

---

# Hughes Hubbard & Reed

## New Antidumping and Countervailing Duty Petitions on Imports of Wood Mouldings and Millwork Products from Brazil and China

### Client Advisories

Hughes Hubbard & Reed LLP • A New York Limited Liability Partnership  
One Battery Park Plaza • New York, New York 10004-1482 • +1 (212) 837-6000

Attorney advertising. Readers are advised that prior results do not guarantee a similar outcome. No aspect of this advertisement has been approved by the Supreme Court of New Jersey. For information regarding the selection process of awards, please visit <https://www.hugheshubbard.com/legal-notice-methodologies>.

---

**January 8, 2020** – On January 8, 2020, the Coalition of American Millwork Producers, including Bright Wood Corporation, Cascade Wood Products, Inc., Endura Products, Inc., Sierra Pacific Industries, Sunset Moulding, Woodgrain Millwork Inc., and Yuba River Moulding (“Petitioners”), filed petitions with the U.S. Department of Commerce (“DOC”) and the U.S. International Trade Commission (“ITC”). Petitioners seek antidumping (“AD”) and countervailing (“CVD”) duties on imports of wood mouldings and millwork products from China, as well as AD duties on such imports from Brazil.

Under U.S. law, a domestic industry can petition the government to initiate an AD investigation into the pricing of an imported product to determine whether it is sold in the United States at less than fair value (i.e., whether it is “dumped”). A domestic industry can also petition for the initiation of a CVD investigation into allegations of subsidization of foreign producers by a foreign government. Duties can be imposed for such practices if DOC determines that imported goods are “dumped” and/or subsidized and if the ITC determines that the domestic industry producing a product like the targeted imports is materially injured or threatened with material injury by reason of the imports.

If the ITC and DOC make preliminary affirmative determinations, U.S. importers will be required to post cash deposits in the amount of the AD and/or CVD duties for all entries on or after the date DOC’s preliminary determination is published in the Federal Register. The preliminary AD/CVD rates can change in the final DOC determination, especially if foreign producers and their governments participate fully in the investigations.

### Scope

New Antidumping and Countervailing Duty Petitions on Imports of Wood Mouldings and Millwork Products from Brazil and China

The merchandise subject to this investigation consists of wood mouldings and millwork products that are made of wood (regardless of wood species), laminated veneer lumber (LVL), or of wood and composite materials (where the composite materials make up less than 50 percent of the total merchandise), and which are woodwork or building materials that are produced in a mill or otherwise undergo remanufacturing.

The covered products include, but are not limited to, the following: interior and exterior door frames or jambs (including split, flat, stop applied, single- or double-rabbeted), frame or jamb kits, packaged door frame trim or casing sets, mullions, mull posts, mouldings (crowns, beds, coves, quarter rounds, half rounds, base shoes, astragals, shelf edge/screen moulds, glass bead mouldings, base caps, brickmould, panel mouldings, drip caps, corner guards, shingle/panel mouldings, battens, closet rod, hand rails, rounds, squares, screen/"surfaced on 4 sides" (S4S) and/ or "surface 1 side, 2 edges" (S 1 S2E) stock (also called boards) that are finger jointed and/or coated with any surface coating (including primed), lattice, dowels, picture moulding, wainscot/ply cap, back bands, chair rails), stops, sashes, base mouldings, casing, trim, panel strips, shelf cleats, chamfer strips, inside corners, window stools (flat/rabbeted), sills, door stiles, thresholds/saddles, decorative wood mouldings (embossed, dentil, carved rope moulding), rosettes, plinth blocks, interior siding, including nickel gap or shiplap, that is LVL or finger jointed and/or coated with any surface coating (including primed), and finger-jointed or edge-glued moulding or millwork blanks (whether or not resawn).

The covered products may be solid wood, laminated, finger-jointed, edge-glued, or otherwise joined in the production or remanufacturing process and are covered by the scope whether imported raw, coated (e.g., gesso, polymer, or plastic), primed, painted, stained, wrapped (paper or vinyl overlay), any combination of the aforementioned surface coatings, treated, or which incorporate rot-resistant elements (whether wood or composite). The covered products are covered by the scope whether or not any surface coating(s) or covers obscures the grain, textures, or markings of the wood, whether or not they are ready for use or require final machining (e.g. endwork/dado, hinge/strike machining, weatherstrip or application thereof, mitre) or packaging.

All wood mouldings and millwork products are included within the scope even if they are trimmed; cut-to-size; notched; punched; drilled; or have undergone other forms of minor processing. Subject merchandise also includes wood mouldings and millwork products that have been further processed in a third country, including but not limited to trimming, cutting, notching, punching, drilling, coating, or any other processing that would not otherwise remove the merchandise from the scope of the investigations if performed in the country of manufacture of the in-scope product.

Excluded from the scope of this investigation are exterior fencing, exterior decking and exterior siding products, finished and unfinished doors, flooring, and parts of stair steps.

Excluded from the scope of this investigation are all products covered by the scope of the antidumping and countervailing duty orders on Hardwood Plywood from the People's Republic of China and Multilayered Wood Flooring from the People's Republic of China.

Imports of wood mouldings and millwork products are primarily entered under the following Harmonized Tariff Schedule of the United States (HTSUS) numbers: 4409.10.4010, 4409.10.4090, 4409.10.4500, 4409.10.5000, 4409.22.4000, 4409.22.5000, 4409.29.4000, 4409.29.4100, 4409.29.5000, and 4409.29.5100. Products may also enter under HTSUS numbers: 4409.10.6000, 4409.10.6500, 4409.22.6000, 4409.22.6500, 4409.29.6100, 4409.29.6600, 4418.99.9095 and 4421.99.9780.

### **Foreign Producers and Exporters of Subject Merchandise**

A list of foreign producers and exporters of the subject merchandise, as identified by the Petitioners, is provided in [Attachment 1](#).

## **U.S. Importers of Subject Merchandise**

A list of U.S. importers of the subject merchandise, as identified by the Petitioners, is provided in [Attachment 2](#).

## **Alleged Margins of Dumping/Subsidization**

Petitioner alleges dumping margins of 268.74% for Brazil and 289.70% - 361.83% for China.

DOC generally assigns duties at these alleged dumping rates to exporters that fail to cooperate with the investigation. Those that cooperate will be assigned rates based on the Commerce Department's examination over the course of the investigation.

No specific subsidy margins are included in the petition.

## **Potential Trade Impact**

According to official U.S. import statistics, over \$500 million of the subject merchandise was imported into the United States in 2018. Of this total, \$292 million came from Brazil and \$208 million came from China.

### Estimated Schedule of Investigations

1/8/2020 – Petitions filed

1/29/2020 – ITC Staff Conference

2/22/2020 – ITC preliminary injury determination

3/13/2020 – DOC preliminary CVD determination, if not postponed (first date duties could be due upon entry)

5/17/2020 – DOC preliminary CVD determination, if fully postponed

5/27/2020 – DOC preliminary AD determination, if not postponed

7/16/2020 – DOC preliminary AD determination, if fully postponed

12/5/2020 – DOC final AD and CVD determinations, if both preliminary and final determinations are fully postponed

1/26/2021 – ITC final injury determination, if DOC's determinations are fully postponed

2/9/2021 – AD/CVD orders published

If you have any questions about the petitions, please contact the experienced attorneys in HHR's international trade group.

## **Related People**



**Matthew R. Nicely**



**Joanne E. Osendarp**



**Eric S. Parnes**



**Dean A. Pinkert**



**Julia K. Eppard**

## **Related Areas of Focus**

International Trade

Trade Remedies & Trade Agreements