

U.S. DEPARTMENT OF COMMERCE INITIATES ANTIDUMPING DUTY (AD) AND COUNTERVAILING DUTY (CVD) INVESTIGATIONS OF IMPORTS OF WOOD MOULDINGS AND MILLWORK PRODUCTS FROM BRAZIL AND CHINA

Wednesday, January 29, 2020

U.S. Secretary of Commerce Wilbur Ross today announced the initiation of new AD and CVD investigations to determine whether wood mouldings and millwork products from Brazil and China are being dumped in the United States, and to determine if producers in China are receiving unfair subsidies.

These AD and CVD investigations were initiated based on petitions filed by the Coalition of American Millwork Producers, whose members are Bright Wood Corporation (Madras, OR), Cascade Wood Products, Inc. (White City, OR), Endura Products, Inc. (Colfax, NC), Sierra Pacific Industries (Red Bluff, CA), Sunset Moulding (Live Oak, CA), Woodgrain Millwork, Inc. (Fruitland, ID), and Yuba River Moulding (Yuba City, CA).

In the AD investigations, Commerce will determine whether imports of wood mouldings and millwork products from Brazil and China are being dumped in the U.S. market at less than fair value. The alleged dumping margins are 86.73 percent for Brazil, and range between 181.17 and 359.16 percent for

China.

In the CVD investigation, Commerce will determine whether Chinese producers of wood mouldings and millwork products are receiving unfair government subsidies. Commerce is initiating an investigation into 37 alleged Chinese subsidy programs, which include preferential lending programs, export credit programs, tax programs, indirect tax programs, grant programs, and the provision of inputs at less than adequate remuneration.

If Commerce makes affirmative findings in these investigations, and if the U.S. International Trade Commission (ITC) determines that dumped and/or unfairly subsidized U.S. imports of wood mouldings and millwork products from Brazil and/or China materially injure, or threaten material injury to, the U.S. industry, Commerce will impose duties on those imports in the amount of dumping and/or unfair subsidization found to exist.

In 2018, imports of wood mouldings and millwork products from Brazil and China were valued at an estimated \$291.8 million and \$208.4 million, respectively.

Click [HERE](#) for a fact sheet on these initiations.

Next Steps:

During Commerce's investigations into whether wood mouldings and millwork products from Brazil and China are being dumped and/or unfairly subsidized, the ITC is scheduled conduct its own investigations into whether the U.S. industry and its workforce are being injured by such imports. The ITC will make its preliminary determinations on or before February 24, 2020. If the ITC preliminarily determines that there is a

reasonable indication of material injury or threat of material injury, then Commerce's investigations will continue, with the preliminary CVD determination scheduled for April 2, 2020, and preliminary AD determinations scheduled for June 16, 2020, unless these deadlines are extended.

If Commerce preliminarily determines that dumping and/or unfair subsidization is occurring, then it will instruct U.S. Customs and Border Protection to start collecting cash deposits from all U.S. companies importing wood mouldings and millwork products from Brazil and/or China.

Final determinations by Commerce in these cases are scheduled for June 16, 2020 for the CVD investigation, and August 31, 2020 for the AD investigations, but these dates may be extended. If Commerce finds that products are not being dumped or unfairly subsidized, or the ITC finds in its final determinations there is no injury to the U.S. industry, then the investigations will be terminated, and no duties will be applied.

The strict enforcement of U.S. trade law is a primary focus of the Trump Administration. Since the beginning of the current Administration, Commerce has initiated 198 new AD and CVD investigations – a 168 percent increase from the comparable period in the previous administration. The AD and CVD laws provide American businesses and workers with an internationally accepted mechanism to seek relief from the harmful effects of unfair pricing and unfair subsidization of imports into the United States. Commerce currently maintains 516 antidumping and countervailing duty orders which provide relief to American companies and industries impacted by unfair trade.

The U.S. Department of Commerce's Enforcement and Compliance unit

within the International Trade Administration is responsible for vigorously enforcing U.S. trade laws and does so through an impartial, transparent process that abides by international rules and is based on factual evidence provided on the record.

Foreign companies that price their products in the U.S. market below the cost of production or below prices in their home markets are subject to AD duties. Foreign companies that receive financial assistance from foreign governments that benefits the production of goods from those companies, and is limited to specific enterprises or industries, or is contingent either upon export performance or upon the use of domestic goods over imported goods, are subject to CVD duties.