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DEPARTMENT OF COMMERCE

INTERNATIONAL TRADE ADMINISTRATION

C-570-052

Certain Hardwood Plywood Products from the People's Republic of China: Preliminary Results of Countervailing Duty Administrative Review and Rescission of Review, in Part; 2017-2018

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce

SUMMARY: The Department of Commerce (Commerce) preliminarily determines that countervailable subsidies are being provided to producers and/or exporters subject to this administrative review during the period of review (POR), April 25, 2017 through December 31, 2018. Interested parties are invited to comment on these preliminary results of review.

DATES: Applicable [INSERT DATE OF PUBLICATION IN THE *FEDERAL REGISTER*].

FOR FURTHER INFORMATION CONTACT: Annathea Cook, AD/CVD Operations, Office V, Enforcement and Compliance, International Trade Administration, Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-0250.

SUPPLEMENTARY INFORMATION:

Background

On April 1, 2019, Commerce published the notices of initiation of the administrative review of the countervailing duty (CVD) order<sup>1</sup> on certain hardwood plywood products (hardwood plywood) from the People's Republic of China (China)<sup>2</sup> On May 2, 2019,

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<sup>1</sup> See *Certain Hardwood Plywood Products from the People's Republic of China: Countervailing Duty Order*, 83 FR 513 (January 4, 2018) (*Order*).

<sup>2</sup> See *Initiation of Antidumping and Countervailing Duty Administrative Reviews*, 84 FR 12200 (April 1, 2019) (*Initiation Notice*).

Commerce published a correction of the original *Initiation Notice* to include additional companies for which a review had been requested.<sup>3</sup> Pursuant to the *Initiation Notice* and *Corrected Initiation Notice*, we initiated a review on 59 companies.

On August 27, 2019, based on timely requests for withdrawal of administrative review, Commerce partially rescinded the administrative review for 47 entities.<sup>4</sup> In addition to the companies for which we rescinded the review in the *Rescission Notice*, we are, concurrent with these preliminary results, also rescinding the review with respect to Linyi Celtic, whose requests for review were also timely withdrawn. In addition, as described further below, Commerce is preliminarily rescinding the review with respect to nine additional companies for which CBP data showed no reviewable entries, leaving 2 companies subject to the administrative review.<sup>5</sup>

From June 24, 2019 to August 15, 2019, Commerce selected Linyi Dahua Wood Co., Ltd. (Linyi Dahua); Zhejiang Dehua TB Import & Export Co., Ltd (Zhejiang Dehua) and Jiangsu High Hope Arser Co., Ltd. (High Hope), as mandatory respondents.<sup>6</sup> For a complete description of the events that followed the initiation of this administrative review, *see* the Preliminary Decision Memorandum.<sup>7</sup>

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<sup>3</sup> See *Initiation of Antidumping and Countervailing Duty Administrative Reviews*, 84 FR 18777 (May 2, 2019) (*Corrected Initiation Notice*).

<sup>4</sup> See *Certain Hardwood Plywood Products from the People's Republic of China: Partial Rescission of 2017-2018 Countervailing Duty Administrative Review*, 84 FR 44853 (August 27, 2019) (*Partial Rescission Notice*).

<sup>5</sup> See DeKieffer & Horgan, PLLC's Letter, "Hardwood Plywood Products from the People's Republic of China: Withdrawal of Request for Administrative Review," dated June 25, 2019; *see also* Richmond International Forest Products LLC's Letter, "Administrative Review of the Countervailing Duty on Plywood Products from the People's Republic of China: Withdrawal of Request for Review and Correction to June 21 Submission," dated July 1, 2019.

<sup>6</sup> See Memorandum, "Countervailing Duty Administrative Review of Certain Hardwood Plywood Products from the People's Republic of China: Respondent Selection," dated June 24, 2019; *see also* Memorandum, "Countervailing Duty Administrative Review of Certain Hardwood Plywood Products from the People's Republic of China: Replacement Respondent Selection," dated July 18, 2019; and Memorandum, "Countervailing Duty Administrative Review of Certain Hardwood Plywood Products from the People's Republic of China: Second Replacement Respondent Selection," dated August 15, 2019. The review request for Linyi Dahua was subsequently withdrawn and it was included in the *Partial Rescission Notice*.

<sup>7</sup> See Memorandum, "Decision Memorandum for the Preliminary Results of the Countervailing Duty Administrative Review: Certain Hardwood Plywood Products from the People's Republic of China; 2017-2018," dated concurrently with, and hereby adopted by, this notice (Preliminary Decision Memorandum).

The Preliminary Decision Memorandum is a public document and is on file electronically via Enforcement and Compliance's AD and Countervailing Duty Centralized Electronic Service System (ACCESS). ACCESS is available to registered users at <https://access.trade.gov>, and to all parties in the Central Records Unit, room B8024 of the main Commerce building. In addition, a complete version of the Preliminary Decision Memorandum can be accessed directly on the Internet at <http://enforcement.trade.gov/frn/>. A list of topics included in the Preliminary Decision Memorandum is included at the Appendix to this notice.

#### Scope of the Order

The merchandise subject to this order is hardwood and decorative plywood, and certain veneered panels. For the purposes of this proceeding, hardwood and decorative plywood are described as a generally flat, multilayered plywood or other veneered panel, consisting of two or more layers of plies of wood veneers and a core, with the face and/or back veneer made of non-coniferous wood (hardwood) or bamboo. For a complete description of the scope of the Order, *see* the Preliminary Decision Memorandum.

#### Methodology

Commerce is conducting this administrative review in accordance with section 751(a)(1)(A) of the Tariff Act of 1930, as amended (the Act). For a full description of the methodology underlying our preliminary results of review, *see* the Preliminary Decision Memorandum.

Commerce notes that, in making these findings, it relied, in part, on facts available and, because it finds that two companies selected as mandatory respondents for individual examination (Zhejiang Dahua and High Hope), as well as the Government of China, did not act to the best of their ability to respond to Commerce's requests for information, it drew an adverse

inference where appropriate in selecting from among the facts otherwise available. For further information, *see* “Use of Facts Otherwise Available and Adverse Inferences” in the Preliminary Decision Memorandum.

#### Rescission of Administrative Review, in Part

Pursuant to 19 CFR 351.213(d)(1), Commerce will rescind an administrative review, in whole or in part, if the party or parties that requested a review withdraws the request within 90 days of the publication date of the notice of initiation of the requested review. As noted above, all requests for administrative review were timely withdrawn with regard to Linyi Celtic. Therefore, in accordance with 19 CFR 351.213(d)(1), we are rescinding this administrative review with respect to Linyi Celtic.

Additionally, it is Commerce’s practice to rescind an administrative review of a countervailing duty order, pursuant to 19 CFR 351.213(d)(3), when there are no reviewable entries of subject merchandise during the POR for which liquidation is suspended.<sup>8</sup> Normally, upon completion of an administrative review, the suspended entries are liquidated at the countervailing duty assessment rate for the review period. *See* 19 CFR 351.212(b)(2). Therefore, for an administrative review to be conducted, there must be a reviewable, suspended entry that Commerce can instruct CBP to liquidate at the calculated countervailing duty assessment rate for the review period.<sup>9</sup> Accordingly, in the absence of reviewable, suspended entries of subject merchandise during the POR, we are preliminarily rescinding this administrative review in accordance with 19 CFR 351.213(d)(3) for the following companies: Happy Wood Industrial Group Co., Ltd; Jiangsu Sunwell Cabinetry Co., Ltd.; Linyi Bomei

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<sup>8</sup> *See, e.g., Lightweight Thermal Paper from the People’s Republic of China: Notice of Rescission of Countervailing Duty Administrative Review; 2015, 82 FR 14349 (March 20, 2017).*

<sup>9</sup> *See* 19 CFR 351.213(d)(3).

Furniture Co., Ltd.; Pingyi Jinniu Wood Co., Ltd.; Qingdao Top P&Q International Corp.; SAICG International Trading Co., Ltd.; Shandong Huaxin Jiasheng Wood Co., Ltd.; Shandong Jinhua International Trading Co., Ltd.; and Xuzhou Amish Import & Export Co., Ltd.

*Preliminary Results of Review*

Commerce preliminarily determines that the following estimated countervailable subsidy rates exist:

<b>Company</b>	<b>Subsidy Rate (Percent)</b>
Zhejiang Dehua TB Import & Export Co., Ltd (Zhejiang Dehua)	194.90
Jiangsu High Hope Arser Co., Ltd. (High Hope)	194.90

*Disclosure and Public Comment*

Normally, Commerce discloses to interested parties the calculations performed in connection with the preliminary results of a review within ten days of its public announcement, or if there is no public announcement, within five days of the date of publication of the notice of preliminary results in the *Federal Register*, in accordance with 19 CFR 351.224(b). However, because Commerce preliminarily applied AFA to the companies under review (*i.e.*, Zhejiang Dahua and High Hope), in accordance with section 776 of the Act, and because our calculation of the AFA subsidy rate is outlined in the Preliminary Decision Memorandum,<sup>10</sup> there are no further calculations to disclose.

*Assessment Rates and Cash Deposit Requirement*

Upon issuance of the final results, Commerce shall determine, and U.S. Customs and Border Protection (CBP) shall assess, countervailing duties on all appropriate entries covered by

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<sup>10</sup> See Preliminary Decision Memorandum.

this review. We intend to issue instructions to CBP 15 days after publication of the final results of review.

Pursuant to section 751(a)(2)(C) of the Act, Commerce also intends to instruct CBP to collect cash deposits of estimated countervailing duties, in the amounts shown above for each of the respective companies shown above, on shipments of subject merchandise entered, or withdrawn from warehouse, for consumption on or after the date of publication of the final results of this review. For all non-reviewed firms, we will instruct CBP to continue to collect cash deposits at the most recent company-specific or all-others rate applicable to the company, as appropriate. These cash deposit requirements, when imposed, shall remain in effect until further notice.

These preliminary results of review are issued and published in accordance with sections 751(a)(1) and 777(i)(1) of the Act and 19 CFR 351.213 and 351.221(b)(4).

Dated: October 3, 2019

*/S/ Jeffrey I. Kessler*

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Jeffrey I. Kessler  
Assistant Secretary  
for Enforcement and Compliance

## **Appendix**

### **List of Topics Discussed in the Preliminary Decision Memorandum**

- I. Summary
- II. Background
- III. Scope of the Order
- IV. Application of The CVD Law to Imports from the PRC
- V. Use of Facts Otherwise Available and Adverse Inferences
- VI. Disclosure and Public Comment
- VII. Recommendation