DOC Investigation Nos. A-351-853, A-570-117, and C-570-118
USITC Investigation Nos. 701-TA-\_\_\_ and 731-TA-\_\_\_\_ Total Pages: 159
Investigation
AD/CVD Operations
Petitioner's Business Proprietary Information Removed from Pages 3, 4, 10, 17-19, 21-22, 24-27, EL-1, and Exhibits I-3, I-4, I-5, I-6, I-7, I-9, I-19, I-21 of this Volume
PUBLIC VERSION

BEFORE THE
INTERNATIONAL TRADE ADMINISTRATION OF THE
U.S. DEPARTMENT OF COMMERCE
AND THE
U.S. INTERNATIONAL TRADE COMMISSION

PETITIONS FOR THE IMPOSITION OF ANTIDUMPING AND COUNTERVAILING DUTIES PURSUANT TO SECTION 701 AND 731 OF THE TARIFF ACT OF 1930, AS AMENDED

### VOLUME I: COMMON ISSUES AND INJURY PETITION

### IN THE MATTER OF:

WOOD MOULDINGS AND MILLWORK PRODUCTS FROM BRAZIL AND THE PEOPLE'S REPUBLIC OF CHINA

### **PETITIONER:**

COALITION OF AMERICAN MILLWORK PRODUCERS

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**January 8, 2020** 

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These Petitions are presented on behalf of the Coalition of American Millwork Producers (the "Coalition" or "Petitioner"). The Coalition is comprised of Bright Wood Corporation, Cascade Wood Products, Inc., Endura Products, Inc., Sierra Pacific Industries, Sunset Moulding, Woodgrain Millwork Inc., and Yuba River Moulding ("Petitioners").

Petitioners allege that wood mouldings and millwork products ("WMMP") imported from Brazil and the People's Republic of China are being or are likely to be sold at less than normal value within the meaning of section 731 of the Tariff Act of 1930, as amended, 19 U.S.C. § 1671 and § 1673 (hereinafter "the Act"). Petitioners further allege that WMMP imported from China are subsidized within the meaning of section 701 of the Act. These unfairly traded imports have materially injured the United States domestic industry producing WMMP and threaten to cause further material injury if remedial action is not taken. These Petitions contain information reasonably available to Petitioners in support of these allegations.

Separate volumes regarding the allegations of dumping by subject producers, as well as countervailable subsidies provided to subject producers from China, are being filed simultaneously at the U.S. Department of Commerce (the "Department") and the U.S. International Trade Commission (the "Commission"). Petitioners request that antidumping and countervailing duties be imposed to offset the dumping margins and countervailable subsidies detailed in the antidumping and countervailing duty volumes.

### I. COMMON ISSUES

### A. The Name and Address of the Petitioners (19 C.F.R. § 351.202(b)(1))

The Petitioner is the Coalition of American Millwork Producers. Petitioner is a domestic interested party within the meaning of 19 U.S.C. § 1677(9) and 19 C.F.R. § 351.102(b)(17). The

names, addresses, and telephone numbers of the companies comprising the Coalition are provided in **Exhibit I-1**.

## B. Identity of the Industry on Whose Behalf the Petition Is Filed (19 C.F.R. § 207.11(b)(2)(ii); 19 C.F.R. § 351.202(b)(2))

These Petitions are filed on behalf of the United States industry that produces WMMP. In addition to the information relating to the Petitioners in **Exhibit I-1**, the names, addresses, and telephone numbers of other producers of WMMP in the United States are provided in **Exhibit I-2**. According to the best information available to Petitioners, **Exhibits I-1** and **I-2** identify all known producers of the merchandise under consideration in the United States.

## C. <u>Information Relating to the Degree of Industry Support for the Petition</u> (19 C.F.R. § 351.202(b)(3))

Under the relevant statutory provisions, a petition is filed by or on behalf of the domestic industry if: (1) domestic producers who support the petition account for at least 25% of the total production of the domestic like product, and (2) domestic producers who support the petition account for more than 50% of the production of the domestic like product produced by that portion of the industry expressing support for or opposition to the petition.<sup>1</sup> Petitioners meet both of these requirements.

Petitioners' estimate of total U.S. production of WMMP for 2018 is in the table below. To estimate domestic industry production, Petitioners gathered actual 2018 production data from each Petitioner company and additional companies supporting these investigations.<sup>2</sup> To this total, Petitioners added estimated 2018 production figures for other major U.S. producers, obtained from

<sup>1 19</sup> U.S.C. §§ 1671a(c)(4)(A) (countervailing duty petitions) and 1673a(c)(4)(A) (antidumping petitions).

<sup>&</sup>lt;sup>2</sup> See Industry Support Calculation, attached as **Exhibit I-3**; Declaration of Frank DeMott, attached as **Exhibit I-4**; Declaration of Philip J. Menzner II, attached as **Exhibit I-5**.

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the Moulding and Millwork Producers Association ("MMPA").<sup>3</sup> The estimates for these other major U.S. producers are based on their MMPA dues category, which reflects each producer's 2018 production level. As explained further in **Exhibit I-3**, reported production levels are rounded to the middle of each MMPA production category. These production level estimates are conservative, as they may account for some production of non-subject products, including MDF products.<sup>4</sup>

The MMPA comprises the largest WMMP producers in the United States and accounts for at least [ o] of domestic WMMP production. Petitioners have not included in their estimates any MMPA members that are foreign producers, importers and/or distributors, or that otherwise do not manufacture the domestic like product in the United States. To be conservative, Petitioners have also included an amount representing an additional 25% of domestic production, attributable to smaller, non-MMPA member manufacturers of WMMP. A large portion of this remaining amount of production is attributable to members of the Architectural Woodwork Institute, and association of woodworking companies that has taken no position on and does not oppose these investigations.

As Table 1 shows, Petitioners' estimated share of U.S. production of WMMP products well exceeds the statutory standards.

See Industry Support Calculation, attached as **Exhibit I-3**; Declaration of [ ], attached as **Exhibit I-6**.

Declaration of [ NAME ], attached as Exhibit I-6.

<sup>5</sup> See id.

See Declaration of [ NAME ], attached as Exhibit I-7.

About Us, Architectural Woodwork Institute, attached as **Exhibit I-8**.

Beclaration of Doug Hague, attached as **Exhibit I-9**.

TABLE 1 PETITIONERS' SHARE OF DOMESTIC PRODUCTION					
	2018 (Board Feet)				
Estimate of Total U.S. Production	[2.692,381,989]				
Petitioners' and Supporters' Production	[1560322491]				
Petitioners' and Supporters' Share of Total Production of the Domestic Like Product	58%				
Production by Portion of the Industry Minus Those Taking No Position	[2342251989]				
Petitioners' and Supporters' Share of Production by the Portion of the Industry Minus Those Taking No Position on the Petitions	67%				

Thus, Petitioners have sufficient industry support to file these petitions on behalf of the domestic industry.

## D. <u>Previous Requests for Import Relief for the Merchandise (19 C.F.R. § 351.202(b)(4))</u>

Petitioners have not previously filed for antidumping or countervailing duty relief on imports of WMMP and are not aware of any outstanding antidumping or countervailing duty orders on this merchandise. Petitioners have not filed for relief from imports of the subject merchandise under sections 337 of the Act, section 301 of the Trade Act of 1974, or section 232 of the Trade Expansion Act of 1962.

## E. Scope of the Investigation and a Detailed Description of the Subject Merchandise (19 C.F.R. § 351.202(b)(5))

### 1. Scope of Investigation

The physical characteristics of the covered products, which define the scope, are as follows:

The merchandise subject to this investigation consists of wood mouldings 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 rod, hand rails, rounds, squares, screen/"surfaced on 4 sides" (S4S) and/or "surface 1 side, 2 edges" (S1S2E) 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 covers 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, mitre) or packaging.

All wood mouldings 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 mouldings 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 mouldings 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 mouldings 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.

### 2. Technical Characteristics and Uses

Wood moulding and millwork products are manufactured from softwood, hardwood, laminated veneer lumber, or some combination of wood and composite materials, and are woodwork or building materials that are produced in a mill or otherwise undergo remanufacturing. Wood mouldings and millwork products have a variety of exterior and interior uses, primarily in residential and non-residential construction. These products have both functional and decorative uses.

These uses include as crown mouldings, which are used where wall and ceiling meet to cover large angles, and cove mouldings, which have a concave profile and are used at corners, including as a ceiling cornice. Wood mouldings and millwork products are also used as interior and exterior door frames or jambs, and as astragals, which are attached to one of a pair of doors to

keep the other from swinging through the opening and also can serve a decorative purpose. Wood mouldings and millwork products also include base caps, which are installed flush against the wall and the top of a baseboard, and corner guards, which are used to protect corners or cover ragged edges where wall coverings and painted surfaces meet at an outside corner. Additional uses, among others, include as base shoes, which are applied where base moulding meets the floor to protect the base from damage and/or to conceal uneven lines or cracks where the base meets the floor; as brickmoulds, which are used as an exterior door and window casing to provide a surface for brick or other siding to butt against; as drip caps, which are applied over exterior window and door frames to keep water from seeping under the siding and to direct water away from window glass; and as battens, which are used to conceal the line where two parallel boards or panels meet.

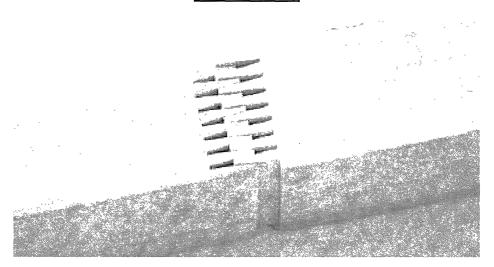
### 3. Production Methodology

WMMP are manufactured in several stages, including ripping, cutting, finger jointing, moulding, laminating, and coating or vinyl wrapping. At the ripping stage, lumber boards are scanned or evaluated to identify visible characteristics in the wood. These may include knots, pitch pockets, blue stain, or other imperfections that reduce the value of the wood. After identifying these characteristics, an optical scanner or trained personnel will map out the best way to rip the board to maximize the number of clear cuts that are free of imperfections. Generally, all rips will be used to manufacture a downstream product, but visible characteristics may affect the ultimate selling price.

In the cutting process, ripped boards are cut to specific lengths, considering the need to maximize the number of clear cuts while also meeting customer demand for certain lengths and minimizing waste. This is done either by a human cutter or by automated scanners that analyze the characteristics of each board and determines the best cuts based on value and order file. These

cuts can then be finger jointed together by cutting complementary, interlocking profiles into the ends of each piece and gluing them together.

### **Finger Jointing**



Because smaller lengths are less susceptible to warping, finger jointed lengths are generally preferable to longer, solid lengths for structural reasons. Finger jointing also allows mills to minimize waste by manufacturing lengths to customer demand out of smaller pieces that would otherwise be treated as scrap. The adhesive used for finger jointing varies depending on the ultimate application.

These solid or finger jointed "blanks" are then fed through one or more moulders that grind and/or cut the blank to the desired shape, or profile. More sophisticated profiles or products typically require multiple stages of moulding on machines that are connected by transfer belts. After the moulding process, WMMP may undergo further complex end machining or processing if required by the application. This may include weather stripping or additional cutting and drilling, *e.g.*, for creating lock holes in door frame.

Following the moulding process, the moulded pieces may be coated by painting, priming, lamination, or wrapping with vinyl, veneer, or paper. These processes allow two or more pieces

to be pieced together to form a larger component. Like finger jointing, fitting smaller pieces together into larger components generally results in greater strength and resistance to warping than using a solid piece.

### 4. Tariff Classification

Imports of subject merchandise are classified under Harmonized Tariff Schedule of the United States ("HTS") statistical 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 4409.29.5100.9 Subject merchandise may also enter under 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.

Excerpts from the current HTS are attached as **Exhibit I-10**. The tariff numbers are provided for the convenience of the U.S. government and do not define the scope of the petition. The written description of the merchandise under investigation is dispositive.

## F. The Names of the Home Market Countries and the Name of Any Intermediate Country Through Which the Merchandise Is Transshipped (19 C.F.R. § 351.202(b)(6))

The WMMP covered by these petitions are imported from Brazil and the People's Republic of China. Petitioners do not have any evidence indicating that the subject merchandise is currently produced in a country other than that from which it is exported. However, Petitioners emphasize that subject merchandise also includes WMMP and in-scope components from Brazil and China 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, coating, or any other processing that

Note that 4409.29.4000 and 4409.29.5000 no longer appear in the Harmonized Tariff Schedule, as they were changed to HTS numbers 4409.29.4100 and 4409.29.5100, respectively. Because there were subject imports imported under these prior HTS numbers during the period of investigation ("POI"), Petitioners have included these numbers in the scope.



would not otherwise remove the merchandise from the scope of the investigation if performed in the country of manufacture of the in-scope product.

G. The Names and Addresses of Each Person Believed to Sell the Merchandise at Less than Normal Value and the Proportion of Total Exports to the United States (19 C.F.R. § 351.202(b)(7)(i)(A))

The names and addresses of the Brazilian and Chinese entities believed by Petitioners to be producing and exporting the WMMP subject to these petitions are provided in **Exhibit I-11**. In compiling this exhibit, Petitioners relied primarily upon information from foreign producer websites and information procured from [ SOURCE ], as well as Petitioners' industry knowledge.

Information reasonably available to Petitioners does not allow them to identify the proportion of total exports to the United States accounted for during the most recent 12-month period by the producers listed in this exhibit. Petitioners believe, however, that the companies listed in **Exhibit I-11** account for the majority of subject imports.

H. Factual Information Related to the Calculation of Export Price, the Constructed Export Price of the Subject Merchandise, and the Normal Value of the Foreign Like Product for Market Economy Countries (19 C.F.R. § 351.202(b)(7)(i)(B))

Volume II of these Petitions contains the necessary information concerning the calculation of the normal value of the foreign like product and the export price for merchandise produced and exported from Brazil.

I. Factual Information Related to the Calculation of Normal Value of the Foreign Like Product in Non-Market Economy Countries (19 C.F.R. § 351.202(b)(7)(i)(C))

China is treated as a non-market economy for antidumping purposes. Volume III of these petitions contains the information necessary to substantiate less than normal value allegations and factual information relevant to China.

# J. The Names and Addresses of Each Person Believed to Benefit from a Countervailable Subsidy Who Exports the Subject Merchandise to the United States and the Proportion of Total Exports to the United States (19 C.F.R. § 351.202(b)(7)(ii)(A))

The names and addresses of the entities believed by Petitioners to be benefiting from countervailable subsidies and who have exported the WMMP subject to these petitions are provided in **Exhibit I-11**. Information reasonably available to Petitioners does not allow them to identify the proportion of total exports to the United States accounted for during the most recent 12-month period by the producers listed in this exhibit. Petitioners believe, however, that the companies listed in **Exhibit I-11** account for the majority of subject imports.

## K. The Alleged Countervailable Subsidy and Factual Information Relevant to the Alleged Countervailable Subsidy (19 C.F.R. § 351.202(b)(7)(ii)(B))

Volume IV of these petitions contains information concerning the alleged countervailable subsidies as well as factual information relevant to the alleged countervailable subsidies, the law, regulations, and decrees under which the subsidies were bestowed, the manner in which the subsidies were provided, and Petitioners' estimation – to the extent practicable – of the value of the subsidies to subject producers and exporters of WMMP subject to these petitions.

## L. The Value of the Merchandise Imported During the Most Recent Three-Year Period (19 C.F.R. § 351.202(b)(8))

Official import statistics showing the quantity and value of imports under the relevant HTS subheadings during the most recent three-year period are included in **Exhibit I-18**. The value of imports from Brazil increased from \$265.8 million in 2016 to \$316.2 million in 2017, and then declined slightly to \$291.8 million in 2018. In January through October 2019, the value of imports from Brazil increased to \$267.6 million, from \$238.4 million in the same period of 2018.

The value of imports from China increased from \$105.3 million in 2016, to \$158.4 million in 2017, and to \$208.4 million in 2018. In January through October 2019, the value of imports from China was \$161.7 million.

## M. The Names and Addresses of Each Entity the Petitioner Believes Imports or Is Likely to Import the Subject Merchandise (19 C.F.R. § 207.11(b)(2)(iii); 19 C.F.R. § 351.202(b)(9))

The names and addresses of importers of WMMP from Brazil and China that are known to the Petitioners at this time are listed in **Exhibit I-12**. Petitioners believe, however, that there may be a number of importers of WMMP from China and Brazil that they have been unable to identify. Petitioners respectfully request that the Department and the Commission obtain this information from U.S. Customs and Border Protection, as Petitioners do not have access to this information.

## II. DUMPED AND SUBSIDIZED BRAZILIAN AND CHINESE IMPORTS ARE A CAUSE OF MATERIAL INJURY AND THREAT THEREOF TO THE DOMESTIC WOOD MOULDINGS AND MILLWORK PRODUCTS INDUSTRY

### A. Introduction

Imports of WMMP from Brazil and China have caused material injury to the domestic industry, both during and prior to the POI.<sup>10</sup> As subject imports have increased, the domestic industry has lost sales and market share, with devastating impact to its financial performance. Many domestic producers have simply been unable to compete with dumped and subsidized subject merchandise and have had to shut down facilities leading up to and during the POI. For example,

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The POI for the preliminary phase of the injury investigation will be 2016-2018 and interim 2019. In order to fully capture the injury to the domestic industry, Petitioners request that the POI for any final phase investigation also begin in 2016.

- In October 2015, Woodgrain Millwork permanently closed its facility in Prineville, OR and laid off or relocated 55 employees in face of lost sales volumes;<sup>11</sup>
- In January 2017, Consolidated Pine shut down its third-generation familyrun facility in Prineville, OR after 64 years in operation because cheaper imports were "dominat{ing} the market"; 12
- In April 2018, Endura Products shut down its Sparta, TN facility and laid off 83 workers after losing a major contract; 13
- In February 2019, Jeld Wen announced the closure of its Yakima, WA facility, affecting 173 workers. 14

As discussed in greater detail below, these closures are recent manifestations of the devastating impact of unfairly traded subject imports on the industry's trade and financial performance in recent years. If U.S. producers continue losing sales and market share to subject imports, more closures and layoffs like these are inevitable. The Department should therefore initiate investigations into dumped WMMP imports from Brazil and dumped and subsidized WMMP imports from China.

### B. The Domestic Like Product Consists of Wood Mouldings and Millwork Products Covered by the Scope

In determining whether an industry in the United States is materially injured or threatened with material injury by reason of imports of the subject merchandise, the Commission first defines the domestic like product.<sup>15</sup> The "domestic like product" is defined as "a product which is like, or

Joseph Ditzler, *Woodgrain Millwork Leaving Prineville*, The Bulletin (Oct. 28, 2015), attached as **Exhibit I-13**.

Joseph Ditzler, *Bidder, Owner at Odds Over Prineville Facility*, The Bulletin (July 11, 2017), attached as **Exhibit I-14**.

Bobby Lee McCulley, *Endura Products Announces Closure of Sparta Facility*, Sparta Live (Apr. 13, 2018), attached as **Exhibit I-15**; Amye Anderson, *Sparta Industrial Facility Closes Abruptly*, Upper Cumberland Business Journal (Apr. 13, 2018), attached as **Exhibit I-16**.

Mai Hoang, Jeld-Wen to Close Yakima Facility, Yakima Herald (Feb. 4, 2019), attached as Exhibit I-17.

<sup>&</sup>lt;sup>15</sup> See NEC Corp. v. Dep't of Commerce, 36 F. Supp. 2d 380, 382 (Ct. Int'l Trade 1998).

in the absence of like, most similar in characteristics and uses with, the article subject to an investigation . . . ."<sup>16</sup> The like product determination is a factual one made on a case-by-case basis.<sup>17</sup> The Commission generally considers the following factors: (1) physical characteristics and uses; (2) interchangeability; (3) channels of distribution; (4) customer and producer perceptions of the products; (5) common manufacturing facilities, production processes and production employees; and, where appropriate, (6) price.<sup>18</sup> In evaluating these factors, the Commission looks for clear dividing lines and disregards minor variations.<sup>19</sup>

The Commission should define a single like product coextensive with the scope in this investigation. All in-scope WMMP share the same general physical characteristics, including shape and materials. All WMMP are constructed from similar wood inputs and are intended to be used as a covering for floors, walls, doors, and other areas, primarily in residential and non-residential construction. In addition, WMMP produced to the same dimensions are generally interchangeable. All WMMP are sold through the same or similar channels of distribution – (1) distributors; (2) retail, including home centers; or (3) direct to end users (including builders and homeowners). WMMP are also manufactured in common facilities, using similar production processes and the same production employees.

The Commission should therefore determine that WMMP represent a single domestic like product, coextensive with the scope identified above.

<sup>&</sup>lt;sup>16</sup> 19 U.S.C. § 1677(10).

See, e.g., NEC, 36 F. Supp. 2d at 383.

See Cleo, Inc. v. United States, 501 F.3d 1291, 1295 (Fed. Cir. 2007).

<sup>&</sup>lt;sup>19</sup> *Id*.

### C. There Is a Single Domestic Industry Consisting of All Domestic Producers

Section 771(7)(4) of the Act defines the domestic industry as the domestic "producers as a whole of a domestic like product, or those producers whose collective output of a domestic like product constitutes a major proportion of the total domestic production of the product." The Commission should find that there is a single domestic industry manufacturing WMMP in the United States.

### D. Subject Imports Are Causing Material Injury to the Domestic Industry

In determining whether a domestic industry is experiencing present material injury caused by unfairly traded imports, the Commission considers:

- (1) the volume of imports of the subject merchandise;
- (2) the effect of imports of that merchandise on prices in the United States for domestic like products; and
- (3) the impact of imports of such merchandise on domestic producers of domestic like products.<sup>21</sup>

An analysis of these factors shows that the domestic WMMP industry is suffering material injury by reason of subject imports.

### 1. The Volume of Subject Imports Is Significant

In evaluating the volume of imports, the Commission considers whether the absolute and relative volumes of imports, as well as changes in volumes, are significant.<sup>22</sup> The available data show that the volume of subject imports, both in absolute terms and relative to U.S. consumption, is significant within the meaning of the relevant statutory provision.

22 *Id.* § 1677(7)(C)(i).

<sup>&</sup>lt;sup>20</sup> 19 U.S.C. § 1677(4)(A).

<sup>21</sup> *Id.* § 1677(7)(B).

### a. The Volume of Subject Imports Is Significant in Absolute Terms

The volume of subject imports was significant in absolute terms during the POI. The following table shows the quantity and value of imports of WMMP from Brazil and China for 2016-2018 and January through October 2019.<sup>23</sup> Official import statistics track import quantities in meters.

TABLE 2 IMPORTS OF WOOD MOULDINGS AND MILLWORK PRODUCTS FROM BRAZIL AND CHINA							
		Quantity	(1,000 meters	s)			
	2016	2017	2018	JanOct. 2018	JanOct. 2019		
Brazil	372,705	420,298	434,041	357,021	376,176		
China	100,543	134,918	190,386	149,238	181,963		
Total	473,248	555,216	624,427	506,259	558,139		
		Valu	e (\$1,000)				
Brazil	\$265,788	\$316,186	\$291,760	\$238,355	\$267,589		
China	\$105,297	\$158,402	\$208,288	\$168,770	\$161,705		
Total	\$371,085	\$474,588	\$500,048	\$407,125	\$429,294		

HTS 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

As the table shows, imports of WMMP from Brazil and China increased significantly during the POI, whether considered individually or on a cumulated basis. The cumulated subject imports increased by approximately 31.9% from 2016 to 2018, and by another 10.2% in the interim period. Growth in import volumes from each subject country individually was also significant. Imports from Brazil increased by approximately 16.5% over the three full years of the POI and by

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See Import Data, attached as Exhibit I-18.

5.4% in the interim period. Imports from China increased by approximately 89.4% over the three full years of the POI and by 21.9% in the interim period. For comparison, Petitioner's total shipments of WMMP between 2016 and 2018 [wend ].<sup>24</sup>

### b. Subject Imports Increased Their Market Share During the Period

Petitioners' estimates also show that the volume of subject imports over the POI was significant in relative terms, as increases in subject import volumes over the POI captured U.S. market share at the expense of the domestic industry. Because official import data under the relevant HTS subheadings are reported in lineal meters only, while the industry typically records production volumes in board feet,<sup>25</sup> Petitioners relied on an estimated conversion factor for lineal meters to board feet in the market share estimate below. This conversion factor is based on an estimate of 0.65 board feet per lineal meter that [ NARRATIVE

]. This is the best information available to Petitioners at this time for an estimate of market shares based on volumes. For the purpose of its questionnaires in an investigation, the Commission should ask all responding parties to report data in thousands of board feet to ensure that it can calculate market share on a consistent basis. Because import volumes and domestic production are not reported on a consistent basis, Petitioners have also included an analysis of market shares by value.

Domestic Producers' Compilation, attached as **Exhibit I-19**.

Board footage is calculated according to the following formula: (width in inches x length in inches x (thickness in inches) / 144.

TABLE 3 APPROXIMATE MARKET SHARE BY VOLUME (1,000 board feet)								
		(	Calendar Ye	ar	January	- Septembe	r	
		2016	2016 2017 2018			2019		
Petitioners' Shipments	[		4684,07A			967,683	]	
Subject Imports		307,611	360,890	405,877	294,199	326,043		
Nonsubject imports		320,651	324,177	314,087	240,574	233,501		
Total	[			7406.412			]	
Petitioners' Share	[						]	
Subject Import Share	[						]	
Nonsubject Import Share	[						]	

HTS number for import values: 4409.10.40, 4409.10.45, 4409.10.50, 4409.22.40, 4409.22.50, 4409.29.40, 4409.29.41, 4409.29.50, and 4409.29.51.

		APPROXIMA	TABLE 4 TE MARKET S	SHARE BY VALU	JE		
Calendar Year January - Septembe							
Item		2016	2017	2018	2018	2019	П
			Values in \$1,	000			
Petitioners' Shipments	]			3076309			]
Subject Imports		\$396,903	\$509,129	\$547,133	\$394,298	\$443,018	
Nonsubject imports		\$383,063	\$404,794	\$399,138	\$302,307	\$314,710	
Total	[	9.764538				8,383,864	]
Petitioners' Share	[	7					]
Subject Import Share	[						]
Nonsubject Import Share	[						]

These estimates show that the domestic industry's U.S. market share, both by volume and value, eroded rapidly under the pressure of dumped and subsidized subject merchandise. During the three full years of the POI, the domestic industry's approximate market share by volume fell by nearly [] percentage points, from [ % ] of U.S. consumption to [ % ] of U.S. consumption. By value, the domestic industry's loss of market share was even greater, declining nearly [ ] percentage points from 2016 to 2018. This loss of market share to unfairly traded subject imports continued during the interim period. In the first three quarters of 2019, the domestic industry lost another [ ] percentage points of market share by volume, and nearly [ ] percentage points by value, compared to the same period in 2018.

Subject import market share, to the contrary, increased rapidly as domestic producers were unable to compete with dumped and subsidized pricing. Specifically, the subject imports captured approximately [ ] additional percentage points of U.S. market share by volume, and [ ] additional percentage points by value, from 2016 to 2018. In the interim period, subject imports captured another [ ] percentage points of market share by volume, and [ ] percentage points by value. While these gains came primarily at the expense of the domestic industry, non-subject imports also lost market share, confirming that adverse volume effects were primarily the result of price-based competition with Brazilian and Chinese imports, and not because of competition with imports from non-subject sources.

Independent reports corroborate Petitioners' estimates of significantly increasing subject import market shares. As early as October 2016, industry observers noted that "U.S. wood moulding producers continue to struggle to defend their market share against offshore imports," with imports from Brazil "leading the way" and Chinese imports growing rapidly as a slowing Chinese housing market began "motivating Chinese producers to put even more emphasis on the U.S. market." As discussed above, these trends have continued throughout the POI, resulting in significant market share losses for the domestic industry over the POI.

Accordingly, during the POI, subject import volumes were significant in absolute terms and relative to domestic production.

U.S. moulding producers struggle with rising imports, Friday Offcuts (Oct. 28, 2016), attached as **Exhibit I-20**.

### 2. The Subject Imports Have Had Negative Price Effects on the Domestic Like Product

In evaluating the effect of subject imports on prices, the Commission must consider whether there has been significant underselling by the subject imports, and whether imports significantly suppressed or depressed domestic prices.<sup>27</sup> Subject imports undersold the domestic like product throughout the POI. The dumped prices of Brazilian imports and the dumped and subsidized prices of Chinese imports also suppressed prices by preventing the domestic producers from raising prices in response to growing demand for WMMP. On this basis, the Commission should determine that Chinese imports had significant negative price effects on the domestic like product.

There are no significant distinctions between the subject imports and domestic WMMP with respect to physical characteristics, end uses, or channels of distribution. They thus compete head-to-head on the basis of price, resulting in significant price depression and suppression as a result of subject import underselling. Average unit value ("AUV") data confirm that the subject imports pervasively undersold the domestic like product during the POI. For this analysis, Petitioners again used the conversion factor of 0.65 board feet per linear foot, described above.

Average Unit Values (U.S. Dollars per 1,000 Board Feet)							
		Calendar Year				ary - ember	
		2016	2017	2018	2018	2019	
Petitioners' Shipments		\$1,939	\$2,001	\$2,097	\$2,104	\$2,204	
Subject Imports		\$1,290	\$1,411	\$1,348	\$1,340	\$1,359	
% Difference		33%	29%	36%	36%	38%	

<sup>19</sup> U.S.C. § 1677(7)(C)(ii).

These AUVs confirm that the subject imports were sold in the U.S. market at prices far below the domestic industry's prices throughout the POI. Given this significant underselling, the domestic industry was unable to raise its prices to an extent sufficient to cover increasing costs, which it should have been able to do during a period of growing demand. The domestic industry's unit cost of goods sold ("COGS") increased by approximately [125] from 2016 to 2017, and by another [ ] from 2017 to 2018, for a total of [ ] per 1,000 board feet during the three full years of the POI.<sup>28</sup> Because of subject imports, however, domestic producers were unable to fully increase prices to recoup these higher costs.

Given the presence of growing volumes of unfairly traded subject imports, domestic producers could only sustain modest price increases without losing even more market share. This price suppression is apparent in the domestic industry's AUV trends, which increased by only [ ] per 1,000 board feet from 2016 to 2017, and by only [ ] per 1,000 board feet from 2017 to 2018. The domestic industry's COGS to net sales ratio thus increased from [ ] in 2016, to [ ], and finally to [ ] in 2018. As a result, the domestic industry was barely able to cover its costs by the last full year of the POI, while the subject imports were able to maintain substantially lower prices and continue capturing market share at the expense of U.S. producers. As discussed in greater detail below, this price suppression has had disastrous consequences for U.S. producers' financial performance.

Further evidence of the negative price effects of the subject imports appears in the reports of lost sales and lost revenues. Petitioners have identified lost sales and revenues with an estimated

See Domestic Producers' Compilation, attached as **Exhibit I-19**.

<sup>&</sup>lt;sup>29</sup> See id.

total value of [\$\$\fig(\q\), which occurred primarily because of price.\frac{30}{20} These lost sales and revenues establish that imports of Brazilian and Chinese WMMP are competing directly with the domestic like product, so that dumped and subsidized prices have a direct effect on the domestic industry's performance.

Petitioners submit that these estimates likely understate the true price effects of the subject imports because of product mix issues and the need to convert official import statistics from meters to board feet using an approximate conversion factor. The Commission will need to collect detailed information on a consistent basis regarding the prices of Brazilian and Chinese WMMP in the U.S. market to assess the full extent of underselling, price depression, and price suppression in this investigation. Petitioners recommend that the Commission collect data on the following pricing products:

- Product 1. Fingerjointed lineal trim, made of pine/ fir, with dimensions of 9/16" x 5-1/4", WM-618, primed or coated (note: price per foot)
- **Product 2.** Fingerjointed lineal trim, made of pine/ fir, 5/8" x 2-1/4", LWM-366, primed or coated (note: price per foot)
- **Product 3.** Fingerjointed lineal trim, made of pine/ fir, 11/16" x 11/16" x 16' WM-106, primed or coated (note: price per foot)
- Product 4. Jamb Product 1. Exterior door frame nominally 1-1/4" thick with a nominal ½" rabbeted drop for door stop x nominal 4-9/16" width x nominal 7' long and machined with end dadoes for threshold and head attachment, primed or coated
- Product 5. Jamb Product 2. Exterior door frame nominally 1-1/4" thick with a nominal ½" rabbeted drop for door stop x nominal 6-9/16" width x nominal 7' long and machined with end dadoes for threshold and head attachment, primed or coated

See Lost Sales and Lost Revenues, attached as **Exhibit I-21**. Pursuant to 19 C.F.R. § 207.11(b)(2)(v), Petitioners have provided information on lost sales and lost revenue that is reasonably available. This information is also being submitted electronically as required by the Commission's regulations.

**Product 6.** Brick Moulding. Casing that attaches to exterior edge of door frame nominally 1-1/4" thick x 2" wide and 7' long with moulded profile on face, primed or coated

## 3. The Adverse Impact of Subject Imports on the Domestic Industry Is Significant

In examining the impact of subject imports on the domestic industry, the Commission is instructed to "evaluate all relevant economic factors which have a bearing on the state of the industry in the United States."<sup>31</sup> These factors include, but are not limited to:

- (I) actual and potential decline in output, sales, market share, profits, productivity, return on investments, and utilization of capacity;
- (II) factors affecting domestic prices;
- (III) actual and potential negative effects on cash flow, inventories, employment, wages, growth, ability to raise capital, and investment;
- (IV) actual and potential negative effects on the existing development and production efforts of the domestic industry, including efforts to develop a derivative or more advanced version of the domestic like product; and
- (V) the magnitude of the margin of dumping.<sup>32</sup>

The Commission is directed to evaluate all factors "within the context of the business cycle and conditions of competition that are distinctive to the affected industry." A review of these factors shows substantial indicators of injury to the domestic industry by reason of the subject imports in this investigation.

<sup>&</sup>lt;sup>31</sup> 19 U.S.C. § 1677(7)(C)(iii).

<sup>32</sup> *Id.* § 1677(7)(C)(iii)(I)-(V).

<sup>&</sup>lt;sup>33</sup> *Id.* § 1677(7)(C)(iii).

### a. During a Period of Growing Demand, Subject Imports Adversely Affected the Domestic Industry's Financial Performance

Subject imports had a negative impact on the financial condition of the domestic industry, with the industry's financial indicators declining across the POI. Gross profit, net income, and operating income all plummeted over the three full years of the POI, with corresponding decreases in profit and operating margins, as unfairly traded subject imports suppressed prices and took market share from the domestic industry. From 2016 to 2018, gross profit fell by [  $\eta_o$  ], from approximately [\$\gamma\_0 \gamma\_n \limbsim\_0 \limb

Declines in net income and operating income were even more severe, with the industry

[ NARRATIVE ] of the POI. Net income fell from approximately [
] in 2016 to [ ] in 2018, while operating income plummeted

from [ 17 12 million] in 2016 to [ ] in 2017, and finally to a disastrous [

] in 2018.<sup>35</sup> As of 2018, the industry's operating margin was [ ], [ ] percentage points lower than in 2016.<sup>36</sup> By the end of the POI, the domestic industry was taking substantial losses on its assets,<sup>37</sup> suggesting that many of the producers that remain could be forced to shut down and liquidate their facilities if relief from unfair trade is not granted. The industry continues to operate at an unsustainably low margin of [  $\P_{\rho}$  ].

This decline in financial performance occurred while U.S. demand was strong and growing.

Based on Petitioners' shipment data and estimated U.S. import data converted to board feet, U.S.

Domestic Producers' Compilation, attached as **Exhibit I-19**.

<sup>&</sup>lt;sup>35</sup> *Id.* 

<sup>&</sup>lt;sup>36</sup> *Id.* 

<sup>&</sup>lt;sup>37</sup> *Id.* 

### 

apparent consumption of WMMP increased from approximately [69 million] board feet in 2016 to nearly [ ] board feet in 2018, and it continued to increase during the interim period. One major demand driver for WMMP is new residential construction, which can be measured using housing starts data from the U.S. Census Bureau. This data shows that the number of housing units completed in the United States increased by 12.5% from 2016 to 2018. Despite this strong growth, as a result of unfair subject import competition, the domestic WMMP industry suffered dramatic declines across key financial indicators. This has forced U.S. WMMP producers to cut high-wage jobs. From 2016 to 2018, the domestic industry lost approximately [ ] workers and [3.4 million] hours worked. This represents losses of millions of dollars in wages to workers and communities across the country.

## b. Domestic Industry Production and Trade Indicators Demonstrate Material Injury Caused by Subject Imports

In addition to declining financial results, the domestic industry's production, capacity, and shipments declined steadily over the POI. From 2016 to 2018, U.S. production capacity fell by approximately [29.7 million] board feet, with another [ ] board feet of capacity lost during the interim period. Despite significant reduction in overall capacity, capacity utilization rates dropped by more than [ ] from 2016 to 2018, and by [ ] percentage points in the interim period. By the end of the POI, the industry was operating at only [ ] % capacity utilization, as total production plummeted. Because it was unable to compete against persistent

<sup>38</sup> See Section II.D.1.

U.S. Census Bureau, *Monthly New Residential Construction* (Dec. 2017), attached as **Exhibit I-22**; U.S. Census Bureau, *Monthly New Residential Construction* (Dec. 2018), attached as **Exhibit I-23**.

Domestic Producers' Compilation, attached as **Exhibit I-19**.

<sup>&</sup>lt;sup>41</sup> *Id.* 

<sup>&</sup>lt;sup>42</sup> *Id.* 

<sup>&</sup>lt;sup>43</sup> *Id.* 

subject import underselling, the volume and value of the domestic industry's commercial shipments decreased significantly in each full year of the POI and in the interim period.<sup>44</sup>

Both trade and financial data thus reveal material injury by reason of dumped and subsidized imports from Brazil and China.

## c. Subject Imports Have Caused Domestic Producers to Lose Sales and Revenues

As noted above, Petitioners have identified lost sales and revenues with an estimated total value of approximately [ ]. 

Been [ NARRATIVE ] during the period. 

These lost sales and revenues establish that imports of Brazilian and Chinese WMMP are competing directly with the domestic like product, so that unfairly low AUVs for subject imports have a direct effect on domestic prices and sales.

### d. The Estimated Dumping Margins Are Very High

Petitioners estimate dumping margin for the subject merchandise ranging from 268.74% to 361.83%.<sup>47</sup> Being forced to compete with imports dumped at this magnitude clearly have a negative effect on the domestic industry's financial situation and overall health.

### E. Conclusion

All of the indicators of material injury are present in this case. The volume of subject imports was significant both absolutely and relative to U.S. production, and increased over the POI. These subject imports undersold the domestic like product substantially and systematically,

<sup>&</sup>lt;sup>44</sup> *Id.* 

See Lost Sales and Lost Revenues, attached as **Exhibit I-21**.

See Domestic Producers' Compilation, attached as **Exhibit I-19**.

See Petition, Vol. II at 17; Petition, Vol. III at 19.

and they depressed and suppressed U.S. producer prices over the period. As a result, despite strong and growing U.S. demand for WMMP during the POI, U.S. producers' financial performance deteriorated significantly, domestic industry employment stagnated, and domestic producers lost [\$89 \limbda || \limbda |

Therefore, the volume, price effects and impact of subject imports on the U.S. WMMP industry have been both significant and harmful. The Commission should find that subject imports have caused material injury to the domestic industry.

### F. Subject Imports Threaten Material Injury to the Domestic Industry

The above discussion establishes that the subject imports have caused material injury to the domestic WMMP industry. In addition, the evidence available to Petitioners also demonstrates that subject imports threaten the domestic industry with further material injury.

In determining whether subject imports threaten a domestic industry with material injury, the Commission must consider a number of factors. These factors include:

- A significant rate of increase of the volume or market penetration of imports of the subject merchandise;
- Price effects of the subject imports;
- The nature of any countervailable subsidies;
- Existing unused production capacity or potential increases in production capacity in the exporting country;

Lost Sales and Lost Revenues, attached as **Exhibit I-21**.

- Inventories of the subject merchandise; and
- The potential for product-shifting.<sup>49</sup>

These factors are present in this case and will be demonstrated throughout the investigation:

Increase in imports: The cumulated subject imports increased by approximately 31.9% from 2016 to 2018, and by another 10.2% in the interim period, 50 taking substantial market share from the domestic industry. 51 Thus, the increase in subject import volume and the increase in subject imports' market share are both significant. The surge of subject imports also affected the profitability of the domestic industry, causing it to decline even during a period of growing demand, rendering U.S. producers vulnerable to injury should subject imports continue to enter the United States at current or increasing rates. Without relief, Brazilian and Chinese WMMP imports will continue to increase in the foreseeable future.

*Price effects*: The Act provides that, in determining whether the domestic industry is threatened with material injury, the Commission should consider "whether imports of the subject merchandise are entering at prices that are likely to have a significant depressing or suppressing effect on domestic prices, and are likely to increase demand for further imports." Subject imports had such effects during the POI and, in the absence of relief, will continue to have such effects in the near future.

Subject imports pervasively undersold the domestic like product during the POI, as discussed above.<sup>53</sup> As a result of this underselling, domestic producers were unable to raise prices

<sup>&</sup>lt;sup>49</sup> 19 U.S.C. § 1677(7)(F)(i).

Import Data, attached as **Exhibit I-18**.

See supra section II.D.1.

<sup>&</sup>lt;sup>52</sup> 19 U.S.C. § 1677(7)(F)(i)(IV).

<sup>53</sup> See supra section II.D.2.

in accordance with growing demand, and U.S. producers' unit COGS increased further than did their net sales AUVs.<sup>54</sup> The price effects of the Chinese imports are also demonstrated by the extensive lost sales reported by the domestic industry.

Nature of the subsidies: As part of its threat analysis, the Commission must consider "if a countervailable subsidy is involved" and, in particular, "whether the countervailable subsidy is a subsidy described in Article 3 or 6.1" of the WTO Agreement on Subsidies and Countervailing Measures.<sup>55</sup> Article 3 of the WTO Subsidies Agreement describes subsidies that are prohibited because they are contingent upon export performance or upon the use of domestic over imported goods.<sup>56</sup>

The nature of the countervailable subsidies received by the Chinese and Brazilian hardwood industries encourage both the expansion of capacity and the export of WMMP to the United States. Examples of the subsidies that benefit WMMP producers in China and Brazil include:

- The provision of inputs at less than adequate remuneration, including timber and veneers;
- Policy loans at preferential rates provided to WMMP producers by Chinese government authorities, as industries favored by the government;
- Grants provided to WMMP producers to assist in the development of export markets or to recognize export performance;
- Preferential land use rights that are granted to promote exports to enterprises and industries located in China's industrial zones; and
- Income tax credits for domestically owned companies, which are contingent upon the use of domestically produced rather than imported equipment.

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Domestic Producers' Compilation, attached as **Exhibit I-19**.

<sup>&</sup>lt;sup>55</sup> 19 U.S.C. § 1677(7)(F)(i)(I).

Agreement on Subsidies and Countervailing Measures (Apr. 15, 1994), Marrakesh Agreement Establishing the World Trade Organization, Annex 1, 1867 U.N.T.S. 14 at Art. 3.

Excess capacity and inventories: With respect to capacity in China and Brazil, and inventories held in China and by U.S. importers, Petitioners do not have access to data.

Petitioners believe that the level of excess WMMP capacity in China and Brazil has likely risen in recent years. The wood WMMP industry is one with relatively low barriers to entry and expansion. While WMMP manufacturing can be high-tech, it can also be performed using basic woodworking equipment; some processes can even be performed manually. There are no intrinsic factors limiting the expansion of current Chinese and Brazilian capacity. Moreover, with huge numbers of unoccupied homes in China – now more than 50 million empty homes<sup>57</sup> – new housing construction in China is likely to decline, <sup>58</sup> leading to a drop in domestic demand for Chinese WMMP and an increase in subject merchandise that needs to be offloaded through export.

Brazil, in turn, is in the midst of a period of economic stagnation following a significant contraction in economic activity in 2015 and 2016.<sup>59</sup> Brazil's recovery has been modest at best, with GDP growth of only 1.1% in 2017 and 2018.<sup>60</sup> During this period, the value of the Brazilian real has plummeted to record lows against the dollar that are expected to persist for the foreseeable future,<sup>61</sup> giving Brazilian WMMP producers a distinct pricing advantage against the domestic

A Fifth of China's Homes Are Empty. That's 50 Million Apartments, Bloomberg News (Nov. 8, 2018), attached as Exhibit I-24.

Thomas R. Cook, Jun Nie, and Aaron Smalter Hall, *How Much Would China's GDP Respond to a Slowdown in Housing Activity?*, Federal Reserve Bank of Kansas City (Sept. 12, 2018), attached as **Exhibit I-25** ("year-over-year investment growth in real estate development excluding land purchases—a measure that focuses on real estate construction, installation, and equipment purchases—has dropped by more than 10 percentage points from about 8 percent in the middle of 2017 to -4 percent in July 2018 . . . . In addition, housing construction, measured by growth in the floor space of buildings under construction, has dropped from a double-digit pace to a pace close to zero, while growth in the floor space of completed buildings has turned negative").

<sup>59</sup> Brazil Overview, World Bank (last updated Oct. 14, 2019), attached as Exhibit I-26.

<sup>60</sup> *Id.* 

Brazil's Real to Stay Soft, Business Recorder (Jan. 6, 2020), attached as Exhibit I-27.

industry. Along with the relatively robust U.S. housing market, this is likely to drive continued high volumes of Brazilian WMMP,<sup>62</sup> which threaten further material injury if relief is not granted.

These factors indicate that, going forward, subject imports will continue to inflict material injury on the domestic WMMP industry, in the absence of relief.

#### III. **CONCLUSION**

All statutory factors support a finding that imports of WMMP from China have caused material injury to the domestic industry, and that such imports threaten additional material injury. Thus, the Commission should make an affirmative determination with respect to subject imports.

Respectfully submitted,

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January 8, 2020

See, e.g., Marcelo Schmid, Brazilian Lumber Exports Increase to Meet North American Demand, Forest2Market (Oct. 11, 2018), attached as Exhibit I-28.



	EXHIBIT LIST					
Exhibit No.	Description	Security				
I-1	Petitioners' Contact Information	Public				
I-2	US Producer Contact Information	Public				
I-3	Industry Support Calculation	Public				
I-4	Declaration of Frank DeMott	Public				
I-5	Declaration of Philip J. Menzner II	Public				
I-6	Declaration of [ NAME ]	Public				
I-7	Declaration of [NAME]	Public				
I-8	About Us, Architectural Woodwork Institute	Public				
I-9	Declaration of Doug Hague	Public				
I-10	Excerpts from the current HTS	Public				
I-11	Foreign Producer Contact Information	Public				
I-12	US Importer Contact Information	Public				
I-13	Joseph Ditzler, Woodgrain Millwork Leaving Prineville, The Bulletin (Oct. 28, 2015),	Public				
I-14	Joseph Ditzler, <i>Bidder, Owner at Odds Over Prineville Facility</i> , The Bulletin (July 11, 2017)	Public				
I-15	Bobby Lee McCulley, Endura Products Announces Closure of Sparta Facility, Sparta Live (Apr. 13, 2018)	Public				
I-16	Amye Anderson, Sparta Industrial Facility Closes Abruptly, Upper Cumberland Business Journal (Apr. 13, 2018)	Public				
I-17	Mai Hoang, Jeld-Wen to Close Yakima Facility, Yakima Herald (Feb. 4, 2019)	Public				
I-18	Import Data	Public				
I-19	Domestic Producers' Compilation	Public				
I-20	U.S. Moulding Producers Struggle with Rising Imports, Friday Off Cuts (Oct. 28, 2016)	Public				

	EXHIBIT LIST						
Exhibit No.	Description	Security					
I-21	Lost Sales and Lost Revenues	Public					
I-22	U.S. Census Bureau, Monthly New Residential Construction (Dec. 2017)	Public					
I-23	U.S. Census Bureau, Monthly New Residential Construction (Dec. 2018)	Public					
I-24	A Fifth of China's Homes Are Empty. That's 50 Million Apartments, Bloomberg News (Nov. 8, 2018)	Public					
I-25	Thomas R. Cook, Jun Nie, and Aaron Smalter Hall, How Much Would China's GDP Respond to a Slowdown in Housing Activity?, Federal Reserve Bank of Kansas City (Sept. 12, 2018)	Public					
I-26	Brazil Overview, World Bank (last updated Oct. 14, 2019)	Public					
I-27	Brazil's Real to Stay Soft, Business Recorder (Jan. 6, 2020)	Public					
I-28	Marcelo Schmid, Brazilian Lumber Exports Increase to Meet North American Demand, Forest2Market (Oct. 11, 2018)	Public					

#### **List of Petitioners and Contact Information**

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Contact Person: Kevin MacDonald Email: kevin@enduraproducts.com

#### 4. Sierra Pacific Industries

11400 Reading Road Red Bluff, CA 96080 Phone: (530) 529-5108

Contact Person: Jon Gartman Email: JGartman@spi-ind.com

#### 5. Sunset Moulding

2231 Paseo Avenue Live Oak, CA 95953 Phone: (530) 790-2727

Contact Person: John Morrison Email: john@sunsetmoulding.com

#### 6. Woodgrain Millwork Inc.

300 NW 16<sup>th</sup> Street Fruitland, ID 83619 Phone: 208-452-3801

Contact Person: Greg Easton Email: GEaston@woodgrain.com

#### 7. Yuba River Moulding

PO Box 1078

Yuba City, California 95992

Phone: (530) 742-2475 Fax: (530) 742-7140 Contact Person: Thomas C. Williams, Jr

Email: tom@yrmm.com

#### **List of Other Domestic Producers and Contact Information**

#### 1. Barnett Millworks Inc

4915 Hamilton Blvd.

Theodore, AL 36590

Phone: (251) 443-7710

Email: sales@barnettmillworks.com

#### 2. **Best Moulding Corporation**

100 Alameda RD NW

Albuquerque, NM 87184-0259

Phone: (505) 898-6770 Fax: (505) 898-1301

Contact Person: Frank DeMott Email: Frank@bestmoulding.com

#### 3. Daiek Woodworks

14981 32 Mile Road

Bruce Twp, MI 48065

Phone: (586) 268-1144

Email: jrd@daiekwoodworks.com

#### 4. EastCoast Moulding (ECMD)

2 Grandview Street

North Wilkesboro, NC 28659-0130

Phone: (888) 222-3961 Fax: (866) 314-0747

Email: ECMSales@ECMD.com

#### 5. Empire Moulding & Millwork

8181 Logistic Drive, PO Box 17

Zeeland, MI 49464 Phone: (800) 253-9000

#### 6. G-M Wood Products

531 Clay St.

Newaygo, MI 49337 Phone: (800) 530-9211

Email: orders@gmcompanies.com

#### 7. Innovative Millwork Tec.

11319 Tantor Road, Suite A

Dallas, TX 75229

Phone: (972) 869-9892 Fax: (972) 869-1601

#### 8. Menzner

105 Main St.

Marathon, WI 54448

Phone: (800) 257-1284 Fax: (715) 443-6515

Email: info@menznerhardwoods.com

#### 9. Metrie Interior Mouldings and Doors

5575 Nordic Way Ferndale, WA 98248 Phone: (360) 384-4774 Fax: (360) 384-494

Email:

#### 10. MJB Wood Group Inc

3100 Olympus Blvd.

Suite 480

Dallas, TX 75019

Phone: (972) 401-0005

Email: agray@mjbwood.com

#### 11. **Port-O-Lite**

1 Railroad St

West Swanzey, NH 03469

Phone: (603) 352-3205 Email: portol@ne.rr.com

#### 12. **Regal Custom Millwork**

275 E Santa Ana St Anaheim, CA 92805

Phone: (714) 776-1673

#### 13. Shawnee Woodwork Inc

112 SW Harrison St. Topeka, KS 66603-3015 Phone: (785) 354-1163

#### 14. Smith Millwork Inc

920 Robbins St.

Lexington, NC 27292

Phone: (336) 249-8171 Fax: (336) 243-2688

#### 15. Weaber Lumber

1231 Mt Wilson Rd. Lebanon, PA 17042

Phone: (717) 867-2212 Fax: (717) 867-1711

#### 16. Young Manufacturing Company

521 South Main Street Beaver Dam, KY 42320

#### Barcode:3927422-02 A-351-853 INV - Investigation -

Phone: (270) 274-3306

Email: info@youngmanufacturing.com



#### **PUBLIC VERSION**

#### 2018 Wood Moulding and Millwork Products Production

Petitioners Bright Wood Corporation Cascade Wood Products, Endura Products, Inc. Sierra Pacific Industries Sunset Moulding Woodgrain Millwork Inc. Yuba River Moulding	inc. - Petitioners Subtotal	2018 Production (in board feet)	]	Source Actual data from company (Exhibit I-19)
Other Supporting Domest Best Moulding Corporation		2018 Production (in board feet)	]	Declaration of Frank DeMott, attached at Exhibit I-4
Menzner Hardwoods Weaber Lumber			]	Declaration of Philip J. Menzner II, attached at Exhibit I-5
	Petitioners + Supporting Domestic Producers Subtotal	1,560,322,491	]	,
Additional MMPA Domes Alexandria Moulding Barnett Millworks Inc EastCoast Moulding (ECN G-M Wood Products Innovative Millwork Tec. MJB Wood Group Inc Port-O-Lite Regal Custom Millwork Shawnee Woodwork Inc Smith Millwork Inc Young Manufacturing Co	mpany Additional MMPA Producers Total	, ,,	]	Source
Production of [	NARRATIVE		]	Declaration of Doug Hague, attached at Exhibit 1-9
	Estimated Production by Other Domestic Producers	[ 2018 Production (in board feet)	]	See Declaration of [ \\ A\\C ], attached at Exhibit I-6, estimating that non-MMPA producers (including AWI and other producers) account for approximately [ ]% of the U.S. market
Total Estimated U.S. Pro	duction	2,692,381,989	]	
Petitioners & Supporting	Companies % of Total U.S. Production	58	%	
Production by Portion of	the Industry Minus Those Taking No Position	12,342,251,989	]	
Petitioners & Supporting No Position	Companies % of U.S. Production Minus Those Taking	679	%	
**Only [ O O O O O O O O O O O O O O O O O O		cluded in this calculation, as Petitioners to Declaration of [ NAME], attached	d	

#### **DECLARATION**

Frank DeMott declares and states that:

- 1. I am the **President** of Best Moulding Corp. ("Best"). Best produces wood mouldings and millwork products in the United States.
- 2. Best supports the antidumping and countervailing duty petitions on wood mouldings and millwork products from China and Brazil.
- 4. The text surrounded by brackets contains business proprietary information, the release of which would cause serious commercial harm to the submitter.
- 5. I declare under penalty of perjury under the laws of the United States of America that to the best of my knowledge, the foregoing is true and correct.

Executed January 2, 2020, in Albuquerque, NM, Bernalillo county USA.

Frank DeMott

#### **DECLARATION**

Philip J. Menzner II declares and states that:

- 1. I am the chairman/CEO/president of Menzner Hardwoods ("Menzner"). Menzner produces wood mouldings and millwork products in the United States.
- 2. Menzner supports the antidumping and countervailing duty petitions on wood mouldings and millwork products from China and Brazil.
- 4. The text surrounded by brackets contains business proprietary information, the release of which would cause serious commercial harm to the submitter.
- 5. I declare under penalty of perjury under the laws of the United States of America that to the best of my knowledge, the foregoing is true and correct.

Executed January 6th, 2020, in Marathon, WI.

Mlight II

#### **DECLARATION**

Ι, [	[ NAME ], state as follows:	
1.	. I am the [ TITLE	
	]. I have been employed by [ YEAR ], and of [ ] years of experience in the wood products industry.	l have a total
2.	. In my capacity as [ ], I am very familiar with [ the U.S. market for wood moulding and millwork products.	and
3.	. It is my understanding that [ U.S. production of wood mouldings and millwork products falling within this investigation, with the remainder produced by other small U.S. produced by other small U.S. produced by the small U.S. produced b	
4.	. A list of [ NARRATIVE ] is at declaration at <b>Attachment A</b> .	tached to this
5.	. [	
	NARRATIVE	
	].	
6.	. While I believe that they comprise the majority of production [	],
	the [ ] subject to these petitions. The [	1
7.	. The text surrounded by brackets contains business proprietary informatio of which would cause serious commercial harm to the submitter.	]. n, the release
8.	. This declaration is made in accordance with 28 U.S.C. § 1746. I declare of perjury of the laws of the United States of America that the foregoing strue and correct to the best of my information and belief.	
Da	Dated: January 6, 2020	1

# ATTACHMENT A

# REMAINDER OF EXHIBIT NOT CAPABLE OF PUBLIC SUMMARY



#### DECLARATION

I, [ NAME ], state as follows:	WS
--------------------------------	----

- 1. I am the [ TITLE ]. I have been employed by f YEAR ] and I have a total of [ ] years of experience in the wood products industry.
- TITLE I, I am very familiar with the U.S. market for wood 2. In my capacity as [COMPANY] moulding and millwork products, including the operations of other producers of wood moulding and millwork products.
- 3. Based on my extensive industry knowledge, I am aware that the following Wood Mouldings and Millwork Producers Association ("MMPA") member companies are foreign producers, importers and/or distributors of wood mouldings and millwork products, or otherwise do not manufacture the wood mouldings and millwork products subject to these petitions in the United States:

- 4. In addition, I estimate that [compant NAME ] produces in the United States only approximately [ %] ] or less of the wood mouldings and millwork products it ships or distributes.
- 5. The text surrounded by brackets contains business proprietary information, the release of which would cause serious commercial harm to the submitter.
- 6. This declaration is made in accordance with 28 U.S.C. § 1746. I declare under penalty of perjury of the laws of the United States of America that the foregoing statements are true and correct to the best of my information and belief.

1 [NAME] Dated: January 3, 2020

### About | Architectural Woodwork Institute



#### **About Us**

#### AWI's Vision

To be the global leader in architectural woodwork standards, related interior finishes, industry-specific education and networking opportunities.

#### Mission

We fulfill our Vision by:

- 1. Creating, publishing and continually improving Standards for architectural woodwork and related interior finishes.
- 2. Providing education and opportunities for industry stakeholders to participate, collaborate, share resources and engage through AWI;
- 3. Developing, delivering and continually improving AWI's member benefits;
- 4. Cultivating and strengthening relationships that promote the architectural woodwork and related interior finishes industry.

#### History of AWI

The Architectural Woodwork Institute (AWI) was incorporated in Chicago, Illinois on December 17, 1954. The President was Charles A. Rinehimer and the Board of Directors consisted of 18 members including Mr. Rinehimer.

The AWI was formed by a group of individuals who were members of the Millwork Cost Bureau, a trade association of custom millwork operators founded in 1914.

The Millwork Cost Bureau's stated purpose was to establish a cost accounting procedure for custom millwork operations and provide estimating training systems for members. Among those individuals who met to plan the formation of an "architectural woodwork association" were Mr. Charles (Chic) Rinehimer, a longtime director and onetime president of the Millwork Cost Bureau and Elmer W. Root, also a former president of the Millwork Cost Bureau.

After several meetings, the Architectural Woodwork Institute was incorporated in Chicago, IL, and its Articles of Incorporation were filed with the Illinois Secretary of State on December 17, 1954.

#### Past Presidents

Term	Name	Location
2018	Bruce Spitz	El Paso, TX
2017	Kristine Cox	High Point, NC
2016	Greg Lutz	Wylie, TX
2015	Kent Gilchrist	Carmel, IN
2014	Randy Jensen	Auburn, AL
2013	Michael Bell	Davie, FL
2012	Matt Lundahl	Phoenix, AZ
2011	Robert Stout	Wendell, NC
2010	Doug Carney	Fargo, ND
2009	Whitney Coombs	Hannover, PA
2007-2008	Richard Ungerbuehler, Sr.	Ft. Lauderdale, FL
2006-2007	Ed Brewer	Louisville, KY
2005-2006	Rick Kogler	Baton Rouge, LA
2004-2005	Kirsten Ingham	Arlington, WA
2003-2004	Jay Blankenship	Columbus, GA
2002-2003 Scott Nelson		Lincoln, NE

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2001-2002	Douglas Mock	Granville, OH
2000-2001	Michael Quirk	Wayata, MN
1999-2000	Bruce Cody	Roanoke, VA
1998-1999	Philip Duvic	Potomac Falls, VA
1997-1998	Joseph Bossen	Cinnaminson, NJ
1996-1997	Robert Ziegelmeier	Somers, NY
1995-1996	Craig Johnson	Osceola, WI
1994-1995	Yves DesMarais	Hollywood, FL
1993-1994	Joe Sorrelli	Brooklyn, NY
1992-1993	Brad Ricketson	Tucson, AZ
1991-1992	Lee Biagiotti*	Albany, NY
1990-1991	Stan Robuck*	Salina, KS
1989-1990	Dave Mengler*	Algonquin, IL
1988-1989	Burl Terrill	Mertzon, TX
1987-1988	Rudy Scassellati	Placitas, NM
1986-1987	James Hamilton, Sr.	Winchester, VA

1985-1986	Charles Pugsley	Oklahoma City, OK
1984-1985	Ted Bolle*	Springfield, OH
1983-1984	Theodore Petersen	St. Louis, MO
1982-1983	Ed Nolen	Knoxville, TN
1981-1982	Rick Ohlson	Lakewood, WA
1980-1981	Clete Ernster*	Cuero, TX
1979-1980	Dick Currie*	Hutchinson, KS
1978-1979	Williiam Hanselman	Edwardsville, IL
1977-1978	John McDonald*	Miami, FL
1976-1977	Albert Morante*	Monroe Township, NJ
1975-1976	Marlin Olsen*	Eugene, OR
1974-1975	Lloyd Burton*	Virginia Beach, VA
1973-1974	Robert Morency*	West Dundee, IL
1972-1973	Bud Lundahl	Phoenix, AZ
1971-1972	William Otis	Pawley's Island, SC
1970-1971	John Mielach*	Edison, NJ

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1969-1970	Lou Dietz*	Haverford, PA
1968-1969	Eldredge Leeming	Vero Beach, FL
1967-1968	Cedric Thompson*	Simsbury, CT
1966-1967	James Elliot*	Norfolk, VA
1965-1966	James O'Neill, Jr.*	Rome, GA
1964-1965	William Winter*	Williamsport, PA
1963-1964	Wayne Sandberg*	Salt Lake City, UT
1962-1963	Norman Vaughn, Sr.*	Warwick, RI
1961-1962	Ralph Harrison*	Nashville, TN
1960-1961	Robert Koll*	Winnetka, IL
1959-1960	Robert Hoe, Jr.*	Poughkeepsie, NY
1958-1959	Elmer Root*	Appleton, WI
1957-1958	Claude Twiellenmeier*	St. Louis, MO
1955-1957	Albert Carlson*	Minneapolis, MN
1953-1955	Charles Rinehimer*	Elgin, IL

## Honorary Life Members

#### Barcode:3927422-02 A-351-853 INV - Investigation -

Honorary Life Members are individuals who have contributed exemplary service to the association, its members, and AWI's Mission as deemed by his/her peers.

Jerry Allen	John Leininger
Lee Biagiotti*	Bud Lundahl
Michael Bell	Teresa McCain
Jay Blankenship	Mickey McCoy
Joseph Bossen	Dave Mengler*
Ed Brewer	John Mielach*
Gerald Brewer	Doug Mock
Carl Bullmore*	Albert Morante*
Lloyd Burton*	William Munyan
Bruce Cody	Scott Nelson
Whitney Coombs	Ed Nolan
Dick Currie*	Rick Ohlson
Yves DesMarais	Marlin Olsen*
Lou Dietz*	William Otis
Phil Duvic	Theodore Petersen

	sarcode:392/422-02 A-351-853 INV - INV
Wendell Ellsworth	Charles Pugsley
Clete Ernster*	Michael Quirk
Randy Estabrook	Brad Ricketson*
Paul Fetzer	Rudy Scassellati
Margaret Fisher	Dan Snider*
John Halpin	Joe Sorrelli
James Hamilton, Sr.	Bruce Spitz
William Hanselman	Burl Terrill
Greg Heuer	Richard Ungerbuehler, Sr.
Frank Huschitt, Sr.	Norman Vaughn*
Kirsten Ingham	Norman "Woody" Vaughn, Jr
Craig Johnson	Steve Waltman
Rick Kogler	Dan Wendell
Ned Kreider	Rob Ziegelmeier
Eldredge Leeming	

## Sponsors

## **Sustaining Sponsors**









Greater Confidence, Better Product, More Business

Level 1



ACOUSTIC & ARCHITECTURAL WALLS, CEILINGS, DOORS & FRAMES

Level 2







#### **DECLARATION**

Doug Hague declares and states that:

- 1. I am the Executive Vice President of the Architectural Woodwork Institute ("AWI").
- 2. AWI is comprised of manufacturers of architectural woodwork, including exposed wood and special laminates or other materials, as well as businesses that supply raw materials, products or services to architectural woodwork manufacturers, and architects, general contractors and design professionals.
- 3. The AWI includes a variety of woodworking companies and individuals. Some of our members produce in the United States wood mouldings and millwork products of the type subject to these petitions.
- 4. I estimate that AWI members produced approximately [ ] board feet of the wood mouldings and millwork products subject to these petitions in 2018.
- 5. The AWI and its members take no position on and do not oppose these antidumping and countervailing duty petitions on wood mouldings and millwork products from China and Brazil.
- 6. I declare under penalty of perjury under the laws of the United States of America that to the best of my knowledge, the foregoing is true and correct.

Executed January 7, 2020 in Landon Canto, M.

Doug Hague

## Harmonized Tariff Schedule of the United States (2019) Revision 20 Barcode: 3927422-02 Annotated for Statistical Reporting Pyrposes gation

#### SECTION IX

WOOD AND ARTICLES OF WOOD; WOOD CHARCOAL; CORK AND ARTICLES OF CORK; MANUFACTURES OF STRAW, OF ESPARTO OR OF OTHER PLAITING MATERIALS; BASKETWARE AND WICKERWORK

IX-1

#### Harmonized Tariff Schedule of the United States (2019) Revision 20

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#### **CHAPTER 44**

#### WOOD AND ARTICLES OF WOOD; WOOD CHARCOAL

IX 44-1

#### **Notes**

- 1. This chapter does not cover:
  - (a) Wood, in chips, in shavings, crushed, ground or powdered, of a kind used primarily in perfumery, in pharmacy, or for insecticidal, fungicidal or similar purposes (heading 1211);
  - (b) Bamboo or other materials of a woody nature of a kind used primarily for plaiting, in the rough, whether or not split, sawn lengthwise or cut to length (heading 1401);
  - (c) Wood, in chips, in shavings, ground or powdered, of a kind used primarily in dyeing or in tanning (heading 1404);
  - (d) Activated charcoal (heading 3802);
  - (e) Articles of heading 4202;
  - (f) Goods of chapter 46;
  - (g) Footwear or parts thereof of chapter 64;
  - (h) Goods of chapter 66 (for example, umbrellas and walking-sticks and parts thereof);
  - (ij) Goods of heading 6808;
  - (k) Imitation jewelry of heading 7117;
  - Goods of section XVI or section XVII (for example, machine parts, cases, covers, cabinets for machines and apparatus and wheelwrights' wares);
  - (m) Goods of section XVIII (for example, clock cases and musical instruments and parts thereof);
  - (n) Parts of firearms (heading 9305);
  - (o) Articles of chapter 94 (for example, furniture, lamps and lighting fittings, prefabricated buildings);
  - (p) Articles of chapter 95 (for example, toys, games, sports equipment);
  - (q) Articles of chapter 96 (for example, smoking pipes and parts thereof, buttons, pencils, and monopods, bipods, tripods and similar articles) excluding bodies and handles, of wood, for articles of heading 9603; or
  - (r) Articles of chapter 97 (for example, works of art).
- 2. In this chapter, the expression "densified wood" means wood which has been subjected to chemical or physical treatment (being, in the case of layers bonded together, treatment in excess of that needed to insure a good bond), and which has thereby acquired increased density or hardness together with improved mechanical strength or resistance to chemical or electrical agencies.
- 3. Headings 4414 to 4421 apply to articles of the respective descriptions of particle board or similar board, fiberboard, laminated wood or densified wood as they apply to such articles of wood.
- 4. Products of heading 4410, 4411 or 4412 may be worked to form the shapes provided for in respect of the articles of heading 4409, curved, corrugated, perforated, cut or formed to shapes other than square or rectangular or submitted to any other operation provided it does not give them the character of articles of other headings.
- Heading 4417 does not apply to tools in which the blade, working edge, working surface or other working part is formed by any
  of the materials specified in note 1 to chapter 82.
- Subject to note 1 above and except where the context otherwise requires, any reference to "wood" in a heading of this chapter applies also to bamboo and other materials of a woody nature.

#### Harmonized Tariff Schedule of the United States (2019) Revision 20

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IX 44-2

#### Subheading Note

1. For the purposes of subheading 4401.31, the expression "wood pellets" means by-products such as cutter shavings, sawdust or chips, of the mechanical wood processing industry, furniture-making industry or other wood transformation activities, which have been agglomerated either directly by compression or by the addition of a binder in a proportion not exceeding 3 percent by weight. Such pellets are cylindrical, with a diameter not exceeding 25 mm and a length not exceeding 100 mm.

#### Additional U.S. Notes

- 1. In this chapter:
  - (a) The term "wood waste" means residual material other than firewood resulting from the processing of wood, including scraps, shavings, sawdust, veneer clippings, chipper rejects and similar small wood residues, as well as larger or coarser solid types of residual wood such as slabs, edgings, cull pieces and veneer log cores;
  - (b) The term "standard wood moldings" means wood moldings worked to a pattern and having the same profile in cross section throughout their length; and
  - (c) The term "<u>surface covered</u>," as applied to the articles of headings 4411 and 4412, means that one or more exterior surfaces of a product have been treated with creosote or other wood preservatives, or with fillers, sealers, waxes, oils, stains, varnishes, paints or enamels, or have been overlaid with paper, fabric, plastics, base metal, or other material.
- 2. The effectiveness of the proviso to section 304(a)(3)(J) of the Tariff Act of 1930 (19 U.S.C. 1304(a)(3)(J)), to the extent permitted by that section and as provided for in schedule XX to the General Agreement on Tariffs and Trade, is suspended, with the result that sawed lumber and sawed timbers however provided for, telephone, trolley, electric light and telegraph poles of wood and bundles of shingles, other than red cedar shingles, shall not be required to be marked to indicate the country of origin.
- 3. Subheadings 4407.19.05 and 4407.19.06 cover combinations of the named species whose proportions are not readily identifiable.
- 4. Heading 4409 includes articles having a repeating design worked along any edge or face.
- 5. Heading 4418 includes--
  - (a) drilled or notched lumber studs; and
  - (b) multi-layer assembled flooring panels having a face ply 4 mm or more in thickness.

#### Statistical Note

1. For the purposes of heading 4407, the term "<u>rough</u>" includes wood that has been edged, resawn, crosscut or trimmed to smaller sizes but it does not include wood that has been dressed or surfaced by planing on one or more edges or faces or has been edge-glued or end-glued.

# Harmonized Tariff Schedule of the United States (2019) Revision 20 Barcode: 3927422-02 Annotated 707 Statistical Reporting Byrnoses action -

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44-	1	5

	Stat.	Autiala Deservation	Unit		Rates of Duty	1 2
Subheading	Suf- fix	Article Description	of Quantity	General	1 Special	2
409 409.10		Wood (including strips and friezes for parquet flooring, not assembled) continuously shaped (tongued, grooved, rebated, chamfered, V-jointed, beaded, molded, rounded or the like) along any of its edges, ends or faces, whether or not planed, sanded or end-jointed:  Coniferous:				
409.10.05	00	Wood continuously shaped along any of its ends, whether or not also continuously shaped along any of its edges or faces, all the foregoing whether or not planed, sanded or end-jointed		. 3.2% <sup><u>1/</u></sup>	Free (A, AU, BH,	33 1/3%
					CA, CL, CO, D, E, IL, JO, MA, MX, OM, P, PA, PE, SG) 0.6% (KR)	
409.10.10		Other: Wood siding		Free <sup>1/</sup>		2.2¢/m²
	20	Resawn bevel siding: Western red cedar	m² m³			
	40		m² m³			
	60		m² m³			
	80	Other	m² m³			
409.10.20	00	<b>3</b>	m <sup>2</sup> m <sup>3</sup>	Free <sup>1/</sup>		33 1/3%
4409.10.40		Wood moldings: Standard wood molding: Pine ( <u>Pinus</u> spp.)		Free <sup>1/</sup>		5%
	90	End-jointed Other	m			
1409.10.45	00	Other				5%
1409.10.50	00	Other Wood dowel rods:	m	Free <sup>1/</sup>		40%
1409.10.60	00	Plain	m m³	Free <sup>1/</sup>		5%
1409.10.65	00	Sanded, grooved, or otherwise advanced in condition	m	$4.9\%^{\frac{1}{1}}$	Free (A+, AU, BH,	33 1/3%
			m <sup>3</sup>	4.9%	CA, CL, CO, D, E, IL, JO, MA, MX, OM, P, PA, PE, SG) 0.9% (KR)	17070
4409.10.90	20	OtherWestern red cedar	m <sup>2</sup> m <sup>3</sup>	Free <sup>1</sup> /		\$1.70/m <sup>3</sup>
	40	Other	m <sup>2</sup> m <sup>3</sup>			
	40	Other				
Fi	led	By: tbrightbill@wileyrein.com, Filed Date: 1/7,	20 11:04	PM, Submissi		
					Page	36 of 123

## Harmonized Tariff Schedule of the United States (2019) Revision 20 Barcode: 3927422-02 Annotated to Statistical Reporting Byrosteigation -

Heading/	Stat.		Unit		Rates of Duty	
Subheading	Suf- fix	Article Description	of Quantity	General	1 Special	2
4409 (con.) 4409.21 4409.21.05	00	Wood (including strips and friezes for parquet flooring, not assembled) continuously shaped (tongued, grooved, rebated, chamfered, V-jointed, beaded, molded, rounded or the like) along any of its edges, ends or faces, whether or not planed, sanded or end-jointed: (con.) Nonconiferous:  Of bamboo:  Wood continuously shaped along any of its ends, whether or not also continuously shaped along any of its edges or faces, all the foregoing whether or not planed, sanded or end-jointed		3.2% <sup>1/</sup>	Free (A, AU, BH, CA, CL, CO, D, E, IL, JO, MA, MX, OM, P, PA, PE,	33 1/3%
					SG) 0.6% (KR)	
4409.21.90	00	Other	m³	Free <sup>1/</sup>		\$1.70/m <sup>3</sup>
Fi	led	By: tbrightbill@wileyrein.com, Filed Date: 1/7	20 11:04	PM, Submissio	n Status: Approve	ed.
						37 of 123

## Harmonized Tariff Schedule of the United States (2019) Revision 20 Barcode: 3927422-02 Annotated to Statistical Reporting Byrosteigation -

Heading/ Subheading	Stat. Suf-	Article Description	Unit of		Rates of Duty	2
	fix	Attalia Description	Quantity	General	Special	
409 (con.) 409.22 409.22.05		Wood (including strips and friezes for parquet flooring, not assembled) continuously shaped (tongued, grooved, rebated, chamfered, V-jointed, beaded, molded, rounded or the like) along any of its edges, ends or faces, whether or not planed, sanded or end-jointed: (con.)  Nonconiferous: (con.)  Of tropical wood:  Wood continuously shaped along any of its ends, whether or not also continuously shaped along any of its edges or faces, all the foregoing whether or				
	15	not planed, sanded or end-jointed Wood flooring (end-matched): Jatoba ( <u>Hymenaea</u> spp.), also known as Brazilian Cherry		3.2% <sup>™</sup>	Free (A*, AU, BH, CA, CL, CO, D, E, IL, JO, MA, MX, OM, P, PA, PE, SG) 0.6% (KR)	33 1/3%
		ŕ	m <sup>3</sup>			
	25	lpe ( <u>Tabebuia</u> spp.), also known as Tahibo, LaPacho, Brazilian walnut, and Patagonian walnut	m² m³			
	35	Santos' mahogany ( <u>Myroxylon balsamum),</u> also known as Cabreuva	m² m³			
	45		m² m³			
	55	Other	m² m³			
	90	Other	m²			
		Other:	m <sup>3</sup>			
1409.22.10	00	Wood siding				4.3¢/m²
1409.22.25	00	Wood flooring	m² m³	. Free <sup>1/</sup>		8%
		Wood moldings:				
1409.22.40	00	Standard wood moldings	m	· Free <sup>1/</sup>		5%
1409.22.50	00	Other	m	· Free <sup>1/</sup>		40%
1409.22.60	00	Wood dowel rods: Plain	m	· Free <sup>1/</sup>		5%
1409.22.65	00	Sanded, grooved or otherwise advanced				
		in condition	m	· 4.9% <sup>1/</sup>	Free (A+, AU, BH, CA, CL, CO, D, E, IL, JO, MA, MX, OM, P, PA, PE, SG) 0.9% (KR)	33 1/3%
4409.22.90	00	Other	m <sup>3</sup>	. Free <sup>1/</sup>	0.0 70 (1411)	\$1.70/m <sup>3</sup>
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Heading/ Subheading	Stat. Suf-	Article Description	Unit of		Rates of Duty	2
	fix	Vitiole Describitori	Quantity	General	Special	
409 (con.)		Wood (including strips and friezes for parquet flooring, not assembled) continuously shaped (tongued, grooved, rebated, chamfered, V-jointed, beaded, molded, rounded or the like) along any of its edges, ends or faces, whether or not planed, sanded or end-jointed: (con.)  Nonconiferous: (con.)				
1409.29 1409.29.06		Other: Wood continuously shaped along any of its ends, whether or not also continuously shaped along any of its edges or faces, all the foregoing whether or not planed, sanded or end-jointed		3.2% 1/	Free (A*, AU, BH, CA, CL, CO, D, E, IL, JO, MA, MX, OM, P, PA, PE, SG)	33 1/3%
	55	Wood flooring (end-matched)	m² m³		0.6% (KR)	
	65	Other	m <sup>2</sup>			
1409.29.11	00	Other: Wood siding	m²	Free <sup>1/</sup>		4.3¢/m²
1409.29.26	30	Wood flooring Maple ( <u>Acer</u> spp.)	m <sup>2</sup>	Free <sup>1/</sup>		8%
	50		m² m³			
	60		m² m³			
1400 00 44		Wood moldings:				
1409.29.41	00	Standard wood moldings <sup>3</sup>				5%
1409.29.51	00	Other Wood dowel rods:				40%
1409.29.61 1409.29.66		PlainSanded, grooved or otherwise advanced			Francia All Dil	5%
		in condition		4.9%	Free (A+, AU, BH, CA, CL, CO, D, E, IL, JO, MA, MX, OM, P, PA, PE, SG) 0.9% (KR)	33 1/3%
4409.29.91	00	Other	m³	Free <sup>1/</sup>	0.9% (KH)	\$1.70/m <sup>3</sup>
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	Stat.	Autiala Daganintian	Unit		Rates of Duty	_ ^
Subheading	Suf- fix	Article Description	of Quantity	General	1 Special	2
418 (con.)		Builders' joinery and carpentry of wood, including cellular wood panels and assembled flooring panels; shingles and shakes: (con.)				
418.75		Assembled flooring panels: (con.) Other. multilaver:	2	41	- (A+ ALL BL	00.4/00/
418.75.40	00	Having a face ply more than 6 mm in thickness	m	3.2% <sup>1</sup>	Free (A*, AU, BH, CA, CL, CO, D, E, IL, JO, MA, MX, OM, P, PA, PE, SG) 0.6% (KR)	33 1/3%
118.75.70	00	Other	m²	5% <sup>1/</sup>	Free (A*, AU, BH, CA, CL, CO, D, E, IL, JO, MA, MX, OM, P, PA, PE, SG)	40%
418.79.01	00	Other	m²	3.2% <sup>11</sup>	1.6% (KR) Free (A*, AU, BH, CA, CL, CO, D, E, IL, JO, MA, MX, OM, P, PA, PE, SG) 0.6% (KR)	33 1/3%
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# Harmonized Tariff Schedule of the United States (2019) Revision 20 Barcode: 3927422-02 Annotated 707 Statistical Reporting Byrnoses action -

	IX
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	Stat.	Auti-la Danadistina	Unit		Rates of Duty	
Subheading	Suf- fix	Article Description	of Quantity	General	1 Special	2
418 (con.)		Builders' joinery and carpentry of wood, including cellular wood panels and assembled flooring panels; shingles and shakes: (con.)  Other:	<u> </u>		-,	
1418.91		Of bamboo:	3			3
1418.91.10	00	Drilled or notched lumber studs				\$1.70/m <sup>3</sup>
418.91.90		Other		3.2% <sup>1</sup> /	Free (A*, AU, BH, CA, CL, CO, D, E, IL, JO, MA, MX, OM, P, PA, PE, SG)	33 1/3%
	05	Wood flooring	m² m³		0.6% (KR)	
		Other:				
	10	Arches, laminated	*			
	20	Roof trusses	kg			
	40	Other fabricated structural wood				
		members	kg			
	50	Prefabricated partitions and panels for buildings	kg			
	95	Other	kg			
4418.99 4418.99.10	00	Other: Drilled or notched lumber studs	m <sup>3</sup>	Froc <sup>1/</sup>		\$1.70/m <sup>3</sup>
1418.99.10 1418.99.90	00	Other			Free (A*, AU, BH,	33 1/3%
	05	Wood flooring	m²		CA, CL, CO, D, E, IL, JO, MA, MX, OM, P, PA, PE, SG) 0.6% (KR)	
		•	m <sup>3</sup>			
		Other:				
	10	Arches, laminated	kg			
	20	Roof trusses	kg			
	40	Other fabricated structural wood members	kg			
	50	Prefabricated partitions and panels for				
		buildings	1			
	95	Other	kg			
	lod	By: tbrightbill@wileyrein.com, Filed Date: 1/7	20 11.04	PM. Submissio	n Status. Approx	l ed
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# Harmonized Tariff Schedule of the United States (2019) Revision 20 Barcode: 3927422-02 Annotated 707 Statistical Reporting Byrnoses action -

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	Stat.		Unit				
Subheading	Suf- fix	Article Description	of Quantity	General	1 Special	2	
421	IIX	Other articles of wood:	Quartity	General	Special		
421.10.00	00	Clothes hangers	Hundreds	3.2% <sup>₫/</sup>	Free (A+, AU, BH, CA, CL, CO, D, E, IL, JO, KR, MA, MX, OM, P, PA, PE, SG)	33 1/3%	
1421.91		Other: Of bamboo: Wood dowel pins:					
4421.91.10	00	Plain	m	Free <sup>1/</sup>		5%	
4421.91.20	00	Sanded, grooved or otherwise advanced in condition	m	4.9% <sup>1/</sup>	Free (A+, AU, BH, CA, CL, CO, D, E, IL, JO, KR, MA,	33 1/3%	
1421.91.30	00	Wood blinds, shutters, screens and shades, all the foregoing with or without their hardware:  Consisting of wooden frames in the center of			MX, OM, P, PA, PE, SG)		
		which are fixed louver boards or slats, with or without their hardware	No	10.7% <sup>6/</sup>	Free (A, AU, BH, CA, CL, CO, D, E, IL, JO, KR, MA, MX, OM, P, PA,	33 1/3%	
4421.91.40	00	Other	No	5.1% <sup>5</sup> ⁄	PE, SG) Free (A+, AU, BH, CA, CL, CO, D, E, IL, JO, KR, MA, MX, OM, P, PA, PE, SG)	50%	
1421.91.50	00	Toothpicks, skewers, candy sticks, ice cream sticks, tongue depressors, drink mixers and similar small wares:  Toothpicks	v	<b>F</b> = = = 6/		25%	
					- (A+ ALL DIL		
1421.91.60	UU	Other	кд	5.1%≝	Free (A*, AU, BH, CA, CL, CO, D, E, IL, JO, KR, MA, MX, OM, P, PA, PE, SG)	33 1/3%	
1421.91.70		Pickets, palings, posts and rails, the foregoing which are sawn; assembled fence sections		Free <sup>1/</sup>		Free	
	20	Assembled fence sections <sup>3</sup> /					
	40	OtherClothespins:	Х				
1421.91.80		Spring-type		6.5¢/gross <sup>6/</sup>	Free (A+, BH, CA, CL, CO, D, E, IL, JO, KR, MA, MX, OM, P, PA, PE, SG)	20¢/gross	
	24	Valued not over 80¢/gross	Gross				
	27	Valued over 80¢ but not over \$1.35/gross	Gross				
	30	Valued over \$1.35 but not over \$1.70/gross	Gross				
1421.91.85	33 00		Gross Gross	4.8% <sup>§/</sup>	Free (A+, AU, BH, CA, CL, CO, D, E, IL, JO, KR, MA, MX, OM, P, PA,	35%	
	ı I				PE, SG)		
1421 Q1 🕬	1 <mark>661</mark>	By: tbrig@ahoe paddleyrein.com, Filed Date: 1/7.	ND 11 • 04	PM-0Submiceio	n Status: Approx	<b>35%</b>	

## Harmonized Tariff Schedule of the United States (2019) Revision 20 Barcode: 3927422-02 Annotated to Statistical Reporting Byrosteigation -

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Heading/	Stat.	Australia Danasidasia	Unit		2	
Subheading	Suf- fix	Article Description	of Quantity	General	1 Special	2
421 (con.)		Other articles of wood: (con.)			,	
1404.04		Other: (con.)				
421.91 con.)		Of bamboo: (con.)				
00111,		Other:				
1421.91.93	00	Theatrical, ballet, and operatic scenery and				
		properties, including sets				33 1/3%
1421.91.94	00	Edge-glued lumber	m³	Free <sup>1/</sup>		10%
1421.91.97		Other		3.3% <sup>1/</sup>	Free (A, AU, B, BH,	33 1/3%
					CA, CL, CO, D, E,	
					IL, JO, KR, MA, MX, OM, P, PA,	
					PE, SG)	
	20	Pencil slats	Gross			
	30	Burial caskets	No.			
	70	Gates for confining children or pets	No.			
	80	Other	kg			
1421.99		Other:				
		Wood dowel pins: Plain:				
421.99.10	00	Coniferous	m	Free <sup>1/</sup>		5%
1421.99.15		Other	l			5%
1421.99.13		Sanded, grooved or otherwise advanced in	111	Free <sup></sup>		3%
1421.33.20	00	condition	m	4 9% <sup>1/</sup>	Free (A+, AU, BH,	33 1/3%
				1.0 70	CA, CL, CO, D, E,	
					IL, JO, KR, MA,	
					MX, OM, P, PA, PE, SG)	
		Wood blinds, shutters, screens and shades, all the			1 - 2, 33,	
		foregoing with or without their hardware:				
1421.99.30	00	Consisting of wooden frames in the center of which are fixed louver boards or slats, with or				
		without their hardware		10.7% <sup>5/</sup>	Free (A, AU, BH,	33 1/3%
				10	CA, CL, CO, D, E,	
					IL, JO, KR, MA,	
					MX, OM, P, PA, PE, SG)	
1421.99.40	nn	Other	No	E 40/6/	Free (A+, AU, BH,	50%
1421.33.40	00	Ottiei	100	5.1%	CA, CL, CO, D, E,	30 %
					IL, JO, KR, MA,	
					MX, OM, P, PA, PE, SG)	
		Toothpicks, skewers, candy sticks, ice cream			FL, 3G)	
		sticks, tongue depressors, drink mixers and similar				
1421 00 50	00	small wares: Toothpicks	V	6/		050/
1421.99.50			l			25%
1421.99.60	00	Other	kg	5.1% <sup>6/</sup>	Free (A*, AU, BH,	33 1/3%
					CA, CL, CO, D, E, IL, JO, KR, MA,	
					MX, OM, P, PA,	
1404 00 70		Dialysta maliana masta and will the force !			PE, SG)	
421.99.70		Pickets, palings, posts and rails, the foregoing which are sawn; assembled fence sections		Froo 1/		Free
	20	Assembled fence sections		riee		
	40	Other				
	•	O 11101	<b> ^</b>			
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Heading/ Subheading	Stat. Suf-	Article Description	Unit of		Rates of Duty	2
- abricading	fix	· · · · · · · · · · · · · · · · · · ·	Quantity	General	Special	1
421 (con.)		Other articles of wood: (con.)				
421.99		Other: (con.) Other: (con.)				
421.99 con.)		Other. (con.)				
		Clothespins:				
421.99.80		Spring-type		6.5¢/gross <sup>6/</sup>	Free (A+, BH, CA,	20¢/gross
					CL, CO, D, E, IL, JO, KR, MA, MX,	
					OM, P, PA, PE,	
			_		SG)	
	24	Valued not over 80¢/gross	Gross			
	27	Valued over 80¢ but not over	Crass			
	ا	\$1.35/gross	Gross			
	30	Valued over \$1.35 but not over \$1.70/gross	Gross			
	امما	-				
421.99.85	33 00	Valued over \$1.70/gross Other	Gross	4 99/6/	Free (A+, AU, BH,	35%
121.00.00		G (1101	G1000	4.0%	CA, CL, CO, D, E,	0070
					IL, JO, KR, MA,	
					MX, OM, P, PA,	
421.99.88	00	Canoe paddles	No	Free <sup>5/</sup>	PE, SG)	35%
				1166		
421.99.93	00	Other: Theatrical, ballet, and operatic scenery and				
		properties, including sets	kg	Free <sup>1/</sup>		33 1/3%
421.99.94	00	Edge-glued lumber	m <sup>3</sup>	Free <sup>1/</sup>		10%
421.99.97		Other			Free (A, AU, B, BH,	33 1/3%
421.33.37		Otilei		3.3%=	CA, CL, CO, D, E,	33 1/3%
					IL, JO, KR, MA,	
					MX, OM, P, PA,	
	20	Pencil slats	Gross		PE, SG)	
	30	Burial caskets				
	70	Gates for confining children or pets				
	80	Other	kg			
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