

**DEPARTMENT OF COMMERCE****International Trade Administration**

[A-351-853]

**Wood Mouldings and Millwork Products From Brazil: Preliminary Negative Determination of Sales at Less Than Fair Value and Postponement of Final Determination**

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

**SUMMARY:** The Department of Commerce (Commerce) preliminarily determines that wood mouldings and millwork products (millwork products) from Brazil are not being, or are not likely to be, sold in the United States at less than fair value (LTFV). The period of investigation (POI) is January 1, 2019 through December 31, 2019. Interested parties are invited to comment on this preliminary determination.

**DATES:** Applicable August 12, 2020.

**FOR FURTHER INFORMATION CONTACT:** George Ayache or Suzanne Lam, AD/CVD Operations, Office VIII, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue NW, Washington, DC 20230; telephone: (202) 482-2623 or (202) 482-0783, respectively.

**SUPPLEMENTARY INFORMATION:****Background**

This preliminary determination is made in accordance with section 733(b) of the Tariff Act of 1930, as amended (the Act). Commerce published the notice of initiation of this investigation on February 5, 2020.<sup>1</sup> On May 26, 2020, Commerce postponed the preliminary determination of this investigation and the revised deadline is now August 5, 2020.<sup>2</sup> For a complete description of the events that followed the initiation of this investigation, see the Preliminary Decision Memorandum.<sup>3</sup> A list of topics included in the Preliminary Decision Memorandum is included as Appendix II to this notice. The Preliminary

Decision Memorandum is a public document and is on file electronically via Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS). ACCESS is available to registered users at <https://access.trade.gov>. In addition, a complete version of the Preliminary Decision Memorandum can be accessed directly at <http://enforcement.trade.gov/frn/>. The signed and the electronic versions of the Preliminary Decision Memorandum are identical in content.

**Scope of the Investigation**

The products covered by this investigation are millwork products from Brazil. For a complete description of the scope of this investigation, see Appendix I.

**Scope Comments**

In accordance with the preamble to Commerce's regulations,<sup>4</sup> the *Initiation Notice* set aside a period of time for parties to raise issues regarding product coverage (*i.e.*, scope).<sup>5</sup> Certain interested parties commented on the scope of the investigation as it appeared in the *Initiation Notice*, as well as additional language proposed by Commerce. For a summary of the product coverage comments and rebuttal responses submitted to the record for this investigation, and accompanying discussion and analysis of all comments timely received, see the Preliminary Scope Decision Memorandum.<sup>6</sup> Commerce is preliminarily modifying the scope language as it appeared in the *Initiation Notice*. See the revised scope in Appendix I to this notice.

**Methodology**

Commerce is conducting this investigation in accordance with section 731 of the Act. Commerce has calculated export prices in accordance with section 772(a) of the Act. Normal value is calculated in accordance with section 773 of the Act. For a full description of the methodology underlying Commerce's preliminary determination, see the Preliminary Decision Memorandum.

**Preliminary Determination**

For this preliminary determination, Commerce calculated a zero estimated weighted-average dumping margin for

the individually examined producer and/or exporter of the subject merchandise. Consistent with section 733(b)(3) of the Act, Commerce disregards *de minimis* rates and preliminarily determines that the individually examined respondent with a *de minimis* rate has not made sales of subject merchandise at LTFV during the POI.

| Exporter/producer  | Estimated weighted-average dumping margin (percent) |
|--|---|
| Araupel S.A./Braslumber Industria de Molduras Ltda./BrasPine Madeiras Ltda. <sup>7</sup> ..... | 0.00  |

Consistent with section 733(d) of the Act, Commerce has not calculated an estimated weighted-average dumping margin for all other producers and exporters, because it has not made an affirmative preliminary determination of sales at LTFV.

**Suspension of Liquidation**

Because Commerce has made a negative preliminary determination of sales at LTFV with regard to subject merchandise, Commerce will not direct U.S. Customs and Border Protection to suspend liquidation or to require a cash deposit of estimated antidumping duties for any such entries.

**Disclosure**

Commerce intends to disclose to interested parties the calculations performed in connection with this preliminary determination within five days of its public announcement or, if there is no public announcement, within five days of the date of publication of this notice in accordance with 19 CFR 351.224(b).

**Verification**

As provided in section 782(i)(1) of the Act, Commerce intends to verify the information relied upon in making its final determination.

**Public Comment**

All interested parties will have the opportunity to submit case and rebuttal briefs on the preliminary scope determination. The deadline to submit

<sup>1</sup> See *Wood Mouldings and Millwork Products from Brazil and the People's Republic of China: Initiation of Less-Than-Fair-Value Investigations*, 85 FR 6502 (February 5, 2020) (*Initiation Notice*).

<sup>2</sup> See *Wood Mouldings and Millwork Products from Brazil and the People's Republic of China: Postponement of Preliminary Determinations in the Less-Than-Fair-Value Investigations*, 85 FR 31459 (May 26, 2020).

<sup>3</sup> See Memorandum, "Wood Mouldings and Millwork Products from Brazil: Decision Memorandum for the Preliminary Negative Determination in the Less-Than-Fair-Value Investigation," dated concurrently with, and hereby adopted by, this notice (Preliminary Decision Memorandum).

<sup>4</sup> See *Antidumping Duties; Countervailing Duties, Final Rule*, 62 FR 27296, 27323 (May 19, 1997).

<sup>5</sup> See *Initiation Notice*.

<sup>6</sup> See Memorandum, "Wood Mouldings and Millwork Products from Brazil and the People's Republic of China: Preliminary Scope Decision Memorandum," dated concurrently with this preliminary determination (Preliminary Scope Decision Memorandum).

<sup>7</sup> Commerce preliminarily determines that Araupel S.A., Braslumber Industria de Molduras Ltda., and Braspine Madeiras Ltda. are a single entity. See Preliminary Decision Memorandum; see also Memorandum, "Less-Than-Fair-Value Investigation of Wood Mouldings and Millwork Products from Brazil: Preliminary Affiliation and Collapsing Determination for Araupel S.A., Braslumber Industria de Molduras Ltda., and Braspine Madeiras Ltda.," dated August 5, 2020.

these comments will be no later than 30 days after the publication of this preliminary determination. Scope rebuttal briefs (which are limited to issues raised in the scope briefs) may be submitted no later than seven days after the deadline for the scope briefs. For all scope briefs and rebuttals thereto, parties must file identical documents simultaneously on the records of all the ongoing AD and CVD millwork products investigations. No new factual information or business proprietary information may be included in either scope briefs or rebuttal scope briefs.

Case briefs or other written comments regarding non-scope matters may be submitted to the Assistant Secretary for Enforcement and Compliance no later than seven days after the date on which the last verification report is issued in this investigation. Rebuttal briefs, limited to issues raised in case briefs, may be submitted no later than seven days after the deadline date for case briefs.<sup>8</sup> Note that Commerce has modified certain of its requirements for serving documents containing business proprietary information until further notice.<sup>9</sup> Pursuant to 19 CFR 351.309(c)(2) and (d)(2), parties who submit case briefs or rebuttal briefs in this investigation are encouraged to submit with each argument: (1) A statement of the issue; (2) a brief summary of the argument; and (3) a table of authorities.

Pursuant to 19 CFR 351.310(c), interested parties who wish to request a hearing, limited to issues raised in the case and rebuttal briefs, must submit a written request to the Assistant Secretary for Enforcement and Compliance, U.S. Department of Commerce, within 30 days after the date of publication of this notice. Requests should contain the party's name, address, and telephone number, the number of participants, whether any participant is a foreign national, and a list of the issues to be discussed. If a request for a hearing is made, Commerce intends to hold the hearing at a time and date to be determined. Parties should confirm the date and time of the hearing two days before the scheduled date.

### Postponement of Final Determination

Section 735(a)(2)(B) of the Act provides that a final determination may be postponed until not later than 135 days after the date of the publication of the preliminary determination if, in the event of a negative preliminary

determination, a request for such postponement is made by the petitioner. On July 9, 2020, the petitioner requested that Commerce postpone the final determination.<sup>10</sup> In accordance with section 735(a)(2)(B) of the Act, because the preliminary determination is negative, and the petitioner has requested the postponement of the final determination, Commerce is postponing the final determination. Accordingly, Commerce will make its final determination by no later than 135 days after the date of publication of this preliminary determination, pursuant to section 735(a)(2) of the Act.

### International Trade Commission Notification

In accordance with section 733(f) of the Act, Commerce will notify the International Trade Commission (ITC) of its preliminary determination. If the final determination is affirmative, the ITC will determine 75 days after the final determination whether these imports are materially injuring, or threaten material injury to, the U.S. industry.

### Notification to Interested Parties

This determination is issued and published in accordance with sections 733(f) and 777(i)(1) of the Act and 19 CFR 351.205(c).

Dated: August 5, 2020.

**Jeffrey I. Kessler,**

*Assistant Secretary for Enforcement and Compliance.*

### Appendix I

#### Scope of the Investigation

The merchandise subject to this investigation consists of wood mouldings and millwork products that are made of wood (regardless of wood species), bamboo, 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 continuously shaped wood or finger-jointed or edge-glued moulding or millwork blanks (whether or not resawn). The merchandise subject to this investigation can be continuously shaped along any of its edges, ends, or faces.

The percentage of composite materials contained in a wood moulding or millwork product is measured by length, except when the composite material is a coating or cladding. Wood mouldings and millwork products that are coated or clad, even along their entire length, with a composite material, but that are otherwise comprised of wood, LVL, or wood and composite materials (where the non-coating composite materials

make up 50 percent or less of the total merchandise) are covered by the scope.

The merchandise subject to this investigation consists of wood, LVL, bamboo, or a combination of wood and composite materials that is continuously shaped throughout its length (with the exception of any endwork/dados), profiled wood having a repetitive design in relief, similar milled wood architectural accessories, such as rosettes and plinth blocks, and finger-jointed or edge-glued moulding or millwork blanks (whether or not resawn). The scope includes continuously shaped wood in the forms of dowels, building components such as interior paneling and jamb parts, and door components such as rails, stiles, interior and exterior door frames or jambs (including split, flat, stop applied, single- or double-rabbeted), frame or jamb kits, and packaged door frame trim or casing sets, whether or not the door components are imported as part of a door kit or set.

The covered products may be solid wood, laminated, finger-jointed, edge-glued, face-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 investigation if performed in the country of manufacture of the in-scope product.

Excluded from the scope of this investigation are countertop/butcherblocks, exterior fencing, exterior decking and exterior siding products (including solid wood siding, non-wood siding (e.g., composite or cement), and shingles) that are not LVL or finger jointed; finished and unfinished doors; flooring; parts of stair steps (including newel posts, balusters, easing, gooseneck, risers, treads, rail fittings and stair stringers); picture frame components three feet and under in individual lengths; and lumber whether solid, finger-jointed, or edge-glued. To be excluded from the scope, finger-jointed or edge-glued lumber must have a nominal thickness greater than 1.5 inches and a certification stamp from an American Lumber Standard Committee-certified grading bureau. The exclusion for lumber whether solid, finger-jointed, or edge-glued

<sup>8</sup> See 19 CFR 351.309; see also 19 CFR 351.303 (for general filing requirements).

<sup>9</sup> See *Temporary Rule Modifying AD/CVD Service Requirements Due to COVID-19; Extension of Effective Period*, 85 FR 41363 (July 10, 2020).

<sup>10</sup> See Petitioner's Letter, "Wood Mouldings and Millwork Products from Brazil: Petitioner's Request for Postponement of the Final Determination," dated July 9, 2020.

does not apply to screen/“surfaced on 4 sides” (S4S) and/or “surface 1 side, 2 edges” (S1S2E) stock (also called boards) that are finger-jointed, edge-glued mouldings, or millwork blanks (whether or not resawn).

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, 4409.29.4100, 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, 4418.20.4000, 4418.20.8030, 4418.20.8060, 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 this investigation is dispositive.

## Appendix II

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

- I. Summary
- II. Background
- III. Period of Investigation
- IV. Affiliation/Single Entity
- V. Discussion of the Methodology
- VI. Currency Conversion
- VII. Conclusion

[FR Doc. 2020–17638 Filed 8–11–20; 8:45 am]

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## DEPARTMENT OF COMMERCE

### International Trade Administration

[A–570–117]

### Wood Mouldings and Millwork Products From the People’s Republic of China: Preliminary Affirmative Determination of Sales at Less Than Fair Value, Postponement of Final Determination, and Extension of Provisional Measures

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

**SUMMARY:** The Department of Commerce (Commerce) preliminarily determines that wood mouldings and millwork products (millwork products) from the People’s Republic of China (China) are being, or are likely to be, sold in the United States at less than fair value (LTFV). The period of investigation (POI) is July 1, 2019 through December 31, 2019. Interested parties are invited to comment on this preliminary determination.

**DATES:** Applicable August 12, 2020.

**FOR FURTHER INFORMATION CONTACT:** Michael Bowen or Brian Smith, AD/CVD Operations, Office VIII, Enforcement and Compliance, International Trade Administration,

U.S. Department of Commerce, 1401 Constitution Avenue NW, Washington, DC 20230; telephone: (202) 482–0768 or (202) 482–1766, respectively.

### SUPPLEMENTARY INFORMATION:

#### Background

This preliminary determination is made in accordance with section 733(b) of the Tariff Act of 1930, as amended (the Act). Commerce published the notice of initiation of this investigation on February 5, 2020.<sup>1</sup> On May 26, 2020, Commerce postponed the preliminary determination of this investigation and the revised deadline is now August 5, 2020.<sup>2</sup> For a complete description of the events that followed the initiation of this investigation, see the Preliminary Decision Memorandum.<sup>3</sup> A list of topics included in the Preliminary Decision Memorandum is included as Appendix II to this notice. The Preliminary Decision Memorandum is a public document and is on file electronically via Enforcement and Compliance’s Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS). ACCESS is available to registered users at <https://access.trade.gov>. In addition, a complete version of the Preliminary Decision Memorandum can be accessed directly at <http://enforcement.trade.gov/frn/>. The signed and the electronic versions of the Preliminary Decision Memorandum are identical in content.

#### Scope of the Investigation

The products covered by this investigation are millwork products from China. For a complete description of the scope of this investigation, see Appendix I.

#### Scope Comments

In accordance with the preamble to Commerce’s regulations,<sup>4</sup> the *Initiation Notice* set aside a period of time for parties to raise issues regarding product coverage (*i.e.*, scope).<sup>5</sup> Certain interested parties commented on the scope of the

<sup>1</sup> See *Wood Mouldings and Millwork Products from Brazil and the People’s Republic of China: Initiation of Less-Than-Fair-Value Investigations*, 85 FR 6502 (February 5, 2020) (*Initiation Notice*).

<sup>2</sup> See *Wood Mouldings and Millwork Products from Brazil and the People’s Republic of China: Postponement of Preliminary Determinations in the Less-Than-Fair-Value Investigations*, 85 FR 31459 (May 26, 2020).

<sup>3</sup> See Memorandum, “Wood Mouldings and Millwork Products from the People’s Republic of China: Decision Memorandum for Preliminary Affirmative Determination of Sales at Less-Than-Fair-Value,” dated concurrently with, and hereby adopted by, this notice (Preliminary Decision Memorandum).

<sup>4</sup> See *Antidumping Duties; Countervailing Duties, Final Rule*, 62 FR 27296, 27323 (May 19, 1997).

<sup>5</sup> See *Initiation Notice*.

investigation as it appeared in the *Initiation Notice*, as well as additional language proposed by Commerce. For a summary of the product coverage comments and rebuttal responses submitted to the record for this investigation, and accompanying discussion and analysis of all comments timely received, see the Preliminary Scope Decision Memorandum.<sup>6</sup> Commerce is preliminarily modifying the scope language as it appeared in the *Initiation Notice*. See the revised scope in Appendix I to this notice.

#### Methodology

Commerce is conducting this investigation in accordance with section 731 of the Act. Commerce has calculated export prices in accordance with section 772(a) of the Act and constructed export prices in accordance with section 772(b) of the Act. Because China is a non-market economy, within the meaning of section 771(18) of the Act, Commerce has calculated normal value in accordance with section 773(c) of the Act. Furthermore, pursuant to section 776(a) and (b) of the Act, Commerce preliminarily has relied upon facts otherwise available, with adverse inferences, for the China-wide Entity. For a full description of the methodology underlying Commerce’s preliminary determination, see the Preliminary Decision Memorandum.

#### Combination Rates

In the *Initiation Notice*,<sup>7</sup> Commerce stated that it would calculate producer/exporter combination rates for the respondents that are eligible for a separate rate in this investigation. Policy Bulletin 05.1 describes this practice.<sup>8</sup>

#### Preliminary Determination

Commerce preliminarily determines that the following estimated weighted-average dumping margins exist:

<sup>6</sup> See Memorandum, “Wood Mouldings and Millwork Products from Brazil and the People’s Republic of China: Preliminary Scope Decision Memorandum,” dated concurrently with this preliminary determination (Preliminary Scope Decision Memorandum).

<sup>7</sup> See *Initiation Notice* at 85 FR 6507.

<sup>8</sup> See Enforcement and Compliance’s Policy Bulletin No. 05.1, regarding, “Separate-Rates Practice and Application of Combination Rates in Antidumping Investigations Involving Non-Market Economy Countries,” (April 5, 2005) (Policy Bulletin 05.1), available on Commerce’s website at <http://enforcement.trade.gov/policy/bull05-1.pdf>.

<sup>9</sup> Commerce preliminarily determines that Yinfeng/Mangrove are a single entity. See Preliminary Decision Memorandum.