Barcode: 4884743-02 A-570-211 INV - Investigation

UNITED STATES DEPARTMENT OF COMMERCE
International Trade Administration
Washington, D.C. 20230

A-570-211
Investigation
POI: 10/01/2024 – 03/31/2025
Public Document
E&C/OVI: TM

DATE: February 24, 2026

MEMORANDUM TO: Scot Fullerton
Acting Deputy Assistant Secretary
for Antidumping and Countervailing Duty Operations

FROM: Erin Kearney
Acting Director, Office VI
Antidumping and Countervailing Duty Operations

SUBJECT: Decision Memorandum for the Preliminary Affirmative Determination in the Less-Than-Fair-Value Investigation of Hardwood and Decorative Plywood from the People's Republic of China

---

I. SUMMARY

The U.S. Department of Commerce (Commerce) preliminarily determines that hardwood and decorative plywood (plywood) from the People's Republic of China (China) is being, or is likely to be, sold in the United States at less than fair value (LTFV), as provided in section 733 of the Tariff Act of 1930, as amended (the Act). The estimated weighted-average dumping margins are shown in the "Preliminary Determination" section of the accompanying *Federal Register* notice.

II. BACKGROUND

On May 22, 2025, Commerce received antidumping duty (AD) and countervailing duty (CVD) petitions concerning plywood from China, filed in proper form, on behalf of the Coalition for Fair Trade in Hardwood Plywood (the petitioner), a group of domestic producers of plywood.[1] On June 16, 2025, Commerce initiated the LTFV investigation on plywood from China.[2]

We stated in the *Initiation Notice* that, in the event we conduct respondent selection, we intended to base our selection of mandatory respondents on responses to quantity and value (Q&V)

[1] *See* Petitioner's Letter, "Hardwood and Decorative Plywood from Indonesia, the People's Republic of China, and the Socialist Republic of Vietnam: Petitions for the Imposition of Antidumping and Countervailing Duties," dated May 22, 2025 (the Petition).
[2] *See Hardwood and Decorative Plywood from the People's Republic of China, Indonesia, and the Socialist Republic of Vietnam: Initiation of Less-Than-Fair-Value Investigations*, 90 FR 25212 (June 16, 2025) (*Initiation Notice*), and accompanying AD Initiation Checklist.

Filed By: ghazal yazdani, Filed Date: 2/25/26 12:11 PM, Submission Status: Approved

questionnaires to be sent to each potential respondent named in the Petition and also posted on Commerce's website.[3] On June 13, 2025, Commerce issued Q&V questionnaires to the top 15 companies from the CBP data for which we had complete addresses and contact information.[4] In addition, Commerce posted the Q&V questionnaire on its website and, in the *Initiation Notice*, invited parties who did not receive a Q&V questionnaire to file a response to the Q&V questionnaire by the applicable deadline. Commerce confirmed that 13 companies received our Q&V questionnaire.[5] Nine of these companies failed to submit a response. We received timely filed Q&V questionnaire responses from the following four companies: Linyi Hanbo Import Co., Ltd. (Hanbo), Linyi Vata Imp. & Exp. Co., Ltd. (Vata), Linyi Evergreen Wood Co., Ltd. (Evergreen), and Lianyungang Yuantai International Trade Co., Ltd. (Yuantai).[6] We also received voluntary submissions from Shanghai Brightwood Trading Co., Ltd. (Brightwood) and Xuzhou Shelter Import and Export Co., Ltd. (Xuzhou Shelter).[7]

On July 25, 2025, based on responses to the Q&V questionnaires, Commerce selected Evergreen and Xuzhou Shelter for individual examination as mandatory respondents and issued our initial questionnaire to them.[8]

On August 20, 2025, Xuzhou Shelter notified Commerce of their intention not to participate in this investigation.[9] Evergreen failed to respond to any part of the Initial Questionnaire.

In the *Initiation Notice*, Commerce notified parties of the application process by which exporters and producers may obtain separate rate status in a non-market economy (NME) proceeding.[10] The process requires exporters to submit a separate rate application (SRA).[11] In the *Initiation Notice*, we stated that SRAs would be due 21 days after publication of the notice, which fell on July 7, 2025.[12] On July 3, 2025, we extended the deadline for submission of SRAs to July 14, 2025.[13] Commerce received timely filed SRAs from Brightwood, Evergreen, Hanbo, Vata,

[3] In the *Initiation Notice*, we also stated that the presumption of NME status for China has not been revoked by Commerce and, therefore, remains in effect for purposes of the initiation of this investigation. *See Initiation Notice*, 90 FR at 25216-25215.
[4] *See* Commerce's Letter, "Issuance of Quantity and Value Questionnaires," dated June 13, 2025.
[5] *See* Memorandum, "Quantity and Value Questionnaire Delivery Confirmation," dated July 3, 2025 (Q&V Delivery Confirmation).
[6] *See* Vata and Hanbo's Letter, "Quantity and Value Questionnaire Responses," dated June 27, 2025; *see also* Evergreen, and Yuantai's Letter, "Quantity and Value Questionnaire Responses," dated July 2, 2025.
[7] *See* Brightwood's Letter, "Quantity and Value Questionnaire Responses," dated July 2, 2025; *see also* Xuzhou Shelter's Letter, "Xuzhou Shelter's Quantity and Value Questionnaire Response," dated June 25, 2025.
[8] *See* Memorandum, "Respondent Selection," dated July 25, 2025 (Respondent Selection Memorandum); *see also* Commerce's Letters, "Request for Information," dated July 30, 2025 (Initial Questionnaire).
[9] *See* Xuzhou Shelter's Letter, "Xuzhou Shelter's Withdrawal from Mandatory Respondent Participation," dated August 20, 2025.
[10] *See Initiation Notice*, 90 FR at 25217.
[11] *See* Policy Bulletin 05.1: Separate-Rates Practice and Application of Combination Rates in Antidumping Investigations involving Non-Market Economy Countries, April 5, 2005 (Policy Bulletin 05.1), available at http://enforcement.trade.gov/policy/bull05-1.pdf.
[12] *See Initiation Notice*, 85 FR at 45164.
[13] *See* Commerce's Letters, "Response to Linyi Hanbo Import Co., Ltd, and Linyi Vata Imp. & Exp. Co., Ltd.'s Extension Request to file Separate Rate Applications," dated July 3, 2025; *see also* "Response to Xuzhou Shelter Import and Export Co., Ltd.'s Extension Request to file Separate Rate Application," dated July 3, 2025; and

Filed By: ghazal yazdani, Filed Date: 2/25/26 12:11 PM, Submission Status: Approved

Yuantai, and Xuzhou Shelter.[14] On September 10, 2025, we issued supplemental questionnaires to Hanbo, Brightwood, and Vata, and received timely responses from each company.[15]

In the *Initiation Notice*, Commerce also notified parties of an opportunity to comment on the scope of the investigation, as well as the appropriate physical characteristics of plywood to be reported in response to Commerce's AD questionnaire.[16] We received no comments on physical characteristics. Between July 10, 2025 and July 15, 2025, Commerce received scope comments from McCorry & Company Ltd., Canusa Wood Products, Alvos International LLC, Masterbrand Cabinets LLC, Marine Lumber Company, Patrick Industries, Inc. and Winnebago Industries, Inc., American Home Furnishings Alliance, Central National Gottesman Inc., American Woodmark Corporation, Green Forest Wood Products LLC, and Meranti Coalition, requesting exclusion of certain products and clarifications to the scope language.[17] On July 28, 2025, Commerce received timely rebuttal comments on the respondents' scope comments from the petitioner.[18] Commerce is not amending the scope at this time, because we preliminarily determine that the products are included in the scope based on the plain language of the scope. We are also preliminarily finding that the arguments concerning domestic industry production levels are not germane for purposes of this investigation. Thus, Commerce is making no changes to the scope for the preliminary determination. All of these arguments are addressed in detail in the Preliminary Scope Decision Memorandum, issued concurrently with this memorandum.[19]

"Response to Linyi Evergreen Wood Co., Ltd., Lianyungang Yuantai International Trade Co., Ltd., and Shanghai Brightwood Trading Co., Ltd.'s Extension Request to file Separate Rate Applications," dated July 7, 2025.

[14] *See* Evergreen's Letter, "SRA," dated July 14, 2025 (Evergreen SRA); *see also* Brightwood's Letter, "SRA," dated July 14, 2025 (Brightwood SRA); Vata's Letter, "SRA," dated July 14, 2025 (Vata SRA); Hanbo's Letter, "SRA," July 14, 2025 (Hanbo SRA); Yuantai's Letter, "SRA," dated July 14, 2025 (Yuantai SRA); and Xuzhou Shelter's Letter, "Xuzhou Shelter's Separate Rate Application," dated July 15, 2025 (Xuzhou Shelter SRA).

[15] *See* Commerce's Letters to Hanbo, Brightwood, and Vata, "Separate Rate Application Supplemental Questionnaire," dated September 10, 2025; *see also* Brightwood's Letter, "Supplemental SRA Questionnaire Response," dated September 17, 2025 (Brightwood SRA Supplemental Response); Hanbo's Letter, "Supplemental SRA Questionnaire," dated September 24, 2025 (Hanbo SRA Supplemental Response); and Vata's Letter, "Supplemental SRA Questionnaire," dated September 24, 2025 (Vata SRA Supplemental Response).

[16] *See Initiation Notice*, 90 FR at 25225-25226.

[17] *See* McCorry & Company Ltd.'s Letter, "Scope Comments on Behalf of McCorry & Company Limited," dated July 10, 2025; *see also* Canusa Wood Products Limited's Letter, "Scope Comments on Behalf of Canusa Wood Products Limited," dated July 10, 202; Alvos International LLC's Letter, "Hardwood and Decorative Plywood from China, Indonesia, and Vietnam; Antidumping and Countervailing Duty Investigations," dated July 10, 2025; Masterbrand Cabinets LLC's Letter, "Scope Comments on Behalf of Masterbrand Cabinets LLC," dated July 15, 2025; Marine Lumber Company's Letter, "Scope Comments on Behalf of Marine Lumber Company," dated July 15, 2025; Patrick Industries, Inc. and Winnebago Industries, Inc.'s Letter, "Comments Concerning the Scope of the Investigations and Request to Exclude Lauan Plywood," dated July 15, 2025; American Home Furnishings Alliance's Letter, "Scope Comments of American Home Furnishings Alliance," dated July 15, 2025; Central National Gottesman Inc.'s Letter, "Scope Comments," dated July 15, 2025; American Woodmark Corporation's Letter, "AWC Scope Comment," dated July 15, 2025; Green Forest Wood Products LLC's Letter, "Green Forest Scope Comments," dated July 15, 2025; Meranti Coalition's Letter, "Scope Comments on Behalf of the Meranti Coalition," dated July 15, 2025.

[18] *See* Petitioner's Letter, "Scope Rebuttal Comments," dated July 28, 2025.

[19] *See* Memorandum, "Hardwood and Decorative Plywood from the Socialist Republic of Vietnam, Indonesia, and the People's Republic of China: Preliminary Scope Decision Memorandum," dated concurrently with this memorandum.

For a full description of the scope of this investigation, *see* Appendix I of the accompanying *Federal Register* notice for this preliminary determination.

On July 9, 2025, the U.S. International Trade Commission (ITC) preliminarily determined that there was a reasonable indication that an industry in the United States is materially injured by reason of imports of plywood from China.[20]

On November 13, 2025, the petitioner submitted a timely critical circumstances allegation, pursuant to section 733(e)(1) of the Act and 19 CFR 351.206, alleging that critical circumstances exist with respect to imports of plywood from China.[21]

On February 5, 2026, Commerce requested the petitioner provide additional surrogate value information from at least two countries (other than Türkiye, which the petitioner relied upon in the Petition[22] included in the 2024 surrogate country list.[23] On February 17, 2026, the petitioner provided additional surrogate value information for Malaysia and Serbia.[24]

Based on the petitioner's request,[25] Commerce postponed the preliminary determination of this investigation by 50 days, to December 18, 2025, pursuant to section 733(c)(1)(A) of the Act and 19 CFR 351.205(e).[26]

Due to the lapse in appropriations and Federal Government shutdown, on November 14, 2025, Commerce tolled all deadlines in administrative proceedings by 47 days.[27] Additionally, due to a backlog of documents that were electronically filed via ACCESS during the Federal Government shutdown, on November 24, 2025, Commerce tolled all deadlines in administrative proceedings by an additional 21 days.[28] Accordingly, the deadline for this preliminary determination is now February 24, 2026.

We are conducting this investigation in accordance with section 733(b) of the Act.

---

[20] *See Hardwood and Decorative Plywood from China, Indonesia, and Vietnam*, 90 FR 30262 (July 9, 2025) (*ITC Preliminary Determination*)
[21] *See* Petitioner's Letter, "Critical Circumstances Allegation," dated November 13, 2025 (Critical Circumstances Allegation).
[22] *See* Commerce's Letter, "Request for Additional Surrogate Value Information," dated February 5, 2026 (Request for Additional SV Information).
[23] *Id.* at Attachment.
[24] *See* Petitioner's Letter, "Petitioner's Submission of Additional Surrogate Value Information," dated February 17, 2026 (Petitioner's Additional SV Information).
[25] *See* Petitioner's Letter, "Request to Postpone Preliminary Determinations," dated September 19, 2025.
[26] *See Hardwood and Decorative Plywood from the People's Republic of China, Indonesia, and the Socialist Republic of Vietnam: Postponement of Preliminary Determinations in the Less-Than-Fair-Value Investigations*, 90 FR 51649 (November 18, 2025) (this notice was signed on September 30, 2025, before the original due date for the preliminary determination of October 29, 2025, but publication was delayed due to the Federal Government shutdown).
[27] *See* Memorandum, "Deadlines Affected by the Shutdown of the Federal Government," dated November 17, 2025.
[28] *See* Memorandum, "Tolling of all Case Deadlines," dated November 24, 2025.

III. PERIOD OF INVESTIGATION

The period of investigation (POI) is October 1, 2024, through March 31, 2025. This period corresponds to the two most recently completed fiscal quarters prior to the month of the filing of the Petition, which was May 2025.[29]

IV. DISCUSSION OF THE METHODOLOGY

A. Non-Market Economy Country

Commerce considers China to be an NME country.[30] In accordance with section 771(18)(C)(i) of the Act, any determination that a foreign country is an NME country shall remain in effect until revoked by the administering authority. Further, as part of this investigation, Commerce has received no request to reconsider its determination that China is an NME country. Therefore, we continue to treat China as an NME country for purposes of this preliminary determination.

B. Surrogate Country

Generally, when Commerce investigates imports from an NME country, section 773(c)(1) of the Act directs it to base normal value (NV), in most circumstances, on the NME producer's factors of production (FOPs), valued in a surrogate market economy (ME) country or countries considered to be appropriate by Commerce. Specifically, section 773(c)(4) of the Act, states that Commerce shall utilize, "to the extent possible, the prices or costs of {FOP} in one or more ME countries that are: (A) at a level of economic development comparable to that of the {NME} country; and (B) significant producers of comparable merchandise."[31]

As a general rule, Commerce selects a surrogate country that are at levels of economic development comparable to that of China's, as determined by per capita levels of gross domestic product (GDP). The use of GDP instead of Gross National Income (GNI) that was used in prior years, reflects Commerce's changes in its regulatory practices as published in its *Regulations Enhancing the Administration of the Antidumping and Countervailing Duty Trade Remedy Laws* on December 16, 2024.[32] If more than one country from the surrogate country list or not on the list satisfies both statutory criteria, Commerce considers the public availability, the accessibility,

---

[29] *See* 19 CFR 351.204(b)(1).

[30] *See Antidumping Duty Investigation of Certain Aluminum Foil from the People's Republic of China: Affirmative Preliminary Determination of Sales at Less-Than-Fair Value and Postponement of Final Determination*, 82 FR 50858, 50861 (November 2, 2017), and accompanying Preliminary Decision Memorandum (PDM) (citing Memorandum, "China's Status as a Non-Market Economy," dated October 26, 2017, unchanged in *Certain Aluminum Foil from the People's Republic of China: Final Determination of Sales at Less Than Fair Value*, 83 FR 9282 (March 5, 2018)).

[31] For a description of our practice, *see* Enforcement and Compliance (E&C)'s Policy Bulletin No. 04.1, regarding "Non-Market Economy Surrogate Country Selection Process," (March 1, 2004) (Policy Bulletin 04.1), available on Commerce's website at https://access.trade.gov/Resources/policy/bull04-1.html.

[32] *See* 19 CFR 351.408(d)(3) and (4); *see also Regulations Enhancing the Administration of the Antidumping and Countervailing Duty Trade Remedy Laws*, 89 FR 101694, 101720 (December 16, 2024).

and quality of the data on the record as well as the similarity of products manufactured in the potential surrogate countries in comparison to the subject merchandise to make their determination.[33]

In this investigation, Commerce has not selected a surrogate country for purposes of calculating individual weighted-average dumping margins because the mandatory respondents have not participated in this investigation. However, because the record contains the margin alleged in the Petition, as well as additional margins calculated by the petitioner using surrogate values from other surrogate countries, we have analyzed the information on the record from these countries in accordance with the surrogate country analysis, below.

1. Economic Comparability

On February 5, 2026, consistent with our practice, and section 773(c)(4) of the Act, and as stated above, we identified Brazil, Dominican Republic, Malaysia, Mexico, Serbia, and Türkiye as countries at the same level of economic development as China based on the per capita GDP data from the World Bank's *World Bank Development Indicators*.[34] Therefore, we consider all six countries as having met this prong of the surrogate country selection criteria. The countries identified are not ranked and are all considered economically comparable.

2. Significant Producer of Comparable Merchandise

Section 773(c)(4)(B) of the Act requires Commerce, to the extent possible, to value FOPs in a surrogate country that is a significant producer of comparable merchandise. Neither the statute nor Commerce's regulations provide further guidance on what may be considered comparable merchandise. Given the absence of any definition in the statute or regulations, Commerce looks to other sources such as Policy Bulletin 04.1 for guidance on defining comparable merchandise. Policy Bulletin 04.1 states that "in all cases, if identical merchandise is produced, the country qualifies as a producer of comparable merchandise."[35] Conversely, if identical merchandise is not produced, then a country producing comparable merchandise is sufficient in selecting a surrogate country.[36] Further, when selecting a surrogate country, the statute requires Commerce to consider the comparability of the merchandise, not the comparability of the industry.[37] "In cases where the identical merchandise is not produced, Commerce must determine if other merchandise that is comparable is produced.

[33] To assess the quality of the data, the case team should, to the extent possible, use factor prices reported on a duty- and tax-exclusive basis, giving due consideration to aggregation, small-quantity, contemporaneity, and data-source concerns.
[34] *See* Request for Additional SV Information at Attachment. (Requesting updated surrogate country data from the list of countries at levels of economic development comparable to that of China's, as determined by per capita levels of GDP).
[35] *See* Policy Bulletin 04.1 at 2.
[36] *Id*. at note 6 (noting that "{i}f considering a producer of identical merchandise leads to data difficulties, the operations team may consider countries that produce a broader category of reasonably comparable merchandise.").
[37] *See Sebacic Acid from the People's Republic of China; Final Results of Antidumping Duty Administrative Review*, 62 FR 65674, 65675-76 (December 15, 1997) (explain that "to impose a requirement that merchandise must be produced by the same process and share the same end uses to be considered comparable would be contrary to the intent of the statute.").

How Commerce does this depends on the subject merchandise."[38] In this regard, Commerce recognizes that any analysis of comparable merchandise must be done on a case-by-case basis:

In other cases, however, where there are major inputs, *i.e.*, inputs that are specialized or dedicated or used intensively, in the production of the subject merchandise, *e.g.*, processed agricultural, aquatic and mineral products, comparable merchandise should be identified narrowly, on the basis of a comparison of the major inputs, including energy, where appropriate.[39]

Further, the statute grants Commerce discretion to examine various data sources for determining the best available information.[40] Moreover, while the legislative history provides that the term "significant producer" includes any country that is a significant "net exporter,"[41] it does not preclude reliance on additional or alternative metrics. It is Commerce's practice to evaluate whether production is significant based on characteristics of world production of, and trade in, comparable merchandise (subject to the availability of data on these characteristics).[42]

Based on the information placed on the record of this investigation, we determine that Malaysia and Türkiye are significant producers of comparable merchandise.[43] There is no information on the record indicating that the remaining countries are significant producers of comparable merchandise. Accordingly, we preliminarily determine that Malaysia and Türkiye meet the "significant producer" requirement of section 773(c)(4)(B) of the Act.

3. Data Availability

If more than one potential surrogate country satisfies the statutory requirements for selection as a surrogate country, Commerce selects the primary surrogate country based on data availability and reliability.[44] When evaluating surrogate value (SV) data, Commerce considers several criteria including whether the SV data are publicly available, contemporaneous with the period under consideration, broad-market averages, tax- and duty-exclusive, and specific to the inputs being valued.[45] There is no hierarchy among these criteria.[46] Commerce's preference is to satisfy the breadth of these aforementioned selection criteria.[47] Moreover, it is Commerce's practice to

[38] *See* Policy Bulletin 04.1 at 2.
[39] *Id*. at note 3.
[40] *See* section 773(c) of the Act; *see also Nation Ford Chem. Co. v. United States*, 166 F.3d 1373, 1377 (Fed. Cir. 1999).
[41] *See* Conference Report to the 1988 Omnibus Trade & Competitiveness Act, H.R. Rep. No. 100-576, 590 (1988).
[42] *See Xanthan Gum from the People's Republic of China: Preliminary Determination of Sales at Less Than Fair Value and Postponement of Final Determination*, 78 FR 2252 (January 10, 2013), and accompanying PDM at 4-7, unchanged in *Xanthan Gum from the People's Republic of China: Final Determination of Sales at Less Than Fair Value*, 78 FR 33350 (June 4, 2013).
[43] *See* Volume III of the Petition at 9 and at Exhibit III-12; *see also* Petitioner's Additional SV Information at Exhibit 11.
[44] *See* Policy Bulletin 04.1.
[45] *Id*.
[46] *See, e.g.*, *Certain Preserved Mushrooms from the People's Republic of China: Final Results and Final Partial Rescission of the Sixth Administrative Review*, 71 FR 40477 (July 17, 2006), and accompanying Issues and Decision Memorandum (IDM) at Comment 1.
[47] *Id*.

carefully consider the available evidence in light of the particular facts of each industry when undertaking its analysis of valuing the FOPs.[48] Commerce must weigh the available information with respect to each input value and make a product-specific and case-specific decision as to what constitutes the "best" available SV for each input.

We preliminarily find that the surrogate value information from Malaysia is the best information available on the record because the surrogate financial statements reflect a company which produces comparable merchandise, and the data reflect HS subheadings specific to the inputs in this investigation.[49] We preliminarily find that the surrogate values from Türkiye are not the best information available on the record because the surrogate financial statements for the Turkish company are not contemporaneous with the POI.[50] We also preliminarily find that the surrogate values on the record for Serbia are not the best information available on the record because the record does not contain financial statements from a Serbian company.

C. Separate Rates

In proceedings involving NME countries, Commerce maintains a rebuttable presumption that all companies within the country are subject to government control and, therefore, should be assessed a single weighted-average dumping margin.[51] In the *Initiation Notice*, Commerce notified parties of the application process by which exporters and producers may obtain separate rate status in this investigation.[52] This process requires exporters and producers to submit a separate rate application[53] and to demonstrate an absence of both *de jure* and *de facto* government control over their export activities. In the *Initiation Notice*, Commerce explained that exporters are required to submit a separate rate application by the deadline in order to receive consideration for separate rate status.[54] Commerce further explained that "{e}xporters and producers who submit a separate rate application and have been selected as mandatory respondents will be eligible for consideration for separate rate status only if they respond to all parts of Commerce's AD questionnaire as mandatory respondents."[55]

It is Commerce's practice to assign all exporters of merchandise under consideration that are in an NME country a single rate unless an exporter can demonstrate that it is sufficiently independent so as to be entitled to a separate rate.[56] Commerce analyzes whether each entity exporting the merchandise under consideration is sufficiently independent under a test established in *Sparklers from China*[57] and further developed in *Silicon Carbide from China*.[58]

---

[48] *Id.*
[49] *See* Petitioner's Additional SV Information at Exhibit 15-M.
[50] *See* Petition at Exhibit III-21 and III-22.
[51] *See*, *e.g.*, *Polyethylene Terephthalate Film, Sheet, and Strip from the People's Republic of China: Final Determination of Sales at Less Than Fair Value*, 73 FR 55039, 55040 (September 24, 2008).
[52] *See Initiation Notice*, 90 FR at 25217.
[53] *Id.*
[54] *Id.*, 90 FR at 25218.
[55] *Id.*, 90 FR at 25217.
[56] *See Final Determination of Sales at Less Than Fair Value: Sparklers from the People's Republic of China*, 56 FR 20588, 20589 (May 6, 1991) (*Sparklers from China*).
[57] *Id.*

According to this separate rate test, Commerce will assign a separate rate in NME proceedings if a respondent can demonstrate the absence of both *de jure* and *de facto* government control over its export activities. If Commerce determines that a company is wholly foreign owned, the separate rate analysis is not necessary to determine whether that company is independent from government control and eligible for a separate rate.

Commerce continues to evaluate its practice with regard to the separate rates analysis in light of the *Diamond Sawblades from China* proceeding and its determinations therein.[59] In particular, in litigation involving the *Diamond Sawblades from China* AD proceeding, the U.S. Court of International Trade (CIT) found Commerce's existing separate rate analysis deficient in the circumstances of that case, in which a government-owned and controlled entity had significant ownership in the respondent exporter.[60] Following the CIT's reasoning, in recent proceedings, we have concluded that where a government holds a majority ownership share, directly or indirectly, in the respondent exporter, the majority holding *per se* means that the government exercises, or has the potential to exercise, control over the company's operations generally.[61] This may include control over, for example, the selection of management, a key factor in determining whether a company has sufficient independence in its export activities to merit a separate rate. Consistent with our normal separate rate practice, any ability to control, or possess an interest in controlling, the operations of the company including the selection of board members, management, and the profit distribution of the company by a government

---

[58] *See Notice of Final Determination of Sales at Less Than Fair Value: Silicon Carbide from the People's Republic of China*, 59 FR 22585 (May 2, 1994) (*Silicon Carbide from China*).

[59] *See Final Results of Redetermination Pursuant to Remand Order for Diamond Sawblades and Parts Thereof from the People's Republic of China* (May 6, 2013) (*Diamond Sawblades from China*), in *Advanced Technology & Materials Co. v. United States*, 885 F. Supp. 2d 1343 (CIT 2012) (*Advanced Technology I*), *aff'd Advanced Technology & Materials Co. v. United States*, 938 F. Supp. 2d 1342 (CIT 2013), *aff'd* Case No. 2014-1154 (Fed. Cir. 2014) (*Advanced Technology II*). This remand redetermination is on the E&C website at http://enforcement.trade.gov/remands/12-147.pdf; *see also Diamond Sawblades and Parts Thereof from the People's Republic of China: Preliminary Results of Antidumping Duty Administrative Review; 2011-2012*, 78 FR 77098 (December 20, 2013), and accompanying PDM at 7, unchanged in *Diamond Sawblades and Parts Thereof from the People's Republic of China: Final Results of Antidumping Duty Administrative Review; 2011-2012*, 79 FR 35723 (June 24, 2014), and accompanying IDM at Comment 1.

[60] *See, e.g.*, *Advanced Technology I*, 885 F. Supp. 2d at 1349 ("The court remains concerned that Commerce has failed to consider important aspects of the problem and offered explanations that run counter to the evidence before it."); and at 1351 ("Further substantial evidence of record does not support the inference that SASAC's {state-owned assets supervision and administration commission} 'management' of its 'state-owned assets' is restricted to the kind of passive-investor de jure 'separation' that Commerce concludes.") (footnotes omitted); and at 1355 ("The point here is that 'governmental control' in the context of the separate rate test appears to be a fuzzy concept at least to this court, since a 'degree' of it can obviously be traced from the controlling shareholder, to the board, to the general manager, and so on along the chain to 'day-to-day decisions of export operations, ' including terms, financing, and inputs into finished product for export."); and at 1357 ("AT&M itself identifies its 'controlling shareholder' as CISRI {owned by SASAC} in its financial statements and the power to veto nomination does not equilibrate the power of control over nomination.") (footnotes omitted).

[61] *See Carbon and Certain Alloy Steel Wire Rod from the People's Republic of China: Preliminary Determination of Sales at Less Than Fair Value and Preliminary Affirmative Determination of Critical Circumstances, in Part*, 79 FR 53169 (September 8, 2014), and accompanying PDM at 5-9; unchanged in *Carbon and Certain Alloy Steel Wire Rod from the People's Republic of China: Final Determination of Sales at Less Than Fair Value and Final Affirmative Determination of Critical Circumstances, in Part*, 79 FR 68860 (November 19, 2014).

entity is subject to Commerce's rebuttable presumption that all companies within the NME country are subject to government control.

In the *Initiation Notice*, we stated that SRAs were due 21 days after publication of the notice.[62] On July 3, 2025, and July 7, 2025, we extended the deadline for companies to submit SRAs.[63] Brightwood, Evergreen, Hanbo, Vata, Yuantai, and Xuzhou Shelter each submitted information pertaining to its eligibility for a separate rate.[64] On September 10, 2025, we issued three supplemental questionnaires to which we received timely filed responses from Brightwood, Hanbo, and Vata.[65]

a. Absence of *De Jure* Control

Commerce considers the following *de jure* criteria in determining whether an individual company may be granted a separate rate: (1) an absence of restrictive stipulations associated with an individual exporter's business and export licenses; (2) legislative enactments decentralizing control over export activities of companies; and (3) other formal measures by the government decentralizing control over export activities of companies.[66] The evidence provided by the four companies supports a preliminary finding of an absence of *de jure* government control for each of these companies based on the following: (1) an absence of restrictive stipulations associated with the individual exporter's business and export licenses; (2) the existence of applicable legislative enactments decentralizing control over export activities of companies; and (3) the implementation of formal measures by the government decentralizing control over export activities of companies.[67]

b. Absence of *De Facto* Control

Typically, Commerce considers four factors in evaluating whether a respondent is subject to *de facto* government control of its export functions: (1) whether the prices are set by, or are subject to the approval of, a government agency; (2) whether the respondent has authority to negotiate and sign contracts and other agreements; (3) whether the respondent has autonomy from the government in making decisions regarding the selection of management; and (4) whether the respondent retains the proceeds of its export sales and makes independent decisions regarding the disposition of profits or financing of losses.[68] Commerce has determined that an analysis of

[62] *See Initiation Notice*, 90 FR at 25217.
[63] *See* Commerce's Letter, "Response to Xuzhou Shelter Import and Export Co., Ltd.'s Extension Request to file Separate Rate Application," dated July 3, 2025; *see also* Commerce's Letter, "Response to Linyi Hanbo Import Co., Ltd, and Linyi Vata Imp. & Exp. Co., Ltd's Extension Request to file Separate Rate Applications," dated July 3, 2025; and Commerce's Letter, "Response to Linyi Hanbo Import Co., Ltd, and Linyi Vata Imp. & Exp. Co., Ltd's Extension Request to file the Separate Rate Application," dated July 7, 2025.
[64] *See* Evergreen SRA; *see also* Brightwood SRA; Vata SRA; Hanbo SRA; Yuantai SRA; and Xuzhou Shelter SRA.
[65] *See* Brightwood SRA Supplemental Response; Hanbo SRA Supplemental Response; and Vata SRA Supplemental Response.
[66] *See Sparklers*, 56 FR at 20589.
[67] *See* Brightwood SRA; *see also* Vata SRA; Hanbo SRA; Yuantai SRA; Brightwood SRA Supplemental Response; Hanbo SRA Supplemental Response; and Vata SRA Supplemental Response.
[68] *See Silicon Carbide*, 59 FR at 22586-87; and *Notice of Final Determination of Sales at Less Than Fair Value: Furfuryl Alcohol from the People's Republic of China*, 60 FR at 22545 (May 8, 1995).

de facto control is critical in determining whether respondents are, in fact, subject to a degree of government control which would preclude Commerce from assigning separate rates.

The evidence provided by Brightwood, Hanbo, Vata, and Yuantai supports a preliminary finding of an absence of *de facto* government control based on record statements and supporting documentation showing that the exporters: (1) set their own prices independent of the government and without the approval of a government authority; (2) have the authority to negotiate and sign contracts and other agreements; (3) maintain autonomy from the government in making decisions regarding the selection of management; and (4) retain the proceeds of their respective export sales and makes independent decisions regarding the disposition of profits or financing of losses.[69]

Based on the foregoing, we preliminarily determine that the evidence placed on the record of this investigation by the aforementioned four companies demonstrates an absence of *de jure* and *de facto* government control under the criteria identified in *Sparklers* and *Silicon Carbide*.[70] Accordingly, Commerce preliminarily grants a separate rate to Brightwood, Hanbo, Vata, and Yuantai.

Calculation of the Separate Rate

Generally, Commerce looks to section 735(c)(5) of the Act, which provides instructions for calculating the all-others rate in a market economy investigation, for guidance when calculating the dumping margin for non-individually examined companies granted a separate rate. Under section 735(c)(5)(A) of the Act, the all-others rate is normally "equal to the weighted average of the estimated weighted-average dumping margins established for exporters and producers individually investigated, excluding any zero and *de minimis* dumping margins, and any dumping margins determined entirely {on the basis of facts available}." Accordingly, Commerce's practice is to average the weighted-average dumping margins for the individually-examined respondents, excluding rates that are zero, *de minimis*, or based entirely on facts available, when calculating the separate rate.[71]Section 735(c)(5)(B) of the Act also provides that, where all rates determined for individually examined exporters or producers are zero, *de minimis*, or based entirely on facts available, we may use "any reasonable method" for assigning the all-others rate, including "averaging the estimated weighted-average dumping margins determined for the exporters and producers individually investigated."

In this investigation, we did not calculate weighted average dumping margins for any individually examined respondents. Therefore, we have assigned the companies we have preliminarily determined are eligible for a separate rate (*i.e.*, Brightwood, Hanbo, Vata, and Yuantai) a margin of 187.27 percent, based on information submitted by the petitioner.[72]

---

[69] *See* Brightwood SRA; *see also* Vata SRA; Hanbo SRA; and Yuantai SRA.
[70] *See Sparklers*, 56 FR at 20589; *see also Silicon Carbide*, 59 FR at 22586-89.
[71] *See Ball Bearings and Parts Thereof from France, Germany, Italy, Japan, and the United Kingdom: Final Results of Antidumping Duty Administrative Reviews and Rescission of Reviews in Part*, 73 FR 52823, 52824 (September 11, 2008), and accompanying IDM at Comment 16.
[72] *See* Petitioner's Additional SV Information at Exhibit 15-M.

Companies Not Receiving a Separate Rate

1. Companies Unresponsive to Q&V Questionnaires

In the *Initiation Notice*, Commerce stated the following requirements for the separate rate eligibility:

> Commerce requires that companies from China submit a response both to the Q&V questionnaire and to the separate rate application by the respective deadlines in order to receive consideration for separate rate status. Companies not filing a timely Q&V questionnaire response will not receive separate rate consideration.[73]

Commerce issued Q&V questionnaires to the top 15 companies identified in the Petition, based on CBP data.[74] Of those 15 companies, nine companies received the Q&V package but did not respond to the questionnaire.[75] The record demonstrates that these nine companies were unresponsive to our request for information. Consequently, these nine companies, as a matter of course, are ineligible for a separate rate, and are, thus, part of the China-wide entity and subject to the China-wide rate.

2. Mandatory Respondents Ineligible for a Separate Rate

While Evergreen and Xuzhou Shelter each filed a timely Q&V response and an SRA, they did not respond to Commerce's AD NME Questionnaire as mandatory respondents. In *the Initiation Notice*, Commerce stated that "exporters and producers who submit a separate-rate application and have been selected as mandatory respondents will only be eligible for consideration for separate-rate status if they respond to all parts of Commerce's AD questionnaire as mandatory respondents."[76] Because Evergreen and Xuzhou Shelter failed to respond to the AD NME Questionnaire, they are, consequently, ineligible for a separate rate and, thus, are part of the China-wide entity and subject to the China-wide rate.

C. Combination Rates

Consistent with the *Initiation Notice*, Commerce stated that it would calculate combination rates for respondents that are eligible for a separate rate in this investigation.[77] This practice is described in Policy Bulletin 05.1.[78]

---

[73] *See Initiation Notice*, 90 FR at 25217.
[74] *See* Commerce's Letter, "Quantity and Value Questionnaire," dated June 13, 2025 (Q&V Questionnaire); *see also* Memorandum, "Release of U.S. Customs and Border Protection Entry Data," dated June 10, 2025.
[75] *See* Q&V Delivery Confirmation.
[76] *See Initiation Notice*, 90 FR at 25217.
[77] *Id*.
[78] *See* Policy Bulletin No. 05.1: 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 https://enforcement.trade.gov/policy/bull05-1.pdf.

D. The China-Wide Entity

As discussed above, the record indicates that there are Chinese exporters and/or producers of the merchandise under consideration during the POI that did not respond to Commerce's requests for information. Specifically, as noted in the "Companies Not Receiving a Separate Rate" section, above, Commerce did not receive responses to its Q&V questionnaire from certain Chinese exporters and/or producers of the merchandise under consideration that were named in the Petition and received the Q&V questionnaires that Commerce issued. Additionally, mandatory respondents Evergreen and Xuzhou Shelter did not respond to our requests for information. Because these non-responsive companies have not demonstrated that they are eligible for separate rate status, Commerce finds that they have not rebutted the presumption of government control and, therefore, considers them to be part of the China-wide entity. Furthermore, as explained below, we are preliminary determining the China-wide rate based on AFA.

E. Application of Facts Available and Adverse Inferences

Sections 776(a)(1) and 776(a)(2) of the Act provide that, if necessary information is missing from the record, or if an interested party: (A) withholds information that has been requested by Commerce, (B) fails to provide such information in a timely manner or in the form or manner requested, subject to subsections 782(c)(1) and (e) of the Act, (C) significantly impedes a proceeding under the AD statute, or (D) provides such information but the information cannot be verified, Commerce shall, subject to section 782(d) of the Act, use facts otherwise available in reaching the applicable determination. Section 776(b) of the Act provides that in selecting from among the facts otherwise available, Commerce may use an inference that is adverse to the interests of a party if that party has failed to cooperate by not acting to the best of its ability to comply with a request for information. In doing so, Commerce is not required to determine, or make any adjustments to, a weighted-average dumping margin based on any assumptions about information an interested party would have provided if the interested party had complied with the request for information.[79] In addition, the SAA explains that Commerce may employ an adverse inference "to ensure that the party does not obtain a more favorable result by failing to cooperate than if it had cooperated fully."[80]

Where Commerce determines that a response to a request for information does not comply with the request, section 782(d) of the Act provides that Commerce will so inform the party submitting the response and will, to the extent practicable, provide that party with an opportunity to remedy or explain the deficiency. If the party fails to remedy or satisfactorily explain the deficiency within the applicable time limits, subject to section 782(e) of the Act, Commerce may disregard all or part of the original and subsequent responses from that party, as appropriate.

---

[79] *See* section 776(b)(1)(B) of the Act*; see also Notice of Final Results of Antidumping Duty Administrative Review: Stainless Steel Bar from India*, 70 FR 54023, 54025-26 (September 13, 2005); and *Notice of Final Determination of Sales at Less Than Fair Value and Final Negative Critical Circumstances: Carbon and Certain Alloy Steel Wire Rod from Brazil*, 67 FR 55792, 55794-96 (August 30, 2002).

[80] *See* Statement of Administrative Action Accompanying the Uruguay Round Agreements Act, H.R. Doc. 103-316, Vol. 1. (1994) (SAA), at 870.

Section 776(b) of the Act provides that Commerce may use an adverse inference in applying the facts otherwise available when a party fails to cooperate by not acting to the best of its ability to comply with a request for information. In doing so, Commerce is not required to determine, or make any adjustments to, a weighted-average dumping margin based on any assumptions about information an interested party would have provided if the interested party had complied with the request for information. Further, section 776(b)(2) of the Act states that an adverse inference may include reliance on information derived from the Petition, the final determination from the LTFV investigation, a previous administrative review, or other information placed on the record.

Use of Facts Available with Respect to the China-Wide Entity

Commerce preliminarily finds that the China-wide entity, which includes Chinese exporters and/or producers that did not respond to our Q&V Questionnaire, withheld information requested and significantly impeded this proceeding by not submitting the requested information. Thus, necessary information is not on the record, and the China-wide entity has withheld requested information, failed to provide such information, and significantly impeded the proceeding. Therefore, we preliminarily determine that the use of facts available is warranted in determining the rate of the China-wide entity, pursuant to sections 776(a)(1) and (2)(A)-(C) of the Act.[81]

Use of Facts Available with Respect to the China-Wide Entity

Commerce preliminarily finds that the China-wide entity, which includes Chinese exporters and/or producers that did not respond to our Q&V Questionnaire or Initial Questionnaire, withheld information requested and significantly impeded this proceeding by not submitting the requested information. Thus, necessary information is not on the record, and the China-wide entity has withheld requested information, failed to provide such information, and significantly impeded the proceeding. Therefore, we preliminarily determine that the use of facts available is warranted in determining the rate of the China-wide entity, pursuant to sections 776(a)(1) and (2)(A)-(C) of the Act.[82]

Application of Facts Available with an Adverse Inference

Section 776(b) of the Act provides that in selecting from among the facts otherwise available, Commerce may use an inference that is adverse to the interests of a party if that party has failed to cooperate by not acting to the best of its ability to comply with a request for information. In doing so, Commerce is not required to determine, or make any adjustments to, a weighted-

[81] *See, e.g.*, *Notice of Preliminary Determination of Sales at Less Than Fair Value, Affirmative Preliminary Determination of Critical Circumstances and Postponement of Final Determination: Certain Frozen Fish Fillets from the Socialist Republic of Vietnam*, 68 FR 4986, 4991 (January 31, 2003), unchanged in *Notice of Final Determination of Sales at Less Than Fair Value and Affirmative Critical Circumstances: Certain Frozen Fish Fillets from the Socialist Republic of Vietnam*, 68 FR 37116 (June 23, 2003).

[82] *See, e.g.*, *Notice of Preliminary Determination of Sales at Less Than Fair Value, Affirmative Preliminary Determination of Critical Circumstances and Postponement of Final Determination: Certain Frozen Fish Fillets from the Socialist Republic of Vietnam*, 68 FR 4986, 4991 (January 31, 2003), unchanged in *Notice of Final Determination of Sales at Less Than Fair Value and Affirmative Critical Circumstances: Certain Frozen Fish Fillets from the Socialist Republic of Vietnam*, 68 FR 37116 (June 23, 2003).

average dumping margin based on any assumptions about information an interested party would have provided if the interested party had complied with the request for information.[83] In addition, the SAA explains that Commerce may employ an adverse inference "to ensure that the party does not obtain a more favorable result by failing to cooperate than if it had cooperated fully."[84]

Commerce finds that the China-wide entity failed to cooperate to the best of its ability because, with respect to the missing information, no documents were filed indicating any difficulty providing the information, nor was there a request to allow the information to be submitted in an alternate form. Therefore, we preliminarily find that an adverse inference is warranted in selecting from among the facts otherwise available with respect to the China-wide entity, in accordance with section 776(b) of the Act and 19 CFR 351.308(a).[85]

Selection and Corroboration of the AFA Rate

When using facts otherwise available, section 776(c) of the Act provides that, where Commerce relies on secondary information obtained in the course of an investigation, it must corroborate, to the extent practicable, information from independent sources that are reasonably at its disposal. Secondary information is defined as information derived from the petition that gave rise to the investigation or review, the final determination concerning the subject merchandise, or any previous review under section 751 of the Act concerning the subject merchandise.[86] The SAA clarifies that "corroborate" means that Commerce will satisfy itself that the secondary information to be used has probative value,[87] although Commerce is not required to corroborate any dumping margin applied in a separate segment of the same proceeding.[88] To corroborate secondary information, Commerce will, to the extent practicable, examine the reliability and relevance of the information to be used, although Commerce is not required to estimate what the dumping margin would have been if the interested party failing to cooperate had cooperated or to demonstrate that the dumping margin reflects an "alleged commercial reality" of the interested party.[89] Finally, under section 776(d) of the Act, Commerce may use any dumping margin from

[83] *See* section 776(b)(1)(B) of the Act; *see also Notice of Final Results of Antidumping Duty Administrative Review: Stainless Steel Bar from India,* 70 FR 54023, 54025-26 (September 13, 2005); and *Notice of Final Determination of Sales at Less Than Fair Value and Final Negative Critical Circumstances: Carbon and Certain Alloy Steel Wire Rod from Brazil*, 67 FR 55792, 55794-96 (August 30, 2002).
[84] *See* Statement of Administrative Action Accompanying the Uruguay Round Agreements Act, H.R. Doc. 103-316, Vol. 1. (1994) (SAA), at 870.
[85] *See Nippon Steel Corp. v. United States*, 337 F.3d 1373, 1382-83 (Fed. Cir. 2003).
[86] *See* SAA at 870.
[87] *Id.*; *see also* 19 CFR 351.308(d).
[88] *See* section 776(c)(2) of the Act.
[89] *See, e.g.*, *Tapered Roller Bearing and Parts Thereof, Finished and Unfinished, from Japan, and Tapered Roller Bearings, Four Inches or Less in Outside Diameter, and Components Thereof from Japan; Preliminary Results of Antidumping Duty Administrative Reviews and Partial Termination of Administrative Reviews*, 61 FR 57391, 57392 (November 6, 1996), unchanged in *Tapered Roller Bearings and Parts Thereof, Finished and Unfinished, from Japan, and Tapered Roller Bearings, Four Inches or Less in Outside Diameter, and Components Thereof, from Japan; Final Results of Antidumping Duty Administrative Revies and Termination in Part*, 62 FR 11825 (March 13, 1997).

Filed By: ghazal yazdani, Filed Date: 2/25/26 12:11 PM, Submission Status: Approved

any segment of a proceeding under an AD order when applying an adverse inference, including the highest such margins.[90]

In applying an adverse inference, Commerce may rely on information derived from the petition, the final determination in the investigation, any previous review, or any other information placed on the record.[91] In selecting an AFA rate, Commerce selects a rate that is sufficiently adverse to ensure that the uncooperative party does not obtain a more favorable result by failing to cooperate than if it had fully cooperated.[92] In an investigation, Commerce's practice with respect to the assignment of an AFA rate is to select the higher of: (1) the highest dumping margin alleged in the petition; or (2) the highest calculated dumping margin of any respondent in the investigation.[93] However, Commerce has used other rates, such as the highest individual margin of a cooperative respondent, as the basis for the AFA rate where it has determined that the use of the higher of the highest dumping margin alleged in the petition or the highest rate calculated for a respondent in the investigation would not be fair to the cooperative respondent and where the use of an alternative rate strikes an appropriate balance between the goal of inducing future cooperation by the uncooperative respondent and the rate not being punitive.[94]

In this investigation, with respect to the AFA rate applied to the China-wide entity, Commerce has preliminarily assigned a rate of 187.27 percent, which is the margin calculated using the SV of birch logs imported into Malaysia, based on information provided by the petitioner, including the U.S. price in the petition and Malaysian surrogate values placed on the record.[95]

We preliminarily determine that this margin is reliable where, to the extent appropriate information was available, we reviewed the adequacy and accuracy of the information in the Petition during our pre-initiation analysis, and the information in the petitioner's submission during this investigation.[96] To corroborate, to the extent practicable, the 187.27 percent rate for purposes of this preliminary determination, Commerce revisited its pre-initiation analysis of the reliability of the U.S. price information in the Petition, and examined: (1) the information used as the basis for EP and NV in the information on the record; (2) the calculations used to derive the alleged margins; and (3) information from various independent sources provided either in the Petition or in additional submissions by the petitioner.[97]

---

[90] *See* sections 776(d)(1)-(2) of the Act.
[91] *See* section 776(b) of the Act.
[92] *See* SAA at 870.
[93] *See, e.g.*, *Certain Uncoated Paper from Indonesia: Final Determination of Sales at Less Than Fair Value*, 81 FR 3101 (January 20, 2016), and accompanying IDM at 7.
[94] *See Biodiesel from Indonesia: Final Determination of Sales at Less Than Fair Value*, 83 FR 8835 (March 1, 2018), and accompanying IDM at Comment 9; *see also Nan Ya Plastics Corp. v. United States*, 810 F.3d 1333, 1345-46 (Fed. Cir. 2016); *Certain Non-Refillable Steel Cylinders 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*, 85 FR 68852 (October 30, 2020), and accompanying PDM at 18-19, unchanged in *Non-Refillable Steel Cylinders from the People's Republic of China: Final Affirmative Determination of Sales at Less Than Fair Value*, 86 FR 15188 (March 22, 2021), and accompanying IDM at the section titled, "V. China-Wide Rate."
[95] *See* Petitioner's Additional SV Information; *see also* Petition at Exhibit III-4.
[96] *See* Petitioner's Additional SV Information at Exhibit 15-M; *see also* Petition at Exhibits III-4 and III-23.
[97] *See* Petitioner's Additional SV Information.

Based on our examination of the information, we consider the petitioners' EP and NV calculations to be reliable.[98] In addition, we obtained no other information that would make us question the validity of the sources of information or the validity of information supporting the U.S. price or NV calculations provided by the petitioner.[99] Because we confirmed the accuracy and validity of the information underlying the derivation of the margin the petitioner provided by examining source documents, as well as publicly available information, we preliminarily determine that this rate is reliable for the purposes of an AFA rate in this investigation.[100]

In making a determination as to the relevance aspect of corroboration, Commerce will consider information reasonably at its disposal as to whether there are circumstances that would render a margin not relevant. The calculated margin petitioner submitted is relevant because it is based on a price obtained by the petitioner for the merchandise under consideration and surrogate values that are comparable to the input used to produce subject merchandise.[101] As such, we find the 187.27 percent margin, the relevant.

Accordingly, Commerce has corroborated the AFA rate of 187.27 percent to the extent practicable within the meaning of section 776(c) of the Act.

V. PRELIMINARY AFFIRMATIVE DETERMINATION OF CRITICAL CIRCUMSTANCES

As stated above, the petitioner submitted information alleging that, pursuant to section 733(e)(1) of the Act and 19 CFR 351.206(c)(1), critical circumstances exist with respect to imports of plywood from China.[102]

A. Legal Framework

In accordance with 19 CFR 351.206(c)(2)(i), when a critical circumstances allegation is submitted more than 20 days before the scheduled date of the preliminary determination, Commerce must issue a preliminary finding of whether there is a reasonable basis to believe or suspect that critical circumstances exist by no later than the date of the preliminary determination.

Section 733(e)(1) of the Act provides that Commerce, upon receipt of a timely-filed allegation of critical circumstances, will determine whether there is a reasonable basis to believe or suspect that: (A)(i) there is a history of dumping and material injury by reason of dumped imports in the United States or elsewhere of the subject merchandise, or (ii) the person by whom, or for whose account, the merchandise was imported knew or should have known that the exporter was selling

[98] *Id.*
[99] *Id*.
[100] *Id.*
[101] *See* Volume II of the Petitions at 1, 4, and Exhibits AD-CH-1 and AD-CH-3; *see also* Volume II Supplemental Response at 3-4 and Exhibit AD-CN-S3.
[102] *See* Critical Circumstances Allegation.

the subject merchandise at LTFV and that there was likely to be material injury by reason of such sales; and (B) there have been massive imports of the subject merchandise over a relatively short period.

Furthermore, 19 CFR 351.206(h)(1) provides that, in determining whether imports of the subject merchandise have been "massive," Commerce normally will examine: (i) the volume and value of imports; (ii) seasonal trends; and (iii) the share of domestic consumption accounted for by the imports. In addition, 19 CFR 351.206(h)(2) provides that, "{i}n general, unless the imports during the 'relatively short period'… have increased by at least 15 percent over imports during an immediately preceding period of comparable duration, {Commerce} will not consider the imports massive." Section 351.206(h)(2) of Commerce's regulations provides that, generally, imports must increase by at least 15 percent during the "relatively short period" to be considered "massive," and 19 CFR 351.206(i) defines a "relatively short period" as normally being the beginning period on the date the proceeding begins (*i.e.*, the date the petition is filed) and ending at least three months later.[103] However, Commerce's regulations also provide that, if Commerce finds that importers, or exporters or producers, had reason to believe, at some time prior to the beginning of the proceeding, that a proceeding was likely, it may consider a period of not less than three months from that earlier time.[104]

B. Critical Circumstances Allegation

In its allegation, the petitioner contends, based on the dumping margin alleged in the Petition (*i.e.*, 540.07 percent), importers of plywood from China knew, or should have known, that the subject merchandise was being sold at LTFV.[105] The petitioner also contends that, based on the ITC's preliminary determination of injury, there is a reasonable basis to impute importers' knowledge that there was likely to be material injury by reason of such sales.[106] Finally, the petitioner alleges that there was a massive increase of imports of plywood from China and provided monthly export data for the period February through September 2025.[107] The petitioner states that a comparison of the periods February through May 2025, and June through September 2025 is evidence of massive imports of plywood from China during a relatively short period, consistent with 19 CFR 351.206(h)(2).[108]

C. Critical Circumstances Analysis

Commerce's normal practice in determining whether critical circumstances exist pursuant to the statutory criteria under section 733(e) of the Act has been to examine evidence available to Commerce, such as: (1) the evidence presented in the petitioner's critical circumstances

[103] *See* 19 CFR 351.206(h)(2) and (i).
[104] *See* 19 CFR 351.206(i).
[105] *See* Critical Circumstances Allegation at 4-5.
[106] *Id.* at 5-6.
[107] *Id.* at 9-11 and Exhibit 1. The petitioner stated in its allegation that it submitted export data because the data was more recent as compared to import statistics available at the time the allegation was submitted.
[108] *Id.*

allegation; (2) import statistics released by the ITC; and (3) shipment information submitted to Commerce by the respondent(s) selected for individual examination.[109]

1. History of Dumping and Material Injury

To determine whether there is a history of dumping pursuant to section 733(e)(1)(A)(i) of the Act, Commerce generally considers current or previous AD orders on subject merchandise from the country in question in the United States and current AD orders imposed by other countries with regard to imports of the same merchandise.[110] There is an existing order on certain hardwood plywood products from China.[111] Therefore, Commerce finds a history of injurious dumping of the subject merchandise pursuant to section 733(e)(1)(A)(i) of the Act.

2. Knowledge of Sales Below Fair Value and Material Injury

In determining whether importers knew or should have known that exporters were selling the subject merchandise at LTFV and that there was likely to be material injury by reason of such sales pursuant to section 733(e)(1)(A)(ii) of the Act, Commerce must rely on the facts before it at the time the determination is made. Commerce generally bases its decision with respect to knowledge on the margin calculations in the preliminary determination and the ITC's preliminary injury determination.[112]

Commerce normally considers margins of 25 percent or more for EP sales and 15 percent or more for CEP sales sufficient to impute importer knowledge of sales at LTFV.[113] In this

[109] *See*, *e.g.*, *Certain Carbon and Alloy Steel Wire Rod from the Russian Federation and the United Arab Emirates: Affirmative Preliminary Determinations of Sales at Less Than Fair Value, and Affirmative Preliminary Determination of Critical Circumstances for Imports of Certain Carbon and Alloy Steel Wire Rod from the Russian Federation*, 82 FR 42794 (September 12, 2017), and accompanying PDM at 11, unchanged in *Certain Carbon and Alloy Steel Wire Rod from Belarus, the Russian Federation, and the United Arab Emirates: Affirmative Final Determinations of Sales at Less Than Fair Value, and Partial Affirmative Finding of Critical Circumstances*, 82 FR 56214 (November 28, 2017)

[110] *See*, *e.g.*, *Certain Oil Country Tubular Goods from the People's Republic of China: Notice of Preliminary Determination of Sales at Less Than Fair Value, Affirmative Preliminary Determination of Critical Circumstances and Postponement of Final Determination*, 74 FR 59117, 59120 (November 17, 2009), unchanged in *Certain Oil Country Tubular Goods from the People's Republic of China: Final Determination of Sales at Less Than Fair Value, Affirmative Final Determination of Critical Circumstances and Final Determination of Targeted Dumping*, 75 FR 20335 (April 19, 2010).

[111] *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).

[112] *See*, *e.g.*, *Oil Country Tubular Goods from Mexico: Preliminary Affirmative Determinations of Sales at Less Than Fair Value and Critical Circumstances, Postponement of Final Determination, and Extension of Provisional Measures*, 87 FR 28808 (May 11, 2022), and accompanying PDM at 15, unchanged in *Oil Country Tubular Goods from Mexico: Final Affirmative Determinations of Sales at Less Than Fair Value and Critical Circumstances*, 87 FR 59041 (September 29, 2022).

[113] *See*, *e.g.*, *Carbon and Alloy Steel Wire Rod from Germany, Mexico, Moldova, Trinidad and Tobago, and Ukraine: Preliminary Determination of Critical Circumstances*, 67 FR 6224, 6225 (February 11, 2002), unchanged in *Notice of Final Determination of Sales at Less Than Fair Value: Carbon and Certain Alloy Steel Wire Rod from Moldova*, 67 FR 55790 (August 30, 2002); and *Affirmative Preliminary Determination of Critical Circumstances: Magnesium Metal from the People's Republic of China*, 70 FR 5606 (February 3, 2005), unchanged in *Final*

investigation, we have preliminarily determined to apply dumping margins of 259.99 percent for the China-wide entity, and 187.27 percent for the companies eligible for a separate rate. Because the preliminary margins exceed the threshold sufficient to impute knowledge of dumping for exports, we preliminary find that there is a reasonable basis to believe or suspect that importers knew or should have known that exporters in China were selling subject merchandise at LTFV as required under section 733(e)(1)(A)(ii) of the Act.

To determine whether importers knew or should have known that there was likely to be material injury caused by reason of such imports pursuant to section 733(e)(1)(A)(ii) of the Act, Commerce normally will look to the preliminary injury determination of the ITC.[114] If the ITC finds a reasonable indication of material injury (rather than the threat of injury) to the relevant U.S. industry, Commerce will normally determine that a reasonable basis exists to impute to importers sufficient knowledge of injury by such imports. In its injury investigation of plywood from China, the ITC found that there is a "reasonable indication" of material injury to the domestic industry because of the imported subject merchandise.[115] Therefore, the ITC's preliminary injury determination in this investigation is sufficient to impute knowledge of the likelihood of material injury to importers. Thus, we preliminarily determine that importers knew, or should have known, that there was likely to be material injury caused by reason of such imports, pursuant to section 773(e)(1)(A)(ii) of the Act.

3. Massive Imports

In determining whether imports of subject merchandise from China were "massive" over a relatively short period, pursuant to section 733(e)(1)(B) of the Act and 19 CFR 351.206(h), Commerce normally compares the import volumes of the subject merchandise for at least three months immediately preceding the filing of the petition (*i.e.*, the base period) to a comparable period of at least three months following the filing of the petition (*i.e.*, the comparison period). Imports will normally be considered massive when the imports during the comparison period have increased by 15 percent or more compared to imports during the base period.[116]

China-Wide Entity

Because of these companies' non-cooperation in this investigation, we do not have information regarding their import volumes. As discussed above, we preliminarily determine that that the China-wide entity withheld necessary information by not responding to our requests for information and withdrawing participation from this investigation. Therefore, we preliminarily determine that the application of facts otherwise available is necessary, pursuant to sections 776(a)(1) and (a)(2)(A)-(C) of the Act. We also preliminarily determine that the China-wide

---

Determination of Sales at Less Than Fair Value and Affirmative Critical Circumstances: Magnesium Metal from the People's Republic of China, 70 FR 9037 (February 24, 2005).

[114] *See*, *e.g.*, *Certain Potassium Phosphate Salts from the People's Republic of China: Preliminary Affirmative Determination of Critical Circumstances in the Antidumping Duty Investigation*, 75 FR 24572, 24573 (May 5, 2010), unchanged in *Certain Potassium Phosphate Salts from the People's Republic of China: Final Determination of Sales at Less Than Fair Value and Termination of Critical Circumstances Inquiry*, 75 FR 30377 (June 1, 2010).

[115] *See ITC Preliminary Determination*.

[116] *See* 19 CFR 351.206(h).

entity failed to cooperate by not acting to the best of its availability and that adverse inferences are warranted, pursuant to section 776 (b) of the Act. Consequently, we have made a preliminary determination of critical circumstances on the basis of facts otherwise available the China-wide entity.

Specifically, we have relied on AFA to preliminarily determine that the China-wide entity had massive imports of subject merchandise over a relatively short period, satisfying the criterion under section 733(e)(l)(B) of the Act and 19 CFR 351.206(h). Thus, we preliminarily determine that critical circumstances exist with respect to the China-wide entity, pursuant to section 733(e)(1)(B) of the Act and 19 CFR 351.206(c)(2)(i).

Companies Eligible for a Separate Rate

To determine whether imports are massive within the meaning of 19 CFR 351.206(h) for the companies eligible for a separate rate, Commerce's normal practice is to subtract shipments reported by the cooperating mandatory respondents from the overall shipment data of subject merchandise.[117] However, as stated above, there are no cooperative mandatory respondents in this investigation. In its allegation, the petitioner provided Global Trade Atlas export data for two HTSUS subheadings included in the scope of investigation for two fourth-month periods (*i.e.*, February through May 2025 and June through September 2025).[118] Based on our analysis of the petitioner's data, we preliminarily determine that imports from the non-selected separate rate companies increased by more than 15 percent between the base and comparison periods. Therefore, we preliminarily determine that the requirements of section 703(e)(1)(B) of the Act have been satisfied and that critical circumstances exist with respect to the non-selected separate rate companies.

VI. ADJUSTMENT TO CASH DEPOSIT RATES FOR EXPORT SUBSIDIES IN THE COMPANION COUNTERVAILING DUTY INVESTIGATION

In a LTFV investigation where there is a concurrent CVD investigation, it is Commerce's normal practice to calculate the cash deposit rate for each respondent by adjusting the respondent's estimated weighted-average dumping margin to account for export subsidies found for each respective respondent in the concurrent CVD investigation. Doing so is in accordance with section 772(c)(1)(C) of the Act, which states that U.S. price "shall be increased by the amount of any countervailing duty imposed on the subject merchandise {…} to offset an export subsidy."[119]

Commerce determined in the preliminary determination of the companion CVD investigation[120] that all companies subject to the investigation benefitted from a subsidy program contingent on

[117] *See* 19 CFR 351.206(h)(2).
[118] *See* Critical Circumstances Allegation at Exhibit 1.
[119] *See*, *e.g.*, *Carbazole Violet Pigment 23 from India: Final Results of Antidumping Duty Administrative Review*, 75 FR 38076, 38077 (July 1, 2010), and accompanying IDM at Comment 1.
[120] *See Hardwood and Decorative Plywood from the People's Republic of China: Preliminary Affirmative Countervailing Duty Determination, Preliminary Affirmative Critical Circumstances Determination, and Alignment*

export totaling 1.31 percent.[121] With respect to Vata, Brightwood, Vata, and Yuantai, the companies eligible for a separate rate, we find that the export subsidy adjustment of 1.31 percent is warranted because this is the export subsidy rate included in the CVD all-others rate, to which these companies are subject in the companion CVD proceeding. For the China-wide entity, Commerce has adjusted the China-wide entity's AD cash deposit rate by the only export subsidy rate determined for any party in the companion CVD proceeding, which is 1.31 percent.[122]

VII. RECOMMENDATION

We recommend applying the above methodology for this preliminary determination. If this recommendation is accepted, we will publish the preliminary determination in the *Federal Register* and notify the ITC.

☒	☐
Agree	Disagree

X 

Signed by: SCOT FULLERTON
Scot Fullerton
Acting Deputy Assistant Secretary
for Antidumping and Countervailing Duty Operations

of Final Determination with Final Antidumping Duty Determination, 91 FR 2727 (January 22, 2026), and accompanying PDM at 16 and 20.

[121] *Id*.

[122] *Id.*; *see also*, *e.g.*, *1-Hydroxyethylidene-1, 1-Diphosphonic Acid From the People's Republic of China: Affirmative Preliminary Determination of Sales at Less Than Fair Value, and Postponement of Final Determination*, 81 FR 76916 (November 4, 2016) and accompanying PDM at 29, unchanged in *1-Hydroxyethylidene-1, 1-Diphosphonic Acid from the People's Republic of China: Final Determination of Sales at Less Than Fair Value*, 82 FR 14876 (March 23, 2017).