

## EXPLANATION OF COMMISSION DETERMINATION ON ADEQUACY

in

### *Wooden Bedroom Furniture from China* Inv. No. 731-TA-1058 (Review)

On March 8, 2010, the Commission determined that it should proceed to a full review in the subject five-year review pursuant to section 751(c)(5) of the Tariff Act of 1930, as amended, 19 U.S.C. § 1675(c)(5).

The Commission received a response to the notice of institution from a group of U.S. producers of wooden bedroom furniture and three labor unions. This response was filed by the American Furniture Manufacturers Committee for Legal Trade (“AFMC”), an ad hoc association of 21 U.S. manufacturers of wooden bedroom furniture; Vaughan-Bassett Furniture Company, Inc.; Dubois Wood Products Inc.; The Jasper Group d/b/a Klem Hospitality; Solid Comfort, Inc.; and the following three unions: United Brotherhood of Carpenters and Joiners of America Cabinet Makers, Millmen, and Industrial Carpenters Local 721; United Brotherhood of Carpenters and Joiners of America Carpenters Industrial Council Local Union 2305; and Teamsters, Chauffeurs, Warehousemen and Helpers Union Local 991 (collectively the “Domestic Producers”). The Commission also received individual responses from Ashley Furniture Industries, Inc. and Furniture Traditions, domestic producers of wooden bedroom furniture. Ashley Furniture Industries, Inc. opposes the continuation of the order. The Commission determined that the individual responses of the entities named above (*i.e.*, AFMC, the three labor unions, and the individually-named producers) were adequate. Because the domestic interested parties that filed responses to the notice of institution collectively account for a substantial proportion of domestic production of wooden bedroom furniture, the Commission also determined that the domestic interested party group response was adequate.

The Commission received eight substantive responses from the following 16 respondent interested parties: Dalian Huafeng Furniture Group Co, Ltd.; Guangdong Yihua Timber Industry Co., Ltd. and New Classic Home Furnishings, Inc.; Kunshan Lee Wood Product Co., Ltd. and Kunshan Summit Furniture Co.; Ashley Furniture Industries, Inc. (Ashley is both a domestic producer and an importer); A-America, Inc.; Vineyard Furniture International; Home Meridian International; Up Country, Inc.; and the following six members of the Furniture Retailers of America (an ad hoc association of retailers and importers of wooden bedroom furniture): AICO/Amini Innovation, Corp., City Furniture, El Dorado Furniture Corporation, Haverty Furniture Companies, Inc., RC Willey Home Furnishings, and Rooms to Go. The Commission determined that the individual response of each respondent interested party was adequate. Because the respondent interested parties that responded to the notice of institution did not account for a substantial proportion of either imports or exports of the subject merchandise, the Commission determined that the respondent interested party group response was inadequate.<sup>1</sup>

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<sup>1</sup> Vice Chairman Daniel R. Pearson and Commissioner Charlotte R. Lane determined that the respondent interested party group response was adequate.

The Commission nonetheless voted to conduct a full review due to (1) changes in the conditions of competition, including substantial increases in the ratio of imports to domestic production for several domestic producers, and (2) the fact that, in this fragmented industry, there is an indication that there will be participation in a full review by a not insignificant number of foreign producers and importers that are not also domestic producers.<sup>2</sup>

A record of the Commissioners' votes is available from the Office of the Secretary and the Commission's web site (<http://www.usitc.gov>).

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<sup>2</sup> Commissioner Pinkert finds the aggregate respondent group response to be inadequate. He determines, however, that a full review should proceed due to information on conditions of competition suggesting substantially increasing reliance on imports at the expense of U.S. production by a significant portion of the domestic industry.