



FACT SHEET

Commerce Initiates Antidumping Duty and Countervailing Duty Investigations of Hardwood and Decorative Plywood from the People's Republic of China

- On October 18, 2012, the Department of Commerce (Commerce) announced the initiation of antidumping duty (AD) and countervailing duty (CVD) investigations of imports of hardwood and decorative plywood from the People's Republic of China (China).
- The AD and CVD laws give U.S. businesses, workers, and farmers an opportunity to compete on a level playing field, by providing a transparent and internationally approved mechanism to address the market distorting effects caused by injurious dumping and subsidization of imports into the United States.
- For the purpose of AD investigations, dumping occurs when a foreign company sells a product in the United States at less than its fair value. For the purpose of CVD investigations, countervailable subsidies are financial assistance from foreign governments that benefit the production of goods from foreign companies and are limited to specific enterprises or industries, or are contingent either upon export performance or upon the use of domestic goods over imported goods.
- The petitioner for these investigations is the Coalition for Fair Trade of Hardwood Plywood. The members of the Coalition are: Columbia Forest Products (Greensboro, NC); Commonwealth Plywood Inc. (Whitehall, NY); Murphy Plywood (Eugene, OR); Roseburg Forest Products Co. (Roseburg and Dillard, OR); States Industries, Inc. (Eugene, OR); and Timber Products Company (Springfield, OR).
- The merchandise covered by these investigations is a panel composed of an assembly of two or more layers or plies of wood veneer(s) in combination with a core. The several layers, along with the core, are glued or otherwise bonded together to form a finished product. A hardwood and decorative plywood panel can be composed of one or more species of hardwoods, softwoods, or bamboo, (in addition to other materials that are used for the core, as detailed below).
- Hardwood and decorative plywood is generally manufactured to *American National Standard for Hardwood and Decorative Plywood*, ANSI/HPVA HP-1-2009; it is differentiated from "structural plywood" (also known as "industrial plywood" or "industrial panels"), which must meet the "bond performance" requirements set forth at paragraph 5.8.6.4 of U.S. Products Standard PS 1-09 for Structural Plywood.
- Hardwood and decorative plywood is primarily manufactured as a panel. The most common panel sizes are 1219 x 1829 mm (48 x 72 inches), 1219 x 2438 mm (48 x 96 inches), and 1219 x 3048 mm (48 x 120 inches). However, these panels may be cut-to-size by the manufacturer in accordance with a customer's requirements, or made to other sizes.
- A "veneer" is a thin slice of wood, rotary cut, sliced or sawed from a log, bolt or flitch. The face veneer is the exposed veneer of a hardwood and decorative plywood product which is of a superior grade than that of the other exposed veneer of the product (*i.e.*, as opposed to the inner veneers).

The face veneer is also either side of the product when the two exposed veneers are of the same grade. The face veneer is also the side of the product that is intended to be exposed for view after installation.

- The core of hardwood and decorative plywood consists of the layer or layers of material(s) that are situated between the front and back veneers. The core may be composed of a range of materials, including but not limited to veneers, particleboard, and medium-density fiberboard (MDF).
- All hardwood and decorative plywood is included within the definition of subject merchandise regardless whether or not the face and/or back veneers are surface coated. Additionally, the face veneer of hardwood and decorative plywood may be sanded, smoothed or given a “distressed” appearance through such methods as hand-scraping or wire brushing. The face veneer may also be stained (*i.e.*, to achieve a particular color).
- Unless subject to a specifically enumerated exclusion detailed below, all hardwood and decorative plywood is included within the definition of subject merchandise, without regard to: dimension (overall thickness, thickness of face veneer thickness of back veneer, thickness of core, and thickness of inner veneers; width; and length); wood species used for the face, back and inner veneers (including hardwoods, softwoods or bamboo); core composition; the grade of the face and back veneers; and whether or not surface coated (*i.e.*, “unfinished” or “prefinished”). The face and/or back veneers of the product may be sanded, smoothed, scraped or stained.
- Hardwood and decorative plywood is generally manufactured to *American National Standard for Hardwood and Decorative Plywood*, ANSI/HPVA HP-1-2009. Regardless of whether the product meets the ANSI/HPVA standard, all hardwood and decorative plywood is included within this definition if it meets the physical description set forth therein.
- The scope of the investigations excludes the following items: (1) structural plywood that is manufactured and stamped to meet U.S. Products Standard PS 1-09 for Structural Plywood (including any revisions to that standard or any substantially equivalent international standard intended for structural plywood), including but not limited to the “bond performance” requirements set forth at paragraph 5.8.6.4 of that Standard and the performance criteria detailed at Table 4 through 10 of that Standard; (2) plywood platforms with a face and back ply of cork; (3) multilayered wood flooring, as described in the antidumping duty and countervailing duty orders on Multilayered Wood Flooring from the People’s Republic of China, Import Administration, International Trade Administration, U.S. Department of Commerce Investigation Nos. A-570-970 and C-570-971 (published December 8, 2011); (4) plywood further manufactured or further worked aside from sanding, surface coating (*i.e.*, “prefinishing”), scraping or staining (*e.g.*, bent or molded plywood; bent or molded plywood is defined as a flat panel that is purposely further manufactured through whatever means to achieve a shape or design other than a flat plane).
- Imports of the subject merchandise are provided for under HTSUS categories 4412.10.0500; 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; 4412.31.5135; 4412.31.5155; 4412.31.5165; 4412.31.5175; 4412.31.6000; 4412.31.9100; 4412.32.0520; 4412.32.0540; 4412.32.0560; 4412.32.2510; 4412.32.2520; 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; 4412.94.3111; 4412.94.3121; 4412.94.3131; 4412.94.3141; 4412.94.3160; 4412.94.3171; 4412.94.4100; 4412.94.6000; 4412.94.7000; 4412.94.8000; 4412.94.9000; 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; 4412.99.5710; 4412.99.6000; 4412.99.7000; 4412.99.8000; and 4412.99.9000.

- In 2011, imports of hardwood and decorative plywood from China were valued at an estimated \$616.5 million.

NEXT STEPS

- The U.S. International Trade Commission (ITC) is scheduled to make its preliminary injury determination on or before November 13, 2012.
- If the ITC determines that there is a reasonable indication that imports from China materially injure, or threaten material injury to, the domestic industry, the investigations will continue, and Commerce will be scheduled to make its preliminary determinations in the CVD and AD investigations in December 2012 and March 2013, respectively, unless the determinations are extended.

Alleged Dumping Margins:

COUNTRY	DUMPING MARGINS
China	298.36 to 321.68 percent

Estimated Subsidy Rate:

COUNTRY	SUBSIDY RATE
CHINA	Above <i>de minimis</i>*

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

CASE CALENDAR:

EVENT	AD INVESTIGATION	CVD INVESTIGATION
Petitions Filed	September 27, 2012	September 27, 2012
DOC Initiation Date	October 17, 2012	October 17, 2012
ITC Preliminary Determination*	November 13, 2012†	November 13, 2012†
DOC Preliminary Determinations	March 6, 2013	December 21, 2012
DOC Final Determinations	May 20, 2013	March 6, 2013
ITC Final Determination**	July 5, 2013†	April 22, 2013†
Issuance of Orders***	July 12, 2013	April 29, 2013†

NOTE: Commerce preliminary and final determination deadlines are governed by the statute. For CVD investigations, the deadline is set forth in section 705(a)(1) of the Tariff Act of 1930, as amended (the Act). For AD investigations, the deadline is set forth in section 735(a) of the Act. These deadlines may be extended under certain circumstances.

†Where the deadline falls on a weekend/holiday, the appropriate date is the next business day.

* If the ITC makes a negative preliminary determination of injury, the investigations are terminated.

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

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

IMPORT STATISTICS:

CHINA	2009	2010	2011
Value (USD)	545,292,000	635,191,000	616,547,000

Source: U.S. Bureau of Census, accessed through Global Trade Atlas. (HTSUS 4412.10.0500, 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, 4412.31.5135, 4412.31.5155, 4412.31.5165, 4412.31.5175, 4412.31.6000, 4412.31.9100, 4412.32.0520, 4412.32.0540, 4412.32.0560, 4412.32.2510, 4412.32.2520, 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, 4412.94.3111, 4412.94.3121, 4412.94.3131, 4412.94.3141, 4412.94.3160, 4412.94.3171, 4412.94.4100, 4412.94.6000, 4412.94.7000, 4412.94.8000, 4412.94.9000, 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, 4412.99.5710, 4412.99.6000, 4412.99.7000, 4412.99.8000, and 4412.99.9000).

Some HTS subheadings are basket categories and may cover both subject and non-subject merchandise.

*Volume could not be calculated, as imports of subject merchandise are reported in multiple units of measure.