

New Antidumping and Countervailing Duty Petitions on Wood Mouldings and Millwork Products from Brazil and China

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The Coalition of American Millwork Producers, on behalf of Bright Wood Corporation, Cascade Wood Products, Inc., Endura Products, Inc., Sierra Pacific Industries, Sunset Moulding, Woodgrain Millwork Inc., and Yuba River Moulding (collectively “petitioners”), on January 8, 2020, filed antidumping (AD) petitions on imports of wood moldings and millwork products from Brazil and China and a countervailing duty (CVD) petition on imports of wood moldings and millwork products from China.

U.S. AD law imposes special tariffs to counteract imports that are sold in the United States at less than “normal value.” U.S. CVD law imposes special tariffs to counteract imports that are sold in the United States with the benefit of foreign government subsidies. For AD/CVD duties to be imposed, the U.S. government must determine not only that dumping and/or subsidies are occurring, but also that there is “material injury” (or threat thereof) by reason of the dumped and/or subsidized imports. Importers are liable for any potential AD/CVD duties imposed. In addition, these investigations could impact purchasers by increasing prices and/or decreasing the supply of certain wood moldings and millwork products.

Scope

The merchandise subject to this investigation consists of wood moldings and millwork products that are made of wood (regardless of wood species), laminated veneer lumber (LVL), or of wood and composite materials (where the composite materials make up less than 50 percent of the total merchandise), and which are woodwork or building materials that are produced in a mill or otherwise undergo remanufacturing.

The covered products include, but are not limited to, the following: interior and exterior door frames or jambs (including split, flat, stop applied, single- or double-rabbeted), frame or jamb kits, packaged door frame trim or casing sets, mullions, mull posts, mouldings (crowns, beds, coves, quarter rounds, half rounds, base shoes, astragals, shelf edge/screen moulds, glass bead mouldings, base caps, brickmould, panel mouldings, drip caps, corner guards, shingle/panel mouldings, battens, closet rods, hand rails, rounds, squares, screen/“surfaced on 4 sides” (S4S) and/or “surface 1 side, 2 edges” (S1 S2E) stock (also called boards) that are finger jointed and/or coated with any surface coating

(including primed), lattice, dowels, picture moulding, wainscot/ply cap, back bands, chair rails), stops, sashes, base mouldings, casing, trim, panel strips, shelf cleats, chamfer strips, inside corners, window stools (flat/rabbeted), sills, door stiles, thresholds/saddles, decorative wood mouldings (embossed, dentil, carved rope moulding), rosettes, plinth blocks, interior siding, including nickel gap or shiplap, that is LVL or finger jointed and/or coated with any surface coating (including primed), and finger-jointed or edge-glued moulding or millwork blanks (whether or not resawn).

The covered products may be solid wood, laminated, finger-jointed, edge-glued, or otherwise joined in the production or remanufacturing process and are covered by the scope whether imported raw, coated (e.g., gesso, polymer, or plastic), primed, painted, stained, wrapped (paper or vinyl overlay), any combination of the aforementioned surface coatings, treated, or which incorporate rot-resistant elements (whether wood or composite). The covered products are covered by the scope whether or not any surface coating(s) or cover(s) obscures the grain, textures, or markings of the wood, whether or not they are ready for use or require final machining (e.g., endwork/dado, hinge/strike machining, weatherstrip or application thereof, miter) or packaging.

All wood moldings and millwork products are included within the scope even if they are trimmed; cut-to-size; notched; punched; drilled, or have undergone other forms of minor processing.

Subject merchandise also includes wood moldings and millwork products that have been further processed in a third country, including but not limited to trimming, cutting, notching, punching, drilling, coating, or any other processing that would not otherwise remove the merchandise from the scope of the investigations if performed in the country of manufacture of the in-scope product.

Excluded from the scope of this investigation are exterior fencing, exterior decking, and exterior siding products, finished and unfinished doors, flooring, and parts of stair steps.

Excluded from the scope of this investigation are 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).

Excluded from the scope of this investigation are all products covered by the scope of the antidumping and countervailing duty orders on Multilayered Wood Flooring from the People's Republic of China. *Multilayered Wood Flooring from the People's Republic of China: Amended Final Determination of Sales at Less than Fair Value and Antidumping Duty Order*, 76 FR 76690 (December 8, 2011); *Multilayered Wood Flooring from the People's Republic of China: Countervailing Duty Order*, 76 FR 76693 (December 8, 2011).

Imports of wood moldings and millwork products are primarily entered under the following Harmonized Tariff Schedule of the United States (HTSUS) numbers: 4409.10.4010, 4409.10.4090, 4409.10.4500, 4409.10.5000, 4409.22.4000, 4409.22.5000, 4409.29.4000, 4409.29.4100, 4409.29.5000, and 4409.29.5100. Imports of wood moldings and millwork products may also enter under HTSUS numbers: 4409.10.6000, 4409.10.6500, 4409.22.6000, 4409.22.6500, 4409.29.6100, 4409.29.6600, 4418.99.9095 and 4421.99.9780. While the HTSUS subheadings are provided for convenience and customs purposes, the written description of the scope of these investigations is dispositive.

Alleged Dumping Margins

The petitioner alleges the following dumping margins:

- Brazil: 268.74 percent
- China: 289.70 to 361.83 percent

The petitioners allege numerous subsidies provided to Chinese producers, including preferential loans and interest rates, grants, tax benefit programs, import duty exemptions, export credit subsidies, and the provision of material inputs, but no specific subsidy rates are alleged.

Estimated Schedule of Investigations

- January 8, 2020 – Petition is filed
- January 28, 2020 – DOC initiates investigation
- January 29, 2020 – ITC staff conference
- February 24, 2020 – Deadline for ITC preliminary injury determinations
- April 2, 2020 – Deadline for DOC preliminary CVD determination, if not postponed
- June 8, 2020 – Deadline for DOC preliminary CVD determination, if fully postponed
- June 16, 2020 – Deadline for DOC preliminary AD determination, if not postponed
- August 5, 2020 – Deadline for DOC preliminary AD determination, if fully postponed
- December 18, 2020 – Deadline for DOC final AD determinations, if both preliminary and final determinations are fully postponed
- February 1, 2021 – Deadline for ITC final injury determinations, assuming fully postponed DOC deadlines

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