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**COMMERCE DEPARTMENT ISSUES ITS SECOND PRELIMINARILY FINDING THAT
THE VAST MAJORITY OF IMPORTS OF HARDWOOD PLYWOOD FROM CHINA
ARE UNFAIRLY TRADED**

FOR IMMEDIATE RELEASE

Washington, D.C. – May 1, 2013 – The U.S. Department of Commerce announced on Tuesday its preliminary affirmative determination in the antidumping duty investigation of hardwood and decorative plywood from China. As a result of this affirmative determination, the vast majority of imports of the product will be subject to a cash deposit requirement for estimated antidumping duties of either 22.14 or 63.96 percent as a condition for entering product into the U.S. market. These rates will be added to the cash deposit requirements – 22.63 percent or 27.16 percent - already in place on the vast majority of imports from China that resulted from the previously announced preliminary countervailing duty determination.

Based on the Department’s preliminary finding of dumping, imports from all but two Chinese producers are now subject to the cash deposit requirement for estimated antidumping duties. The companies subject to the cash deposit requirement resulting from yesterday’s announcement are estimated to account for more than 90 percent of total imports of the product from China.

The unfair trade investigations of imports from China result from a petition filed in September 2012 by the Coalition for Fair Trade of Hardwood Plywood (CFTHP), an organization composed of U.S. manufacturers of hardwood and decorative plywood.

Both the countervailing duty rates announced earlier this year, and the antidumping duty rates announced yesterday are subject to change in the final determination, which will be issued this September. Between now and then, Commerce Department officials will conduct an intensive on-site verification of the information presented in questionnaire responses by the Chinese producers. There will also be opportunities for all parties to the investigation to present additional factual information, as well as legal arguments, to the Department.

Jeff Levin, counsel for the CFTHP, noted that a U.S. importer's liability can be applied retroactively if the CFTHP alleges "critical circumstances," a legal mechanism in unfair trade investigations that addresses instances where there has been a surge of imports from the subject country in an attempt to "beat" the imposition of a cash deposit requirement.

The CFTHP notes that the cash deposit requirements, which under U.S. law must be met by the U.S. importer, are aimed to redress pernicious levels of unfair trading. Mr. Levin noted that "the Coalition's petition, and the U.S. laws that address unfair trading, are not punitive but remedial. We are not looking to punish anyone. But, the fact remains that unfair trading, especially at the levels now found by the Commerce Department, is a scattering bane which ultimately inflicts every participant in the U.S. market. In this era of global competition, no one gains, at the end of the day, from an unfettered race to the bottom."

For more information on the petition and investigation, visit www.hardwoodplywoodfairtrade.org.