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December 29, 2025

MEMORANDUM TO: Christopher Abbott
Deputy Assistant Secretary
for Policy and Negotiations,
performing the non-exclusive functions and duties
of the Assistant Secretary for Enforcement and Compliance

FROM: Alex Villanueva
Acting Deputy Assistant Secretary
for Antidumping and Countervailing Duty Operations

SUBJECT: Decision Memorandum for the Preliminary Affirmative Determination in the Countervailing Duty Investigation of Hardwood and Decorative Plywood from the People's Republic of China

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I. SUMMARY

The U.S. Department of Commerce (Commerce) preliminarily determines that countervailable subsidies are being provided to producers and exporters of hardwood and decorative plywood (plywood) from the People's Republic of China (China), pursuant to section 703 of the Tariff Act of 1930, as amended (the Act).

II. BACKGROUND

A. Initiation and Case History

On May 22, 2025, Commerce received a countervailing duty (CVD) petition concerning imports of plywood from China, filed on behalf of the Coalition for Fair Trade in Hardwood Plywood (the petitioner).[1] On June 11, 2025, Commerce initiated a CVD investigation on plywood from China.[2] In the *Initiation Notice*, Commerce notified parties of an opportunity to comment on the scope of the investigation.[3] We received numerous scope comments and rebuttal scope

[1] Members of the coalition are U.S. manufacturers: Columbia Forest Products, Commonwealth Plywood Inc., Manthei Wood Products, States Industries Inc., and Timber Products Company. *See* Petitioner's Letter, "Petitions for the Imposition of Antidumping and Countervailing Duties," dated May 22, 2025 (Petition), at Volumes I and III.
[2] *See Hardwood and Decorative Plywood from the People's Republic of China, Indonesia, the Socialist Republic of Vietnam: Initiation of Countervailing Duty Investigations*, 90 FR 25225 (June 16, 2025) (*Initiation Notice*); and Checklist, "Hardwood and Decorative Plywood from the People's Republic of China," dated June 11, 2025 (Initiation Checklist).
[3] *See Initiation Notice*, 90 FR at 25225-26.

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comments. We intend to issue our preliminary decision regarding the scope of the less-than-fair-value (LTFV) and CVD investigations on or before the preliminary determination of the companion LTFV investigation.[4] We will incorporate the scope decision from the LTFV investigations into the scope of the final CVD determination for this investigation. For a full description of the scope of this investigation, *see* the *Federal Register* notice accompanying this memorandum at Appendix I.

B. Respondent Selection

In the "Respondent Selection" section of the *Initiation Notice*, Commerce stated that it intended to select respondents based on responses to quantity and value (Q&V) questionnaires.[5] On June 10, 2025, we placed on the record U.S. Customs and Border Protection (CBP) entry data for entries under the Harmonized Tariff Schedule of the United States (HTSUS) subheadings listed in the scope of the investigation during the period of investigation (POI), January 1, 2024, through December 31, 2024, and requested comments.[6] On June 17, 2025, we received timely-filed comments on the CBP data from the petitioner requesting that Commerce issue quantity and value (Q&V) questionnaires to companies listed in the Petition and use the responses to those questionnaires to select mandatory respondents in this investigation.[7] No other party commented or made requests for voluntary treatment.

On June 12, 2025, Commerce issued Q&V questionnaires to the 15 exporters or producers of the merchandise under consideration identified in the Petition for which we had complete address information that accounted for the largest volume of entries in the CBP data.[8] Additionally, we posted the Q&V questionnaire, along with filing instructions on Enforcement and Compliance's website and invited exporters or producers who did not receive a Q&V questionnaire to file a response by the applicable deadline.[9] On July 3, 2025, we confirmed delivery of the Q&V questionnaire to nine of the eleven exporters or producers to which we issued the questionnaire via Federal Express.[10] Of these nine companies and the four companies to which we issued the questionnaire via Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS), we received timely-filed Q&V questionnaire responses from four exporters and producers: Linyi Hanbo Import & Export Co., Ltd (Linyi Hanbo); Linyi Vata Imp. & Exp. Co., Ltd. (Linyi Vata); Linyi Evergreen Wood Co., Ltd. (Linyi

[4] *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).
[5] *See Initiation Notice,* 90 FR at 25227-28.
[6] *See* Memorandum, "Release of U.S. Customs and Border Protection Entry Data," dated June 10, 2025.
[7] *See* Petitioner's Letter, "Petitioner's Comments on CBP Entry Data and Q&V Questionnaires," dated June 17, 2025.
[8] *See* Commerce's Letter, "Request for Information," dated June 12, 2025; *see also* Memorandum, "Respondent Selection," dated January 8, 2025 (Respondent Selection Memorandum), at 2, for more details on the companies to which we issued the Q&V Questionnaire.
[9] *See Initiation Notice*, 90 FR at 25228; *see also* https://trade.gov/enforcement/news.asp.
[10] *See* Memorandum, "Quantity and Value Delivery Confirmation," dated July 3, 2025 (Q&V Delivery Memorandum).

Evergreen); and Lianyungang Yuantai International Trade Co., Ltd. (Lianyungang Yuantai).[11] We also received a fifth timely-filed Q&V questionnaire response from one company to which we did not issue the questionnaire, Xuzhou Shelter Import and Export Co., Ltd (Xuzhou Shelter).[12]

Of the companies that received the Q&V questionnaire, we did not receive a Q&V questionnaire response from: (1) Bergey (Tianjin) International; (2) Larkcop International Co., Ltd.; (3) Linyi Dongstar Import & Export Co., Ltd.; (4) Linyi Jiahe Wood Industry Co. Ltd.; (5) Linyi Ocean International Trading Co.; (6) Xuzhou Edlon Wood Products Co., Ltd.; (7) Xuzhou New Defu Wood International; (8) Xuzhou Tianshan Wood Co., Ltd; and (9) Yishui Win-Win Wood Co., Ltd. (collectively, the non-responsive companies). Because we were unable to deliver the Q&V questionnaire via FedEx to Dongguan Baijing Trading Co., Ltd. and Xiamen Magotan International Co., Ltd., we are not considering these companies as non-responsive companies.[13] As a result, we preliminarily assign these two companies the all-others rate.

On July 11, 2025, Commerce selected Linyi Evergreen and Xuzhou Shelter as the mandatory respondents.[14]

C. Questionnaires and Responses

On July 15, 2025, Commerce issued the Initial Questionnaire to the Government of China (GOC) and instructed the GOC to forward the questionnaire to Linyi Evergreen and Xuzhou Shelter.[15] On July 29, 2025, Linyi Evergreen and Xuzhou Shelter informed Commerce that they would not participate in this CVD investigation.[16] On September 2, 2025, the GOC submitted a letter in lieu of a response to Section II of the Initial Questionnaire.[17] On September 11, 2025, Commerce issued a supplemental questionnaire to the GOC.[18] The GOC did not respond to Commerce's supplemental questionnaire. On November 12, 2025, the petitioner submitted pre-preliminary comments.[19] In their pre-preliminary comments, the petitioner argues that Commerce should apply total adverse facts available (AFA) to both mandatory respondents for their lack of participation in this investigation. For further discussion of this issue, *see* section "Use of Facts Available and Adverse Inferences," *infra*.

[11] *See* Inter-Global Trade Law Group PLLC's Letter, "Quantity and Value Questionnaire Responses," dated June 27, 2025; *see also* Inter-Global Trade Group PLLC's Letter, "Quantity and Value Questionnaire Responses," dated June 30, 2025.
[12] *See* Xuzhou Shelter's Letter, "Quantity and Value Questionnaire Response," dated June 25, 2025.
[13] *See* Q&V Delivery Memorandum.
[14] *See* Respondent Selection Memorandum.
[15] *See* Commerce's Letter, "Countervailing Duty Questionnaire," dated July 15, 2025 (Initial Questionnaire).
[16] *See* Linyi Evergreen's Letter, "Notice of Intent Not to Participate," dated July 29, 2025; and Xuzhou Shelter's Letter, "Withdrawal from Mandatory Respondent Participation," dated July 29, 2025.
[17] *See* GOC's Letter, "Letter in Lieu of Response to Section II of the Initial Questionnaire," dated September 2, 2025 (GOC Section II Response).
[18] *See* Commerce's Letter, "Supplemental Questionnaire," dated September 11, 2025 (Supplemental Questionnaire).
[19] *See* Petitioner's Letter, "Comments in Advance of Preliminary Determination," dated November 12, 2025.

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D. Postponement of Preliminary Determination

On July 22, 2025, based on a request from the petitioner, Commerce postponed the deadline for the preliminary determination until October 20, 2025, in accordance with section 703(c)(1)(A) of the Act.[20] On November 14, 2025, due to the lapse in appropriations and Federal Government shutdown, Commerce tolled all deadlines in administrative proceeding by 47 days.[21] 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.[22] Accordingly, the deadline for this preliminary determination is now December 29, 2025.[23]

E. Period of Investigation (POI)

The POI is January 1, 2024, through December 31, 2024.

F. Allegation of Critical Circumstances

On November 13, 2025, the petitioner filed an allegation of critical circumstances in this investigation.[24] For further discussion, *see* the "Critical Circumstances" section, *infra*.

G. Alignment

On December 5, 2025, the petitioner requested that Commerce align the date of the final CVD determination with that of the final determination in the companion LTFV determination.[25] Therefore, in accordance with section 705(a)(1) of the Act and 19 CFR 351.210(b)(4), and based on the petitioner's request, Commerce is aligning the final CVD determination in this investigation with the final determination in the concurrent LTFV investigation of plywood from China. Consequently, the final CVD determination will be issued on the same date as the final LTFV determination, which is currently scheduled to be issued no later than May 11, 2026, unless postponed.

III. INJURY TEST

Because China is a "Subsidies Agreement Country" within the meaning of section 701(b) of the Act, the U.S. International Trade Commission (ITC) is required to determine whether imports of the subject merchandise from China materially injure, or threaten material injury to, a U.S.

[20] *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 Countervailing Duty Investigations*, 90 FR 34415 (July 22, 2025).
[21] *See* Memorandum, "Deadlines Affected by the Shutdown of the Federal Government," dated November 14, 2025.
[22] *See* Memorandum, "Tolling of all Case Deadlines," dated November 24, 2025.
[23] Because December 26, 2025, is a federal holiday, the deadline becomes the next business day. *See Notice of Clarification: Application of "Next Business Day" Rule for Administrative Determination Deadlines Pursuant to the Tariff Act of 1930, As Amended*, 70 FR 24533 (May 10, 2005).
[24] *See* Petitioner's Letter, "Critical Circumstances Allegations," dated November 13, 2025 (Critical Circumstances Allegation).
[25] *See* Petitioner's Letter, "Request to Align Countervailing Duty Investigation Final Determinations with Antidumping Duty Investigation Final Determinations," dated December 5, 2025.

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industry. On July 9, 2025, the ITC preliminarily determined that there is a reasonable indication that an industry in the United States is materially injured by reason of imports of plywood from China.[26]

IV. ANALYSIS OF CHINA'S FINANCIAL SYSTEM

On July 14, 2025, Commerce placed on the record of this investigation the memorandum, "Review of China's Financial System for Countervailing Duty (CVD) Benchmarking Purposes," dated July 21, 2017.[27] This information describes how the GOC uses its control of the banking sector, interbank market, bond market, *etc.* to create massive distortions.[28] Chinese state ownership or control of banks within the domestic market has led to them becoming "government policy instruments to pursue industrial policy and social welfare goals."[29]

V. DIVERSIFICATION OF CHINA'S ECONOMY

On July 15, 2025, Commerce placed on the record of this investigation the China Diversification Memorandum.[30] This information reflects a wide diversification of economic activities in China across 19 industry groups.[31] The industrial sector in China alone is comprised of 37 listed industries and economic activities, indicating the diversification of China's economy.[32]

VI. USE OF FACTS AVAILABLE AND ADVERSE INFERENCES

A. Legal Standard

Sections 776(a)(1) and (2) of the Act provide that Commerce shall, subject to section 782(d) of the Act, apply "facts otherwise available" if necessary information is not on the record or an interested party or any other person: (A) withholds information that has been requested; (B) fails to provide information within the deadlines established, or in the form and manner requested by Commerce, subject to subsections (c)(1) and (e) of section 782 of the Act; (C) significantly impedes a proceeding; or (D) provides information that cannot be verified as provided by section 782(i) of the Act.

Section 776(b) of the Act further provides that Commerce may use an adverse inference in selecting from among 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. 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 investigation, a previous administrative review, or other information placed on the record. When selecting an AFA rate from among the possible sources

[26] *See Hardwood and Decorative Plywood from China, Indonesia, and Vietnam*, 90 FR 30262 (July 9, 2025).
[27] *See* Memorandum, "Analysis of China's Financial System," dated July 21, 2017.
[28] *Id.*
[29] *Id.*
[30] *See* Memorandum, "The Extent of Diversification of Economic Activities in the People's Republic of China (China) for the Purpose of Determining Specificity of a Domestic Subsidy for Countervailing Duty (CVD) Purposes," dated September 13, 2018 (China Diversification Memorandum).
[31] *Id.*
[32] *Id.*

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of information, Commerce's practice is to ensure that the rate is sufficiently adverse "as to effectuate the statutory purposes of the adverse facts available rule to induce respondents to provide Commerce with complete and accurate information in a timely manner."[33] 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."[34] At the same time, section 776(b)(1)(B) of the Act states that Commerce is not required to determine, or make any adjustments to, a countervailable subsidy rate based on any assumptions about information the interested party would have provided if the interested party had complied with the request for information.

In *Nippon Steel*, the U.S. Court of Appeals for the Federal Circuit (Federal Circuit) held that, while the statute does not provide an express definition of the "failure to act to the best of its ability" standard, the ordinary meaning of "best" is "one's maximum effort."[35] Thus, according to the Federal Circuit, the statutory mandate that a respondent act to the "best of its ability" requires the respondent to do the maximum it is able to do. The Federal Circuit indicated that inadequate responses to an agency's inquiries would suffice to find that a respondent did not act to the best of its ability. While the Federal Circuit noted that the "best of its ability" standard does not require perfection, it does not condone inattentiveness, carelessness, or inadequate record keeping.[36] The "best of its ability" standard requires a respondent to, among other things, "have familiarity with all of the records it maintains," and "conduct prompt, careful, and comprehensive investigations of all relevant records that refer or relate to the imports in question to the full extent of" its ability to do so.[37] Moreover, affirmative evidence of bad faith on the part of a respondent is not required before Commerce may make an adverse inference.[38]

Section 776(c) of the Act provides that, when Commerce relies on secondary information rather than on information obtained in the course of an investigation or review, it shall, to the extent practicable, corroborate that information from independent sources that are reasonably at its disposal.[39] Secondary information is "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."[40] The SAA clarifies that "corroborate" means that Commerce will satisfy itself that the secondary information used has probative value. It is Commerce's practice to consider information to be corroborated if it has probative value.[41] In analyzing whether information has probative value, it

[33] *See, e.g.*, *Drill Pipe from the People's Republic of China*: *Final Affirmative Countervailing Duty Determination*, *Final Affirmative Critical Circumstances Determination*, 76 FR 1971 (January 11, 2011); *see also Notice of Final Determination of Sales at Less Than Fair Value*: *Static Random Access Memory Semiconductors from Taiwan*, 63 FR 8909, 8932 (February 23, 1998).
[34] *See* Statement of Administrative Action Accompanying the Uruguay Round Agreements Act, H.R. Doc. 103-316, Vol. 1 (1994) (SAA), at 870.
[35] *See Nippon Steel Corp. v. United States*, 337 F.3d 1373, 1382-83 (Fed. Cir. 2003) (*Nippon Steel*).
[36] *Id.*, 337 F.3d at 1382.
[37] *Id.*
[38] *See, e.g.*, *Notice of Final Determination of Sales at Less Than Fair Value: Circular Seamless Stainless Steel Hollow Products from Japan*, 65 FR 42985 (July 12, 2000); *see also Antidumping Duties; Countervailing Duties: Final Rule*, 62 FR 27296, 27340 (May 19, 1997); and *Nippon Steel*, 337 F.3d at 1382-83.
[39] *See* 19 CFR 351.308(d).
[40] *See* SAA at 870.
[41] *Id.*

is Commerce's practice to examine the reliability and relevance of the information to be used.[42] However, the SAA emphasizes that Commerce need not prove that selected facts available are the best alternative information.[43] Further, Commerce is not required to corroborate any countervailable subsidy rate applied in a separate segment of the same proceeding.[44]

Under section 776(d) of the Act, when using an adverse inference when selecting from the facts otherwise available, Commerce may use a countervailable subsidy rate applied for the same or similar program in a CVD proceeding involving the same country, or if there is no same or similar program, use a countervailable subsidy rate for a subsidy program from a proceeding that Commerce considers reasonable to use.[45] When selecting an AFA rate, Commerce is not required to estimate what the countervailable subsidy rate would have been if the interested party failing to cooperate had cooperated or to demonstrate that the countervailable subsidy rate reflects an "alleged commercial reality" of the interested party.[46]

For the purposes of this preliminary determination, we are applying AFA in the circumstances outlined below.

B. Application of AFA: GOC

In the initial and supplemental questionnaires, we requested that the GOC provide complete responses for each of the alleged programs under investigation.[47] In its response, the GOC declined to answer any questions, stating that, "because none of the mandatory respondents responded to Section III of the initial questionnaire, and because {Commerce} has not selected a new mandatory respondent, the GOC does not possess the requisite company-specific information necessary to respond to Section II at this stage of the investigation."[48]

Furthermore, as noted in the "Background" section above, and in the "Application of AFA: Linyi Evergreen, Xuzhou Shelter, and the Non-Responsive Companies" section below, nine companies that received the Q&V questionnaire did not respond or otherwise participate in the investigation, and the two companies selected as mandatory respondents did not respond to the Initial Questionnaire. Therefore, it is necessary for Commerce to analyze the financial contribution and specificity of the various programs at issue in this proceeding to determine whether it is appropriate to include such programs in the AFA rate for these non-responsive companies. Even though the GOC's cursory response that the relevant questions and appendices were "not applicable," and, thus, non-responsive to the instructions in the Initial Questionnaire, we provided the GOC an additional opportunity to remedy its deficient response. We specifically stated that "{r}egardless of the fact that there are no respondents participating in this investigation, we request that you respond to all questions in the initial questionnaire regarding

[42] *Id.* at 869.
[43] *Id.* at 869-70.
[44] *See* section 776(c)(2) of the Act.
[45] *See* section 776(d)(1)(A) of the Act.
[46] *See* section 776(d)(3) of the Act.
[47] *See* Initial Questionnaire; *see also* Supplemental Questionnaire.
[48] *See* GOC Section II Response.

the programs under investigation."[49] As noted above, the GOC did not respond to this supplemental questionnaire.

By not responding to our requests for information regarding these programs, the GOC withheld information that was necessary to perform our analyses of financial contribution and specificity for the various programs at issue in this proceeding, withheld information that was requested of it, and significantly impeded this proceeding. Consequently, we preliminarily determine, in accordance with sections 776(a)(1), (a)(2)(A), and (a)(2)(C) of the Act, that information necessary to perform our analyses of financial contribution and specificity for all of the programs under investigation is not available on the record, the GOC withheld information that was requested of it, and the GOC significantly impeded the investigation. As a result, we must rely on "facts available" in making our preliminary determination. Moreover, we preliminarily determine that the GOC failed to cooperate by not acting to the best of its ability to comply with our requests for information when it failed to fully respond to our questionnaires. Consequently, an adverse inference is warranted in the application of facts available, pursuant to section 776(b)(1) of the Act. In applying AFA, we find that all of the programs under investigation provide financial contributions, within the meaning of section 771(5)(D) of the Act, and are specific, within the meaning of section 771(5A) of the Act.

C. Application of AFA: Linyi Evergreen, Xuzhou Shelter, and the Non-Responsive Companies

As noted in the "Background" section, *supra*, Linyi Evergreen and Xuzhou Shelter failed to respond to the Initial Questionnaire. Therefore, we preliminarily determine that information with respect to both Linyi Evergreen and Xuzhou Shelter is missing from the record and that both companies withheld necessary information that was requested by Commerce, failed to provide information within the deadlines established, and significantly impeded this proceeding by failing to respond to the Initial Questionnaire.

In addition, the record establishes that the non-responsive companies received but failed to respond to the Q&V questionnaire.[50] Therefore, we preliminarily determine that the non-responsive companies withheld necessary information that was requested, failed to provide information within the established deadlines, and significantly impeded this proceeding by failing to respond to the Q&V questionnaire. Thus, we are relying on the facts otherwise available in making our preliminary determination with respect to these companies, pursuant to sections 776(a)(1) and (2)(A)-(C) of the Act.

Moreover, we preliminarily determine that an adverse inference is warranted in selecting from the facts available, pursuant to section 776(b) of the Act, for Linyi Evergreen and Xuzhou Shelter because they failed to act to the best of their ability to comply with Commerce's request for information as they failed to respond to the Initial Questionnaire. Accordingly, we preliminarily find that application of AFA is warranted to ensure that Linyi Evergreen and Xuzhou Shelter do not obtain a more favorable result by failing to cooperate than if they had fully complied with our request for information. Additionally, we preliminarily determine that the non-responsive

[49] *See* Supplemental Questionnaire at 4 (citations omitted).
[50] *See* Q&V Delivery Memorandum; *see also* Respondent Selection Memorandum.

companies did not cooperate to the best of their ability to comply with Commerce's request for information, and therefore that an adverse inference in choosing from among the facts available is warranted, pursuant to section 776(b) of the Act.

For each of the programs determined to be countervailable,[51] as AFA, we find that Linyi Evergreen, Xuzhou Shelter, and the non-responsive companies used all the programs alleged in the Petition. Also, as AFA, we find that these programs conferred a benefit within the meaning of sections 771(5)(B) and (E) of the Act and as identified in the Petition.[52] We selected an AFA rate for each of these programs based on the statutory hierarchy provided in section 776(d) of the Act and in accordance with Commerce's regulations at 19 CFR 351.308(j). We summed the program rates to determine the AFA rate applicable to Linyi Evergreen, Xuzhou Shelter, and the non-responsive companies. For a description of the selection of the AFA rate and our corroboration of this rate, *see* the sections on "Selection of the AFA Rate" and "Corroboration of the AFA Rate," *infra*.

D. Selection of the AFA Rate

The CVD AFA Hierarchy

In accordance with sections 776(d)(1)(A) of the Act and 19 CFR 351.308(j), when Commerce determines an AFA rate in CVD investigations for non-cooperating companies it applies a four-tier sequential analysis, or the "AFA hierarchy."

Section 776(d)(1)(A) of the Act states that, when applying an adverse inference in selecting from the facts otherwise available, we may: (i) "use a countervailable subsidy rate applied for the same or similar program in a {CVD} proceeding involving the same country, or (ii) if there is no same or similar program, use a countervailable subsidy for a subsidy rate from a proceeding that {we} consider {} reasonable to use." Thus, section 776(d)(1)(A) of the Act expressly allows for the use of an AFA hierarchy in selecting a rate "among the facts otherwise available" in CVD proceedings, should the facts warrant such a selection.

Section 776(d)(2) of the Act authorizes Commerce to rely on the highest prior rate under certain circumstances. In deriving an AFA rate under section 776(d)(1)(A) of the Act described above, the provision states that we "may apply any of the countervailable subsidy rates or dumping margins specified under that paragraph, including the highest such rates or margin, based on the evaluation by the administering authority of the situation that resulted in the administering authority using an adverse inference in selecting among the facts otherwise available."[53]

Accordingly, the statute anticipates that two different guiding principles apply to Commerce in determining an appropriate AFA rate in CVD cases. Under the first principle, Commerce may apply its hierarchy methodology in selecting a rate. Under the second principle, Commerce may

[51] *See* the appendix to this memorandum.
[52] *See* Petition at Vol. III; *see also* Initiation Checklist.
[53] *See* section 776(d)(2) of the Act.

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apply the highest rate derived from this hierarchy to a respondent, should it choose to apply that hierarchy in the first place.[54]

Those guiding principles were recently codified in Commerce's regulations. Under Commerce's CVD AFA hierarchy, as set forth in 19 CFR 351.308(j), Commerce will normally select the highest (above *de minimis*) program rate available in accordance with the hierarchical sequence unless Commerce determines that such a rate is otherwise inappropriate.[55]

Specifically, for CVD investigations, under the first step of Commerce's investigation hierarchy, pursuant to 19 CFR 351.308(j)(1)(i), we apply the highest above-*de minimis* rate calculated for a cooperating company for the identical program in the investigation. However, if there is no identical program match within the investigation, or if the rate is *de minimis*, then under the second step of the investigation hierarchy, under 19 CFR 351.308(j)(1)(ii), we will apply the highest above-*de minimis* rate calculated in another CVD proceeding involving the same country for the identical program.

Further, under the third step of the hierarchy, in accordance with 19 CFR 351.308(j)(1)(iii), if an identical program rate is not available, then Commerce will select an AFA rate based on a comparable or similar program in any CVD proceeding involving the same country and apply the highest calculated above-*de minimis* rate for the same or similar program.

Finally, if no such rate exists, under the fourth step of Commerce's CVD investigation hierarchy, found at 19 CFR 351.308(j)(1)(iv), we apply the highest above-*de minimis* rate calculated from

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[54] When selecting the rate from among possible sources, we seek to use a rate that is sufficiently adverse to effectuate the statutory purpose of section 776(b) of the Act to induce respondents to provide Commerce with complete and accurate information in a timely manner. This ensures "that the party does not obtain a more favorable result by failing to cooperate than if it had cooperated fully." *See* SAA at 870; *see also Essar Steel Ltd. v. United States*, 678 F.3d 1268, 1270-80 (Fed. Cir. 2012) (citing *F. Lit DeCecco Di Filippo Fara S. Martino S.p.A v. United States*, 216 F.3d 1027, 1032 (Fed. Cir. 2000) (*De Cecco*) (finding that "the purpose of the adverse facts statute is 'to provide respondents with an incentive to cooperate' with Commerce's investigation, not to impose punitive damages.")). "In the case of an uncooperative respondent, Commerce is in the best position, based on its expert knowledge of the market and the individual respondent, to select adverse facts that will create the proper deterrent to non-cooperation with its investigations and assure a reasonable margin." *See De Cecco*, 216 F.3d at 1032. In applying its AFA hierarchy in CVD investigations, Commerce's goal is as follows: in the absence of necessary information from cooperative respondents, we are seeking to find a rate that is a relevant indicator of how much the government of the country under investigation is likely to subsidize the industry at issue, through the program at issue, while inducing cooperation. Accordingly, in sum, the three factors that we take into account in selecting a rate are: (1) the need to induce cooperation; (2) the relevance of a rate to the industry in the country under investigation (*i.e.*, can the industry use the program from which the rate is derived?); and (3) the relevance of a rate to a particular program, though not necessarily in that order of importance.

[55] *See* 19 CFR 351.308(j)(3)(iii). As noted, the regulation codified Commerce's existing practice. *See, e.g.*, *Finished Carbon Steel Flanges from India: Final Affirmative Countervailing Duty Determination*, 82 FR 29479 (June 29, 2017), and accompanying Issues and Decision Memorandum (IDM) at 28-31 (applying the AFA hierarchical methodology within the context of a CVD investigation); s*ee also Crystalline Silicon Photovoltaic Cells Whether or Not Assembled Into Modules, from the People's Republic of China: Final Results of Countervailing Duty Administrative Review; 2012*, 80 FR 41003 (July 14, 2015), and accompanying IDM at 11-15 (applying the AFA hierarchical methodology within the context of a CVD administrative review). *But see Certain Uncoated Paper from Indonesia: Final Affirmative Countervailing Duty Determination*, 81 FR 3104 (January 20, 2016), and accompanying IDM at 7-8 (when Commerce determined applying the AFA rate of the CVD hierarchy was not appropriate and instead applied the highest combined standard income tax rate for corporations in Indonesia).

any non-company-specific program from any CVD proceeding involving the same country that the industry subject to the investigation could have possibly used.[56]

Accordingly, if certain respondents are cooperating in a particular segment, Commerce may first determine if there is an identical program in the instant investigation and use the highest calculated above-*de minimis* rate[57] for the identical program.[58] If there is no identical program for which we calculated an above-*de minimis* subsidy rate for a cooperating respondent in the investigation, Commerce may determine if the identical program was used in another CVD proceeding involving the same country and apply the highest calculated above-*de minimis* rate for the identical program.[59] If no such rate exists, then Commerce may determine whether there is a similar/comparable program[60] in any CVD proceeding involving the same country and may apply the highest calculated above-*de minimis* rate for the similar/comparable program.[61] Finally, where no such rate is available, Commerce may apply the highest calculated above-*de minimis* rate from any non-company-specific program in a CVD case involving the same country that the company's industry could possibly use.[62]

Further, we find that section 776(d)(2) of the Act applies as an exception to the selection of an AFA rate under section 776(d)(1) of the Act; that is, after "an evaluation of the situation that resulted in the application of an adverse inference," we may decide that, given the unique and unusual facts on the record, the use of the highest rate within that step is not appropriate.

Selection of the AFA Rate in this Investigation

As explained *supra*, we are preliminarily applying AFA because the GOC, Linyi Evergreen, Xuzhou Shelter, and the non-responsive companies failed to cooperate to the best of its ability by failing to provide a response to the Initial Questionnaire. Thus, for this preliminary determination, we are assigning an AFA rate to Linyi Evergreen and Xuzhou Shelter, the mandatory respondents, and the non-responsive companies. Accordingly, we are using the AFA CVD hierarchy to assign the highest applicable rates to the programs that Commerce is investigating.

As noted above, when applying its AFA hierarchy in CVD investigations, in the absence of information from cooperating respondents, Commerce takes into account: (1) the need to induce cooperation; (2) the relevance of a rate to the industry in the country under investigation; and (3) the relevance of a rate to a particular program. Furthermore, the "pool" of available rates in an

[56] *See Certain Frozen Warmwater Shrimp from the People's Republic of China: Final Affirmative Countervailing Duty Determination*, 78 FR 50391 (August 19, 2013) (*Shrimp from China 2013*), and accompanying IDM at 13; *see also Essar Steel Ltd. v. United States*, 753 F.3d 1368, 1373-74 (Fed. Cir. 2014) (upholding "hierarchical methodology for selecting an AFA rate").
[57] For purposes of selecting AFA program rates, we will treat rates less than 0.5 percent as *de minimis*. *See* 19 CFR 351.308(j)(3)(i); s*ee also, e.g.*, *Pre-Stressed Concrete Steel Wire Strand from the People's Republic of China: Final Affirmative Countervailing Duty Determination*, 75 FR 28557 (May 21, 2010), and accompanying IDM at 12-13.
[58] *See* 19 CFR 351.308(j)(1)(i).
[59] *See* 19 CFR 351.308(j)(1)(ii).
[60] Commerce will normally determine a program to be a similar or comparable program based on Commerce's treatment of the benefit. *See* 19 CFR 351.308(j)(3)(ii).
[61] *See* 19 CFR 351.308(j)(1)(iii).
[62] *See* 19 CFR 351.308(j)(1)(iv); *see also Shrimp from China 2013* IDM at 13-14.

investigation can include the rates for the same or similar programs used in either that same investigation or prior CVD proceedings for that same country.

We do not have information from cooperating respondents about the alleged programs in this investigation; however, Commerce has previous experience with and knowledge of the subsidization of the plywood industry in China related to the *Hardwood Plywood Order*, which concerns an almost identical industry in the same country.[63] Based on this experience, we preliminarily find that is most appropriate to apply, where available, the highest above-*de minimis* subsidy rates calculated for the same or comparable programs in the *Hardwood Plywood Order* as AFA for each of the programs on which we initiated this investigation because these rates are relevant to the same overall industry, *i.e.*, the broader plywood industry in China, and we have previously determined that these rates are appropriate to use as AFA, *i.e.*, to induce compliance, for the GOC and Chinese hardwood plywood companies.[64] If we did not calculate an above-*de minimis* subsidy rate for the same or comparable program in any segment of the *Hardwood Plywood Order* proceeding, we preliminarily applied the highest above-*de minimis* rate for the same or comparable program in any CVD proceeding involving China.

For the income tax reduction or exemption programs on which we initiated an investigation, we are preliminary applying an adverse inference that Linyi Evergreen, Xuzhou Shelter, and the non-responsive companies paid no income taxes during the POI. The standard income tax rate for corporations in China in effect during the POI was 25 percent.[65] Thus, the highest possible benefit for all income tax programs is 25 percent. Accordingly, we are applying the 25 percent AFA rate on a combined basis (*i.e.*, the programs listed below as "Income Tax Programs," combined provide a 25 percent benefit). Consistent with Commerce's practice, application of this AFA rate for preferential income tax programs does not apply to tax credit, tax rebate, or import tariff and value-added tax (VAT) exemption programs because such programs may provide a benefit in addition to a preferential tax rate.[66]

1. Income Tax Reductions for High and New Technology Enterprises
2. Income Tax Reductions for Export-Oriented FIEs
3. Tax Offsets for Research and Development under the Enterprise Income Tax

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[63] *See Certain Hardwood Plywood Products from the People's Republic of China: Countervailing Duty Order*, 83 FR 513 (January 4, 2018) (*Hardwood Plywood Order*).

[64] *See, e.g.*, *Certain Hardwood Plywood Products from the People's Republic of China: Preliminary Results of Countervailing Duty Administrative Review, Preliminary Determination of No Shipments, and Partial Rescission; 2021–2022*, 89 FR 66343 (August 15, 2024) (*Hardwood Plywood 21-22 Prelim*), and accompanying Preliminary Decision Memorandum (PDM) at 16-22, calculation of AFA rates unchanged in *Certain Hardwood Plywood Products from the People's Republic of China: Final Results of Administrative Reviews of the Antidumping and Countervailing Duty Orders, Final Determination of No Shipments; 2021-2022*, 90 FR 21271 (May 19, 2025).

[65] *See* Petition at Volume III-48 and Exhibit III-38.

[66] *See, e.g.*, *Aluminum Extrusions from the People's Republic of China: Final Affirmative Countervailing Duty Determination*, 76 FR 18521 (April 4, 2011) (*Aluminum Extrusions from China*), and accompanying IDM at "Application of Adverse Inferences: Non-Cooperative Companies;" *see also Hardwood Plywood 21-22 Prelim* PDM at 19 (applying 25 percent income tax rate as AFA for Income Tax Reductions under Article 28 of the Enterprise Income Tax; Tax Offsets for Research and Development under the Enterprise Income Tax; Preferential Income Tax Policy for Enterprises in the Northeast Region; Income Tax Benefits for Foreign Invested Enterprises Based on Geographic Locations; Local Income Tax Exemption and Reduction Programs for "Productive" Foreign Invested Enterprises; and Tax Offsets for Research and Development by Foreign-Invested Enterprises programs).

4. Preferential Income Tax Policy for Enterprises in the Northeast Region
5. Income Tax Benefits for Foreign-Invested Enterprises (FIEs) Based on Geographic Locations
6. Local Income Tax Exemption and Reduction Programs for "Productive" FIEs
7. Tax Offsets for Research and Development by FIEs

For the remaining programs listed below, we preliminarily selected, as AFA, the highest calculated non-*de minimis* rates for the same or similar programs from any segment of the *Hardwood Plywood Order* proceeding; a rate that we applied as AFA in a segment of the *Hardwood Plywood Order* proceeding for the same or similar program; or a rate from another proceeding in China where there were no rates calculated or applied as AFA available within the *Hardwood Plywood Order* proceeding for the same/similar program. The appendix to this memorandum contains a chart summarizing the selection of the AFA rates.

1. Water-Saving Loans to the Hardwood and Decorative Plywood Industry in Jiangsu Province
2. Policy Loans to the Hardwood and Decorative Plywood Industry
3. Preferential Loans for State-Owned Enterprises
4. Loans and Interest Subsidies Provided Pursuant to the Northeast Revitalization Program
5. Forgiveness of Tax Arrears for Enterprises Located in the Old Industrial Bases of Northeast China
6. Interest Loan Subsidies for the Forestry Industry
7. Export Assistance Grants
8. Export Interest Subsidies
9. Subsidies for Development of "Famous Brands" and China World Top Brands
10. Sub-Central Government Subsidies for Development of Famous Brands and China World Top Brands
11. Funds for Outward Expansion of Industries in Guangdong Province
12. Provincial Fund for Fiscal and Technological Innovation
13. State Key Technology Renovation Fund
14. Shandong Province's Special Fund for the Establishment of Key Enterprise Technology Centers
15. Shandong Province's Environmental Protection Industry Research and Development Funds
16. Funds of Guangdong Province to Support the Adoption of E-Commerce by Foreign Trade Enterprises
17. Waste Water Treatment Subsidies
18. Technology To Improve Trade Research and Development Fund
19. Provision of Electricity for Less Than Adequate Renumeration (LTAR)
20. Provision of Water for LTAR
21. Provision of Timber for LTAR
22. Provision of Land-Use Rights to the Hardwood and Decorative Plywood Industry for LTAR
23. Provision of Land-Use Rights in Industrial Zones/Parks for LTAR
24. Provision of Land to SOEs for LTAR

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Additionally, we are able to match the following programs to programs that we determined were terminated and/or do not confer a benefit to recipients and provided no residual benefits with respect to hardwood plywood from China.[67] Accordingly, we are preliminarily removing these programs from our calculation of the AFA rate:

1. Income Tax Credits for Domestically Owned Companies Purchasing Domestically Produced Equipment
2. Import Duty Exemptions for Use of Imported Equipment

Based on the methodology described *supra*, we preliminarily determine the AFA net countervailable subsidy rate for Linyi Evergreen, Xuzhou Shelter, and the non-responsive companies to be 81.34 percent *ad valorem*. The appendix to this memorandum contains a chart summarizing our calculation of this AFA rate.

E. Corroboration of the AFA Rate

Section 776(c)(1) of the Act provides that, in general, when Commerce relies on secondary information rather than on information obtained in the course of an investigation or review, it shall, to the extent practicable, corroborate that 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."[68] The SAA provides that to "corroborate" secondary information, Commerce will satisfy itself that the secondary information to be used has probative value.[69]

Commerce will, to the extent practicable, examine the reliability and relevance of the information to be used. The SAA emphasizes, however, that Commerce need not prove that the selected facts available are the best alternative information.[70] Further, Commerce is not required to estimate what the countervailable subsidy rate would have been if the interested party failing to cooperate had cooperated or to demonstrate that the countervailable subsidy rate reflects an "alleged commercial reality" of the interested party.[71]

Regarding the reliability aspect of corroboration, unlike other types of information, such as publicly available data on the national inflation rate of a given country or national average interest rates, there typically are no independent sources for data on company-specific benefits resulting from countervailable subsidy programs. With respect to the relevance aspect of corroboration, Commerce will consider information reasonably at its disposal in considering the

[67] *See Hardwood Plywood 21-22 Prelim* PDM at 20-21 (citing *Countervailing Duty Investigation of Certain Amorphous Silica Fabric from the People's Republic of China: Final Affirmative Determination*, 82 FR 8405 (January 25, 2017) (*Silica Fabric from China*), and accompanying IDM at Comment 23; *Shrimp from China 2013* IDM at 23 n.104).
[68] *See, e.g.*, *Aluminum Extrusions from China* IDM at "Application of Adverse Inferences: Non-Cooperative Companies."
[69] *See* SAA at 870.
[70] *Id.*
[71] *Id.* at 869-70.

relevance of information used to calculate a countervailable subsidy benefit. Commerce will not use information where circumstances indicate that the information is not appropriate as AFA.[72]

In the absence of record evidence concerning Linyi Evergreen's, Xuzhou Shelter's, and the non-responsive companies' usage of the subsidy programs at issue due to their decision not to respond to Commerce's Initial Questionnaire, we have reviewed the information concerning Chinese subsidy programs in the proceeding underlying the *Hardwood Plywood Order*. Where there is a program-type match, we find that, because these are the same or similar programs, they are relevant to the programs in this investigation. The relevance of these rates is that they are actual calculated subsidy rates for Chinese programs related to the plywood industry, from which Linyi Evergreen, Xuzhou Shelter, or the non-responsive companies could actually receive a benefit. Due to the lack of participation by Linyi Evergreen, Xuzhou Shelter, and the non-responsive companies and the resulting lack of record information concerning the identified programs, we have corroborated the rates we selected to use as AFA to the extent practicable for this preliminary determination, pursuant to section 776(c)(1) of the Act.

VII. CRITICAL CIRCUMSTANCES

As noted above, on November 13, 2025, the petitioner filed a timely allegation, pursuant to section 703(e)(1) of the Act and 19 CFR 351.206, that critical circumstances exist with respect to imports of plywood from China.[73] In accordance with 19 CFR 351.206(c)(2)(i), because the petitioner submitted a critical circumstances allegation more than 20 days before the scheduled date of the preliminary determination, Commerce will issue a preliminary critical circumstances determination not later than the date of the preliminary determination.[74]

The petitioner alleges that there is a reasonable basis to believe that the alleged subsidies in this investigation are inconsistent with the Agreement on Subsidies and Countervailing Measures (SCM Agreement).[75] The petitioner also alleges that there have been massive imports of plywood from China over a relatively short period since the filing of the petition, providing monthly Global Trade Atlas (GTA) export data comparing a base period of February through May 2025 to a comparison period of June through September 2025.[76] The petitioner alleges that this export data demonstrates that imports of subject merchandise from China increased more than 15 percent over a relatively short period, exceeding the increase in the volume of imports that Commerce generally considers "massive" pursuant to 19 CFR 351.206(h)(2).[77]

Section 703(e)(1) of the Act provides that, upon receipt of a timely critical circumstances allegation, Commerce will determine whether there is a reasonable basis to believe or suspect

[72] *See, e.g.*, *Fresh Cut Flowers from Mexico; Final Results of Antidumping Duty Administrative Review*, 61 FR 6812 (February 22, 1996).
[73] *See* Critical Circumstances Allegation.
[74] *See, e.g.*, *Change in Policy Regarding Timing of Issuance of Critical Circumstances Determinations*, 63 FR 55364 (October 15, 1998).
[75] *See* Critical Circumstances Allegation at 7-8.
[76] *Id.* at 9-11.
[77] *Id*. at 10 and Exhibit 1.

that: (A) the alleged countervailable subsidy is inconsistent with the SCM Agreement; and (B) there have been massive imports of the subject merchandise over a relatively short period.[78]

In determining whether there have been "massive imports" of subject merchandise over a "relatively short period," Commerce normally compares the import volumes of 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). However, the regulations also provide that, if Commerce finds that importers, exporters, or producers had reason to believe that a proceeding was likely prior to the filing of the petition, Commerce may consider a period of not less than three months from that earlier time.[79] In determining whether imports of the subject merchandise have been massive under section 735(a)(1)(B) of the Act, Commerce normally will examine: (i) the volume and value of the imports; (ii) seasonal trends; and (iii) the share of domestic consumption accounted for by the imports. Imports must increase by at least 15 percent during the comparison period to be considered massive.[80]

Linyi Evergreen, Xuzhou Shelter, and the Non-Responsive Companies

As noted under the "Application of AFA: Linyi Evergreen, Xuzhou Shelter, and the Non-Responsive Companies" section above, we are preliminarily applying AFA to Linyi Evergreen, Xuzhou Shelter, and the non-responsive companies because they failed to cooperate in this proceeding. In applying AFA to these companies, we preliminarily determine that the Export Assistance Grant program we are countervailing in this preliminary determination is export contingent and, thus, inconsistent with the SCM Agreement.[81] Therefore, we preliminarily find that the criterion under section 703(e)(1)(A) of the Act has been met.

In addition, for purposes of the "massive imports" analysis, we preliminarily determine, pursuant to section 776 (b) of the Act, that Linyi Evergreen, Xuzhou Shelter, and the non-responsive companies shipped plywood in "massive" quantities during a relatively short period, thereby fulfilling the criteria under section 703(e)(1)(B) of the Act. As a result, we preliminarily determine that critical circumstances exist with regard to Linyi Evergreen, Xuzhou Shelter, and the non-responsive companies.

All Other Exporters/Producers

To determine whether all other producers and/or exporters of the subject merchandise under investigation benefited from countervailable subsidies that are inconsistent with the SCM Agreement, we note that we are preliminarily basing the rate applied to all other producers and/or exporters on the rate calculated for Linyi Evergreen and Xuzhou Shelter. As discussed above, we preliminarily determine that this rate includes a subsidy program, *i.e.*, the Export

[78] Commerce limits its critical circumstances findings to those subsidies contingent upon export performance or the use of domestic over imported goods (*i.e.*, those prohibited under Article 3 of the SCM Agreement). *See, e.g.*, *Final Affirmative Countervailing Duty Determination and Final Negative Critical Circumstances Determination: Carbon and Certain Alloy Steel Wire from Germany*, 67 FR 55808, 55809-10 (August 30, 2002).
[79] *See* 19 CFR 351.206(i).
[80] .*See* 19 CFR 351.206(h)(1)(iii)(2).
[81] *See* Initiation Checklist at 15.

Assistance Grant, that is inconsistent with the SCM Agreement, consistent with section 703(e)(1)(A) of the Act. Thus, we preliminarily determine that all other companies have also benefited from such subsidies.

Further, to determine whether there are "massive imports" over a "relatively short period" for all other producers and/or exporters, the petitioner provided GTA export data for two HTSUS subheadings included in the scope of investigation for two fourth-month periods: from February to May 2024 and from June to September 2024.[82] Based on our analysis of the petitioner's data, we preliminarily find that subject merchandise imports increased by more than 15 percent during the "relatively short period" as compared to the base period. Therefore, we preliminarily determine that the requirements of section 703(e)(1)(B) of the Act have been satisfied and that critical circumstances exist for all other producers and/or exporters.

[82] *See* Critical Circumstances Allegation.

VIII. RECOMMENDATION

We recommend that you approve the preliminary findings described above. If this recommendation is accepted, Commerce will publish the preliminary determination in the *Federal Register* and notify the ITC.

☒	☐
Agree	Disagree

X

Signed by: CHRISTOPHER ABBOTT
Christopher Abbott
Deputy Assistant Secretary
for Policy and Negotiations,
performing the non-exclusive functions and duties
of the Assistant Secretary for Enforcement and Compliance

Appendix

Adverse Facts Available Rate Calculation

Program	Subsidy Rate (*ad valorem*)	Source
Income Tax Programs		
Income Tax Reductions for High and New Technology Enterprises	25.00%	Reflecting China's Default Income Tax Rate[83]
Tax Offsets for Research and Development under the Enterprise Income Tax		
Preferential Income Tax Policy for Enterprises in the Northeast Region		
Income Tax Benefits for Foreign-Invested Enterprises (FIEs) Based on Geographic Locations		
Local Income Tax Exemption and Reduction Programs for "Productive" Foreign-Invested Enterprises (FIEs)		
Tax Offsets for Research and Development by Foreign-Invested Enterprises (FIEs)		
Income Tax Reductions for Export-Oriented Foreign-Invested Enterprises (FIEs)		
Indirect Tax Program		
Forgiveness of Tax Arrears for Enterprises Located in the Old Industrial Bases of Northeast China	9.71%	Highest Indirect Tax Rate, within China[84]

[83] The standard income tax rate for corporations in China during the POI was 25 percent. *See* Petition at Volume III, pg. 48. Thus, the highest possible benefit for all income tax reduction or exemption programs combined is 25 percent. Accordingly, we are applying the 25 percent AFA rate to these programs. *See also Certain Hardwood Plywood Products From the People's Republic of China: Preliminary Results of Countervailing Duty Administrative Review, Preliminary Determination of No Shipments, and Partial Rescission; 2021–2022*, 89 FR 66343 (August 15, 2024) (*Hardwood Plywood 21-22 Prelim*), and accompanying Preliminary Decision Memorandum (PDM) at 29, calculation of AFA rates unchanged in *Certain Hardwood Plywood Products From the People's Republic of China: Final Results of Administrative Reviews of the Antidumping and Countervailing Duty Orders, Final Determination of No Shipments; 2021-2022*, 90 FR 21271 (May 19, 2025) (for treatment of income tax programs).

[84] *See Hardwood Plywood 21-22 Prelim* PDM) at 29 (citing *New Pneumatic Off-the-Road Tires from the People's Republic of China: Preliminary Results of Countervailing Duty Administrative Review*, 75 FR 64268 at 64275 (October 19, 2010), unchanged in *New Pneumatic Off-the-Road Tires from the People's Republic of China: Final Results of Countervailing Duty Administrative Review*, 76 FR 23286 (April 26, 2011)).

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Lending Programs		
Policy Loans to the Hardwood and Decorative Plywood Industry	3.64%	Calculated, *Hardwood Plywood Investigation*[85]
Preferential Loans for State-Owned Enterprises		
Water-Saving Loans to the Hardwood and Decorative Plywood Industry in Jiangsu Province	3.64%	Highest Loan Rate, within Proceeding
Loans and Interest Subsidies Provided Pursuant to the Northeast Revitalization Program	3.64%	Highest Loan Rate, within Proceeding
Grant Programs		
Interest Loan Subsidies for the Forestry Industry	1.31%	Highest Grant Rate, within China, applied as AFA rate for grant programs [86]
Export Assistance Grants	1.31%	Highest Grant Rate, within China
Export Interest Subsidies	1.31%	Highest Grant Rate, within China
Subsidies for Development of "Famous Brands" and China World Top Brands	1.31%	Highest Grant Rate, within China
Sub-Central Government Subsidies for Development of Famous Brands and China World Top Brands	1.31%	Highest Grant Rate, within China
Funds for Outward Expansion of Industries in Guangdong Province	1.31%	Highest Grant Rate, within China
Provincial Fund for Fiscal and Technological Innovation	1.31%	Highest Grant Rate, within China

[85] *See Hardwood Plywood 21-22* PDM at 28; *see also Countervailing Duty Investigation of Certain Hardwood Plywood Products from the People's Republic of China: Final Affirmative Determination, and Final Affirmative Critical Circumstances Determination, in Part*, 82 FR 53473 (November 16, 2017) (*Hardwood Plywood Investigation*), and accompanying IDM at 14. In *Hardwood Plywood 21-22* and the *Hardwood Plywood Investigation*, we applied a single AFA rate for Policy Loans to the Hardwood Plywood Industry and Preferential Loans to State-Owned Enterprises because the programs would apply to the same loans provided by state-owned commercial banks. *See Hardwood Plywood Investigation* IDM at 8 n.31; *see also Hardwood Plywood 21-22* PDM at 28 n.110.

State Key Technology Renovation Fund	1.31%	Highest Grant Rate, within China
Shandong Province's Special Fund for the Establishment of Key Enterprise Technology Centers	1.31%	Highest Grant Rate, within China
Shandong Province's Environmental Protection Industry Research and Development Funds	1.31%	Highest Grant Rate, within China
Funds of Guangdong Province to Support the Adoption of E-Commerce by Foreign Trade Enterprises	1.31%	Highest Grant Rate, within China
Waste Water Treatment Subsidies	1.31%	Highest Grant Rate, within China
Technology To Improve Trade Research and Development Fund	1.31%	Highest Grant Rate, within China
Provision of Goods for Less than Adequate Remuneration (LTAR)		
Provision of Electricity for LTAR	0.61%	Calculated, *Hardwood Plywood Investigation*[87]
Provision of Water for LTAR	0.61%	Highest Utility LTAR, within *Hardwood Plywood Order* proceeding[88]
Provision of Timber for LTAR	1.74%	Highest Input LTAR, within *Hardwood Plywood Order* proceeding[89]
Provision of Land-Use Rights to the Hardwood and Decorative Plywood Industry for LTAR	5.24%	Calculated, *Hardwood Plywood Investigation*[90]

[87] *See Hardwood Plywood 21-22 Prelim* PDM at 28; *see also Hardwood Plywood Investigation* IDM at 14.
[88] *See Hardwood Plywood 21-22 Prelim* PDM at 28.
[89] *Id.*; *see also Hardwood Plywood Investigation* IDM at 15 (calculating 1.74 percent *ad valorem* subsidy rate for the provision of formaldehyde for LTAR).
[90] *See Hardwood Plywood 21-22* PDM at 28; *see also Hardwood Plywood Investigation* IDM at 14.

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Provision of Land-Use Rights in Industrial Zones/Parks for LTAR	5.24%	Highest Land LTAR, within *Hardwood Plywood Order* proceeding[91]
Provision of Land to SOEs for LTAR	5.24%	Highest Land LTAR, within *Hardwood Plywood Order* proceeding
TOTAL AFA Rate	**81.34%**	

[91] *See Hardwood Plywood 21-22* PDM at 28.

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