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# New Trade Case on Imports of Wooden Cabinets and Vanities from China

By Mark R. Ludwowski, R. Kevin Williams / Mar 08, 2019

New U.S. antidumping ("AD") and countervailing ("CVD") duty investigations were filed on March 6, 2019 by the American Kitchen Cabinet Alliance ("Petitioner") against imports of wooden cabinets and vanities from China.

The merchandise subject to these investigations consists of wooden cabinets and vanities that are designed for permanent installation (including floor mounted, wall mounted, ceiling hung or by attachment of plumbing), and wooden components. The wooden cabinets and vanities includes with or without wood veneers, wood, paper or other overlays, or laminates, with or without non-wood components or trim such as metal, marble, glass, plastic, or other resins, whether or not surface finished or unfinished, and whether or not assembled or completed. The full scope of the merchandise covered is set forth below.

The petition includes AD (less than fair value) and CVD (unfair subsidy) allegations against China. The Department of Commerce ("DOC") and the International Trade Commission ("ITC") will conduct the investigations. Within the next 45 days, the ITC will determine if the imports are injuring the U.S. industry. If the ITC finds injury, then the case will move to the DOC which will calculate the preliminary AD and CVD duty margins. The DOC's preliminary determinations are currently scheduled for **May 30, 2019 (CVD) and August 13, 2019 (AD)**, which are the dates when importers will be charged the calculated duties upon the products' entry in the U.S. market.

There are strict statutory deadlines associated with these proceedings and affected companies are advised to prepare as soon as possible. If this product is of interest to you, please let us know so that we can provide you with additional information as it becomes available.

The following are key facts about this trade case:

**Petitioner:** American Kitchen Cabinet Alliance

**Foreign Producers/Exporters and US Importers:** Please contact us for a listing of individual companies named in the petition.

**Alleged AD and CVD margins:** Petitioner has alleged the following AD/CVD margins:

- China – AD margins ranging from 175.50% to 259.99%, with an average margin of 216.04%.

The petition has also alleged CVD margins for China above *de minimis*.

## **Merchandise covered by the scope of the case:**

The merchandise subject to these investigations consists of wooden cabinets and vanities that are designed for permanent installation (including floor mounted, wall mounted, ceiling hung or by attachment of plumbing), and wooden components thereof. Wooden cabinets and vanities and wooden components are made substantially of wood products, including solid wood and engineered wood products (including those made from wood particles, fibers, or other wooden materials such as plywood, strand board, block board, particle board, or fiberboard), or bamboo. Wooden cabinets and vanities consist of a cabinet box (which typically includes a top, bottom, sides, back, base blockers, ends/end panels, stretcher rails, toe kicks, and/or shelves) and may or may not include a frame, door, drawers and/or shelves. Subject merchandise includes wooden cabinets and vanities with or without wood veneers, wood, paper or other overlays, or laminates, with or without non-wood components or trim such as metal, marble, glass, plastic, or other resins, whether or not surface finished or unfinished, and whether or not assembled or completed.

Wooden cabinets and vanities are covered by the investigation whether or not they are imported attached to, or in conjunction with, faucets, metal plumbing, sinks and/or sink bowls, or countertops. If wooden cabinets or vanities are imported attached to, or in conjunction with, such merchandise, only the wooden cabinet or vanity is covered by the scope.

Subject merchandise includes the following wooden component parts of cabinets and vanities: (1) wooden cabinet and vanity frames (2) wooden cabinet and vanity boxes (which typically include atop, bottom, sides, back, base blockers, ends/end panels, stretcher rails, toe kicks, and/or shelves), (3) wooden cabinet or vanity doors, (4) wooden cabinet or vanity drawers and drawer components (which typically include sides, backs, bottoms, and faces), (5) back panels and end panels, and (6) desks, shelves, and tables that are attached to or incorporated in the subject merchandise.

Subject merchandise includes all unassembled, assembled and/or "ready to assemble" (RTA) wooden cabinets and vanities, also commonly known as "flat packs," except to the extent such merchandise is already covered by the scope of antidumping and countervailing duty orders on Hardwood Plywood from the People's Republic of China. See Certain Hardwood Plywood Products from the People's Republic of China, 83 Fed. Reg. 504 (Dep't Commerce Jan. 4, 2018) (amended final deter. of sales at less than fair value, & antidumping duty order); Certain Hardwood Plywood Products from the People's Republic of China, 83 Fed. Reg. 513 (Dep't Commerce Jan. 4, 2018) (countervailing duty order). RTA wooden cabinets and vanities are defined as cabinets or vanities packaged so that at the time of importation they may include: (1) wooden components required to assemble a cabinet or vanity (including drawer faces and doors); and, (2) parts (e.g., screws, washers, dowels, nails, handles, knobs, adhesive glues) required to assemble a cabinet or

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vanity. RTAs may enter the United States in one or in multiple packages.

Subject merchandise also includes wooden cabinets and vanities and in-scope components that have been further processed in a third country, including but not limited to one or more of the following: trimming, cutting, notching, punching, drilling, painting, staining, finishing, assembly, or any other processing that would not otherwise remove the merchandise from the scope of the investigation if performed in the country of manufacture of the in-scope product.

Excluded from the scope of these investigations, if entered separate from a wooden cabinet or vanity are:

(1) Aftermarket accessory items which may be added to or installed into an interior of a cabinet and which are not considered a structural or core component of a wooden cabinet or vanity. Aftermarket accessory items may be made of wood, metal, plastic, composite material, or a combination thereof that can be inserted into a cabinet and which are utilized in the function of organization/accessibility on the interior of a cabinet; and include:

- Inserts or dividers which are placed into drawer boxes with the purpose of organizing or dividing the internal portion of the drawer into multiple areas for the purpose of containing smaller items such as cutlery, utensils, bathroom essentials, etc.
- Round or oblong inserts that rotate internally in a cabinet for the purpose of accessibility to foodstuffs, dishware, general supplies, etc.

(2) Carved wooden accessories including corbels and rosettes, which serve the primary purpose of decoration and personalization.

(3) Non-wooden cabinet hardware components including metal hinges, brackets, catches, locks, drawer slides, fasteners (nails, screws, tacks, staples), handles, and knobs.

Also excluded from the scope of these investigations are:

(1) All products covered by the scope of the antidumping duty order on Wooden Bedroom Furniture from the People's Republic of China (Inv. No. A-570-890). See Wooden Bedroom Furniture From the People's Republic of China, 70 Fed. Reg. 329 (Dep't Commerce Jan. 4, 2005) (notice of amended final deter. of sales at less than fair value & antidumping duty order).

(2) All products covered by the scope of the antidumping and countervailing duty orders on Hardwood Plywood from the People's Republic of China (Inv. No. A-570-051 and Inv. No. C-570-052). See Certain Hardwood Plywood Products from the People's Republic of China, 83 Fed. Reg. 504 (Dep't Commerce Jan. 4, 2018) (amended final deter. of sales at less than fair value, & antidumping duty order) (Certain Hardwood Plywood Products from the People's Republic of China, 83 Fed. Reg. 513 (Dep't Commerce Jan. 4, 2018) (countervailing duty order).

Imports of subject merchandise are classified under Harmonized Tariff Schedule of the United States (HTSUS) statistical numbers 9403.40.9060 and 9403.60.8081. The subject component parts of wooden cabinets and vanities may be entered into the United States under HTSUS statistical number 9403.90.7080.

While the HTSUS subheadings are provided for convenience and customs purposes, the written description of the scope of these investigations is dispositive.

If you have any questions regarding the content of this alert, please contact Mark Ludwikowski ([mludwikowski@clarkhill.com](mailto:mludwikowski@clarkhill.com); 202-640-6680), Kevin Williams ([kwilliams@clarkhill.com](mailto:kwilliams@clarkhill.com); 312-985-5907) or another member of Clark Hill's International Trade Business Unit.