

acting for or on behalf of Credit International, its representatives, agents, officers or employees (collectively, "Related Person") may not participate, directly or indirectly, in any way in any transaction involving any commodity, software or technology (hereinafter collectively referred to as "item") exported or to be exported from the United States that is subject to the Regulations, or in any other activity subject to the Regulations, including, but not limited to:

A. Applying for, obtaining, or using any license, License Exception, or export control document;

B. Carrying on negotiations concerning, or ordering, buying, receiving, using, selling, delivering, storing, disposing of, forwarding, transporting, financing, or otherwise servicing in any way, any transaction involving any item exported or to be exported from the United States that is subject to the Regulations, or in any other activity subject to the Regulations; or

C. Benefiting in any way from any transaction involving any item exported or to be exported from the United States that is subject to the Regulations, or in any other activity subject to the Regulations.

II. No person may, directly or indirectly, do any of the following:

A. Export or reexport to or on behalf of the Related Person any item subject to the Regulations;

B. Take any action that facilitates the acquisition or attempted acquisition by the Related Person of the ownership, possession, or control of any item subject to the Regulations that has been or will be exported from the United States, including financing or other support activities related to a transaction whereby the Related Person acquires or attempts to acquire such ownership, possession or control;

C. Take any action to acquire from or to facilitate the acquisition or attempted acquisition from the Related Person of any item subject to the Regulations that has been exported from the United States;

D. Obtain from the Related Person in the United States any item subject to the Regulations with knowledge or reason to know that the item will be, or is intended to be, exported from the United States; or

E. Engage in any transaction to service any item subject to the Regulations that has been or will be exported from the United States and which is owned, possessed or controlled by the Related Person, or service any item, of whatever origin, that is owned, possessed or controlled by the Related Person if such

service involves the use of any item subject to the Regulations that has been or will be exported from the United States. For purposes of this paragraph, servicing means installation, maintenance, repair, modification or testing.

Third, that in accordance with the provisions of Section 766.23(c) of the Regulations, the Related Person may, at any time, make an appeal related to this Order by filing a full written statement in support of the appeal with the Office of the Administrative Law Judge, U.S. Coast Guard ALJ Docketing Center, 40 South Gay Street, Baltimore, Maryland 21202-4022.

Fourth, that this Order does not prohibit any export, reexport, or other transaction subject to the Regulations where the only items involved that are subject to the Regulations are the foreign-produced direct product of U.S.-origin technology.

Fifth, that this Order is effective immediately and shall remain in effect until May 2, 2015.

Sixth, that this Order shall be published in the **Federal Register** and a copy served on the Related Person.

Issued this 30 day of March 2011.

Bernard Kritzer,

Director, Office of Exporter Services.

[FR Doc. 2011-8194 Filed 4-5-11; 8:45 am]

BILLING CODE 3510-DT-P

DEPARTMENT OF COMMERCE

International Trade Administration

[C-570-971]

Multilayered Wood Flooring From the People's Republic of China: Preliminary Affirmative Countervailing Duty Determination

AGENCY: Import Administration, International Trade Administration, Department of Commerce.

SUMMARY: The Department of Commerce preliminarily determines that countervailable subsidies are being provided to producers and exporters of multilayered wood flooring from the People's Republic of China. For information on the estimated subsidy rates, see the "Suspension of Liquidation" section of this notice.

DATES: *Effective Date:* April 6, 2011.

FOR FURTHER INFORMATION CONTACT: Shane Subler, Matthew Jordan, Patricia Tran, or Joshua Morris, AD/CVD Operations, Office 1, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC 20230;

telephone: (202) 482-0189, (202) 482-1540, (202) 482-1503, and (202) 482-1779, respectively.

SUPPLEMENTARY INFORMATION:

Case History

The following events have occurred since the publication of the Department of Commerce's ("Department") notice of initiation in the **Federal Register**. See *Multilayered Wood Flooring from the People's Republic of China: Initiation of Countervailing Duty Investigation*, 75 FR 70719 (November 18, 2010) ("*Initiation Notice*"), and the accompanying Initiation Checklist.

On November 18, 2010, the Department released the U.S. Customs and Border Protection ("CBP") data for the instant investigation under administrative protective order ("APO") to all parties with APO access. See Memorandum to File from Matthew Jordan, International Trade Compliance Analyst, "Release of Customs and Border Protection Entry Data to Interested Parties for Comment" (November 18, 2010) at Attachment 1. This memorandum is on file in the Department's Central Records Unit ("CRU") in Room 7046 of the main Department building. We received comments on this CBP data from Fine Furniture (Shanghai) Ltd. ("Fine Furniture") on November 19, 2010, and Dun Hua City Jisen Wood Industry Co., Ltd. and Chinafloors Timber (China) Co., Ltd. on November 24, 2010. We received comments from Shanghai Lizhong Wood Product Co., Ltd. and the Coalition for American Hardwood Parity (Anderson Hardwood Floors, LLC; Award Hardwood Floors; Baker's Creek Wood Floors, Inc.; From the Forest; Howell Hardwood Flooring; Mannington Mills, Inc.; Nydree Flooring; Shaw Industries Group, Inc.) (collectively, "Petitioner") on November 26, 2010.

In their comments, the interested parties unanimously requested that the Department forgo using CBP data for its selection of mandatory respondents. Instead, the parties stated, the Department should issue quantity and value ("Q&V") questionnaires to the companies identified by Petitioner as potential producers/exporters of the subject merchandise. After examining the CBP data, the Department agreed that the data did not provide a basis for selecting respondents and determined it was necessary to issue Q&Vs.

On December 2, 2010, and December 3, 2010, the Department issued Q&Vs to the 174 companies listed in the Petition, plus two additional companies that identified themselves via requests for

voluntary treatment as producers and/or exporters of subject merchandise before the Q&Vs were issued, for a total of 176 questionnaires issued. In total, the Department received 70 responses.

On December 30, 2010, the Department selected three Chinese producers/exporters of multilayered wood flooring (“wood flooring”) as mandatory respondents: (1) Fine Furniture; (2) Zhejiang Layo Wood Industry Co., Ltd. (“Layo”); and (3) Zhejiang Yuhua Timber Co., Ltd. (“Yuhua”). See Memorandum to Christian Marsh, Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations, “Selection of Respondents for the Countervailing Duty Investigation of Multilayered Wood Flooring from the People’s Republic of China” (December 30, 2010) (“Respondent Selection Memo”) at 4.

On January 3, 2011, we issued questionnaires to the Government of the People’s Republic of China (“GOC”), Fine Furniture, Layo, and Yuhua. Also on January 3, 2011, the Department published a postponement of the deadline for the preliminary determination in this countervailing duty (“CVD”) investigation until March 21, 2011. See *Multilayered Wood Flooring from the People’s Republic of China: Postponement of Preliminary Determination in the Countervailing Duty Investigation*, 76 FR 92 (January 3, 2011).

On February 7, 2011, Petitioner requested an extension of time to submit new subsidy allegations to the Department. On February 7, 2011, we partially extended the deadline; however, no new subsidy allegations were submitted.

On February 14, 2011, we received responses to our questionnaires from the GOC, Fine Furniture, Layo, and Yuhua. See the GOC’s Initial CVD Questionnaire Response (“GQR”), the Countervailing Duty Questionnaire Response of Fine Furniture (Shanghai) Limited (“FFQR”), Layo’s Questionnaire Response (“LQR”) (as well as affiliated trading company Jiaying Brilliant Import & Export Co., Ltd.’s Questionnaire Response “LQR (Brilliant)”), and Yuhua’s CVD Questionnaire Response (“YQR”). We sent supplemental questionnaires to the GOC, Fine Furniture, Layo, and Yuhua on February 18, 2011. We received responses to these supplemental questionnaires from the GOC, Layo, and Yuhua on February 25, 2011, and Fine Furniture on March 2, 2011. See the GOC’s First Supplemental CVD Questionnaire Response (“G1SR”), the First Supplemental Countervailing Duty

Questionnaire Response of Fine Furniture (Shanghai) Limited (“FF1SR”), Layo’s Supplemental Questionnaire Response (“L1SR”), and Yuhua’s Supplemental CVD Response (“Y1SR”). We sent a second supplemental questionnaire to Fine Furniture on March 8, 2011. We received a response to the second supplemental questionnaire on March 11, 2011. See Fine Furniture’s Second Supplemental Questionnaire Response (“FF2SR”).

Scope Comments

In accordance with the preamble to the Department’s regulations, we set aside a period of time in our *Initiation Notice* for parties to raise issues regarding product coverage, and encouraged all parties to submit comments within 20 calendar days of publication of that notice. See *Antidumping Duties; Countervailing Duties*, 62 FR 27296, 27323 (May 19, 1997), and *Initiation Notice*, 75 FR at 70719. We received numerous comments concerning the scope of the antidumping duty (“AD”) and CVD investigations of wood flooring from the People’s Republic of China (“PRC”), including requests to exclude certain products from the scope of the investigations.

On March 14, 2011, Petitioner submitted a response to the individual scope comments and exclusion requests. See letter from Petitioner to the Department, “Multilayered Wood Flooring from the People’s Republic of China” (March 14, 2011).

Because of the timing of the scope comments and Petitioner’s response to the comments, we did not have time to analyze the issues raised by parties prior to this preliminary determination. Therefore, after this preliminary determination, we intend to issue a preliminary analysis with respect to the scope issues raised by interested parties.

Scope of the Investigation

Multilayered wood flooring is composed of an assembly of two or more layers or plies of wood veneer(s)¹ in combination with a core. The several layers, along with the core, are glued or otherwise bonded together to form a final assembled product. Multilayered wood flooring is often referred to by other terms, e.g., “engineered wood flooring” or “plywood flooring.” Regardless of the particular terminology, all products that meet the description set forth herein are intended for

inclusion within the definition of subject merchandise.

All multilayered wood flooring is included within the definition of subject merchandise, without regard to: Dimension (overall thickness, thickness of face ply, thickness of back ply, thickness of core, and thickness of inner plies; width; and length); wood species used for the face, back and inner veneers; core composition; and face grade. Multilayered wood flooring included within the definition of subject merchandise may be unfinished (*i.e.*, without a finally finished surface to protect the face veneer from wear and tear) or “prefinished” (*i.e.*, a coating applied to the face veneer, including, but not exclusively, oil or oil-modified or water-based polyurethanes, ultra-violet light cured polyurethanes, wax, epoxy-ester finishes, moisture-cured urethanes and acid-curing formaldehyde finishes.) The veneers may be also soaked in an acrylic-impregnated finish. All multilayered wood flooring is included within the definition of subject merchandise regardless of whether the face (or back) of the product is smooth, wire brushed, distressed by any method or multiple methods, or hand-scraped. In addition, all multilayered wood flooring is included within the definition of subject merchandise regardless of whether or not it is manufactured with any interlocking or connecting mechanism (for example, tongue-and-groove construction or locking joints). All multilayered wood flooring is included within the definition of the subject merchandise regardless of whether the product meets a particular industry or similar standard.

The core of multilayered wood flooring may be composed of a range of materials, including but not limited to hardwood or softwood veneer, particleboard, medium-density fiberboard (“MDF”), high-density fiberboard (“HDF”), stone and/or plastic composite, or strips of lumber placed edge-to-edge.

Multilayered wood flooring products generally, but not exclusively, may be in the form of a strip, plank, or other geometrical patterns (*e.g.*, circular, hexagonal). All multilayered wood flooring products are included within this definition regardless of the actual or nominal dimensions or form of the product.

Specifically excluded from the scope are cork flooring and bamboo flooring, regardless of whether any of the sub-surface layers of either flooring are made from wood. Also excluded is laminate flooring. Laminate flooring consists of a top wear layer sheet not

¹ A “veneer” is a thin slice of wood, rotary cut, sliced or sawed from a log, bolt, or flitch. Veneer is referred to as a ply when assembled.

made of wood, a decorative paper layer, a core-layer of high-density fiberboard, and a stabilizing bottom layer.

Imports of the subject merchandise are provided for under the following subheadings of the Harmonized Tariff Schedule of the United States (“HTSUS”): 4412.31.0520; 4412.31.0540; 4412.31.0560; 4412.31.2510; 4412.31.2520; 4412.31.4040; 4412.31.4050; 4412.31.4060; 4412.31.4070; 4412.31.5125; 4412.31.5135; 4412.31.5155; 4412.31.5165; 4412.31.3175; 4412.31.6000; 4412.31.9100; 4412.32.0520; 4412.32.0540; 4412.32.0560; 4412.32.2510; 4412.32.2520; 4412.32.3125; 4412.32.3135; 4412.32.3155; 4412.32.3165; 4412.32.3175; 4412.32.3185; 4412.32.5600; 4412.39.1000; 4412.39.3000; 4412.39.4011; 4412.39.4012; 4412.39.4019; 4412.39.4031; 4412.39.4032; 4412.39.4039; 4412.39.4051; 4412.39.4052; 4412.39.4059; 4412.39.4061; 4412.39.4062; 4412.39.4069; 4412.39.5010; 4412.39.5030; 4412.39.5050; 4412.94.1030; 4412.94.1050; 4412.94.3105; 4412.94.3111; 4412.94.3121; 4412.94.3131; 4412.94.3141; 4412.94.3160; 4412.94.3171; 4412.94.4100; 4412.94.5100; 4412.94.6000; 4412.94.7000; 4412.94.8000; 4412.94.9000; 4412.94.9500; 4412.99.0600; 4412.99.1020; 4412.99.1030; 4412.99.1040; 4412.99.3110; 4412.99.3120; 4412.99.3130; 4412.99.3140; 4412.99.3150; 4412.99.3160; 4412.99.3170; 4412.99.4100; 4412.99.5100; 4412.99.5710; 4412.99.6000; 4412.99.7000; 4412.99.8000; 4412.99.9000; 4412.99.9500; 4418.71.2000; 4418.71.9000; 4418.72.2000; and 4418.72.9500.

In addition, imports of subject merchandise may enter the U.S. under the following HTSUS subheadings:

4409.10.0500; 4409.10.2000; 4409.29.0515; 4409.29.0525; 4409.29.0535; 4409.29.0545; 4409.29.0555; 4409.29.0565; 4409.29.2530; 4409.29.2550; 4409.29.2560; 4418.71.1000; 4418.79.0000; and 4418.90.4605.

While HTSUS subheadings are provided for convenience and customs purposes, the written description of the subject merchandise is dispositive.

Injury Test

On December 17, 2010, the U.S. International Trade Commission (“ITC”) published its affirmative preliminary determination that there is a reasonable

indication that an industry in the United States is materially injured by reason of allegedly subsidized imports of wood flooring from the PRC. *See Multilayered Wood Flooring From China*, 75 FR 79019 (December 17, 2010).

Period of Investigation

The period for which we are measuring subsidies, *i.e.*, the period of investigation (“POI”), is January 1, 2009, through December 31, 2009.

Application of the Countervailing Duty Law to Imports From the PRC

On October 25, 2007, the Department published *Coated Free Sheet Paper from the People’s Republic of China: Final Affirmative Countervailing Duty Determination*, 72 FR 60645 (October 25, 2007) (“CFS from the PRC”), and the accompanying Issues and Decision Memorandum (“CFS Decision Memorandum”). In *CFS from the PRC*, the Department found that

given the substantial difference between the Soviet-style economies and China’s economy in recent years, the Department’s previous decision not to apply the CVD law to these Soviet-style economies does not act as {a} bar to proceeding with a CVD investigation involving products from China.

See CFS Decision Memorandum, at Comment 6. The Department has affirmed its decision to apply the CVD law to the PRC in subsequent final determinations. *See, e.g., Circular Welded Carbon Quality Steel Pipe from the People’s Republic of China: Final Affirmative Countervailing Duty Determination and Final Affirmative Circumstances*, 73 FR 31966 (June 5, 2008), and accompanying Issues and Decision Memorandum (“CWP Decision Memorandum”) at Comment 1.

Additionally, for the reasons stated in the CWP Decision Memorandum, we are using the date of December 11, 2001, the date on which the PRC became a member of the WTO, as the date from which the Department will identify and measure subsidies in the PRC. *See* CWP Decision Memorandum at Comment 2.

Use of Facts Otherwise Available and Adverse Inferences

Sections 776(a)(1) and (2) of the Tariff Act of 1930, as amended (“the Act”), provide that the Department shall 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 the Department, 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 the Department may use an adverse inference in applying the facts otherwise available when a party has failed to cooperate by not acting to the best of its ability to comply with a request for information.

GOC—Electricity

The GOC did not provide a complete response to the Department’s January 3, 2011, questionnaire regarding the alleged provision of electricity for less than adequate remuneration (“LTAR”). Specifically, the Department requested that the GOC provide the original Provincial Price Proposals for 2006 and 2008 for each province in which a mandatory respondent or any reported “cross-owned” company is located. Because the requested price proposals are core documents for the GOC’s electricity price adjustment process, the documents are necessary for the Department’s analysis of the program.

At page 48 of the GQR, the GOC responded that the proposals are drafted by the provincial governments and submitted to the National Development and Reform Commission (“NDRC”). The GOC stated it is unable to provide the internal working documents from the NDRC with its response. On February 18, 2011, the Department issued a supplemental questionnaire and reiterated its request for this information. In response, the GOC stated, the “GOC maintains its position that the requested original provincial proposals are internal working documents for NDRC’s review and cannot be provided.” *See* G1SR at 4.

Consequently, we preliminarily determine that the GOC has withheld necessary information that was requested of it and, thus, that the Department must rely on “facts available” in making our preliminary determination. *See* section 776(a)(1), section 776(a)(2)(A), and section 776(a)(2)(B) of the Act. Moreover, we preliminarily determine that the GOC has failed to cooperate by not acting to the best of its ability to comply with our request for information as it did not respond by the deadline dates, nor did it explain why it was unable to provide the requested information.

Consequently, an adverse inference is warranted in the application of facts available. *See* section 776(b) of the Act. In drawing an adverse inference, we find that the GOC’s provision of electricity constitutes a financial

contribution within the meaning of section 771(5)(D) of the Act and is specific within the meaning of section 771(5A) of the Act. We have also relied on an adverse inference in selecting the benchmark for determining the existence and amount of the benefit. *See* sections 776(b)(2) and 776(b)(4) of the Act. The benchmark rates we have selected are derived from information from the record of the instant investigation and are the highest electricity rates on this record for the applicable rate and user categories. *See* GQR at Exhibit E-4 and E-5.

For details on the calculation of the subsidy rate for the respondents, *see* below at section I.4., "Provision of Electricity for LTAR."

Non-Cooperative Companies

In this investigation, 127 companies did not provide a response to the Department's Q&V questionnaire issued during the respondent selection process. These companies are listed below in the "Suspension of Liquidation" section. We confirmed that each of these companies either received the Q&V questionnaire sent via United Parcel Service and did not respond, or refused delivery of the Q&V questionnaire. *See* Memorandum to the File from Matthew Jordan, International Trade Compliance Analyst, AD/CVD Operations, Office 1, dated March 21, 2011, re: Adverse Facts Available Rate for Non-Cooperating Companies ("AFA Memo").

These non-cooperating companies withheld requested information and significantly impeded this proceeding. Specifically, by not responding to requests for information concerning the quantity and value of their sales, the companies impeded the Department's ability to select the most appropriate respondents in this investigation. Thus, in reaching our preliminary determination, pursuant to sections 776(a)(2)(A) and (C) of the Act, we are basing the CVD rate for these non-cooperating companies on facts otherwise available.

We further preliminarily determine that an adverse inference is warranted, pursuant to section 776(b) of the Act. By failing to submit responses to the Department's Q&V questionnaires, these companies did not cooperate to the best of their ability in this investigation. Accordingly, we preliminarily find that an adverse inference is warranted to ensure that the non-cooperating companies will not obtain a more favorable result than had they fully complied with our request for information.

In deciding which facts to use as adverse facts available ("AFA"), section

776(b) of the Act and 19 CFR 351.308(c)(1) and (2) authorize the Department to rely on information derived from: (1) The petition; (2) a final determination in the investigation; (3) any previous review or determination; or (4) any other information placed on the record. The Department's practice when selecting an adverse rate from among the possible sources of information 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 the Department with complete and accurate information in a timely manner." *See, e.g., 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). The Department's practice also ensures "that the party does not obtain a more favorable result by failing to cooperate than if it had cooperated fully." *See* Statement of Administrative Action ("SAA") accompanying the Uruguay Round Agreements Act, H.R. Rep. No. 103-316, Vol. I, at 870 (1994), reprinted at 1994 U.S.C.C.A.N. 4040, 4199.

For this preliminary determination, consistent with the Department's recent practice, we are computing a total AFA rate for the non-cooperating companies using program-specific rates calculated for the cooperating respondents in the instant investigation. *See, e.g., Certain Kitchen Shelving and Racks from the People's Republic of China: Final Affirmative Countervailing Duty Determination*, 74 FR 37012 (July 27, 2009) and accompanying Issues and Decision Memorandum ("Shelving Decision Memorandum") at 4-5. Specifically, for programs other than those involving income tax exemptions and reductions, we are applying the highest calculated rate for the identical program in this investigation.

As explained in *Certain Tow-Behind Lawn Groomers and Certain Parts Thereof from the People's Republic of China: Initiation of Countervailing Duty Investigation*, 73 FR 42324 (July 21, 2008) and accompanying Initiation Checklist, where the GOC can demonstrate through complete, verifiable, positive evidence that non-cooperating companies (including all their facilities and cross-owned affiliates) are not located in particular provinces whose subsidies are being investigated, the Department will not include those provincial programs in determining the countervailable subsidy rate for the non-cooperating companies. *See, e.g., Shelving Decision Memorandum* at "Use of Facts Otherwise Available and Adverse Facts

Available." In this investigation, the GOC has not provided any such information. Therefore, we are making the adverse inference that the non-cooperating companies had facilities and/or cross-owned affiliates that received subsidies under all of the sub-national programs on which the Department initiated.

Consistent with this, we have calculated the non-cooperating companies' countervailable subsidies as follows:

Income Tax Reduction and Exemption Programs

For the income tax rate reduction or exemption programs, we are applying an adverse inference that the non-cooperating companies paid no income taxes during the POI. The three programs are: (1) Two Free, Three Half Tax Exemptions for Foreign-Invested Enterprises ("FIEs"); (2) Local Income Tax Exemption and Reduction Program for Productive FIEs; and (3) Income Tax Benefits for FIEs Based on Geographical Location.

The standard income tax rate for corporations in the PRC is 25 percent. *See* GQR at 12. The highest possible benefit for all income tax reduction or exemption programs combined is 25 percent. Therefore, we are applying a CVD rate of 25 percent on an overall basis for these three income tax programs (*i.e.*, these three income tax programs combined provide a countervailable benefit of 25 percent). This approach is consistent with the Department's past practice. *See, e.g., Aluminum Extrusions From the People's Republic of China: Preliminary Affirmative Countervailing Duty Determination*, 75 FR 54302, 54306 (September 7, 2010), *Lightweight Thermal Paper From the People's Republic of China: Final Affirmative Countervailing Duty Determination*, 73 FR 57323 (October 2, 2008) ("LWTP from the PRC"), and accompanying Issues and Decision Memorandum ("LWTP Decision Memorandum") at "Selection of the Adverse Facts Available Rate," and CWP Decision Memorandum at 2.

Value-Added Tax ("VAT") and Tariff Reduction Programs

Among the responding companies in this investigation, Fine Furniture had the highest calculated rate for the VAT and Tariff Exemptions on Imported Equipment program. Therefore, we are using, as AFA, Fine Furniture's rate of 0.56 percent.

Provision of Goods and Services for LTAR

Among the responding companies in this investigation, Fine Furniture had the highest calculated rate for the Provision of Electricity for LTAR program. Therefore, we are using, as AFA, Fine Furniture's rate of 1.45 percent.

For further explanation of the derivation of the AFA rates, *see* the AFA Memo.

On this basis, we preliminarily determine the AFA countervailable subsidy rate for the non-cooperating companies to be 27.01 percent ad valorem. *See* AFA Memo.

Application of All-Others Rate to Companies Not Selected as Mandatory Respondents

In addition to Fine Furniture, Layo, and Yuhua, we received responses to the Q&V questionnaire from 67 other companies. *See* Respondent Selection Memo at 4. Though these 67 companies were not chosen as mandatory respondents, they did cooperate fully with the Department's request for quantity and value information. We, therefore, are applying the all-others rate to them.

Subsidies Valuation Information

Allocation Period

The average useful life ("AUL") period in this proceeding, as described in 19 CFR 351.524(d)(2), is 10 years according to the U.S. Internal Revenue Service's 1977 Class Life Asset Depreciation Range System, as revised. *See* U.S. Internal Revenue Service Publication 946 (2008), *How to Depreciate Property*, at Table B-2: Table of Class Lives and Recovery Periods. No party in this proceeding has disputed this allocation period.

Attribution of Subsidies

The Department's regulations at 19 CFR 351.525(b)(6)(i) state that the Department will normally attribute a subsidy to the products produced by the corporation that received the subsidy. However, 19 CFR 351.525(b)(6)(ii)-(v) directs that the Department will attribute subsidies received by certain other companies to the combined sales of the recipient and other companies if: (1) Cross-ownership exists between the companies; and (2) the cross-owned companies produce the subject merchandise, are a holding or parent company of the subject company, produce an input that is primarily dedicated to the production of the downstream product, or transfer a subsidy to a cross-owned company.

According to 19 CFR 351.525(b)(6)(vi), cross-ownership exists between two or more corporations where one corporation can use or direct the individual assets of the other corporation(s) in essentially the same ways it can use its own assets. This section of the Department's regulations states that this standard will normally be met where there is a majority voting ownership interest between two corporations or through common ownership of two (or more) corporations. The preamble to the Department's regulations further clarifies the Department's cross-ownership standard. According to the preamble, relationships captured by the cross-ownership definition include those where

the interests of two corporations have merged to such a degree that one corporation can use or direct the individual assets (or subsidy benefits) of the other corporation in essentially the same way it can use its own assets (or subsidy benefits) * * * Cross-ownership does not require one corporation to own 100 percent of the other corporation. Normally, cross-ownership will exist where there is a majority voting ownership interest between two corporations or through common ownership of two (or more) corporations. In certain circumstances, a large minority voting interest (for example, 40 percent) or a "golden share" may also result in cross-ownership.

See Countervailing Duties; Final Rule, 63 FR 65348 (November 25, 1998), at 65401.

Thus, the Department's regulations make clear that the agency must look at the facts presented in each case in determining whether cross-ownership exists.

The CIT has upheld the Department's authority to attribute subsidies based on whether a company could use or direct the subsidy benefits of another company in essentially the same way it could use its own subsidy benefits. *See Fabrique de Fer de Charleroi, SA v. United States*, 166 F. Supp. 2d 593, 600-604 (CIT 2001).

Fine Furniture

Fine Furniture responded to the Department's original and supplemental questionnaires on behalf of itself and its affiliated parties Great Wood (Tonghua) Ltd. ("Great Wood") and Fine Furniture Plantation (Shishou) Ltd. ("FF Plantation"). These companies are cross-owned within the meaning of 19 CFR 351.525(b)(6)(vi) by virtue of common ownership. *See* FFQR at 4 and 6.

Because Fine Furniture is a producer of subject merchandise, we are preliminarily attributing subsidies received by Fine Furniture to its sales,

in accordance with 19 CFR 351.525(b)(6).

Fine Furniture identified Great Wood as a supplier of kiln dried lumber, cut-to-size lumber, and face veneer for furniture and flooring. *See* FFQR at 4. Because these products are primarily dedicated to the production of the downstream product, we are preliminarily attributing subsidies received by Great Wood to the combined sales of Great Wood and Fine Furniture (excluding intercompany sales), in accordance with 19 CFR 351.525(b)(6)(iv).

Fine Furniture identified FF Plantation as a supplier of plywood cores to Fine Furniture for the production of wood flooring. *See* FFQR at 6. Because these products are primarily dedicated to the production of the downstream product, we are preliminarily attributing subsidies received by FF Plantation to the combined sales of FF Plantation and Fine Furniture (excluding intercompany sales), in accordance with 19 CFR 351.525(b)(6)(iv).

Entered Value ("EV") Adjustment

Fine Furniture has reported that its affiliate, Double F Ltd. ("Double F"), issued invoices for Fine Furniture's sales of subject merchandise to the United States. Thus, Fine Furniture has requested the Department make an adjustment to the calculated subsidy rate to account for the mark-up between the export value from the PRC and the entered value of subject merchandise into the United States.

Citing the Coated Paper Decision Memorandum, Fine Furniture states that the adjustment is appropriate for six reasons. *See Certain Coated Paper Suitable for High-Quality Print Graphics Using Sheet-Fed Presses from Indonesia: Final Affirmative Countervailing Duty Determination*, 75 FR 59209 (September 27, 2010) and accompanying Issues and Decision Memorandum ("Coated Paper Decision Memorandum") at Comment 32. The six reasons are: (1) The U.S. invoice is issued through Fine Furniture's affiliate, Double F, and includes a mark-up from the invoice issued from Fine Furniture to Double F; (2) the exporter, Fine Furniture, and the party that invoices the customer, Double F, are affiliated; (3) the U.S. invoice establishes the customs value to which CVDs are applied; (4) there is a one-to-one correlation between the Double F invoice and the Fine Furniture invoice; (5) the merchandise is shipped directly to the United States; and (6) the invoices can be tracked as back-to-back invoices that are identical except for price. *See* FFQR at 26.

As indicated by the determination cited by Fine Furniture, the Department has a practice of making an adjustment to the calculated subsidy rate when the sales value used to calculate that subsidy rate does not match the entered value of the merchandise, *i.e.*, where subject merchandise exported to the United States is exported with a mark-up from an affiliated company, and where the respondent can provide data to demonstrate that the six criteria above are met. In the instant case, the information submitted by Fine Furniture supports its claim and the information also permits an accurate calculation of the adjustment. Therefore, we have made the adjustment for this preliminary determination.

The information submitted by Fine Furniture in support of its claim and the amounts used to calculate the adjustment are business proprietary. See Memorandum from Matthew Jordan, International Trade Compliance Analyst, "Preliminary Results Calculations for Fine Furniture," (March 21, 2011).

Layo

Layo responded on behalf of itself, a producer of subject merchandise, as well as on behalf of Jiaxing Brilliant Import & Export Co., Ltd. ("Brilliant"), an affiliated trading company. See LQR at 3.

Because Layo is a producer of subject merchandise, we are preliminarily attributing subsidies received by Layo to its sales, in accordance with 19 CFR 351.525(b)(6).

Layo reported that it made export sales of subject merchandise to the United States during the POI through Brilliant. See LQR (Brilliant) at 2. Thus, in accordance with 19 CFR 351.525(c), we are preliminarily cumulating the benefit from subsidies provided to Brilliant with the benefit from subsidies provided to Layo.

Yuhua

Yuhua responded on behalf of itself, a producer of subject merchandise. Yuhua identified affiliated companies but reported that these affiliates do not produce the subject merchandise or provide inputs primarily dedicated to the production of the downstream products. See YQR at Exhibit 1. Because these companies do not fall within the situations described in 19 CFR 351.525(b)(6)(iii)–(v), we do not reach the issue of whether these companies and Yuhua are cross-owned within the meaning of 19 CFR 351.525(b)(6)(vi), and we are not including these companies in our subsidy calculations.

Discount Rates for Allocating Non-Recurring Subsidies

Consistent with 19 CFR 351.524(d)(3)(i)(C), we have used, as our discount rate, the long-term interest rate calculated according to the methodology described below for the year in which the government agreed to provide the subsidy.

Short-Term RMB Interest Rate Benchmark

The Department's regulations at 19 CFR 351.524(d)(3) state that Department will use as a discount rate the following, in order of preference: (A) The cost of long-term, fixed-rate loans of the firm in question, excluding any loans that the Department has determined to be countervailable subsidies; (B) the average cost of long-term, fixed-rate loans in the country in question; or (C) a rate that the Department considers to be most appropriate. For the reasons explained in *CFS from the PRC*, loans provided by Chinese banks reflect significant government intervention in the banking sector and do not reflect rates that would be found in a functioning market. See CFS Decision Memorandum at Comment 10. Because of this, any loans received by respondents from private Chinese or foreign-owned banks would be unsuitable for use as a discount rate under 19 CFR 351.524(d)(3)(i)(A). Similarly, we cannot use a national interest rate for commercial loans as envisaged by 19 CFR 351.524(d)(3)(i)(A).

Therefore, because of the special difficulties inherent in using a Chinese benchmark for loans, the Department is selecting an external market-based benchmark interest rate. The use of an external benchmark is consistent with the Department's practice. For example, in lumber from Canada, the Department used U.S. timber prices to measure the benefit for government-provided timber in Canada. See *Notice of Final Affirmative Countervailing Duty Determination and Final Negative Critical Circumstances Determination: Certain Softwood Lumber Products From Canada*, 67 FR 15545 (April 2, 2002) and accompanying Issues and Decision Memorandum at "Analysis of Programs, Provincial Stumpage Programs Determined to Confer Subsidies, Benefit."

We are calculating the external benchmark using the regression-based methodology first developed in *CFS from the PRC* and updated in *LWTP from the PRC*. See CFS Decision Memorandum at Comment 10 and LWTP Decision Memorandum at 8–10. This benchmark interest rate is based on

the inflation-adjusted interest rates of countries with per capita gross national incomes ("GNIs") similar to the PRC, and takes into account a key factor involved in interest rate formation, that of the quality of a country's institutions, that is not directly tied to the state-imposed distortions in the banking sector discussed above.

Following the methodology developed in *CFS from the PRC*, we first determined which countries are similar to the PRC in terms of GNI, based on the World Bank's classification of countries as low income, lower-middle income, upper-middle income, and high income. The PRC falls in the lower-middle income category, a group that includes 55 countries. See The World Bank Country Classification, <http://econ.worldbank.org/>. As explained in *CFS from the PRC*, this pool of countries captures the broad inverse relationship between income and interest rates.

Many of these countries reported lending and inflation rates to the International Monetary Fund, and they are included in that agency's international financial statistics ("IFS"). With the exceptions noted below, we have used the interest and inflation rates reported in the IFS for the countries identified as "low middle income" by the World Bank. First, we did not include those economies that the Department considered to be non-market economies for AD purposes for any part of the years in question, for example: Armenia, Azerbaijan, Belarus, Georgia, Moldova, Turkmenistan. Second, the pool necessarily excludes any country that did not report both lending and inflation rates to IFS for those years. Third, we removed any country that reported a rate that was not a lending rate or that based its lending rate on foreign-currency denominated instruments. For example, Jordan reported a deposit rate, not a lending rate, and the rates reported by Ecuador and Timor L'Este are dollar-denominated rates; therefore, the rates for these three countries have been excluded. Finally, for each year the Department calculated an inflation-adjusted short-term benchmark rate, we have also excluded any countries with aberrational or negative real interest rates for the year in question.

The resulting inflation-adjusted benchmark lending rates are provided in the Memorandum from Shane Subler to the File, "Discount Rates for Allocating Non-recurring Subsidies" (March 10, 2011).

Benchmarks for Long-Term Loans

The lending rates reported in the IFS represent short- and medium-term

lending, and there are not sufficient publicly available long-term interest rate data upon which to base a robust benchmark for long-term loans. To address this problem, the Department has developed an adjustment to the short- and medium-term rates to convert them to long-term rates using Bloomberg U.S. corporate BB-rated bond rates. *See, e.g., Light-Walled Rectangular Pipe and Tube From People's Republic of China: Final Affirmative Countervailing Duty Investigation Determination*, 73 FR 35642 (June 24, 2008) and accompanying Issues and Decision Memorandum at 8. In *Citric Acid from the PRC*, this methodology was revised by switching from a long-term mark-up based on the ratio of the rates of BB-rated bonds to applying a spread which is calculated as the difference between the two-year BB bond rate and the n-year BB bond rate, where n equals or approximates the number of years of the term of the loan in question. *See Citric Acid and Certain Citrate Salts From the People's Republic of China: Final Affirmative Countervailing Duty Determination*, 74 FR 16836 (April 13, 2009) (“*Citric Acid from the PRC*”) and accompanying Issues and Decision Memorandum (“*Citric Acid Decision Memorandum*”) at Comment 14.

Analysis of Programs

Based upon our analysis of the petition and the responses to our questionnaires, we preliminarily determine the following:

I. Programs Preliminarily Determined To Be Countervailable

Income Tax Subsidies for FIEs Based on Geographic Location

To promote economic development and attract foreign investment, “productive” FIEs located in coastal economic zones, special economic zones or economic and technical development zones in the PRC were subject to preferential tax rates of 15 percent or 24 percent, depending on the zone. *See* GQR at Exhibit A–1. These preferential rates were established on June 15, 1988, pursuant to the *Provisional Rules on Exemption and Reduction of Corporate Income Tax and Business Tax of FIEs in Coastal Economic Development Zone* issued by the Ministry of Finance, and continued under Article 7 of the *FIE Tax Law* on July 1, 1991. The Department has previously found the preferential tax rates for FIEs based on geographic location to be countervailable. *See* Citric Acid Decision Memorandum at 14–15 and CFS Decision Memorandum at 12.

As a result of the transition provisions of the new Enterprise Income Tax Law, which came into force on January 1, 2008, enterprises that were eligible for the reduced rates of 15 percent or 24 percent are to be gradually transitioned to the uniform rate of 25 percent over a five-year period. *See* G1SR at SGQ1–2.

Fine Furniture reported using this program during the POI. *See* FFQR at 18. In particular, because of its location Fine Furniture was entitled to a 15 percent rate until December 31, 2007. *See* FFQR at 18. Under the transition rules, the *State Council Notice on Implementation of Transnational Preferential Policies*, Fine Furniture’s maximum tax rate increased to 18 percent in 2008. *See* G1SR at SGQ1–2.

We preliminarily determine that the reduced income tax rate paid by productive FIEs under this program confers a countervailable subsidy. The reduced rate is a financial contribution in the form of revenue forgone by the GOC and it provides a benefit to the recipient in the amount of the tax savings. *See* section 771(5)(D)(ii) of the Act and 19 CFR 351.509(a)(1). We further determine preliminarily that the reduction afforded by this program is limited to enterprises located in designated geographic regions and, hence, is specific under section 771(5A)(D)(iv) of the Act.

To calculate the benefit, we treated the income tax savings enjoyed by Fine Furniture as a recurring benefit, consistent with 19 CFR 351.524(c)(1). To compute the amount of the tax savings, we compared the income tax Fine Furniture would have paid in the absence of the program (*i.e.*, 25 percent) with the maximum tax rate applicable to the company for the tax return filed during the POI (*i.e.*, 18 percent).

We divided the benefits received by Fine Furniture in the POI by its sales during the POI, in accordance with 19 CFR 351.525(b)(6)(i). On this basis, we preliminarily determine that Fine Furniture received a countervailable subsidy of 0.09 percent *ad valorem* under this program.

2. Income Tax Exemption/Reduction Under the Two Free/Three Half Program

Under Article 8 of the *FIE Tax Law*, an FIE that is “productive” and is scheduled to operate for more than ten years may be exempted from income tax in the first two years of profitability and pay income taxes at half the standard rate for the subsequent three years. *See* GQR at Exhibit A–1. The Department has previously found this program countervailable. *See, e.g.,* CFS Decision Memorandum at 10–11.

Fine Furniture reported that it and Great Wood used this program during the POI. *See* FFQR at 14. Specifically, in 2008, Fine Furniture was in the second year of paying taxes at half its normal tax rate. *See* FFQR at 16. Great Wood was in its first of two tax-free years. *See* FFQR at 16.

We preliminarily determine that the exemption or reduction of the income tax paid by productive FIEs under this program confers a countervailable subsidy. The exemption/reduction is a financial contribution in the form of revenue forgone by the GOC, and it provides a benefit to the recipient in the amount of the tax savings. *See* section 771(5)(D)(ii) of the Act and 19 CFR 351.509(a)(1). We also preliminarily determine that the exemption/reduction afforded by this program is limited as a matter of law to certain enterprises, *i.e.*, “productive” FIEs and, hence, is specific under section 771(5A)(D)(i) of the Act. *See* CFS Decision Memorandum at Comment 14.

To calculate the benefit, we treated the income tax savings enjoyed by Fine Furniture and Great Wood as a recurring benefit, consistent with 19 CFR 351.524(c)(1). To compute the amount of the tax savings, we compared the income tax the above companies would have paid in the absence of the program (*i.e.*, at the rates of 18 percent for Fine Furniture and 25 percent for Great Wood) with the income tax the companies actually paid during the POI (*i.e.*, at the rates of nine percent for Fine Furniture and zero percent for Great Wood).

For Fine Furniture, we divided the benefits received in the POI by its sales during the POI, in accordance with 19 CFR 351.525(b)(6)(i). For Great Wood, we divided the benefits received in the POI by the combined sales of Fine Furniture and Great Wood, less intercompany sales, in accordance with 19 CFR 351.525(b)(6)(iv). On this basis, we preliminarily determine that Fine Furniture received a countervailable subsidy of 0.15 percent *ad valorem* under this program.

3. VAT and Tariff Exemptions on Imported Equipment

Enacted in 1997, the *Circular of the State Council on Adjusting Tax Policies on Imported Equipment* (GUOFA No. 37) exempts both FIEs and certain domestic enterprises from the value added tax (“VAT”) and tariffs on imported equipment used in their production so long as the equipment does not fall into prescribed lists of non-eligible items. Qualified enterprises receive a certificate of entitlement either from the NDRC or its provincial branch.

The Department has previously found this program to be countervailable. See Citric Acid Decision Memorandum at 19–20, CFS Decision Memorandum at 14, and *Certain Seamless Carbon and Alloy Steel Standard, Line, and Pressure Pipe from the People's Republic of China: Final Affirmative Countervailing Duty Determination*, Final Affirmative Critical Circumstances Determination, 75 FR 57444 (September 21, 2010) and accompanying Issues and Decision Memorandum at 23–25.

Fine Furniture and Great Wood reported using this program and provided a list of VAT and tariff exemptions that they received for imported capital equipment since December 11, 2001. See FFQR at 21 and Exhibit 14.

We preliminarily determine that VAT and tariff exemptions on imported equipment confer a countervailable subsidy. The exemptions are a financial contribution in the form of revenue forgone by the GOC and they provide a benefit to the recipients in the amount of the VAT and tariff savings. See section 771(5)(D)(ii) of the Act and 19 CFR 351.510(a)(1). We further determine the VAT and tariff exemptions under this program are specific under section 771(5A)(D)(i) because the program is limited to certain enterprises, *i.e.*, FIEs and domestic enterprises with government-approved projects. See CFS Decision Memorandum at Comment 16.

Normally, we treat exemptions from indirect taxes and import charges, such as the VAT and tariff exemptions, as recurring benefits, consistent with 19 CFR 351.524(c)(1), and expense these benefits in the year in which they were received. However, when an indirect tax or import charge exemption is provided for, or tied to, the capital structure or capital assets of a firm, the Department may treat it as a non-recurring benefit and allocate the benefit to the firm over the AUL. See 19 CFR 351.524(c)(2)(iii) and 19 CFR 351.524(d)(2). Because these VAT and tariff exemptions were received for capital equipment, we are applying the allocation rules described in 19 CFR 351.524(b), as explained below.

For Fine Furniture and Great Wood, we applied the “0.5 percent test,” pursuant to 19 CFR 351.524(b)(2), for each of the years in which exemptions were reported (treating the year of receipt as the year of approval). For the years in which the amount was less than 0.5 percent, we have expensed the exempted amounts in the year of receipt, consistent with 19 CFR 351.524(b)(2). For those years in which the VAT and tariff exemptions were greater than or equal to 0.5 percent, we

have allocated the benefit over the AUL, consistent with 19 CFR 351.524(b)(1). We used the discount rate described above in the “Benchmarks and Discount Rates” section to calculate the amount of the benefit for the POI.

For Fine Furniture, we divided the benefits received in or allocated to the POI by its sales during the POI, in accordance with 19 CFR 351.525(b)(6)(i). For Great Wood, we divided the benefits received in or allocated to the POI by the combined POI sales of Fine Furniture and Great Wood, less intercompany sales, in accordance with 19 CFR 351.525(b)(6)(iv).

On this basis, we preliminarily determine that Fine Furniture received a countervailable subsidy of 0.56 percent *ad valorem*.

4. Electricity for LTAR

For the reasons explained in the “Use of Facts Otherwise Available and Adverse Inferences” section above, we are basing our determination regarding the government’s provision of electricity in part on AFA.

In a CVD case, the Department requires information from both the government of the country whose merchandise is under investigation and the foreign producers and exporters. When the government fails to provide requested information concerning alleged subsidy programs, the Department, as AFA, typically finds that a financial contribution exists under the alleged program and that the program is specific. However, where possible, the Department will normally rely on the responsive producer’s or exporter’s records to determine the existence and amount of the benefit to the extent that those records are useable and verifiable.

Consistent with this practice, the Department finds that the GOC’s provision of electricity confers a financial contribution, under section 771(5)(D)(iii) of the Act, and is specific, under section 771(5A) of the Act. To determine the existence and amount of any benefit from this program, we relied on the companies’ reported information on the amounts of electricity they purchased and the amounts they paid for electricity during the POI. We compared the rates paid by Fine Furniture, Layo, and Yuhua for their electricity to the highest rates that they would have paid in the PRC during the POI. Specifically, we compared respondents’ electricity payments to what the respondents would have paid under the highest rates on the record for the same user category (*e.g.*, “large industrial users”) and time period category (*e.g.*, peak, normal, and valley).

This benchmark reflects the adverse inference we have drawn as a result of the GOC’s failure to act to the best of its ability in providing requested information about its provision of electricity in this investigation.

On this basis, we preliminarily determine the countervailable subsidy rate to be 1.45 percent *ad valorem* for Fine Furniture. Because the preliminary countervailable subsidy rate for both Layo and Yuhua is less than 0.005 percent, we did not include this program in our preliminary net countervailing duty rates for these companies. See, *e.g.*, CFS Decision Memorandum at 15.

II. Programs for Which More Information Is Required: Potential Subsidies in Layo’s and Yuhua’s Financial Statements

Layo’s and Yuhua’s financial statements indicate that both companies may have received certain additional subsidies. See L1SR at 6; *see also* Y1SR at 3–4. Because the companies did not disclose these potential subsidies in their original questionnaire responses, we did not have time to request and analyze information from the GOC on these programs prior to the preliminary determination. We intend to request this information from the GOC and address these programs after this preliminary determination.

III. Programs Preliminarily Determined To Be Not Used by Respondents

We preliminarily determine that the respondent companies did not apply for or receive benefits during the POI under the programs listed below.

1. Local Income Tax Exemption and Reductions for “Productive” FIEs

2. Provision of Electricity at LTAR for FIEs and “Technologically Advanced” Enterprises by Jiangsu Province

Verification

In accordance with section 782(i)(1) of the Act, we will verify the information submitted by the respondents prior to making our final determination.

Suspension of Liquidation

In accordance with section 703(d)(1)(A)(i) of the Act, we calculated an individual rate for each producer/exporter of the subject merchandise individually investigated. We preliminarily determine the total estimated net countervailable subsidy rates to be:

Exporter/manufacture	Net subsidy rate	Exporter/manufacture	Net subsidy rate	Exporter/manufacture	Net subsidy rate
Fine Furniture (Shanghai) Ltd.; Great Wood (Tonghua) Ltd.; Fine Furniture Plantation (Shishou) Ltd.	2.25	Giant Flooring	27.01	Nanjing Dimac Wood Industry Co., Ltd.	27.01
Zhejiang Layo Wood Industry Co., Ltd.; Jiaxing Brilliant Im- port & Export Co., Ltd.	Zero	Glassical Industrial Limited	27.01	Qiaosen Wood Flooring Industry Company.	27.01
Zhejiang Yuhua Timber Co., Ltd 9 Miles Oak Flooring (China)	Zero	Great Forest Wood Limited	27.01	Qichuang Wood Industrial Co., Ltd.	27.01
Anhui Hupo Wood Industry Co., Ltd.	27.01	Green Elf Flooring (Also Dba Hong Ding Lumber Co.).	27.01	Qingdao Fuguichao Wood Co., Ltd.	27.01
Anji Tianpeng Bamboo & Wood- en Floor Co., Ltd.	27.01	Guangdong Guangyang Hi-Tech Industry Co., Ltd.	27.01	Quanfa Woodwork (Shenzhen) Co., Ltd.	27.01
Anlian Wood Co., Ltd	27.01	Guangdong Yingran Wood In- dustry.	27.01	Shandong Fuma Commerce & Trade Co., Ltd.	27.01
Beijing Forever Strong Construc- tion & Decoration Material Co., Ltd.	27.01	Guangzhou Fnen Wood Flooring	27.01	Shandong Yuncheng Jinyang Wood Industry Co., Ltd.	27.01
Beijing New Building Material (Group) Co., Ltd.	27.01	Guangzhou Homewell Trade Co., Ltd.	27.01	Shanghai Chunna Industrial Co., Ltd.	27.01
Beijing W.A. Wood Co., Ltd	27.01	Guangzhou Quanfeng Wood In- dustry Co., Ltd.	27.01	Shanghai Es well Enterprise Co., Ltd.	27.01
Cairun Floor Building Material Co., Ltd.	27.01	Handan Global Wood Limited	27.01	Shanghai Feihong Wood Prod- ucts Co.	27.01
Changchun Zhongyi Wood Co., Ltd.	27.01	Hangzhou Dazhuang Floor Co ...	27.01	Shanghai Guangri Flooring Co., Ltd.	27.01
Changzhou Credit International Trade Co., Ltd.	27.01	Hangzhou Fuyang Zhongjian Wood Industry Co., Ltd.	27.01	Shanghai Pinsheng Wood Indus- try Co., Ltd.	27.01
Changzhou Green Spot Wood Industry Co., Ltd.	27.01	Hangzhou Kingdom Imp & Exp Trading Corp., Ltd.	27.01	Shanghai Pujiang United Wood Co., Ltd.	27.01
Changzhou Jiahao Wood Trade Co., Ltd.	27.01	Hangzhou Singular Group Co., Ltd.	27.01	Shanghai Yiming Wooden Indus- try Co., Ltd.	27.01
Changzhou Leili Wood Industry Co., Ltd.	27.01	Hangzhou Tianlin Industrial Co., Ltd.	27.01	Shenyang Bask Industry Co., Ltd	27.01
Changzhou Opls Decoration Ma- terials Co., Ltd.	27.01	Heze Lv Sen Wood Co., Ltd	27.01	Shenzhen Jianyuanxin Trade Co., Ltd.	27.01
Chaohu Great Mainland Flooring Co., Ltd.	27.01	Homewell (Xiamen) Industry Co., Ltd.	27.01	Shenzhen Shi Huanwei Woods Co., Ltd.	27.01
Chaohu Vgreen Timber Co., Ltd	27.01	Huidong Weikang Rubber & Plastic Products Co., Ltd.	27.01	Shuanghai Shuai Yuan Wood In- dustry Co., Ltd.	27.01
China Xuzhou Tengmao Wood Co., Ltd.	27.01	Hu'made Group	27.01	Sterling Pacific Wood Products Co., Ltd.	27.01
Chuangfu Wood Flooring Cld., Co.	27.01	Huzhou Boge Import And Export Co., Ltd.	27.01	Suifenghe Sanmulin Economic And Trade Co., Ltd.	27.01
Complete Flooring Supply Cor- poration.	27.01	Huzhou Jinjie Industrial Co., Ltd	27.01	Suzhou Duolun Wood Industry Co., Ltd.	27.01
Dalian Brilliant Future Inter- national Trade Co., Ltd.	27.01	Huzhou Natural Forest Flooring Co., Ltd.	27.01	Tengmao Wood Co., Ltd	27.01
Dalian Hongjia Imp. & Exp. Co., Ltd.	27.01	Huzhou Tianlong Wood Co., Ltd	27.01	Tianjin Zeyuan Wood Industry Co., Ltd.	27.01
Dalian Luming Group	27.01	Huzhou Top Wood Co., Ltd	27.01	Times Flooring Co., Ltd	27.01
Dalian Maruni Wood Works Co., Ltd.	27.01	Huzhou Yaxin Arts & Crafts Co., Ltd.	27.01	Twowins Bamboo & Wood Prod- ucts Co., Ltd.	27.01
Dalian Ontime International Trade Co.	27.01	Jiangmen Xinhui Yinhu Wood- work Co., Ltd.	27.01	Ua Wood Floors	27.01
Dalian Taiyangshi International Trading Co., Ltd.	27.01	Jiangsu Happy Wood Industrial Group Co., Ltd.	27.01	Weifang Jiayuan Imp & Exp Co., Ltd.	27.01
Dalian Turuss Wood Industry Co., Ltd.	27.01	Jiangsu Horizon Trade Co., Ltd	27.01	Wenzhou Timber Group Com- pany.	27.01
Dongguan Forest Century Wooden Co., Ltd.	27.01	Jiangsu Kentier Wood Co., Ltd ..	27.01	Wuhan Nanhong Materials & Goods Fitting Co., Ltd.	27.01
Elegant Living Corporation	27.01	Jiangsu Nanyang Wood Co., Ltd	27.01	Wuxi Haisen Decorates Material Co., Ltd.	27.01
Foshan Linguan Wood Products Co., Ltd.	27.01	Jiangsu Wanli Wooden Co., Ltd	27.01	Xiamen Homeshining Industry Co., Ltd.	27.01
Foshan Pengbang Wood Manu- facturer Co., Ltd.	27.01	Jiangxi Kangtilong Bamboo Products Co., Ltd.	27.01	Xuzhou Fuxiang Wood Co., Ltd	27.01
Foshan Shunde Hechengchuangzhan Wood Co., Ltd.	27.01	Jiashan Greenland International Trading Co., Ltd.	27.01	Xuzhou Huanqiu Import & Export Trade Co., Ltd.	27.01
Foshan Tocho Timber Co., Ltd ..	27.01	Jiashan Huayu Lumber Co., Ltd	27.01	Xuzhou Tengmao Wood Co., Ltd	27.01
Fujian Jianou Huayu Bamboo In- dustry Co., Ltd.	27.01	Jiashan Longsen Lumbering Co., Ltd.	27.01	Xuzhou Yijia Manufacture Co., Ltd.	27.01
Fuzhou Floors China Co., Ltd	27.01	Jiashan On-Line Lumber Co., Ltd.	27.01	Xuzhou Yijia Wood Manufacture Co., Ltd.	27.01
Gao'an City Kangli Bamboo And Wooden Products Co., Ltd.	27.01	Jiaxing Hengtong Wood Co., Ltd	27.01	Yinlong Wood Products Co., Ltd	27.01
		Jilin Newco Wood Industries Co., Ltd.	27.01	Ys Nature International Trading Co., Ltd.	27.01
		Jining Sensen Wood Industry Co., Ltd.	27.01	Zhejiang Assun Wood Co., Ltd ..	27.01
		Jining Sunny Wood Co., Ltd	27.01	Zhejiang Gaopai Wood Co., Ltd	27.01
		Kingswood Timber	27.01		
		Kornbest Enterprises Ltd	27.01		
		Lianyangang Shuntian Timber Co., Ltd.	27.01		
		Longeron I&E Co., Ltd	27.01		
		Lord Parquet Industry Co., Lim- ited.	27.01		
		Lywood Industrial Co., Ltd	27.01		
		Macedouglas Wood Flooring (Suzhou) Co., Ltd.	27.01		

Exporter/manufacture	Net subsidy rate
Zhejiang Huayue Wooden Products Co., Ltd.	27.01
Zhejiang Yongji Wooden Co., Ltd.	27.01
Zhejiang Yongyu Bamboo Development.	27.01
Zhongshan New Oasis Wood Industry Co., Ltd.	27.01
Zhongyi Bamboo Industrial Co., Ltd. Fujian.	27.01
All Others	2.25

*Non-cooperative company receiving the AFA rate. See "Non-Cooperative Companies" section, above.

In accordance with sections 703(d)(1)(B) and (2) of the Act, we are directing CBP to suspend liquidation of all entries of wood flooring from the PRC that are entered, or withdrawn from warehouse, for consumption on or after the date of the publication of this notice in the **Federal Register**, and to require a cash deposit or bond for such entries of merchandise in the amounts indicated above. However, because the estimated CVD rate for Layo and Yuhua is *de minimis*, liquidation will not be suspended and no cash deposits or bonds are required for merchandise produced and exported by Layo or Yuhua.

In accordance with sections 703(d) and 705(c)(5)(A) of the Act, for companies not investigated, we apply an "all-others" rate, which is normally calculated by weighting the subsidy rates of the individual companies selected as respondents by those companies' exports of the subject merchandise to the United States. The "all-others" rate does not include zero and *de minimis* rates or any rates based solely on the facts available. In this investigation, because we have only one rate that can be used to calculate the "all-others" rate, Fine Furniture's rate, we have assigned that rate to "all-others."

ITC Notification

In accordance with section 703(f) of the Act, we will notify the ITC of our determination. In addition, we are making available to the ITC all non-privileged and non-proprietary information relating to this investigation. We will allow the ITC access to all privileged and business proprietary information in our files, provided the ITC confirms that it will not disclose such information, either publicly or under an administrative protective order, without the written consent of the Assistant Secretary for Import Administration.

In accordance with section 705(b)(2) of the Act, if our final determination is affirmative, the ITC will make its final determination within 45 days after the Department makes its final determination.

Disclosure and Public Comment

In accordance with 19 CFR 351.224(b), we will disclose to the parties the calculations for this preliminary determination within five days of its announcement. Due to the anticipated timing of verification and issuance of verification reports, case briefs for this investigation must be submitted no later than one week after the issuance of the last verification report. See 19 CFR 351.309(c)(i) (for a further discussion of case briefs). Rebuttal briefs must be filed within five days after the deadline for submission of case briefs, pursuant to 19 CFR 351.309(d)(1). A list of authorities relied upon, a table of contents, and an executive summary of issues should accompany any briefs submitted to the Department. Executive summaries should be limited to five pages total, including footnotes. See 19 CFR 351.309(c)(2) and (d)(2).

Section 774 of the Act provides that the Department will hold a public hearing to afford interested parties an opportunity to comment on arguments raised in case or rebuttal briefs, provided that such a hearing is requested by an interested party. If a request for a hearing is made in this investigation, the hearing will be held two days after the deadline for submission of the rebuttal briefs, pursuant to 19 CFR 351.310(d), at the U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC 20230. Parties should confirm by telephone the time, date, and place of the hearing 48 hours before the scheduled time.

Interested parties who wish to request a hearing, or to participate if one is requested, must submit a written request to the Assistant Secretary for Import Administration, U.S. Department of Commerce, Room 1870, 14th Street and Constitution Avenue, NW., Washington, DC 20230, within 30 days of the publication of this notice, pursuant to 19 CFR 351.310(c). Requests should contain: (1) The party's name, address, and telephone; (2) the number of participants; and (3) a list of the issues to be discussed. Oral presentations will be limited to issues raised in the briefs. *Id.*

This determination is published pursuant to sections 703(f) and 777(i) of the Act.

Dated: March 21, 2011.

Ronald K. Lorentzen,
Deputy Assistant Secretary for Import Administration.

[FR Doc. 2011-8173 Filed 4-5-11; 8:45 am]

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DEPARTMENT OF COMMERCE

International Trade Administration

[A-570-894]

Certain Tissue Paper Products From the People's Republic of China: Preliminary Affirmative Determination of Circumvention of the Antidumping Duty Order

AGENCY: Import Administration, International Trade Administration, Department of Commerce.

Preliminary Determination

We preliminarily determine that certain tissue paper products (tissue paper) produced and/or exported by Max Fortune (Vietnam) Paper Products Company, Limited (MFVN)¹ to the United States from Vietnam are made from jumbo rolls and/or cut sheets of tissue paper produced in the People's Republic of China (PRC), and are circumventing the antidumping duty order on tissue paper from the PRC, as provided in section 781(b) of the Tariff Act of 1930, as amended (the Act). See *Notice of Amended Final Determination of Sales at Less than Fair Value and Antidumping Duty Order: Certain Tissue Paper Products from the People's Republic of China*, 70 FR 16223 (March 30, 2005) (PRC Tissue Paper Order).

DATES: Effective Date: April 6, 2011.

FOR FURTHER INFORMATION CONTACT: Brian Smith or Gemal Brangman, AD/CVD Operations, Office 2, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC 20230; telephone: (202) 482-1766 or (202) 482-3773, respectively.

SUPPLEMENTARY INFORMATION:

Background

On February 19, 2010, the Seaman Paper Company of Massachusetts, Inc. (the petitioner) requested that the Department of Commerce (the Department) initiate an anti-circumvention inquiry pursuant to section 781(b) of the Act, and 19 CFR 351.225(h), to determine whether U.S.

¹ MFVN is a company located in Vietnam and is a wholly owned subsidiary of Max Fortune Industrial Co., Ltd. (Max Fortune HK) located in Hong Kong.