicates that Brazil, Malaysia, Romania, and Russia are significant producers of comparable merchandise.[99] In their SV comments, both the petitioner and the mandatory respondents provided only Romanian data with which to value the FOPs.[100] Our surrogate country analysis follows below.

As indicated above, when selecting among several potential surrogate countries, Commerce's practice, in accordance with section 773(c)(1) of the Act, is to select a country that provides SV data which are product-specific, representative of a broad-market average, publicly available,

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[93] *See* Petitioner SC Comments; Jiangsu Senmao/Sino-Maple SC Comments; Petitioner SV Comments; and Jiangsu Senmao/Sino-Maple SV Comments. *See also* Petitioner Letter, "Multilayered Wood Flooring from the People's Republic of China: Submission of Additional Surrogate Values," dated November 19, 2018 (Petitioner Additional SV Comments).
[94] *See* Policy Bulletin 04.1: Non-Market Economy Surrogate Country Selection Process (March 1, 2004) (Policy Bulletin).
[95] *See* Surrogate Comments Request.
[96] *Id.*
[97] *See* 19 CFR 351.408(c)(2).
[98] *See* Surrogate Comments Request at the Attachment.
[99] *See* Petitioner SC Comments and Jiangsu Senmao/Sino-Maple SC Comments.
[100] *See* Petitioner SV Comments and Jiangsu Senmao/Sino-Maple SV Comments.

contemporaneous with the POR, and free of taxes and duties.[101] There is no hierarchy among these criteria. It is Commerce's practice to carefully consider the available evidence in light of the particular facts of each industry when undertaking its analysis of valuing the FOPs.[102]

2. Economic Comparability

As explained in the Surrogate Comments Request, Commerce considers Brazil, Kazakhstan, Malaysia, Mexico, and Romania to be at the same level of economic development as China.[103] Therefore, we consider all six countries as having satisfied this prong of the surrogate country selection criteria.[104]

3. Significant Producer of Identical or Comparable Merchandise

Section 773(c)(4)(B) of the Act requires Commerce to value FOPs in a surrogate country that is a significant producer of comparable merchandise; however, neither the statute nor Commerce's regulations defines "significant" or "comparable." Given the absence of any definition in the statute or regulations, Commerce looks to other sources such as the Policy Bulletin for guidance. Commerce's practice is to evaluate whether production is significant based on characteristics of world production of, and trade in, comparable merchandise (subject to the availability of data on these characteristics) and to determine whether merchandise is comparable on a case-by-case basis.[105] Moreover, while the legislative history provides that the term "significant producer" includes any country that is a significant "net exporter,"[106] it does not preclude reliance on additional or alternative metrics. Where there is no production information, Commerce has relied upon export data from potential surrogate countries. With respect to comparability of merchandise, the Policy Bulletin states that "in all cases, if identical merchandise is produced, the country qualifies as a producer of comparable merchandise."[107] Where there is no evidence of production of identical merchandise in a potential surrogate country, Commerce has determined whether merchandise is comparable to the subject merchandise on the basis of similarities in physical form and the extent of processing or on the basis of production factors (physical and non-physical) and factor intensities.[108] Because these characteristics are specific to the merchandise in question, the standard for "significant producer" will vary from case to case.[109] Based on the information placed on the record of this administrative review, Commerce

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[101] *See*, *e.g.*, *First Administrative Review of Certain Polyester Staple Fiber from the People's Republic of China: Final Results of Antidumping Duty Administrative Review*, 75 FR 1336 (January 11, 2010), and accompanying IDM at Comment 1.
[102] *See*, *e.g.*, *Certain Steel Threaded Rod from the People's Republic of China: Final Results of Third Antidumping Duty Administrative Review; 2011-2012*, 78 FR 66330 (November 5, 2013), and accompanying IDM at 7.
[103] *See* Surrogate Comments Request at the Attachment.
[104] *See* Section 773(c)(4)(A) of the Act.
[105] *See*, *e.g.*, *Xanthan Gum from the People's Republic of China: Preliminary Determination of Sales at Less Than Fair Value and Postponement of Final Determination*, 78 FR 2252 (January 10, 2013), and accompanying PDM at 7-8, unchanged in *Xanthan Gum from the People's Republic of China: Final Determination of Sales at Less Than Fair Value*, 78 FR 33351 (June 4, 2013) (*Xanthan Gum*).
[106] *See Conference Report to the 1988 Omnibus Trade & Competitiveness Act, H.R. Rep. No.* 100-576 (1988), at 590.
[107] *See* Policy Bulletin at 3.
[108] *Id.*
[109] *See* Policy Bulletin at 1-2; *see also*, *e.g.*, *Hardwood and Decorative Plywood from the People's Republic of*

determines that Romania, Malaysia, Russia, and Brazil are all significant producers of comparable merchandise.[110]

4. Data Availability

The Policy Bulletin states that if more than one potential surrogate country satisfies the statutory requirements for selection as a surrogate country, Commerce selects the primary surrogate country "with the best factors data."[111] Section 773(c)(1) of the Act instructs Commerce to value the FOPs based upon the best available information from an ME country or countries that Commerce considers appropriate. When evaluating SV data, Commerce considers several factors including whether SV data are publicly available, contemporaneous with the POR, representative of a broad-market average, tax and duty-exclusive, and specific to the input.[112] There is no hierarchy among these criteria, and it is Commerce's practice to carefully consider the available evidence in light of the particular facts of each industry when undertaking its analysis.[113] However, Commerce's preference is to satisfy the breadth of these aforementioned selection factors,[114] and to value all FOPs in the primary surrogate country.[115]

We considered the SV data on the record and found that Romania is the only potential surrogate country for which the record contains usable data for valuing all of the respondents' FOPs.[116] Further, we find that the Romanian data and financial statements on the record are of an acceptable quality for use as SVs.[117] The Romanian data generally are publicly available, contemporaneous with the POR, representative of broad-market averages, tax- and duty-exclusive, and specific to the inputs being valued. Thus, Commerce finds that the Romanian SV data satisfy the criteria for selecting SVs.

Given the above facts, Commerce preliminarily selects Romania as the primary surrogate country for this administrative review. Romania is at a comparable level of economic development pursuant to 773(c)(4) of the Act; is a significant producer of comparable merchandise; and has publicly available and reliable data for all the identified inputs submitted by interested parties. An explanation of the SV data used in our preliminary analysis is provided below in the "Normal Value" section of this memorandum.

China: Final Determination of Sales at Less Than Fair Value, 78 FR 58273 (September 23, 2013), and accompanying IDM at Comment 7.

[110] *See* Petitioner SC Comments at Attachment and Jiangsu Senmao/Sino-Maple SC Comments at Exhibit 1.

[111] *See* Policy Bulletin at 2.

[112] *See, e.g.*, *Certain Frozen Fish Fillets from the Socialist Republic of Vietnam: Final Results of Antidumping Duty Administrative Review and New Shipper Reviews; 2010-2011*, 78 FR 17350 (March 21, 2013), and accompanying IDM at Comment I(C).

[113] *See* Policy Bulletin.

[114] *Id*.

[115] *See, e.g.*, *Crystalline Silicon Photovoltaic Cells, Whether or Not Assembled into Modules, from the People's Republic of China: Final Determination of Sales at Less Than Fair Value, and Affirmative Final Determination of Critical Circumstances, in Part*, 77 FR 63791 (October 17, 2012), and accompanying IDM at Comment 9.

[116] *See* Memorandum, "Antidumping Duty Administrative Review of Multilayered Wood Flooring from the People's Republic of China; 2016-2017: Surrogate Values for the Preliminary Determination," dated concurrently with this memorandum (Preliminary SV Memorandum); *see also* Petitioner SV Comments; Jiangsu Senmao/Sino-Maple SV Comments; and Petitioner Additional SV Comments.

[117] *Id*.

F. Date of Sale

Pursuant to 19 CFR 351.401(i), Commerce normally will use the invoice date as the date of sale unless Commerce is satisfied that a different date better reflects the date on which the material terms of the sale are established. Jiangsu Senmao reported the invoice date as the date of sale, claiming that for its U.S. sales of subject merchandise made during the POR, the material terms of sale were established based on the invoice date.[118] Therefore, in accordance with 19 CFR 351.401(i), and Commerce's long-standing practice in determining the date of sale,[119] Commerce preliminarily determines that the invoice date is the most appropriate date to use as the date of sale.

G. Comparisons to Normal Value

Pursuant to section 773(a) of the Act and 19 CFR 351.414(c)(1) and (d), to determine whether Jiangsu Senmao's sales of the subject merchandise to the United States were made at less than NV, Commerce compared the EP to the NV as described in the "Export Price" and "Normal Value" sections of this memorandum.

1. Determination of Comparison Method

Pursuant to 19 CFR 351.414(c)(1), Commerce calculates weighted-average dumping margins by comparing weighted-average NVs to weighted-average EPs or CEPs (*i.e.*, the average-to-average (A-A) method) unless the Secretary determines that another method is appropriate in a particular situation. In less-than-fair-value investigations, Commerce examines whether to compare weighted-average NVs with the EPs or CEPs of individual sales (*i.e.*, the average-to-transaction (A-T) method) as an alternative comparison method using an analysis consistent with section 777A(d)(1)(B) of the Act. Although section 777A(d)(1)(B) of the Act does not strictly govern our examination of this question in the context of administrative reviews, Commerce nevertheless finds that the issue arising under 19 CFR 351.414(c)(1) in administrative reviews is, in fact, analogous to the issue in less-than-fair-value investigations.[120]

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[118] *See* Jiangsu Senmao AQR at 14.

[119] *See, e.g., Certain Polyester Staple Fiber from the People's Republic of China: Notice of Preliminary Results of the Antidumping Duty Administrative Review, and Intent To Revoke Order in Part*, 76 FR 40329 (July 8, 2011), unchanged in *Certain Polyester Staple Fiber from the People's Republic of China: Final Results of Antidumping Duty Administrative Review, and Revocation of an Order in Part*, 76 FR 69702 (November 9, 2011); *see also Steel Wire Garment Hangers from the People's Republic of China: Preliminary Results and Preliminary Rescission, in Part, of the First Antidumping Duty Administrative Review*, 75 FR 68758 (November 9, 2010), unchanged in *First Administrative Review of Steel Wire Garment Hangers from the People's Republic of China: Final Results and Final Partial Rescission of Antidumping Duty Administrative Review*, 76 FR 27994, 27996 (May 13, 2011).

[120] *See Ball Bearings and Parts Thereof from France, Germany, and Italy: Final Results of Antidumping Duty Administrative Reviews; 2010–2011*, 77 FR 73415 (December 10, 2012), and the accompanying IDM at Comment 1; *see also JBF RAK LLC v. United States,* 790 F.3d 1358. 1363-65 (Fed. Cir. 2015) ("{t}he fact that the statute is silent with regard to administrative reviews does not preclude Commerce from filling gaps in the statue to properly calculate and assign antidumping duties") *(citations omitted).*

In certain investigations, Commerce applied a "differential pricing" analysis for determining whether application of the A-T method is appropriate in a particular situation pursuant to 19 CFR 351.414(c)(1) and section 777A(d)(1)(B) of the Act.[121] Commerce finds that the differential pricing analysis used in recent investigations may be instructive for purposes of examining whether to apply an alternative comparison method in this administrative review. Commerce will continue to develop its approach in this area based on comments received in this and other proceedings, and on Commerce's additional experience with addressing the potential masking of dumping that can occur when Commerce uses the average-to-average method in calculating a respondent's weighted-average dumping margin.

The differential pricing analysis used in these preliminary results examines whether there exists a pattern of EPs (or CEPs) for comparable merchandise that differ significantly among purchasers, regions, or time periods. The analysis evaluates all export sales by purchaser, region and time period to determine whether a pattern of prices that differ significantly exists. If such a pattern is found, then the differential pricing analysis evaluates whether such differences can be taken into account when using the A-A method to calculate the weighted-average dumping margin. The analysis incorporates default group definitions for purchasers, regions, time periods, and comparable merchandise. Purchasers are based on the reported consolidated customer codes. Regions are defined using the reported destination code (*i.e.*, zip codes) and are grouped into regions based upon standard definitions published by the U.S. Census Bureau. Time periods are defined by the quarter within the POR based upon the reported date of sale. For purposes of analyzing sales transactions by purchaser, region, and time period, comparable merchandise is defined using the product control number and all characteristics of the U.S. sales, other than purchaser, region, and time period, that Commerce uses in making comparisons between EP (or CEP) and NV for the individual dumping margins.

In the first stage of the differential pricing analysis used here, the "Cohen's *d* test" is applied. The Cohen's *d* coefficient is a generally recognized statistical measure of the extent of the difference between the mean (*i.e.*, weighted-average price) of a test group and the mean (*i.e.*, weighted-average price) of a comparison group. First, for comparable merchandise, the Cohen's *d* coefficient is calculated when the test and comparison groups of data for a particular purchaser, region or time period each have at least two observations, and when the sales quantity for the comparison group accounts for at least five percent of the total sales quantity of the comparable merchandise. Then, the Cohen's *d* coefficient is used to evaluate the extent to which the prices to the particular purchaser, region, or time period differ significantly from the prices of all other sales of comparable merchandise. The extent of these differences can be quantified by one of three fixed thresholds defined by the Cohen's *d* test: small, medium or large (0.2, 0.5 and 0.8, respectively). Of these thresholds, the large threshold provides the strongest indication that there is a significant difference between the mean of the test and comparison groups, while the small threshold provides the weakest indication that such a difference exists. For this analysis, the difference is considered significant, and the sales in the test group are found to pass the Cohen's *d* test, if the calculated Cohen's *d* coefficient is equal to or exceeds the large (*i.e.*, 0.8) threshold.

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[121] *See, e.g.,* Xanthan *Gum LTFV Final Determination*; Steel *Concrete Reinforcing Bar from Mexico: Final Determination of Sales at Less Than Fair Value and Final Affirmative Determination of Critical Circumstances*, 79 FR 54967 (September 15, 2014); or *Welded Line Pipe from the Republic of Turkey: Final Determination of Sales at Less Than Fair Value*, 80 FR 61362 (October 13, 2015).

Next, the “ratio test” assesses the extent of the significant price differences for all sales as measured by the Cohen’s *d* test. If the value of sales to purchasers, regions, and time periods that pass the Cohen’s *d* test account for 66 percent or more of the value of total sales, then the identified pattern of prices that differ significantly supports the consideration of the application of the A-T method to all sales as an alternative to the A-A method. If the value of sales to purchasers, regions, and time periods that pass the Cohen’s *d* test accounts for more than 33 percent and less than 66 percent of the value of total sales, then the results support consideration of the application of an A-T method to those sales identified as passing the Cohen’s *d* test as an alternative to the A-A method, and application of the A-A method to those sales identified as not passing the Cohen’s *d* test. If 33 percent or less of the value of total sales passes the Cohen’s *d* test, then the results of the Cohen’s *d* test do not support consideration of an alternative to the A-A method.

If both tests in the first stage (*i.e.*, the Cohen’s *d* test and the ratio test) demonstrate the existence of a pattern of prices that differ significantly such that an alternative comparison method should be considered, then in the second stage of the differential pricing analysis, Commerce examines whether using only the A-A method can appropriately account for such differences. In considering this question, Commerce tests whether using an alternative comparison method, based on the results of the Cohen’s *d* and ratio tests described above, yields a meaningful difference in the weighted-average dumping margin as compared to that resulting from the use of the average-to-average method only. If the difference between the two calculations is meaningful, then this demonstrates that the A-A method cannot account for differences such as those observed in this analysis, and, therefore, an alternative comparison method would be appropriate. A difference in the weighted-average dumping margins is considered meaningful if 1) there is a 25 percent relative change in the weighted-average dumping margins between the A-A method and the appropriate alternative method where both rates are above the *de minimis* threshold, or 2) the resulting weighted-average dumping margins between the A-A method and the appropriate alternative method move across the *de minimis* threshold.

Interested parties may present arguments and justifications in relation to the above-described differential pricing approach used in these preliminary results, including arguments for modifying the group definitions used in this proceeding.[122]

2. Results of the Differential Pricing Analysis

Based on the results of the differential pricing analysis, Commerce preliminarily finds that 19.80 percent of Jiangsu Senmao’s U.S. sales pass the Cohen’s d test,[123] which does not confirm the existence of a pattern of prices for comparable merchandise that differ significantly among purchasers, regions or time periods, and does not support the consideration of an alternative to the A-A method. Thus, for these preliminary results, Commerce is applying the A-A method for all U.S. sales to calculate the weighted-average dumping margin for Jiangsu Senmao.[124]

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[122] Commerce’s application of its differential pricing methodology was recently upheld by the Court of Appeals for the Federal Circuit in *Apex Frozen Foods Pvt. Ltd. v. United States*, Court No. 2016-1789 (Fed. Cir. July 12, 2017).
[123] *See* Jiangsu Senmao Preliminary Calculation Memorandum.
[124] *Id*.

H. U.S. Price

1. Export Price

In accordance with 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. We calculated EP for those sales because they represented the first sale to an unaffiliated party made before the date of importation and the use of CEP was not otherwise warranted.[125] In accordance with section 772(c)(2)(A) of the Act, where appropriate, Commerce deducted from the starting price (gross unit price) to unaffiliated purchasers expenses for foreign inland freight and foreign brokerage and handling.[126] Because these expenses were provided by a NME vendor, we valued them using SVs, as appropriate.[127] Additionally, in accordance with section 772(c)(2)(B) of the Act, Commerce deducted any irrecoverable value-added tax (VAT) from the starting price as explained below.[128]

2. Value-Added Tax

Commerce's practice in NME cases is to subtract from EP or CEP the amount of any irrecoverable VAT, in accordance with section 772(c)(2)(B) of the Act.[129] Commerce explained that when an NME government imposes an export tax, duty, or other charge on subject merchandise, or on inputs used to produce subject merchandise, from which the respondent was not exempted, Commerce will reduce the respondent's EP and CEP prices accordingly by the amount of the tax, duty or charge paid, but not rebated.[130] Where the irrecoverable VAT is a fixed percentage of EP, Commerce makes a tax-neutral dumping comparison by reducing the U.S. price by this percentage.[131] Thus, Commerce's methodology essentially amounts to performing two steps: (1) determining the amount (or rate) of the irrecoverable VAT tax included in the FOB price of the subject merchandise, and (2) reducing U.S. price by the amount (or rate) determined in step one.

Commerce requested that the mandatory respondents report net un-refunded VAT for the subject merchandise. Information placed on the record of this review indicates that, according to the Chinese VAT schedule, the standard VAT levy is l7 percent and the rebate rate for subject merchandise is nine percent.[132] Thus, for the purposes of these preliminary results, for all of

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[125] *See* Jiangsu Senmao AQR.
[126] *See* Jiangsu Senmao Preliminary Calculation Memorandum; *see also* Jiangsu Senmao CDQR at 22-23.
[127] *See* Preliminary SV Memorandum.
[128] *Id.* at Jiangsu Senmao CDQR at 35-36 and Exhibit C-3.
[129] *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, 2012) (*Methodological Change*).
[130] *Id.*
[131] *Id.*
[132] *See* Jiangsu Senmao CDQR at Exhibit C-3.

Jiangsu Senmao's sales, Commerce reduced the price of each U.S. sale by the irrecoverable VAT rate of eight percent of gross unit price.[133] We note that this is consistent with Commerce's policy and the intent of the statute, that dumping comparisons be tax-neutral.[134]

I. Normal Value

Section 773(c)(1) of the Act provides that Commerce shall determine the NV using an FOP methodology if the merchandise is exported from an NME and the information does not permit the calculation of NV using home-market prices, third-country prices, or constructed value under section 773(a) of the Act. Commerce bases NV in an NME context on FOPs because the presence of government controls on various aspects of NME countries renders price comparisons and the calculation of production costs invalid under Commerce's normal methodologies.[135] Therefore, we calculated NV based on FOPs in accordance with sections 773(c)(3) and (4) of the Act and 19 CFR 351.408(c). Under section 773(c)(3) of the Act, FOPs include, but are not limited to: (1) hours of labor required; (2) quantities of raw materials employed; (3) amounts of energy and other utilities consumed; and (4) representative capital costs.[136] We used the FOPs reported by Jiangsu Senmao for materials, energy, labor, by-products, packing and freight. 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.[137]

1. Factor Valuation Methodology

In accordance with section 773(c) of the Act, we calculated NV based on the FOPs reported by Jiangsu Senmao for the POR. For a detailed discussion of the SVs used in this review, *see* Preliminary SV Memorandum.

As noted above, when selecting from among the available information for valuing FOPs, Commerce's practice is to select, to the extent practicable, SVs which are publicly available, broad market averages, contemporaneous with the POR or closest in time to the POR, product-specific, and tax-exclusive.[138] In all instances, we valued FOPs using publicly available information that was contemporaneous with the POR; therefore, we did not adjust the SVs using inflation indices. In addition, as discussed in more detail below, where appropriate, we adjusted

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[133] *See* Jiangsu Senmao Preliminary Calculation Memorandum.
[134] *See Methodological Change*.
[135] *See, e.g.*, *Preliminary Determination of Sales at Less Than Fair Value, Affirmative Critical Circumstances, In Part, and Postponement of Final Determination: Certain Lined Paper Products from the People's Republic of China*, 71 FR 19695, 19703 (April 17, 2006), unchanged in *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).
[136] *See* section 773(c)(3)(A)-(D) of the Act.
[137] *See* Jiangsu Senmao Preliminary Calculation Memorandum.
[138] *See, e.g.*, *Electrolytic Manganese Dioxide From the People's Republic of China: Final Determination of Sales at Less Than Fair Value*, 73 FR 48195 (August 18, 2008), and the accompanying Issues and Decision Memorandum at Comment 2; *see also*, 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).

input prices by including freight costs to make them delivered prices. An overview of the SVs used to calculate a weighted-average dumping margin for Jiangsu Senmao is provided below.

a. Direct and Packing Materials

The record indicates that import statistics from the primary surrogate country, Romania, which are available through the *Global Trade Atlas,* are generally contemporaneous with the POR, publicly available, product-specific, tax-exclusive, and representative of a broad market average.[139] Thus, we based SVs for Jiangsu Senmao's direct materials and packing materials on these import values, except where noted below.[140]

Pursuant to section 773(c)(5) of the Act and Commerce's long-standing practice, Commerce will disregard SVs if it has a reason to believe or suspect the source data may comprise subsidized prices.[141] In this regard, Commerce has previously found that it is appropriate to disregard such prices from India, Indonesia, South Korea, and Thailand because we have determined that these countries maintain broadly available, non-industry specific export subsidies.[142] Based on the existence of the subsidy programs that were generally available to all exporters and producers in these countries at the time of the POR, Commerce finds that it is reasonable to infer that all exporters from India, Indonesia, South Korea, and Thailand may have benefitted from these subsidies. Therefore, Commerce has not used prices from those countries in calculating the Romanian import-based SVs.

Additionally, consistent with our practice, Commerce disregarded data from NME countries when calculating Romanian import-based per-unit SVs.[143] Commerce also excluded from the calculation of Romanian import-based per-unit SVs imports labeled as originating from an "unidentified" country because Commerce could not be certain that these imports were not from either an NME country or a country with generally available export subsidies.[144]

As appropriate, we added surrogate inland freight costs to import values used as SVs. We calculated freight SVs using the shorter of the reported distance from the domestic supplier to the

[139] *See* Preliminary SV Memorandum.
[140] *Id*.
[141] *See* section 773(c)(5) of the Act.
[142] *See, e.g.*, *Certain Frozen Warmwater Shrimp from India: Final Results of Antidumping Duty Administrative Review and Final No Shipment Determination; 2011-2012*, 78 FR 42492 (July 16, 2013), and accompanying IDM at 7-19; *see also Certain Lined Paper Products from Indonesia: Final Results of the Expedited Sunset Review of the Countervailing Duty Order*, 76 FR 73592 (November 29, 2011), and accompanying IDM at 1; *see also Cut-to-Length Carbon-Quality Steel Plate from the Republic of Korea: Final Results of Countervailing Duty Administrative Review; 2012*, 79 FR 46770 (August 11, 2014), and accompanying IDM at 4; *see also Certain Frozen Warmwater Shrimp from Thailand: Final Negative Countervailing Duty Determination*, 78 FR 50379 (August 19, 2013), and accompanying IDM at IV.
[143] *See Notice of Preliminary Determination of Sales at Less Than Fair Value and Postponement of Final Determination: Chlorinated Isocyanurates from the People's Republic of China*, 69 FR 75294, 75301 (December 16, 2004), unchanged in *Notice of Final Determination of Sales at Less Than Fair Value: Chlorinated Isocyanurates from the People's Republic of China*, 70 FR 24502 (May 10, 2005).
[144] *Id*. Additional countries excluded include: Armenia, Azerbaijan, Belarus, China, Georgia, Kyrghystan (Kyrghyztan), Moldova, Tajikistan, Turkmenistan, Uzbekistan, and Vietnam.

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 CAFC's decision in *Sigma Corp*.[145] We valued truck freight expenses using average truck rates from the World Bank's report, *Doing* Business 2017: Romania (Doing Business).[146] This World Bank report gathers information concerning the distance and cost to transport a containerized shipment weighing 15 metric tons from the peri-urban area of the economy's largest business city to the country's major port. We did not inflate or deflate this SV because it is contemporaneous with the POR.[147]

b. Labor

In NME AD proceedings, Commerce prefers to value labor solely based on data from the primary surrogate country.[148] In *Labor Methodologies*, Commerce determined that the best methodology to value the labor input is to use industry-specific labor rates from the primary surrogate country. Additionally, Commerce determined that Chapter 6A: Labor Cost in Manufacturing, from the International Labor Organization (ILO) Yearbook of Labor (*i.e.,* wages, benefits, housing, training, etc.) is the preferred source where another source is not more appropriate.[149]

However, for these preliminary results, Commerce valued the labor input using data from the National Institute of Statistics of Romania data for the POR.[150] Although the National Institute of Statistics data are not from the ILO, we find that this fact does not preclude us from using this source for valuing labor. In *Labor Methodologies*, we decided to change to the use of ILO Chapter 6A from the use of ILO Chapter 5B data, on the rebuttable presumption that Chapter 6A data better account for all direct and indirect labor costs.[151] We did not, however, preclude all other sources for evaluating labor costs in NME AD proceedings. Consistent with section 773(c)(1) of the Act, we continue to follow our practice of selecting the "best available information" to determine SVs for inputs, such as labor.[152] In this case, we find that the National Institute of Statistics of Romania data for the POR are the best available information for valuing labor because the data are contemporaneous with the POR, industry-specific, and reflect all costs related to labor, including wages, benefits, housing, and training.

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[145] *See Sigma Corp. v. United States*, 117 F.3d 1401, 1407-08 (Fed. Cir. 1997) (*Sigma Corp.*).
[146] *See* Preliminary SV Memorandum.
[147] *Id*.
[148] *See Antidumping Methodologies in Proceedings Involving Non-Market Economies: Valuing the Factor of Production: Labor*, 76 FR 36092 (June 21, 2011) *(Labor Methodologies*).
[149] *Id*.
[150] *See* Jiangsu Senmao/Sino-Maple SV Comments; *see also* Preliminary SV Memorandum.
[151] *See Labor Methodologies*.
[152] *See, e.g., Xanthan Gum,* and accompanying IDM at Comment 6-C; and *Drawn Stainless Steel Sinks from the People's Republic of China: Investigation, Final Determination*, 78 FR 13019 (February 26, 2013), and accompanying IDM at Comment 3.

c. Financial Ratios

Commerce's criteria for choosing surrogate financial statements from which we derive the financial ratios are the availability of contemporaneous financial statements, their comparability to the respondent's experience, and whether they are publicly available.[153] Moreover, to value factory overhead, selling, general, and administrative (SG&A) expenses and profit, Commerce normally will use non-proprietary information gathered from producers of identical or comparable merchandise in the surrogate country.[154] In addition, the Court of International Trade (CIT) has held that in the selection of surrogate producers, Commerce may consider how closely the surrogate producers approximate the NME producer's experience.[155]

With respect to financial statements, the record contains one set of financial statements for Romanian producer, SC Sigstrat SA (Sigstrat), for the fiscal year ending December 31, 2017. As noted above, Commerce's preference is to value all FOPs in a single surrogate country pursuant to 19 CFR 351.408(c)(2). Accordingly, because we have a useable financial statement from the primary surrogate country, Romania, we have preliminarily used Sigstrat's financial statement for the calculation of surrogate financial ratios.[156]

d. By-Products

Commerce's practice is to grant the respondents an offset to the reported FOPs for by-products generated during the production of the subject merchandise if evidence is provided that such by-product has commercial value.[157] Also, for waste or by-products sold to unaffiliated parties, it is Commerce's practice to offset NV costs with the sales revenue of the waste or by-product.[158] Jiangsu Senmao reported one by-product, wood scrap, generated in the production of subject merchandise.[159] Commerce's practice, as reflected in Commerce's antidumping questionnaire issued to Jiangsu Senmao, is to grant by-product offsets "for merchandise that is either sold or reintroduced into production during the POR, up to the amount of that byproduct/co-product actually produced during the POR."[160] Thus, to be eligible for an offset, a respondent must provide and substantiate the quantity of by-product it generated from the production of subject merchandise during the POR, as well as demonstrate that the by-

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[153] *See, e.g.*, *Notice of Final Determination of Sales at Less Than Fair Value: Chlorinated Isocyanurates from the People's Republic of China*, 70 FR 24502 (May 10, 2005), and accompanying IDM at Comment 3.
[154] *See Diamond Sawblades I* and accompanying IDM at Comment 2; *see also* section 773(c)(4) of the Act; 19 CFR 351.408(c)(4).
[155] *See Rhodia, Inc. v. United States*, 240 F. Supp. 2d 1247, 1253-54 (CIT 2002); *see, also, Persulfates from the People's Republic of China: Final Results of Antidumping Duty Administrative Review*, 70 FR 6836 (February 9, 2005) and accompanying IDM at Comment 1.
[156] *See* Preliminary SV Memorandum.
[157] *See Heavy Forged Hand Tools, Finished or Unfinished, With or Without Handles, from the People's Republic of China: Final Results of Antidumping Duty Administrative Reviews and Final Rescission and Partial Rescission of Antidumping Duty Administrative Reviews*, 70 FR 54897 (September 19, 2005), and accompanying IDM at Scrap Offset.
[158] *Id*.
[159] *See* Jiangsu Senmao CDQR and Preliminary SV Memorandum.
[160] *See, e.g.,* Jiangsu Senmao AD Questionnaire.

product has commercial value.[161] Jiangsu Senmao provided production records demonstrating it reported recovered quantities of the by-product and that it later sold these recovered quantities.[162] Therefore, Commerce made an appropriate offset to the reported FOP for this by-product.

J. Adjustment Under Section 777A(f) of the Act

In applying section 777A(f) of the Act in this administrative review, Commerce examines: (1) whether a countervailable subsidy (other than an export subsidy) has been provided with respect to a class or kind of merchandise, (2) whether such countervailable subsidy has been demonstrated to have reduced the average price of imports of the class or kind of merchandise during the relevant period, and (3) whether Commerce can reasonably estimate the extent to which that countervailable subsidy, in combination with the use of NV determined pursuant to section 773(c) of the Act, has increased the weighted-average dumping margin for the class or kind of merchandise. For a subsidy meeting these criteria, the statute requires Commerce to reduce the AD duty by the estimated amount of the increase in the weighted-average dumping margin subject to a specified cap. In conducting this analysis, Commerce has not concluded that concurrent application of NME ADs and CVDs necessarily and automatically results in overlapping remedies. Rather, a finding that there is an overlap in remedies, and any resulting adjustment, is based on a case-by-case analysis of the totality of facts on the administrative record for that segment of the proceeding as required by the statute.

In order to examine the effects of concurrent countervailable subsidies in calculating antidumping margins for respondents in this review, Commerce requested that Jiangsu Senmao submit information with respect to subsidies relevant to its eligibility for an adjustment to the calculated weighted-average dumping margin.[163] Commerce examined whether Senmao demonstrated: (1) a subsidies-to-cost link, *e.g.*, subsidy impact on cost of manufacture; and (2) a cost-to-price link, *e.g.*, respondent's prices changed as a result of changes in the cost of manufacture.

Jiangsu Senmao identified two programs that might apply during this POR, *i.e.* Provision of Electricity for Less Than Adequate Remuneration (LTAR) and Provision of Cut Timber for LTAR.[164] However, Jiangsu Senmao failed to demonstrate that the subsidies received resulted in a change to their cost of manufacturing during the relevant period. Therefore, the subsidies-to-cost linkage was not satisfied. Additionally, because Jiangsu Senmao failed to identify a subsidies-to-cost link, they also failed to identify a cost-to-price linkage as no price fluctuations were tied directly to the change in cost associated with the subsidy identified in the relevant period. Accordingly, we made no adjustment for double remedies to Jiangsu Senmao's margin for the preliminary results.

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[161] *See Narrow Woven Ribbons With Woven Selvedge from the People's Republic of China: Final Determination of Sales at Less Than Fair Value*, 75 FR 41808 (July 19, 2010), and accompanying IDM at Comment 2.
[162] *See* Preliminary SV Memorandum.
[163] *See* Commerce Letters re: Double Remedies Supplemental Questionnaire for Sino-Maple and Jiangsu Senmao, dated October 22 and October 23, 2018, respectively.
[164] *See* Jiangsu Senmao Letter, "Double Remedies Supplemental Questionnaire Response," dated November 2, 2018.

K. Currency Conversion

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

IX. RECOMMENDATION

We recommend applying the above methodology for these preliminary results.

☒ Agree ☐ Disagree

12/17/2018

X

Signed by: GARY TAVERMAN

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

No Shipments
Anhui Boya Bamboo & Wood Products Co., Ltd.
Anhui Longhua Bamboo Product Co., Ltd.
Changzhou Hawd Flooring Co., Ltd.
Chinafloors Timber (China) Co., Ltd.
Dalian Huade Wood Product Co., Ltd.
Dalian Jaenmaken Wood Industry Co., Ltd.
Hangzhou Zhengtian Industrial Co., Ltd.
Hunchun Forest Wolf Wooden Industry Co., Ltd.
Jiafeng Wood (Suzhou) Co., Ltd.
Jiangsu Yuhui International Trade Co., Ltd.
Jiashan On-Line Lumber Co., Ltd.
Karly Wood Product Limited
Kingman Floors Co., Ltd.
Linyi Bonn Flooring Manufacturing Co., Ltd.
Xiamen Yung De Ornament Co., Ltd.
Yingyi-Nature (Kunshan) Wood Industry Co., Ltd.
Zhejiang Shiyou Timber Co., Ltd.
Zhejiang Simite Wooden Co., Ltd.

Separate Rates
Sino-Maple (Jiangsu) Co., Ltd.
Jiangsu Senmao Bamboo and Wood Industry Co., Ltd.
A&W (Shanghai) Woods Co., Ltd.
Benxi Flooring Factory (General Partnership)
Benxi Wood Company
Dalian Dajen Wood Co., Ltd.
Dalian Guhua Wooden Product Co., Ltd.
Dalian Huilong Wooden Products Co., Ltd.
Dalian Jiahong Wood Industry Co., Ltd.
Dalian Kemian Wood Industry Co., Ltd.

Dalian Qianqiu Wooden Product Co., Ltd.
Dalian T-Boom Wood Products Co., Ltd.
Dongtai Fuan Universal Dynamics, LLC
Dunhua City Hongyuan Wood Industry Co., Ltd.
Dunhua City Dexin Wood Industry Co., Ltd.
DunHua SenTai Wood Co., Ltd.
Dunhua Shengda Wood Industry Co., Ltd.
Fusong Jinlong Wooden Group Co., Ltd.
Fusong Qianqiu Wooden Product Co., Ltd.
Guangzhou Homebon Timber Manufacturing Co., Ltd.
Guangzhou Panyu Kangda Board Co., Ltd.
Guangzhou Panyu Southern Star Co., Ltd.
HaiLin LinJing Wooden Products Co., Ltd.
Hangzhou Hanje Tec Co., Ltd.
Hunchun Xingjia Wooden Flooring Inc.
Huzhou Chenghang Wood Co., Ltd.
Huzhou Fulinmen Imp. & Exp. Co., Ltd.
Huzhou Sunergy World Trade Co., Ltd.
Innomaster Home (Zhongshan) Co., Ltd.
Jiangsu Guyu International Trading Co., Ltd.
Jiangsu Mingle Flooring Co., Ltd.
Jiangsu Simba Flooring Co., Ltd.
Jiashan HuiJiaLe Decoration Material Co., Ltd.
Jiaxing Hengtong Wood Co., Ltd.
Jilin Xinyuan Wooden Industry Co., Ltd.
Kember Flooring, Inc.
Kemian Wood Industry (Kunshan) Co., Ltd.
Linyi Anying Wood Co., Ltd.
Linyi Youyou Wood Co., Ltd.
Metropolitan Hardwood Floors, Inc.
Mudanjiang Bosen Wood Industry Co., Ltd.
Nakahiro Jyou Sei Furniture (Dalian) Co., Ltd.
Pinge Timber Manufacturing (Zhejiang) Co., Ltd.
Power Dekor Group Co., Ltd.
Shandong Longteng Wood Co., Ltd.
Shanghai Lairunde Wood Co., Ltd.
Shanghaifloor Timber (Shanghai) Co., Ltd.

Shenyang Haobainian Wooden Co., Ltd.
Shenzhenshi Huanwei Woods Co., Ltd.
Suzhou Dongda Wood Co., Ltd.
Tongxiang Jisheng Import and Export Co., Ltd.
Xuzhou Antop International Trade Co., Ltd.
Xuzhou Shenghe Wood Co., Ltd.
Yekalon Industry Inc.
Yihua Lifestyle Technology Co., Ltd.
Zhejiang Biyork Wood Co., Ltd.
Zhejiang Dadongwu Green Home Wood Co., Ltd.
Zhejiang Fudeli Timber Industry Co., Ltd.
Zhejiang Fuerjia Wooden Co., Ltd.
Zhejiang Longsen Lumbering Co., Ltd.
Zhejiang Shuimojiangnan New Material Technology Co., Ltd.

China-Wide Entity
Anhui Suzhou Dongda Wood Co., Ltd.
Baishan Huafeng Wooden Product Co., Ltd.
Baiying Furniture Manufacturer Co., Ltd.
Changbai Mountain Development and Protection Zone Hongtu Wood Industrial Co., Ltd.
Cheng Hang Wood Co., Ltd.
Dalian Jiuyuan Wood Industry Co., Ltd.
Dalian Xinjinghua Wood Co., Ltd.
Dongtai Zhangshi Wood Industry Co., Ltd.
Dunhua City Wanrong Wood Industry Co., Ltd.
Fu Lik Timber (HK) Co., Ltd.
Fujian Wuyishan Werner Green Industry Co., Ltd.
GTP International Ltd.
Guangdong Fu Lin Timber Technology Limited
Guangdong Yihua Timber Industry Co., Ltd.
HaiLin XinCheng Wooden Products, Ltd.
Hangzhou Dazhuang Floor Co., Ltd. (dba Dasso Industrial Group Co., Ltd.)
Hangzhou Huahi Wood Industry Co., Ltd.
Henan Xingwangjia Technology Co., Ltd.
Hong Kong Easoon Wood Technology Co., Ltd.

Huaxin Jiasheng Wood Co., Ltd.
Huber Engineering Wood Corp.
Huzhou City Nanxun Guangda Wood Co., Ltd.
Huzhou Fuma Wood Co., Ltd.
Huzhou Muyun Wood Co., Ltd.
Jiangsu Kentier Wood Co., Ltd.
Jiangsu Keri Wood Co., Ltd.
Jiashan Fengyun Timber Co., Ltd.
Jiaxing Brilliant Import & Export Co., Ltd.
Jilin Forest Industry Jinqiao Flooring Group Co., Ltd.
Kornbest Enterprises Limited
Kunming Alston (AST) Wood Products Co., Ltd.
Les Planchers Mercier, Inc.
Liaoning Daheng Timber Group Co., Ltd.
Nanjing Minglin Wooden Industry Co., Ltd.
Ningbo Tianyi Bamboo and Wood Products Co., Ltd.
Qingdao Barry Flooring Co., Ltd.
Scholar Home (Shanghai) New Material Co., Ltd.
Shandong Kaiyuan Wood Industry Co., Ltd.
Shandong Puli Trading Co., Ltd.
Shanghai Anxin (Weiguang) Timber Co., Ltd.
Shanghai Demeija Timber Co., Ltd.
Shanghai Eswell Timber Co., Ltd.
Shanghai Lizhong Wood Products Co., Ltd. (also known as The Lizhong Wood Industry Limited Company of Shanghai)
Shanghai New Sihe Wood Co., Ltd.
Shanghai Shenlin Corporation
Shenyang Sende Wood Co., Ltd.
Suzhou Anxin Weiguang Timber Co., Ltd.
Tak Wah Building Material (Suzhou) Co.
Tech Wood International Ltd.
Vicwood Industry (Suzhou) Co. Ltd.
Yixing Lion-King Timber Industry
Zhejiang AnJi Xinfeng Bamboo and Wood Industry Co., Ltd.
Zhejiang Desheng Wood Industry Co., Ltd.
Zhejiang Fuma Warm Technology Co., Ltd.
Zhejiang Haoyun Wooden Co., Ltd.

Zhejiang Jesonwood Co., Ltd.
Zhejiang Jiechen Wood Industry Co., Ltd.
Zhejiang Tianzhen Bamboo & Wood Development Co., Ltd.
Zhejiang Yongyu Bamboo Joint-Stock Co., Ltd.

Rescissions
Armstrong Wood Products (Kunshan) Co., Ltd.
Baroque Timber Industries (Zhongshan) Co., Ltd.
Dalian Penghong Floor Products Co., Ltd.
Dalian Shumaike Floor Manufacturing Co., Ltd.
Dunhua City Jisen Wood Industry Co., Ltd.
Fine Furniture (Shanghai) Limited and Double F Limited
Fusong Jinqiu Wooden Product Co., Ltd.
Huzhou Jesonwood Co., Ltd.