



## FACT SHEET

### Commerce Preliminarily Finds Countervailable Subsidization of Multilayered Wood Flooring from the People's Republic of China

- On March 22, 2011, the Department of Commerce (Commerce) announced its affirmative preliminary determination in the countervailing duty (CVD) investigation of imports of multilayered wood flooring from the People's Republic of China (China).
- For purposes of CVD investigations, subsidies are financial assistance from foreign governments that benefit the production, manufacture, or exportation of goods.
- Commerce preliminarily determined that Chinese producers/exporters have received countervailable subsidies ranging from zero to 27.01 percent *ad valorem*.
- Mandatory respondent Fine Furniture (Shanghai) Ltd. (and its affiliates Great Wood (Tonghua) Ltd. and Fine Furniture Plantation (Shishou) Ltd.) received a preliminary net subsidy rate of 2.25 percent *ad valorem*. Mandatory respondents Zhejiang Layo Wood Industry Co., Ltd. (and its affiliate Jiaying Brilliant Import & Export Co., Ltd.), and Zhejiang Yuhua Timber Co., Ltd., received preliminary net subsidy rates of zero.
- In addition, Commerce assigned 127 companies an adverse facts available (AFA) rate of 27.01 percent *ad valorem*, for failing to respond to requests for information.
- All other Chinese producers/exporters received a preliminary net subsidy rate of 2.25 percent *ad valorem*.
- As a result of this preliminary determination, Commerce will instruct U.S. Customs and Border Protection to collect a cash deposit or bond based on these preliminary rates.
- The petitioner for this investigation is: The Coalition for American Hardwood Parity, an *ad hoc* association of U.S. manufacturers of multilayered wood flooring, with the following member companies: Anderson Hardwood Floors, LLC (SC), Award Hardwood Floors (WI), Baker's Creek Wood Floors, Inc. (MS), From the Forest (WI), Howell Hardwood Flooring (AL), Mannington Mills, Inc. (NJ), Nydree Flooring (VA), and Shaw Industries Group, Inc. (GA).
- The merchandise covered by the investigation is multilayered wood flooring, composed of an assembly of two or more layers or plies of wood veneers in combination with a core. The core may be composed of hardwood or softwood veneer, particleboard, medium-density fiberboard, high density fiberboard, stone and/or plastic composite, or strips of lumber placed edge-to-edge. Multilayered wood flooring is typically manufactured with a "tongue-and-groove" construction. These products are generally used as the floor in residential or commercial building, as well as in schools, showrooms, gymnasiums and other constructions.
- Imports of the subject merchandise are provided for under the following categories of the Harmonized Tariff Schedule of the United States (HTSUS): 4412.31.0520; 4412.31.0540; 4412.31.0560; 4412.31.2510; 4412.31.2520; 4412.31.4040; 4412.31.4050; 4412.31.4060;

4412.31.4070; 4412.31.5125; 4412.31.5135; 4412.31.5155; 4412.31.5165; 4412.31.3175; 4412.31.6000; 4412.31.9100; 4412.32.0520; 4412.32.0540; 4412.32.0560; 4412.32.2510; 4412.32.2520; 4412.32.3125; 4412.32.3135; 4412.32.3155; 4412.32.3165; 4412.32.3175; 4412.32.3185; 4412.32.5600; 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; 4412.99.5710; 4412.99.6000; 4412.99.7000; 4412.99.8000; 4412.99.9000; 4412.99.9500; 4418.71.2000; 4418.71.9000; 4418.72.2000; and 4418.72.9500. In addition, imports of subject merchandise may enter the U.S. under the following HTSUS subheadings: 4409.10.0500; 4409.10.2000; 4409.29.0515; 4409.29.0525; 4409.29.0535; 4409.29.0545; 4409.29.0555; 4409.29.0565; 4409.29.2530; 4409.29.2550; 4409.29.2560; 4418.71.1000; 4418.79.0000; and 4418.90.4605. While HTSUS subheadings are provided for convenience and customs purposes, the written description of the scope in this proceeding is dispositive.

- From 2007 to 2009, imports of multilayered wood flooring from China increased 76 percent by quantity. In 2009 imports of multilayered wood flooring were valued at an estimated \$119.7 million.

#### NEXT STEPS

- Commerce is currently scheduled to make its final determination in June 2011.
- If Commerce makes an affirmative final determination, and the U.S. International Trade Commission (ITC) makes an affirmative final determination that imports of multilayered wood flooring from China materially injure, or threaten material injury to, the domestic industry, Commerce will issue a CVD order. The ITC is scheduled to make its final injury determination on or about July 21, 2011.

#### Preliminary Subsidy Rates:

PRODUCER/EXPORTER	SUBSIDY RATE
Fine Furniture (Shanghai) Ltd.; Great Wood (Tonghua) Ltd.; Fine Furniture Plantation (Shishou) Ltd.	2.25%
Zhejiang Layo Wood Industry Co., Ltd.; Jiaxing Brilliant Import & Export Co., Ltd.	0.00%*
Zhejiang Yuhua Timber Co., Ltd.	0.00%*
AFA Rate **	27.01%
All Others	2.25%

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

\*\* See Attachment for a full list of the 127 companies assigned the AFA rate.

## CASE CALENDAR:

EVENT	CVD INVESTIGATION
Petition Filed	October 21, 2010
DOC Initiation Date	November 10, 2010
ITC Preliminary Determination	December 3, 2010
DOC Preliminary Determination	March 21, 2011
DOC Final Determination*	June 6, 2011
ITC Final Determination**	July 21, 2011
Issuance of Order***	July 28, 2011

\*This deadline may be extended under the governing statute.

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

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

## IMPORT STATISTICS:

CHINA	2007	2008	2009
Quantity (square feet)	40,398,000	89,032,000	71,182,000
Value (US\$)	73,000,000	148,000,000	119,700,000

Source: *Wood Flooring*, Catalina Report CR064 (December 2009, published by Catalina Research, Inc., Boca Raton, FL), at 64. See Volume I of the Petitions, at 16-23 and Exhibit I-9. U.S. Bureau of Census data was not used to gather this trade data due to changes to the HTS categories in 2009 that make the data less reliable for historical trend purposes. The value includes cost, insurance, and freight.

### List of AFA Rate Companies

9 Miles Oak Flooring (China)
Anhui HUPO Wood Industry Co., Ltd.
Anji Tianpeng Bamboo & Wooden Floor Co., Ltd.
Anlian Wood Co., Ltd.
Beijing Forever Strong Construction & Decoration Material Co., Ltd.
Beijing New Building Material (Group) Co., Ltd.
Beijing W.A Wood Co., Ltd.
Cairun Floor Building Material Co., Ltd.
Changchun Zhongyi Wood Co., Ltd.
Changzhou Credit International Trade Co., Ltd.
Changzhou Green Spot Wood Industry Co., Ltd.
Changzhou Jiahao Wood Trade Co., Ltd.
Changzhou Leili Wood Industry Co., Ltd.
Changzhou OPLS Decoration Materials Co., Ltd.
Chaohu Great Mainland Flooring Co., Ltd.
Chaohu Vgreen Timber Co., Ltd.
China Xuzhou Tengmao Wood Co., Ltd.
Chuangfu Wood Flooring Cld., Co.
Complete Flooring Supply Corporation
Dalian Brilliant Future International Trade Co., Ltd.
Dalian Hongjia Imp. & Exp. Co., Ltd.
Dalian Luming Group
Dalian Maruni Wood Works Co., Ltd.

Dalian Ontime International Trade Co.
Dalian Taiyangshi International Trading Co., Ltd.
Dalian Turuss Wood Industry Co., Ltd.
Dongguan Forest Century Wooden Co., Ltd.
Elegant Living Corporation
Foshan Linguan Wood Products Co., Ltd.
Foshan Pengbang Wood Manufacturer Co., Ltd.
Foshan Shunde Hechengchuangzhan Wood Co., Ltd.
Foshan Tocho Timber Co., Ltd.
Fujian Jianou Huayu Bamboo Industry Co., Ltd.
Fuzhou Floors China Co., Ltd.
Gao'an City Kangli Bamboo And Wooden Products Co., Ltd.
Giant Flooring
Glassical Industrial Limited
Great Forest Wood Limited
Green Elf Flooring (also dba Hong Ding Lumber Co.)
Guangdong Guangyang Hi-Tech Industry Co., Ltd.
Guangdong Yingran Wood Industry
Guangzhou Fnen Wood Flooring
Guangzhou Homewell Trade Co., Ltd.
Guangzhou Quanfeng Wood Industry Co., Ltd.
Handan Global Wood Limited
Hangzhou Dazhuang Floor Co.
Hangzhou Fuyang Zhongjian Wood Industry Co., Ltd.

Hangzhou Kingdom Imp & Exp Trading Corp., Ltd.
Hangzhou Singular Group Co., Ltd.
Hangzhou Tianlin Industrial Co., Ltd.
Heze Lv Sen Wood Co., Ltd.
Homewell (Xiamen) Industry Co., Ltd.
Huidong Weikang Rubber & Plastic Products Co., Ltd.
HU'Made Group
Huzhou Boge Import And Export Co., Ltd.
Huzhou Jinjie Industrial Co., Ltd.
Huzhou Natural Forest Flooring Co., Ltd.
Huzhou Tianlong Wood Co., Ltd.
Huzhou Top Wood Co., Ltd.
Huzhou Yaxin Arts & Crafts Co., Ltd.
Jiangmen Xinhui Yinhu Woodwork Co., Ltd.
Jiangsu Happy Wood Industrial Group Co., Ltd.
Jiangsu Horizon Trade Co., Ltd.
Jiangsu Kentier Wood Co., Ltd.
Jiangsu Nanyang Wood Co., Ltd.
Jiangsu Wanli Wooden Co., Ltd.
Jiangxi Kangtilong Bamboo Products Co., Ltd.
Jiashan Greenland International Trading Co., Ltd.
Jiashan Huayu Lumber Co., Ltd.
Jiashan Longsen Lumbering Co., Ltd.
Jiashan On-Line Lumber Co., Ltd.

Jiaxing Hengtong Wood Co., Ltd.
Jilin Newco Wood Industries Co., Ltd.
Jining Sensen Wood Industry Co., Ltd.
Jining Sunny Wood Co., Ltd.
Kingswood Timber
Kornbest Enterprises Ltd.
Lianyungang Shuntian Timber Co., Ltd.
Longeron I&E Co., Ltd.
Lord Parquet Industry Co., Limited.
Lyowood Industrial Co., Ltd.
MacDouglas Wood Flooring (Suzhou) Co., Ltd.
Nanjing Dimac Wood Industry Co., Ltd.
Qiaosen Wood Flooring Industry Company
Qichuang Wood Industrial Co., Ltd.
Qingdao Fuguichao Wood Co., Ltd.
Quanfa Woodwork (Shenzhen) Co., Ltd.
Shandong Fuma Commerce & Trade Co., Ltd.
Shandong Yuncheng Jinyang Wood Industry Co., Ltd.
Shanghai Chunna Industrial Co., Ltd.
Shanghai Eswell Enterprise Co., Ltd.
Shanghai Feihong Wood Products Co.
Shanghai Guangri Flooring Co., Ltd.
Shanghai Pinsheng Wood Industry Co., Ltd.
Shanghai Pujiang United Wood Co., Ltd.

Shanghai Yiming Wooden Industry Co., Ltd
Shenyang Bask Industry Co., Ltd.
Shenzhen JianYuanXin Trade Co., Ltd.
Shenzhen Shi Huanwei Woods Co., Ltd.
Shuanghai Shuai Yuan Wood Industry Co., Ltd.
Sterling Pacific Wood Products Co., Ltd.
Suifenhe Sanmulin Economic and Trade Co., Ltd.
Suzhou Duolun Wood Industry Co., Ltd.
Tengmao Wood Co., Ltd.
Tianjin Zeyuan Wood Industry Co., Ltd.
Times Flooring Co., Ltd.
Twowins Bamboo & Wood Products Co., Ltd.
UA Wood Floors
Weifang Jiayuan Imp & Exp Co., Ltd.
Wenzhou Timber Group Company
Wuhan Nanhong Materials & Goods Fitting Co., Ltd.
Wuxi Haisen Decorates Material Co., Ltd.
Xiamen Homeshining Industry Co., Ltd.
Xuzhou Fuxiang Wood Co., Ltd.
Xuzhou Huanqiu Import & Export Trade Co., Ltd.
Xuzhou Tengmao Wood Co., Ltd.
Xuzhou Yijia Manufacture Co., Ltd.
Xuzhou Yijia Wood Manufacture Co., Ltd.
Yinlong Wood Products Co., Ltd.



Ys Nature International Trading Co., Ltd.
Zhejiang Assun Wood Co., Ltd.
Zhejiang Gaopai Wood Co., Ltd.
Zhejiang Huayue Wooden Products Co., Ltd.
Zhejiang Yongji Wooden Co., Ltd.
Zhejiang Yongyu Bamboo Development
Zhongshan New Oasis Wood Industry Co., Ltd.
Zhongyi Bamboo Industrial Co., Ltd. Fujian