



## FACT SHEET

### **Commerce Initiates Antidumping Duty and Countervailing Duty Investigations of Imports of Certain Softwood Lumber Products from Canada**

- On December 16, 2016, the Department of Commerce (Commerce) announced the initiation of antidumping duty (AD) and countervailing duty (CVD) investigations of imports of certain softwood lumber products (softwood lumber) from Canada.
- The AD and CVD laws provide U.S. businesses and workers with a transparent, quasi-judicial, and internationally accepted mechanism to seek relief from the market-distorting effects caused by injurious dumping and unfair subsidization of imports into the United States, establishing an opportunity to compete on a level playing field.
- For the purpose of AD investigations, dumping occurs when a foreign company sells a product in the United States at less than its fair value. For the purpose of CVD investigations, a countervailable subsidy is financial assistance from a foreign government that benefits the production of goods from foreign 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.
- The petitioner is the Committee Overseeing Action for Lumber International Trade Investigations or Negotiations (COALITION), which is an ad hoc association whose members are: U.S. Lumber Coalition, Inc. (DC); Collum's Lumber Products, L.L.C. (SC); Hankins, Inc. (MS); Potlatch Corporation (WA); Rex Lumber Company (FL); Seneca Sawmill Company (OR); Sierra Pacific Industries (CA); Stimson Lumber Company (OR); Swanson Group (OR); Weyerhaeuser Company (WA); Carpenters Industrial Council (OR); Giustina Land and Timber Company (OR); and Sullivan Forestry Consultants, Inc. (GA).
- The merchandise subject to these investigations is softwood lumber, siding, flooring and certain other coniferous wood ("softwood lumber products"). The scope includes:
  - Coniferous wood, sawn, or chipped lengthwise, sliced or peeled, whether or not planed, whether or not sanded, or whether or not finger-jointed, of an actual thickness exceeding six millimeters.
  - Coniferous wood siding, flooring, and other coniferous wood (other than moldings and dowel rods), including strips and friezes for parquet flooring, that is continuously shaped (including, but not limited to, tongued, grooved, rebated, chamfered, V-jointed, beaded, molded, rounded) along any of its edges, ends, or faces, whether or not planed, whether or not sanded, or whether or not end-jointed.
  - Coniferous drilled and notched lumber and angle cut lumber.
  - Coniferous lumber stacked on edge and fastened together with nails, whether or not with plywood sheathing.

- Components or parts of semi-finished or unassembled finished products made from subject merchandise that would otherwise meet the definition of the scope above.
- Softwood lumber product imports are generally entered under Chapter 44 of the Harmonized Tariff Schedule of the United States (“HTSUS”). This chapter of the HTSUS covers “Wood and articles of wood.” Softwood lumber products that are subject to these investigations are currently classifiable under the following ten-digit HTSUS subheadings in Chapter 44: 4407.10.01.01; 4407.10.01.02; 4407.10.01.15; 4407.10.01.16; 4407.10.01.17; 4407.10.01.18; 4407.10.01.19; 4407.10.01.20; 4407.10.01.42; 4407.10.01.43; 4407.10.01.44; 4407.10.01.45; 4407.10.01.46; 4407.10.01.47; 4407.10.01.48; 4407.10.01.49; 4407.10.01.52; 4407.10.01.53; 4407.10.01.54; 4407.10.01.55; 4407.10.01.56; 4407.10.01.57; 4407.10.01.58; 4407.10.01.59; 4407.10.01.64; 4407.10.01.65; 4407.10.01.66; 4407.10.01.67; 4407.10.01.68; 4407.10.01.69; 4407.10.01.74; 4407.10.01.75; 4407.10.01.76; 4407.10.01.77; 4407.10.01.82; 4407.10.01.83; 4407.10.01.92; 4407.10.01.93; 4409.10.05.00; 4409.10.10.20; 4409.10.10.40; 4409.10.10.60; 4409.10.10.80; 4409.10.20.00; 4409.10.90.20; 4409.10.90.40; and 4418.90.25.00.
- Subject merchandise as described above may also be classified as stringers, square cut box-spring-frame components, fence pickets, truss components, pallet components, flooring, and door and window frame parts under the following ten-digit HTSUS subheadings in Chapter 44: 4415.20.40.00; 4415.20.80.00; 4418.90.46.05; 4418.90.46.20; 4418.90.46.40; 4418.90.46.95; 4421.90.70.40; 4421.90.94.00; and 4421.90.97.80.
- Although these HTSUS subheadings are provided for convenience and customs purposes, the written description of the scope of the investigations is dispositive.
- In 2015, imports of softwood lumber from Canada were valued at an estimated \$4.5 billion.

#### **NEXT STEPS**

- The U.S. International Trade Commission (ITC) is scheduled to make its preliminary injury determinations on or before January 9, 2017.
- If the ITC determines that there is a reasonable indication that imports of softwood lumber from Canada, materially injure, or threaten material injury to, the domestic industry, the investigations will continue and Commerce will be scheduled to make its preliminary CVD determination in February 2017 and its preliminary AD determination in May 2017, unless the statutory deadlines are extended. If the ITC’s preliminary determinations are negative, the investigations will be terminated.

## ALLEGED DUMPING MARGIN:

COUNTRY	DUMPING MARGIN
Canada	20.12 to 53.08 percent

## ESTIMATED SUBSIDY RATE:

COUNTRY	SUBSIDY RATE
Canada	Above <i>de minimis</i> *

\* *de minimis* = less than 1% for developed countries, less than 2% for developing countries.

## CASE CALENDAR:

EVENT	AD INVESTIGATION	CVD INVESTIGATION
Petitions Filed	November 25, 2016	November 25, 2016
DOC Initiation Date	December 15, 2016	December 15, 2016
ITC Preliminary Determinations*	January 9, 2017	January 9, 2017
DOC Preliminary Determinations	May 4, 2017	February 21, 2017†
DOC Final Determinations	July 18, 2017	May 4, 2017
ITC Final Determinations**	September 1, 2017	June 19, 2017†
Issuance of Orders***	September 8, 2017	June 26, 2017†

NOTE: Commerce preliminary and final determination deadlines are governed by statute. For CVD investigations, the deadlines are set forth in sections 703(b) and 705(a)(1) of the Tariff Act of 1930, as amended (the Act). For AD investigations, the deadlines are set forth in sections 733(b) and 735(a) of the Act. These deadlines may be extended under certain circumstances.

†Where the deadline falls on a weekend/holiday, the appropriate date is the next business day.

\* If the ITC makes a negative preliminary determination of injury, the investigations are terminated.

\*\*This will take place only in the event of final affirmative determinations from Commerce.

\*\*\*This will take place only in the event of final affirmative determinations from Commerce and the ITC.

## IMPORT STATISTICS:

<b>CANADA</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
Value (USD)	4,298,776,379	4,888,098,232	4,520,115,997

Source: U.S. Census Bureau, accessed through Global Trade Atlas. (HTSUS 4407.10.01.01; 4407.10.01.02; 4407.10.01.15; 4407.10.01.16; 4407.10.01.17; 4407.10.01.18; 4407.10.01.19; 4407.10.01.20; 4407.10.01.42; 4407.10.01.43; 4407.10.01.44; 4407.10.01.45; 4407.10.01.46; 4407.10.01.47; 4407.10.01.48; 4407.10.01.49; 4407.10.01.52; 4407.10.01.53; 4407.10.01.54; 4407.10.01.55; 4407.10.01.56; 4407.10.01.57; 4407.10.01.58; 4407.10.01.59; 4407.10.01.64; 4407.10.01.65; 4407.10.01.66; 4407.10.01.67; 4407.10.01.68; 4407.10.01.69; 4407.10.01.74; 4407.10.01.75; 4407.10.01.76; 4407.10.01.77; 4407.10.01.82; 4407.10.01.83; 4407.10.01.92; 4407.10.01.93; 4409.10.05.00; 4409.10.10.20; 4409.10.10.40; 4409.10.10.60; 4409.10.10.80; 4409.10.20.00; 4409.10.90.20; 4409.10.90.40; and 4418.90.25.00.

Imports of certain softwood lumber products may also enter under HTSUS 4415.20.40.00; 4415.20.80.00; 4418.90.46.05; 4418.90.46.20; 4418.90.46.40; 4418.90.46.95; 4421.90.70.40; 4421.90.94.00; and 4421.90.97.80. These HTSUS subheadings may cover a significant amount of non-subject merchandise and therefore have been excluded for purposes of reporting the above import statistics.

Volume could not be calculated, as imports of subject merchandise are reported in multiple units of measure.