BEFORE THE
UNITED STATES INTERNATIONAL TRADE COMMISSION
WASHINGTON, D.C.

In the Matter of:	)	
	)	**Inv. No. 731-TA-1445 (Final)**
WOODEN CABINETS AND VANITIES AND COMPONENTS THEREOF FROM CHINA	)	

ITC FINAL HEARING
February 20, 2020

TESTIMONY OF MATTHEW T. MCGRATH
Barnes, Richardson & Colburn, LLP
Counsel for the Coalition of Bathroom Vanity Importers

Good afternoon, my name is Matthew McGrath, Barnes, Richardson & Colburn, Counsel for the Coalition of Bathroom Vanity Importers. The Coalition members import bathroom vanities into the United States, and of particular importance to our argument, furniture-style vanities, a completely different product type from those that Petitioners manufacture. We are here today to respectfully request the Commission to find that **furniture-style vanities**, **FSVs**, are a separate domestic like product from the wooden cabinets and vanities produced and sold by the Petitioners, and we ask you to make a negative determination with respect to FSVs in this investigation.

We have demonstrated, in our Pre-Hearing Brief that every factor of the Commission's six-part domestic like product analysis has been met, proving that FSVs are a separate domestic like product, based on physical characteristics and uses, non-interchangeability with standard cabinets and vanities, different channels of distribution, different manufacturing facilities and

processes, customer perceptions, and pricing. FSVs are stand-alone pieces of furniture, that are intricate by design, visibly distinct from Petitioner's products, made with different manufacturing techniques, and most importantly, sold at a **significantly higher** price to consumers **and** dealers. Petitioner's product type is wooden cabinets and vanities, designed and built as a standard sized, box-style structure, with little creative or artistic license. They **cannot** be and **are not** categorized as individual pieces of furniture.

I would like to draw the Commission's attention to three of these six factors:

Firstly, FSVs are already recognized as a different product from those that Petitioner manufactures. For the final stage of this investigation, the Commission rightfully included a definition for "furniture-style" vanities, which was a necessary addition to the questionnaire that had been used for the Preliminary case. The confidential record shows that many industry participants, including US producers, importers, and purchasers, recognize that FSVs are a completely different product - some are not familiar with the product type, and most **do not even** manufacture them. The visual differences between them are obvious from the exhibits we have submitted today, contrasting only domestically produced FSVs with standard cabinets.

Secondly, FSVs are much more expensive than Petitioner's product. A price comparison of Petitioner's vanities to FSVs shows they are completely different. The Staff Report shows (p, V-15, table V-9) the price for a domestically produced 24" vanity cabinet in 2019 is approximately $245. In contrast, Lacava – a US manufacturer of FSVs who is not a participant in this investigation, posts public pricing as shown at Exhibit 3 of our Pre-Hearing

Brief. Their similar sized FSV, also without countertop or sink, is sold at the same level of trade for approximately $1,395 (*second image from Exhibit 3 of our Pre-Hearing Brief*). Therefore, an FSV, manufactured in the United States, with almost identical dimensions to the Commission's Product 6a description presented in this investigation, costs over 5 times more than the vanity style represented by petitioners. We would like to note that this price difference is even more extreme for a consumer of FSVs – more than 11 times more expensive. This vast price difference supports our analysis of each of the other factors in the Commission's domestic like product test, showing how drastically different FSVs are from the Petitioner's products – ultimately, FSVs are made from more expensive materials, require different machinery to be produced, require more skilled labor, and consumers know they cost more than standard installed cabinets and vanities.

Finally, and most important, Petitioners <u>do not</u> manufacture FSVs. There is very little evidence on the record to show otherwise, and after reviewing Petitioners individual websites, there is nothing that speaks to the contrary. We have researched the domestic FSV industry, and can confirm that some FSVs are manufactured in the United States, but not by Petitioners. In fact, a list of domestic producers of bathroom FSVs was submitted during the Preliminary stage of this investigation There is **<u>no data</u>** on the record from **<u>any</u>** of these domestic producers. None of the companies we identified are members of the Petitioner's alliance. This suggests a distinct lack of interest from domestic producers in this investigation because this investigation does not relate to, or encompass, their product type, Furniture Style Vanities. Petitioners do not manufacture FSVs and lack standing to represent domestic FSV producers in this investigation.

Rather, Petitioner's kitchen cabinet products are **EXACTLY** the same as their bathroom vanities. And their attempt to categorize these products as bathroom FSVs is unsupportable.

In summary, FSVs are a separate like product, and we request the Commission to take this into consideration when reaching a decision in this investigation.

Thank you.