



A-570-106
New Shipper Review
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August 12, 2021

MEMORANDUM TO: Christian Marsh
Acting Assistant Secretary
for Enforcement and Compliance

FROM: James Maeder
Deputy Assistant Secretary
for Antidumping and Countervailing Duty Operations

SUBJECT: Antidumping Duty New Shipper Review of Wooden Cabinets and Vanities and Components Thereof from the People's Republic of China: Decision Memorandum for the Preliminary Rescission of Antidumping Duty New Shipper Review; 2020

I. SUMMARY

The Department of Commerce (Commerce) preliminarily determines that Dalian Hualing Wood Co., Ltd. (Hualing) does not qualify as a new shipper and we are preliminarily rescinding the new shipper review (NSR).

Interested parties are invited to comment on the preliminary rescission of this NSR. We intend to issue the final results of this NSR no later than 90 days from the date the preliminary results are issued, unless extended, pursuant to section 751(a)(2)(B) of the Tariff Act of 1930, as amended (the Act).

II. BACKGROUND

On April 21, 2020, we published in the *Federal Register* an antidumping duty order on wooden cabinets and vanities and components thereof (cabinets) from the People's Republic of China (China).¹ On December 1, 2020 Commerce initiated an NSR of the *Order* covering the period April 1, 2020, through September 30, 2020.² On December 1, 2020 Commerce issued an antidumping duty questionnaire to Hualing, to which the company responded in a timely

¹ See *Wooden Cabinets and Vanities and Components Thereof from the People's Republic of China: Antidumping Duty Order*, 86 FR 22126 (April 21, 2020) (*Order*).

² See *Wooden Cabinets and Vanities and Components Thereof from the People's Republic of China: Initiation of Antidumping Duty New Shipper Review*, 85 FR 77162 (December 1, 2020).



manner.³ On December 9, 2020, the American Kitchen Cabinet Alliance, (the petitioner) submitted information alleging that Hualing made shipments of subject merchandise during the period of investigation (POI).⁴ On December 16, 2020, Hualing responded to the petitioner's allegation.⁵ On January 27, February 3, April 6, and July 19, 2021, Commerce issued supplemental questionnaires to which Hualing timely responded.⁶ On May 4, 2021, the petitioner submitted comments regarding its allegation that Hualing made shipments of subject merchandise during the POI and that Hualing's sale during the POR was non-*bona fide*.⁷

On May 4, 2021, Commerce postponed the preliminary results of this review by 120 days, to September 21, 2020, in accordance with section 751(a)(2)(B)(iii) of the Act and 19 CFR 351.214(i)(2).⁸ On June 11, 2021, Commerce initiated an administrative review of Hualing covering the period October 9, 2019, through March 31, 2021.⁹

III. SCOPE OF THE ORDER

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

³ See Hualing's Letters, "Hualing's Section A Response on Wooden Cabinets and Vanities and Components Thereof from the People's Republic of China," dated January 4, 2021; and "Hualing's Sections C and D Questionnaire Response on Wooden Cabinets and Vanities and Components Thereof from the People's Republic of China," dated January 15, 2021.

⁴ See Petitioner's Letter, "Wooden Cabinets and Vanities and Components Thereof from the People's Republic of China: Comments and Rebuttal Factual Information on CBP Data for Dalian Hualing Wood Co. Ltd.," dated December 9, 2020.

⁵ See Hualing's Letter, "Hualing's Reply to Petitioner's CBP Comments and RFI on Wooden Cabinets and Vanities and Components Thereof from the People's Republic of China," dated December 16, 2020.

⁶ See Hualing's Letters, "Hualing's Supplemental Questionnaire Response on Wooden Cabinets and Vanities and Components Thereof from the People's Republic of China," dated February 3, 2021; "Hualing Supplemental A, C & D Questionnaire Response on Wooden Cabinets and Vanities and Components Thereof from the People's Republic of China," dated February 24, 2021; "Hualing Section A Supplemental Response on Wooden Cabinets and Vanities and Components Thereof from the People's Republic of China," dated April 15, 2021; and "Hualing Supplemental Section A Questionnaire Response on Wooden Cabinets and Vanities and Components Thereof from the People's Republic of China," dated August 3, 2021.

⁷ See Petitioner's Letter, "Wooden Cabinets and Vanities and Components Thereof from the People's Republic of China: Pre-Preliminary Comments," dated May 4, 2021.

⁸ See Memorandum, "Wooden Cabinets and Vanities Thereof from the People's Republic of China: Extension of Deadline for Preliminary Results of New Shipper Review; 2020", dated May 3, 2021.

⁹ See *Initiation of Antidumping and Countervailing Duty Administrative Reviews*, 86 FR 31282 (June 11, 2021).

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

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

Subject merchandise includes all unassembled, assembled and/or “ready to assemble” (RTA) wooden cabinets and vanities, also commonly known as “flat packs,” except to the extent such merchandise is already covered by the scope of antidumping and countervailing duty orders on *Hardwood Plywood from the People’s Republic of China*. See *Certain Hardwood Plywood Products from the People’s Republic of China: Amended Final Determination of Sales at Less Than Fair Value, and Antidumping Duty Order*, 83 FR 504 (January 4, 2018); *Certain Hardwood Plywood Products from the People’s Republic of China: Countervailing Duty Order*, 83 FR 513 (January 4, 2018). RTA wooden cabinets and vanities are defined as cabinets or vanities packaged so that at the time of importation they may include: (1) wooden components required to assemble a cabinet or vanity (including drawer faces and doors); and (2) parts (*e.g.*, screws, washers, dowels, nails, handles, knobs, adhesive glues) required to assemble a cabinet or vanity. RTAs may enter the United States in one or in multiple packages.

Subject merchandise also includes wooden cabinets and vanities and in-scope components that have been further processed in a third country, including but not limited to one or more of the following: trimming, cutting, notching, punching, drilling, painting, staining, finishing, assembly, or any other processing that would not otherwise remove the merchandise from the scope of the *Order* if performed in the country of manufacture of the in-scope product.

Excluded from the scope of this *Order*, if entered separate from a wooden cabinet or vanity are:

(1) Aftermarket accessory items which may be added to or installed into an interior of a cabinet and which are not considered a structural or core component of a wooden cabinet or vanity. Aftermarket accessory items may be made of wood, metal, plastic, composite material, or a combination thereof that can be inserted into a cabinet and which are utilized in the function of organization/accessibility on the interior of a cabinet; and include:

- Inserts or dividers which are placed into drawer boxes with the purpose of organizing or dividing the internal portion of the drawer into multiple areas for the purpose of containing smaller items such as cutlery, utensils, bathroom essentials, *etc.*
- Round or oblong inserts that rotate internally in a cabinet for the purpose of accessibility to foodstuffs, dishware, general supplies, *etc.*

(2) Solid wooden accessories including corbels and rosettes, which serve the primary purpose of decoration and personalization.

- (3) Non-wooden cabinet hardware components including metal hinges, brackets, catches, locks, drawer slides, fasteners (nails, screws, tacks, staples), handles, and knobs.
- (4) Medicine cabinets that meet all of the following five criteria are excluded from the scope:
 - (1) wall mounted; (2) assembled at the time of entry into the United States; (3) contain one or more mirrors; (4) be packaged for retail sale at time of entry; and (5) have a maximum depth of seven inches.

Also excluded from the scope of the *Order* are:

- (1) All products covered by the scope of the antidumping duty order on *Wooden Bedroom Furniture from the People's Republic of China*. See *Notice of Amended Final Determination of Sales at Less Than Fair Value and Antidumping Duty Order: Wooden Bedroom Furniture from the People's Republic of China*, 70 FR 329 (January 4, 2005).
- (2) All products covered by the scope of the antidumping and countervailing duty orders on *Hardwood Plywood from the People's Republic of China*. See *Certain Hardwood Plywood Products from the People's Republic of China: Amended Final Determination of Sales at Less Than Fair Value, and Antidumping Duty Order*, 83 FR 504 (January 4, 2018); *Certain Hardwood Plywood Products from the People's Republic of China: Countervailing Duty Order*, 83 FR 513 (January 4, 2018).

Imports of subject merchandise are classified under Harmonized Tariff Schedule of the United States (HTSUS) statistical numbers 9403.40.9060 and 9403.60.8081. The subject component parts of wooden cabinets and vanities may be entered into the United States under HTSUS statistical number 9403.90.7080. Although the HTSUS subheadings are provided for convenience and customs purposes, the written description of the scope of this *Order* is dispositive.

IV. DISCUSSION OF THE METHODOLOGY

As outlined in section 751(a)(2)(B) of the Act and 19 CFR 351.214, the NSR provisions require that the entity making a request for an NSR must document and certify that the person requesting the review did not export subject merchandise to the United States (or, in the case of a regional industry, did not export the subject merchandise for sale in the region concerned) during the POI.¹⁰

Based on information on the record, we determine that Hualing did not meet the minimum requirements in its request for a NSR under 19 CFR 351.214(b)(2)(i) because it shipped subject merchandise during the POI. Therefore, we preliminarily determine that it is appropriate to rescind the NSR for Hualing.

We have not conducted a detailed *bona fides* analysis for these preliminary results because we preliminarily determine that Hualing is not eligible for an NSR given its exports of subject

¹⁰ See 19 CFR 351.214(b)(2)(i).

merchandise to the United States during the POI. Instead, we intend to examine the *bona fides* nature of Hualing's sale in the context of the administrative review.

Since much of the factual information used in our analysis involves business proprietary information, a full discussion of the basis for our decision to rescind is set forth in the Proprietary Decision Memorandum.¹¹

V. RECOMMENDATION

We recommend applying the above methodology for these preliminary results of review.



Agree



Disagree

X



Signed by: CHRISTIAN MARSH

Christian Marsh
Acting Assistant Secretary
for Enforcement and Compliance

¹¹ See Memorandum, "Antidumping Duty New Shipper Review of Wooden Cabinets and Vanities and Components Thereof from the People's Republic of China: Proprietary Decision Memorandum for the Preliminary Rescission of the Antidumping Duty New Shipper Review; 2020," dated concurrently with this memorandum (Proprietary Decision Memorandum).