

Wood Trade Compliance Update

IWPA Annual Meeting

April 2, 2020



2020 Presents (Yet) More Challenges

- Moulding/Millwork
- Kitchen Cabinets
- Plywood AD/CVD Case & Appeals
- Plywood Circumvention
- Multilayered Wood Flooring
- EAPA
- 301 & Exclusions

Wood Moulding & Millwork Products



- New petition filed January 8
- China (AD/CVD) and Brazil (AD only)
- Same law firm that filed Plywood 2
- Scope covers continuously-shaped finger-jointed or LVL moulding or millwork products, and “blanks” (not defined, could overlap with lumber)
- Does not cover blockboard countertops and non-fingerjointed exterior siding (some other exterior products are in question though)
- Prelim duties expected in June (CVD) and August (AD)

Cabinet/Vanities



- AD/CVD Case filed March 2019
- DOC found final AD duties ranging from 0% - 251% with the prevailing average AD deposit rate at 37.96%
- CVD duties set at 13.33% - 31.18% with an average of 20.93%
- ITC made unanimous final affirmative injury determination (March 24, 2020)

Plywood DOC



– Administrative Reviews

- First review preliminary rates:
 - AD all participating exporters got rate of 0.93% (down from 183.36% in the investigation) (major issue is Linyi Chengen’s veneer-peeling data again)(expect appeals)
 - CVD 194.90% for Dehua TB and High Hope who failed to cooperate. No change to prevailing 22.98% rate for other cooperating respondents from the investigation)
 - No change to rates on an interim basis. Only after Final Results expected June 6 (but further extendable)
- Second administrative reviews launched of many companies. DOC deciding now who to choose as “mandatory respondents.”

Plywood DOC



- Petitioners’ circumvention claim on “later developed” plywood with face and back of *radiata* or *agathis* pine resolved in favor of the petitioners. We have appealed to the CIT.
- Vietnam Circumvention allegation filed 2/25/20
 - Major issues
 - What is the precise product that will be examined? Plywood with **all** veneers peeled in China and pressed in Vietnam? Plywood with partially-pressed cores from China and then non-Chinese raw materials? What about “2 – ply” from China (the subject of CBP’s “scope referral” from the Finewood EAPA case?)
 - DOC will decide to initiate on/after April 10 (opening retroactivity window)(subject to extension/delay)

Plywood Court Appeals

- AAHP Appeal of ITC decision (rejected June 2019)
- Chengen AD rate appeal (judge sent case back to DOC Feb 20, redetermination expected April 20, potentially impactful)
- Bailey AD penalty rate appeal rejected
- Petitioners' general softwood scope appeal rejected

U.S. Court of International Trade



Softwood Lumber

- Expedited CVD reviews resulted in several zero-rate decisions for 5 exporters. Petitioners appealed to CIT.
- NAFTA Appeal Ongoing, decision expected April 7
- 1st Review Prelim
 - AD: 1.18%-2.02% with “all others” at 1.66% (down from 6.04% in investigation)
 - CVD: 2.61% - 14.66% with most of the industry at 6.55% (down from 14.19% from the investigation)
- 2nd Review Starting Up



Multilayered Wood Flooring from China



- Appellate Court issued final ruling in AD investigation appeal. 3 more Chinese exporters expected to be excluded from the case, retroactive to 2011
- Current AD rates: Spiked to 42.57% for all but one exporter (Senmao)(average of 0% and 85.13%). Many appeals to the CIT.
- Preliminary Results in latest review: back to 0.00% for many exporters. **Roller Coaster!** Final in June (unless extended)
- Current CVD rates remain low (single digits)

EAPA Cases (Recent)



U.S. Customs and
Border Protection

Importer	Allegation Date	Initiation Date	Date of First CF28/29, cargo exam (if any)	Date of Visit (if any)	Date Initiation Letter	Retroactive Date
Concannon Corporation (plywood)	5/10/2019	7/9/2019	8/8/2019	9/18/2019	10/15/2019	6/18/2018
Norca Industrial Company, LLC and International Piping & Procurement Group, LP (carbon steel butt-weld pipe)	10/9/2019	11/5/2019	11/20/2020 & 11/21/2020	1/9/2020	2/10/2020	10/15/2018
Blue Pipe Steel Center Company Limited (carbon steel pipes)	10/4/2019	11/8/2019	12/12/2019	Unclear	2/13/2020	10/18/2018
AB MA Distribution and J&S Trading Inc. (steel wire garment hangers)	8/6/2019	11/21/2019	Unclear	2/14/2020	2/26/2020	10/30/2018

Involvement of DOC

- CBP can refer scope questions for DOC's decision
- Result is a “stay” of EAPA proceeding pending outcome of DOC's scope analysis
- DOC did this in the Finewood EAPA case
- Connected with the filing of the circumvention action on VN plywood assembled with Chinese materials

Section 301 Duties

- List 1 (7/6/18) (25% on \$34 B)
- List 2 (8/23/18) (25% on \$16 B)
- List 3 (9/24/18) (10% on \$200B, raised to 25%) (includes wood products)
- List 4A (9/1/19) (10%, raised to 15% and then lowered to 7.5%)
- List 4B (not implemented – consumer goods like clothing and shoes)

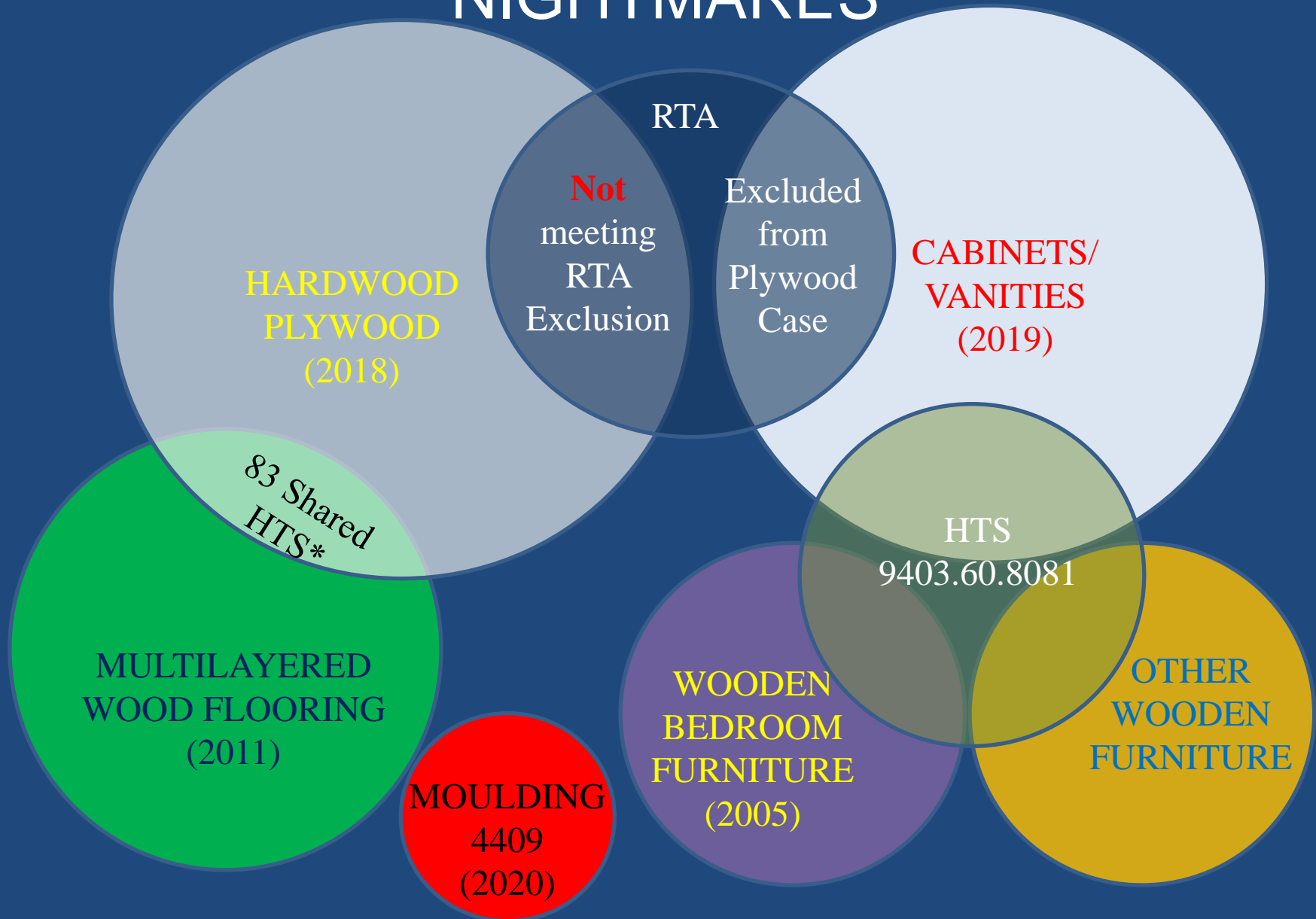
Section 301 Exclusions **Granted** for Chapter 44

4409294100	Oak Moldings & Trims	2-Aug-19
4411939090	LC-11 Flex Phenolic Entry Board	17-Sep-19
4412995105	2-ply Hybrid Flooring Panels	12-Jul-19
4412995105	Oak GeoWood® Flooring	2-Aug-19
4412995105	Rigidwood Flooring Panels	25-Sep-19
4412995105	HDF Core Hardwood Flooring	30-Sep-19

Section Exclusions Pending for Chapter 44

HTS	Description	HTS	Description
4411132000	Laminated Wood Flooring 8mm	4418919005	Fossilized® Bamboo Flooring
4402100000	VOODOO HOOKAH CHARCOAL (582141)	4420906500	Vaultz Locking Security Storage
4402100000	HOOKAH MINI CHARCOAL VOODOO (582144)	4420908000	Keepsake Box
4411142000	Laminated Floors 12mm	4420908000	Card Box
4412100500	Plyboo® 3-Ply Bamboo Plywood	4420908000	OTHER WOOD BOXES AND ORNAMENT
4412100500	Realcore® Bamboo Plywood	4421991500	Wooden Dowels
4412109000	HDPC/SPC Waterprof/WaterRes StrandBamboo	4421999770	Wood safety gates for children and pets
4412109000	Bamboo Flooring	4421999780	Lineal wood drawer parts and components
4412395050	LVL cabinet door stiles and rails	4421999780	Fir wood half barrels garden planters
4412995105	HDPC/SPC Waterproof Hardwood Plank	4421999780	PVC Capped LVL Door Stiles and Rails
4412995115	Stiles and Rails of LVL	4421999780	Strike and Hinge Cut LVL Stiles
4412999500	LVL stiles/rails with radiata face/back	4421999780	Hardwood LVL Door and Window Components
4417008090	Wooden Purse Handle		
4418208060	Interior Passage Wooden Door		
4418734000	Bamboo Flooring		
4418737000	Bamboo Flooring		
4418790100	bamboo flooring		
4418919005	Bamboo Flooring		

WOOD PRODUCTS SCOPE NIGHTMARES



IT'S TOO MUCH!

- Focus on what you can control...your people and your actions
 - Train your people. Provide them resources they need to **do things right**
 - Know your sourcing. AD/CVD; Lacey; TSCA
- Stay Aware. Seek many info sources. IWPA, CBP, etc.
- Protect Your Rights. Sitting on the sidelines can save \$ in the short term but cost much more down the road.
- There is no risk-free business, especially these days. Key is to minimize and manage.

Questions?

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