

**BEFORE THE UNITED STATES DEPARTMENT OF COMMERCE
AND THE UNITED STATES INTERNATIONAL TRADE COMMISSION**

DOC Inv. Nos. A-893-002, A-487-001, A-546-001, A-533-919, A-475-845, A-803-001, A-201-859, A-565-804, A-455-807, A-856-002, A-469-826, A-583-873, C-560-839

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45-46, 48-51 and Exhibits I-2-I-3, I-6, I-9, I-16

PUBLIC VERSION

MATTRESSES

**FROM BOSNIA AND HERZEGOVINA, THE REPUBLIC OF BULGARIA, THE UNION
OF BURMA, THE REPUBLIC OF INDIA, THE REPUBLIC OF INDONESIA, THE
REPUBLIC OF ITALY, THE REPUBLIC OF KOSOVO, THE UNITED STATES OF
MEXICO, THE REPUBLIC OF THE PHILIPPINES, THE REPUBLIC OF POLAND,
THE REPUBLIC OF SLOVENIA, THE KINGDOM OF SPAIN, AND TAIWAN**

ANTIDUMPING AND COUNTERVAILING DUTY PETITIONS

ON BEHALF OF BROOKLYN BEDDING LLC; CARPENTER COMPANY;
CORSICANA MATTRESS COMPANY; FUTURE FOAM, INC.; FXI, INC.;
KOLCRAFT ENTERPRISES INC.; LEGGETT & PLATT, INCORPORATED;
SERTA SIMMONS BEDDING, INC.; SOUTHERLAND INC; TEMPUR SEALY
INTERNATIONAL, INC.; THE INTERNATIONAL BROTHERHOOD OF TEAMSTERS;
AND UNITED STEEL, PAPER AND FORESTRY, RUBBER, MANUFACTURING,
ENERGY, ALLIED INDUSTRIAL AND SERVICE WORKERS INTERNATIONAL
UNION, AFL-CIO

VOLUME I: GENERAL AND INJURY SECTIONS

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I. INTRODUCTION AND SUMMARY

On behalf of Brooklyn Bedding LLC; Carpenter Company; Corsicana Mattress Company; Future Foam Inc.; FXI, Inc.; Kolcraft Enterprises, Inc.; Leggett & Platt, Incorporated; Serta Simmons Bedding, Inc.; Southerland Inc.; Tempur Sealy International, Inc.;¹ the International Brotherhood of Teamsters; and United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union, AFL-CIO (“USW”) (collectively, “Mattress Petitioners”), we hereby file these antidumping (“AD”) and countervailing duty (“CVD”) petitions. Mattress Petitioners request the initiation of a countervailing duty investigation regarding subsidized mattresses from the Republic of Indonesia (“Indonesia”) and antidumping duty investigations of less than fair value US imports of mattresses from Bosnia and Herzegovina (“Bosnia”); the Republic of Bulgaria (“Bulgaria”); the Union of Burma (“Burma”); the Republic of India (“India”); the Republic of Italy (“Italy”); the Republic of Kosovo (“Kosovo”); the United States of Mexico (“Mexico”); the Republic of the Philippines (“the Philippines”); the Republic of Poland (“Poland”); the Republic of Slovenia (“Slovenia”); the Kingdom of Spain (“Spain”), and Taiwan. The US mattress industry is being materially injured and threatened with further material injury by reason of the identified imports (the “subject imports”).

Subject imports represent a third wave of mattresses that “country hopped” first from China to Cambodia, Indonesia, Malaysia, Serbia, Thailand, Turkey, and Vietnam and now to the

¹ Data provided in these petitions for Tempur Sealy International Inc. includes the operations of Comfort Revolution, LLC and Tempur Sherwood, LLC, and data provided for Leggett & Platt, Incorporated includes the operations of Elite Comfort Solutions.

current export platforms covered by these petitions. In the first mattress proceeding (“Mattresses 1.0”), the US Department of Commerce (“the Department”) calculated dumping margins ranging from 57.03 percent to 1,731.75 percent on mattresses imported from China,² and the US International Trade Commission (“the Commission”) unanimously determined that the domestic industry was materially injured by reason of those dumped imports.³ As the Commission observed in the subsequent mattress proceeding (“Mattresses 2.0”), after “the imposition of section 301 duties and provisional measures followed by an antidumping duty order on imports from China,” Chinese mattresses imports declined, and “they were supplanted by subject imports from other country sources.”⁴ Indeed, many “of the same Chinese-based firms that had supplied the US market from production facilities in China began to export mattresses to the United States from related production facilities in Cambodia, Indonesia, Malaysia, Serbia, Thailand, Turkey, and Vietnam.”⁵ In both of those proceedings, the imports

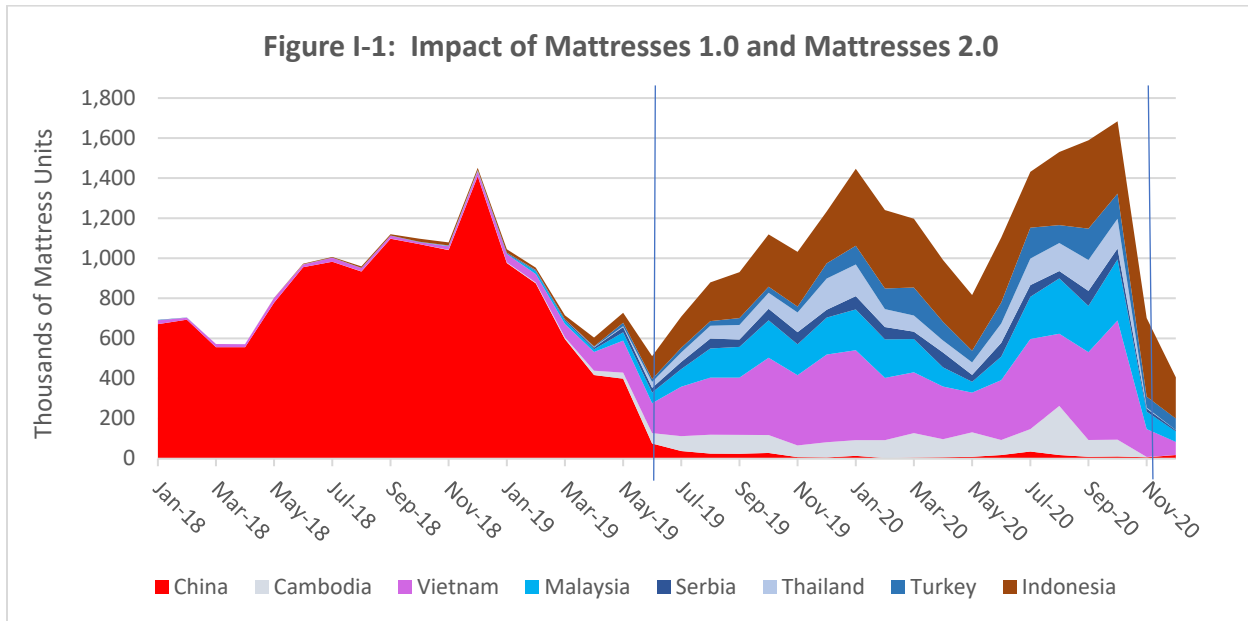
² *Mattresses from the People’s Republic of China: Final Affirmative Determination of Sales at Less than Fair Value, and Final Affirmative Determination of Critical Circumstances, in Part*, 84 Fed. Reg. 56761 (Oct. 23, 2019).

³ *Mattresses from China*, Inv. No. 731-TA-1424 (Final), USITC Pub. 5000 (Dec. 2019).

⁴ *Mattresses from Cambodia, China, Indonesia, Malaysia, Serbia, Thailand, Turkey, and Vietnam*, Inv. Nos. 701-TA-645 and 731-TA-1495-1501 (Final), USITC Pub. 5191 at 30-31 (May 2021).

⁵ USITC Pub. 5191 at 31. In its final determinations, the Department assessed a final countervailable subsidy margin of 97.78 percent for all imports from China, and it assessed dumping margins of 45.34 percent for mattresses from Cambodia, 2.2 percent for mattresses from Indonesia, 42.92 percent for mattresses from Malaysia, 112.11 percent for mattresses from Serbia, 37.48 percent to 763.28 percent for mattresses from Thailand, 20.03 percent for mattresses from Turkey, and 144.92 percent to 668.38 percent for mattresses from Vietnam. *Mattresses from the People’s Republic of China: Final Affirmative Countervailing Duty Determination*, 86 Fed. Reg. 15910 (Mar. 25, 2021); *Mattresses from Vietnam: Final Affirmative* (footnote continued on next page)

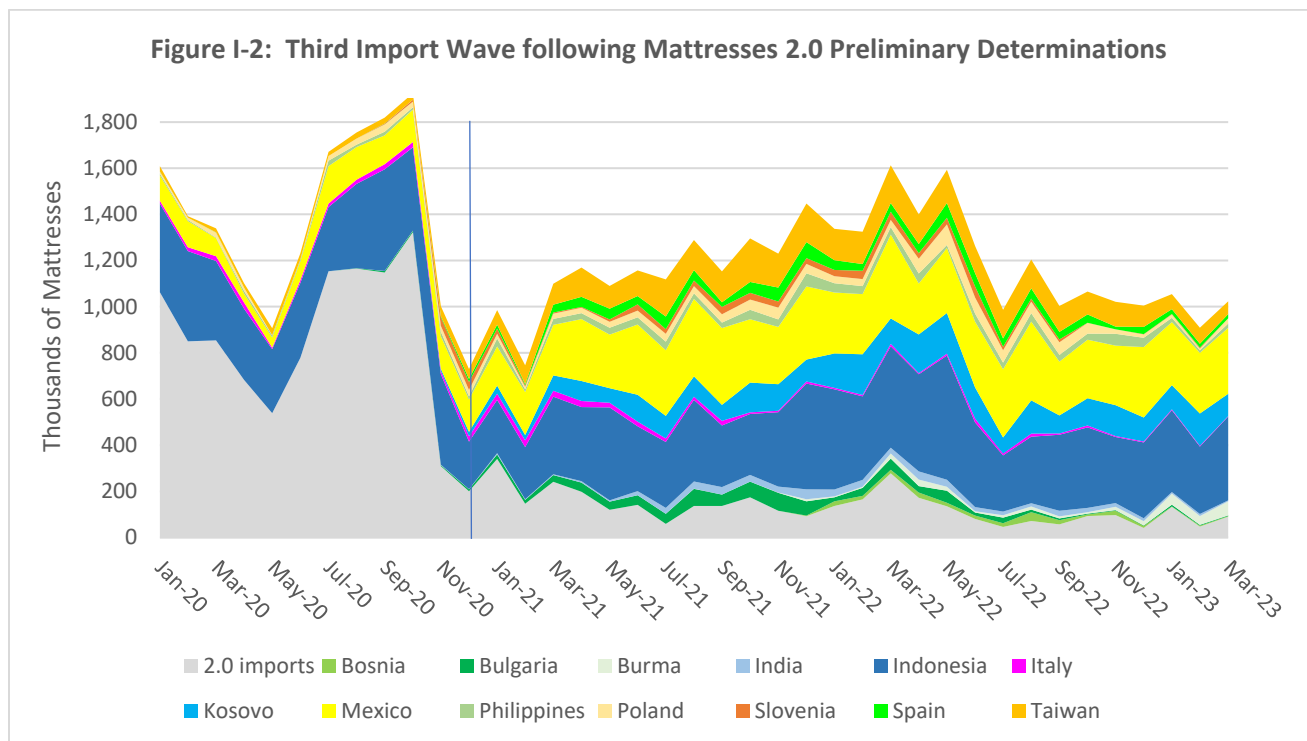
subject to investigation dropped off prior to Commerce's respective June 4, 2019 and November 3, 2020 preliminary antidumping duty determinations, as shown in **Figure I-1** below.⁶ Rather than compete on a level playing field, importers wanted to avoid having to pay antidumping and countervailing duties on those mattresses.



Determination of Sales at Less Than Fair Value, 86 Fed. Reg. 15889 (Mar. 25, 2021); *Mattresses from Serbia: Final Affirmative Determination of Sales at Less Than Fair Value, and Final Negative Finding of Critical Circumstances*, 86 Fed. Reg. 15892 (Mar. 25, 2021); *Mattresses from Cambodia: Final Affirmative Determination of Sales at Less Than Fair Value, and Final Negative Finding of Critical Circumstances*, 86 Fed. Reg. 15894 (Mar. 25, 2021); *Mattresses from Indonesia: Final Affirmative Determination of Sales at Less Than Fair Value*, 86 Fed. Reg. 15899 (Mar. 25, 2021); *Mattresses from Malaysia: Final Affirmative Less Than Fair Value Determination*, 86 Fed. Reg. 15901 (Mar. 25, 2021); *Mattresses from Turkey: Final Affirmative Determination of Sales at Less Than Fair Value, and Final Negative Finding of Critical Circumstances*, 86 Fed. Reg. 15917 (Mar. 25, 2021); *Mattresses from Thailand: Final Affirmative Determination of Sales at Less Than Fair Value*, 86 Fed. Reg. 15928 (Mar. 25, 2021).

⁶ **Exhibit I-1** includes source data for **Figure I-1** (monthly landed duty-paid imports under the following US Harmonized Tariff Schedule (“HTSUS”) statistical reporting numbers for mattresses: 9404.21.0010, 9404.21.0013, 9404.21.0095, 9404.29.1005, 9404.29.1013, 9404.29.1095, 9404.29.9085, 9404.29.9087, 9404.29.9095).

Many of the same importers and affiliates of the foreign producers involved in the Mattresses 1.0 and Mattresses 2.0 investigations are now sourcing low-priced mattresses from the third group of countries covered by these petitions – Indonesia, Bosnia, Bulgaria, Burma, India, Italy, Kosovo, Mexico, Philippines, Poland, Slovenia, Spain, and Taiwan.⁷ Following Commerce’s preliminary determinations in Mattresses 2.0 on November 3, 2020, these subject imports swarmed into the US market, as illustrated in **Figure I-2** below.⁸



⁷ The “2.0 imports” in **Figure I-2** reflect products from countries now subject to AD and/or CVD orders (Cambodia, China, Malaysia, Serbia, Thailand, Turkey, and Vietnam), except for Indonesia. **Figure I-2** may overstate the 2.0 imports because at least some of the imports from those countries appear to involve out-of-scope merchandise, such as mattress toppers.

⁸ **Exhibit I-1** includes source data for **Figure I-2**: monthly landed duty-paid imports under the following HTSUS: 9404.21.0010, 9404.21.0013, 9404.21.0095, 9404.29.1005, 9404.29.1013, 9404.29.1095, 9404.29.9085, 9404.29.9087, 9404.29.9095.

The volume of imports subject to these petitions increased significantly, more than doubling from 6,417,050 units in 2020 to 13,439,821 units in 2022, an increase of 109.4 percent, and they remained at high levels into 1Q-2023.⁹ Like the prior two waves, this third wave of imports also relied on subsidies and/or dumping to capture market share from the US industry and its workers.¹⁰ Subject imports increased from approximately [] percent of the US market in 2020 to [] percent in 2022 and remained at [] in 1Q-2023.¹¹ Subject imports achieved this remarkable market penetration so quickly by underselling domestic prices, and these low-priced subject imports also caused adverse price effects, as explained below.

Based on the information reasonably available to Mattress Petitioners, certain of the domestic industry's performance indicators improved between 2020 and 2021 as a result of the Mattresses 2.0 proceedings. Nevertheless, due to the significant and increasing volumes of low-priced subject imports, the domestic industry's condition quickly plummeted. From 2021 to 2022, US mattress workers lost jobs across the country, and the domestic industry's production, capacity utilization, commercial US shipments, hours worked, and operating income and margins all declined from 2021 to 2022, to lower levels than in 2020.¹²

⁹ See **Exhibit I-2** (imports under the following HTSUS for mattresses: 9404.21.0010, 9404.21.0013, 9404.21.0095, 9404.29.1005, 9404.29.1013, 9404.29.1095, 9404.29.9085, 9404.29.9087, 9404.29.9095).

¹⁰ See Volume II and Volume III of these petitions.

¹¹ See **Exhibit I-2** (Apparent US consumption). **Exhibit I-2**, which relies on Mattress Petitioners' data as reasonably available information, understates the domestic industry's US shipments and market share.

¹² See **Exhibit I-3** (domestic industry trade, financial, and employment data).

As reflected in the data throughout these petitions, the domestic industry requires relief from subsidized Indonesian mattresses and dumped mattresses from Bosnia, Bulgaria, Burma, India, Italy, Kosovo, Mexico, the Philippines, Poland, Slovenia, Spain, and Taiwan. Mattress Petitioners therefore request that the Department and the Commission conduct antidumping and countervailing duty investigations on unfairly traded imports from these subject countries.¹³

II. GENERAL INFORMATION

A. Identification of the Petitioners and Industry Support for the Petitions

1. *Petitioners*

Mattress Petitioners consist of several companies and two unions listed below. Each company is “a manufacturer, producer, or wholesaler in the United States of a domestic like product,” as described in 19 USC § 1677(9)(C), and each union is a certified labor union “representative of an industry engaged in the manufacture, production, or wholesale in the United States of the domestic like product” as described in 19 USC § 1677(9)(D).

- Brooklyn Bedding LLC
- Carpenter Company
- Corsicana Mattress Company
- FXI, Inc.
- Kolcraft Enterprises, Inc.
- Leggett & Platt, Incorporated
- Serta Simmons Bedding, Inc.

¹³ Mattress Petitioners filed these petitions in accordance with 19 USC §§ 1671a(b)(1) and 1673a(b)(1) as well as the requirements of 19 CFR §§ 207.11 and 351.202, and they are presenting herein the information reasonably available to them.

- Southerland Inc.
- Tempur Sealy International, Inc.
- the International Brotherhood of Teamsters, and
- United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union, AFL-CIO (“USW”)

Exhibit I-4 contains the name, street address, phone number, and other contact information for each petitioning company and union, consistent with 19 CFR § 351.202(b)(1).

2. *Other US Producers*

Based on information reasonably available to the Mattress Petitioners, **Exhibit I-5** contains the names, street addresses, phone numbers, email addresses and available contact data for other known US mattress producers, consistent with 19 CFR §§ 207.11(b)(2)(ii) and 351.202(b)(2). Some of these firms have affiliates in one or more subject countries and/or import mattresses from one or more of the subject countries, as explained *infra* in section III.B.

3. *The Mattress Petitioners Have Sufficient Industry Support*

Pursuant to 19 USC §§ 1671a(c)(4)(A) and 1673a(c)(4)(A), the Department shall determine that a petition has been filed by or on behalf of the industry if (1) domestic producers or workers who support the petition account for at least 25 percent of the total production of the domestic like product; and (2) the domestic producers or workers who support the petition account for more than 50 percent of the production of the domestic like product produced by that portion of the industry expressing support for, or opposition to, the petition. Mattress Petitioners satisfy both requirements, as explained below.

The Department generally determines the sufficiency of industry support based on domestic production over a 12-month period. In its May 2021 final determinations in Mattresses 2.0, the Commission relied on data provided by 53 US producers that collectively

produced 18,436,244 mattresses in 2019 and 14,134,447 mattresses in the first nine months of 2020.¹⁴ Mattress Petitioners view the data collected by the Commission as the best information reasonably available on US production because, as the Commission noted, the data it obtained in that proceeding from 53 US producers “accounted for the vast majority of mattresses in 2019.”¹⁵

Mattress Petitioners provide two calculations of industry support in **Exhibit I-6**, relying on the production data for full-year 2019 and for the first nine months of 2020 collected by the Commission. The first calculation compares Mattress Petitioners’ full-year 2022 production to full-year 2019 domestic industry production ([] units / 18,436,244 mattresses = [] percent). The second calculation compares Mattress Petitioners’ full-year 2022 production to annualized 2020 domestic industry production ([] units / 18,845,929 mattresses = [] percent). These estimates are conservative because [].

Under either calculation, Mattress Petitioners exceed the industry support threshold.¹⁶

¹⁴ See **Exhibit I-6** (providing excerpts from USITC Pub. 5191 at 3, Table III-4 (showing full-year 2019 production of 18,436,244 mattresses and annualized interim 2020 production of 18,845,929 mattresses)).

¹⁵ See **Exhibit I-6** (citing USITC Pub. 5191 at 3).

¹⁶ **Exhibit I-6** includes a third calculation of industry support that compares Mattress Petitioners’ full-year 2022 production ([] units) to the total US-produced mattresses for 2022 reported by [] of [] units (or [] percent). While this calculation also shows that Mattress Petitioners’ production exceeds the required industry support threshold, the estimate may undercount Mattress Petitioners’ share of total domestic production to the extent that [].

B. Related Proceedings

The US mattress industry previously has filed for import relief regarding dumped and subsidized imports of mattresses. On December 16, 2019, the Department published an antidumping duty order on mattresses from China following affirmative dumping and material injury determinations.¹⁷ On May 14, 2021, the Department published a countervailing duty order on mattresses from China and antidumping duty orders on mattresses from Cambodia, Indonesia, Malaysia, Serbia, Thailand, Turkey, and Vietnam following affirmative subsidy, dumping, and material injury determinations.¹⁸

In contrast, Mattress Petitioners have not previously filed for import relief under Section 337 of the Act (19 USC § 1337), Sections 201 or 301 of the Trade Act of 1974 (19 USC §§ 2251 or 2411), or Section 232 of the Trade Expansion Act of 1962 (19 USC § 1862) with respect to the subject merchandise.¹⁹ An existing Section 301 measure does cover mattresses. Specifically, on August 14, 2017, the President instructed the US Trade

¹⁷ USITC Pub. 5000; *Mattresses from the People's Republic of China: Antidumping Duty Order*, 84 Fed. Reg. 68395 (Dec. 16, 2019).

¹⁸ USITC Pub. 5191; *Mattresses from the People's Republic of China: Countervailing Duty Order*, 86 Fed. Reg. 26463 (May 14, 2021); *Mattresses from Cambodia, Indonesia, Malaysia, Serbia, Thailand, the Republic of Turkey, and the Socialist Republic of Vietnam: Antidumping Duty Orders and Amended Final Affirmative Antidumping Determination for Cambodia*, 86 Fed. Reg. 26460 (May 14, 2021).

¹⁹ The Commission is conducting an investigation (No. 337-TA-1328) under section 337 of the Tariff Act, as amended, 19 USC § 1337 based on a complaint filed by a non-petitioning US mattress producer Purple Innovation, LLC regarding the importation of pillows and seat cushions, components thereof, and packaging thereof. *Certain Pillow and Seat Cushions, Components Thereof, and Packaging Thereof; Notice of Institution of Investigation*, 87 Fed. Reg. 56086 (Sept. 13, 2022). Several firms entered into consent orders. *See generally* <https://ids.usitc.gov/case/8073/investigation/8264>.

Representative (“USTR”) to determine whether to investigate certain Chinese laws, policies, practices, or actions that may be harming US intellectual property rights, innovation, or technology development.²⁰ USTR initiated an investigation on August 18, 2017 under Section 301 of the Trade Act of 1974 (19 USC § 2411).²¹ The Section 301 investigation focused on Chinese laws, policies, practices, or actions that may harm US intellectual property rights, innovation, or technology development, and not any individual product. As a result of the investigation, imports of mattresses from China under HTSUS subheadings 9404.21.00, 9404.29.10, and 9404.29.90 are included on List 3 of products subject to Section 301 duties. Effective September 24, 2018, the United States imposed additional duties of 10 percent on such imports,²² and by May 10, 2019, the rate of additional duties on such Chinese imports increased to 25 percent.²³

²⁰ *Addressing China’s Laws, Policies, Practices, and Actions Related to Intellectual Property, Innovation, and Technology*, 82 Fed. Reg. 39007 (Aug. 17, 2017).

²¹ *Initiation of Section 301 Investigation; Hearing; and Request for Public Comments: China’s Acts, Policies, and Practices Related to Technology Transfer, Intellectual Property, and Innovation*, 82 Fed. Reg. 40213 (Aug. 24, 2017).

²² *Notice of Modification of Section 301 Action: China’s Acts, Policies, and Practices Related to Technology Transfer, Intellectual Property, and Innovation*, 83 Fed. Reg. 47974 (Sept. 21, 2018).

²³ *Additional Implementing Modification to Section 301 Action: China’s Acts, Policies, and Practices Related to Technology Transfer, Intellectual Property, and Innovation*, 84 Fed. Reg. 26930 (June 10, 2019) (exempting products exported to the United States before May 10, 2019, as long as those products were entered into the United States prior to June 15, 2019).

C. Proposed Scope and Description of the Merchandise

1. *Proposed Scope Language*

The products covered by these petitions are all types of youth and adult mattresses. The term “mattress” denotes an assembly of materials that at a minimum includes a “core,” which provides the main support system of the mattress, and may consist of innersprings, foam, other resilient filling, or a combination of these materials. Mattresses also may contain

(1) “upholstery,” the material between the core and the top panel of the ticking on a single-sided mattress, or between the core and the top and bottom panel of the ticking on a double-sided mattress; and/or (2) “ticking,” the outermost layer of fabric or other material (*e.g.*, vinyl) that encloses the core and any upholstery, also known as a cover.

The scope of these petitions is restricted to only “adult mattresses” and “youth mattresses.” “Adult mattresses” are frequently described as “twin,” “extra-long twin,” “full,” “queen,” “king,” or “California king” mattresses. “Youth mattresses” are typically described as “crib,” “toddler,” or “youth” mattresses. All adult and youth mattresses are included regardless of size and size description.

The scope encompasses all types of “innerspring mattresses,” “non-innerspring mattresses,” and “hybrid mattresses.” “Innerspring mattresses” contain innersprings, a series of metal springs joined together in sizes that correspond to the dimensions of mattresses. Mattresses that contain innersprings are referred to as “innerspring mattresses” or “hybrid mattresses.” “Hybrid mattresses” contain two or more support systems as the core, such as layers of both memory foam and innerspring units.

“Non-innerspring mattresses” are those that do not contain any innerspring units. They are generally produced from foams (*e.g.*, polyurethane, memory (viscoelastic), latex foam, gel infused viscoelastic (gel foam), thermobonded polyester, polyethylene) or other resilient filling.

Mattresses covered by the scope of these petitions may be imported independently, as part of furniture or furniture mechanisms (*e.g.*, convertible sofa bed mattresses, sofa bed mattresses imported with sofa bed mechanisms, corner group mattresses, day-bed mattresses, roll-away bed mattresses, high risers, trundle bed mattresses, crib mattresses), or as part of a set (in combination with a “mattress foundation”). “Mattress foundations” are any base or support for a mattress. Mattress foundations are commonly referred to as “foundations,” “boxsprings,” “platforms,” and/or “bases.” Bases can be static, foldable, or adjustable. Only the mattress is covered by the scope if imported as part of furniture, with furniture mechanisms, or as part of a set, in combination with a mattress foundation.

Excluded from the scope of these petitions are “futon” mattresses. A “futon” is a bi-fold frame made of wood, metal, or plastic material, or any combination thereof, that functions as both seating furniture (such as a couch, love seat, or sofa) and a bed. A “futon mattress” is a tufted mattress, where the top covering is secured to the bottom with thread that goes completely through the mattress from the top through to the bottom, and it does not contain innersprings or foam. A futon mattress is both the bed and seating surface for the futon.

Also excluded from the scope are airbeds (including inflatable mattresses) and waterbeds, which consist of air- or liquid-filled bladders as the core or main support system of the mattress.

Also excluded is certain multifunctional furniture that is convertible from seating to sleeping, regardless of filler material or components, where such filler material or components are upholstered, integrated into the design and construction of, and inseparable from, the

furniture framing, and the outermost layer of the multifunctional furniture converts into the sleeping surface. Such furniture may, and without limitation, be commonly referred to as “convertible sofas,” “sofabeds,” “sofa chaise sleepers,” “futons,” “ottoman sleepers,” or a like description.

Also excluded from the scope of these petitions are any products covered by the existing antidumping duty orders on uncovered innerspring units from China, South Africa, and Vietnam. *See Uncovered Innerspring Units from the People’s Republic of China, South Africa, and Socialist Republic of Vietnam: Continuation of Antidumping Duty Orders*, 84 Fed. Reg. 55285 (Oct. 16, 2019).

Also excluded from the scope of these orders are bassinet pads with a nominal length of less than 39 inches, a nominal width of less than 25 inches, and a nominal depth of less than 2 inches.

Additionally, also excluded from the scope of these petitions are “mattress toppers.” A “mattress topper” is a removable bedding accessory that supplements a mattress by providing an additional layer that is placed on top of a mattress. Excluded mattress toppers have a height of four inches or less.

The products subject to these petitions are currently classifiable under HTSUS subheadings: 9404.21.0010, 9404.21.0013, 9404.21.0095, 9404.29.1005, 9404.29.1013, 9404.29.1095, 9404.29.9085, 9404.29.9087, 9404.29.9095. Products subject to these petitions may also enter under HTSUS subheadings: 9401.41.0000, 9401.49.0000, and 9401.99.9081. Although the HTSUS subheadings are provided for convenience and customs purposes, the written description of the merchandise subject to these petitions is dispositive.

2. *Physical Characteristics and Uses*

These petitions cover certain mattresses, including innerspring and non-innerspring (including hybrid) mattresses. In the industry, the term “mattress” generally means a resilient material or combination of materials generally enclosed by ticking that is intended or promoted for sleeping upon by people. Mattresses generally consist of (1) a core, (2) upholstery material, and (3) ticking. The core provides the main support system of the mattress. The core may consist of innersprings, non-innersprings (*e.g.*, foam), an air or water bladder,²⁴ other resilient filling, or a combination of these materials. “Upholstery” refers to the material between the core and the ticking. “Ticking” refers to the cover or the outermost layer of fabric or other material that encloses the core and any upholstery material.

A mattress may be used alone or in combination with other products, such as foundations commonly referred to as box springs, platforms, bases, and/or cribs. Mattresses may be sold independently, as part of furniture (examples are convertible sofa bed mattresses, corner group mattresses, day-bed mattresses, roll-away bed mattresses, high risers, and trundle bed mattresses), or as part of a set, in combination with a mattress foundation.

“Adult mattresses” and “youth mattresses” are covered by the scope of these petitions, regardless of actual size. Youth mattresses are generally grouped together in size descriptions that include “crib,” “toddler,” or “youth.”

Mattresses are covered by the scope of these petitions even if imported without ticking, such as foam mattresses that are imported without ticking (*i.e.*, the outermost cover). Products

²⁴ As noted above in Section II.C.1, the scope of the petitions excludes airbeds and waterbeds.

covered by these petitions include mattresses packed and sold to end users in boxes, such as those marketed as “bed(s)-in-a-box,” “mattress(es)-in-a-box,” and/or “compressed mattress(es).”

3. *Manufacturing Process*

The manufacturing process for all types of mattresses is similar in that it consists of the assembly of components into finished mattresses that are ready for use by the ultimate purchaser. We provide representative illustrations of the mattress manufacturing process in **Exhibit I-7**.

Manufacturers assemble innerspring and hybrid mattresses from various components according to the mattress design. Components generally consist of the core (innerspring units, foam (*e.g.*, polyurethane, memory (viscoelastic), latex, or gel), or other resilient fillings or a combination of the same) and the upholstery material.

For innerspring mattresses, manufacturers may produce the innerspring unit internally or purchase it from a supplier. Depending on the design, operators “build up” the mattress by assembling layers of fabric, upholstery, and/or foam around the core unit on an assembly table or production line. Separately, sewers run quilting machines that produce the ticking (also known as a “cover”), which may include a backing material.²⁵ In some instances, workers cut the cover into panels for the top, bottom, and sides (also referred to as “borders”) on a panel cutting machine. They sew a flange to the edge of the cover piece(s) or attach the flange using a “hog ring” to the innerspring unit to prevent the cover and filling material from shifting once the border is attached and the mattress is sewn shut. Workers then sew a “tape,” which is a fabric that covers the edge where the top and bottom panels are joined to the border panel, around the

²⁵ The borders, or vertical sides of the mattress, may be constructed on separate border machines that combine ticking, a backing material, foam and/or other upholstery.

top and bottom edges of the mattress. In other instances, manufacturers use a simple “zippered” cover that does not require a flange, hog ring, or tape. Manufacturers may ship innerspring (including hybrid) mattresses compressed or uncompressed and packaged in a box or not.

For foam mattresses, the manufacturing process begins with foam production. Foam mattress manufacturers may be vertically integrated (producing both the foam and foam mattress themselves) or they may purchase foam from unaffiliated foam suppliers. The formulation for combining precursor chemicals depends on the type of foam. For example, to make polyurethane foam, manufacturers generally take polyol (complex alcohol) and isocyanate that are kept in separate storage tanks, mix these materials with catalysts and a surfactant, and heat the mixture. This begins a reaction that forms a polyurethane polymer that is combined with carbon dioxide and sprayed or “poured” onto a plastic covered conveyor belt. The reaction generates carbon dioxide gas that causes the material to expand as it moves down the conveyor belt. Once the foam has fully expanded and partially cured, manufacturers cut the foam into large blocks which are allowed to fully cure for up to 72 hours. After product properties are tested and confirmed to meet specifications, the cured blocks are then cut into trimmed rectangular sheets (or plates) of various thicknesses that correspond to finished mattress sizes. The foam mattress may consist of a single slab of foam or multiple layers (plates) that have been bound together. The foam mattress may then be encased in a fabric “sock” and inserted into the cover (*i.e.*, the ticking). The final step is packaging. As with innerspring (including hybrid) mattresses, manufacturers may ship foam mattresses compressed or uncompressed and packaged in a box or not.

The manufacturing process for youth mattresses resembles the process for adult mattresses but may not rely on flange material to attach the panels to the innerspring. The covers

can be pre-sewn with only one open end, and the core and upholstery materials inserted into the cover with the aid of a stuffing machine. Workers then sew the cover opening shut (instead of stitching the entire perimeter of the mattress). Youth mattresses can use vinyl material in addition to cloth materials as the ticking. Youth mattresses also may be sold compressed or uncompressed and packaged in a box or not.

4. *Tariff Classification*

As indicated above, the products subject to these petitions are currently classifiable under HTSUS subheadings 9404.21.0010, 9404.21.0013, 9404.21.0095, 9404.29.1005, 9404.29.1013, 9404.29.1095, 9404.29.9085, 9404.29.9087, 9404.29.9095.²⁶ Products subject to these petitions may also enter under HTSUS subheadings: 9401.41.0000, 9401.49.0000, and 9401.99.9081.²⁷

D. Countries of Exportation

The mattresses subject to these petitions are produced and exported from Bosnia, Bulgaria, Burma, India, Indonesia, Italy, Kosovo, Mexico, the Philippines, Poland, Slovenia, Spain, and Taiwan.

²⁶ See **Exhibit I-8**. As the Commission observed in *Mattresses 2.0*, importer questionnaire responses “represent{ed} greater than 100 percent of US imports from Cambodia, China, Indonesia, Serbia, Thailand, Vietnam, and non-subject sources in 2019” under HTSUS statistical reporting numbers 9404.21.0010, 9404.21.0013, 9404.29.1005, 9404.29.1013, 9404.29.9085, and 9404.29.9087. USITC Pub. 5191 at 4 at n.3; *see also Mattresses from China*, Inv. No. 731-TA-1424 (Preliminary), USITC Pub. 4842 (Nov. 2018) at I-4 at n.8 (noting that importer questionnaire responses “represent 150.9 percent of US imports from China in 2017 under” those five HTSUS statistical reporting numbers). Accordingly, the scope of these petitions references three additional primary HTSUS statistical subheadings, 9404.21.0095, 9404.29.1095, and 9404.29.9095, along with three secondary HTSUS statistical subheadings. The written description of the scope remains dispositive.

²⁷ See **Exhibit I-8**.

E. Foreign Producers and Exporters of the Subject Merchandise

Based on the information reasonably available to the Mattress Petitioners,²⁸ []²⁹

Exhibit I-10 lists known producers and exporters of the subject merchandise in the subject countries and available contact data. Bills of lading identify many of these firms as shippers of mattresses from the subject countries. For many entries, bills of lading identify the foreign producer or exporter's name as "Not Declared," so the Department and the Commission also should consult more detailed information in the confidential Customs Net Import File. When seeking data from foreign producers, the agencies should require the responding firms to certify that they are providing complete reporting for themselves as well as all related corporate entities.

F. US Importers of the Subject Merchandise

Based on the information reasonably available to the Mattress Petitioners,³⁰ [], **Exhibit I-11** lists known US importers of mattresses from the subject countries and available contact data. Bills of lading identify many of these firms as US consignees for mattresses imported from the subject countries. For many entries, bills of lading identify the consignee as "Not Declared," so the Department and the Commission should rely on more detailed information in the confidential Customs Net Import File. When seeking data from importers, the agencies should require the responding firms to certify that they are providing complete reporting for themselves as well as all related corporate entities.

²⁸ 19 CFR § 351.202(b)(9).

²⁹ See **Exhibit I-9** (excerpts from []).

³⁰ 19 CFR § 351.202(b)(9).

III. THE DOMESTIC INDUSTRY IS BEING MATERIALLY INJURED AND IS THREATENED WITH MATERIAL INJURY BY REASON OF THE UNFAIRLY TRADED SUBJECT IMPORTS

“Material injury” is “harm which is not inconsequential, immaterial, or unimportant.”³¹

The Commission examines the “significance” of the volume and price effects of the dumped and/or subsidized imports, and the impact of those imports on the condition of the domestic industry, when investigating if a domestic industry is materially injured or threatened with material injury “by reason of” dumped and/or subsidized imports.³² The Commission’s analysis must consider the prevailing conditions of competition in the US market.³³

Based on the information reasonably available to the Mattress Petitioners, the US mattress industry is suffering material injury and is threatened with material injury by reason of subsidized imports of mattresses from Indonesia and dumped imports from Bosnia, Bulgaria, Burma, India, Italy, Kosovo, Mexico, the Philippines, Poland, Slovenia, Spain, and Taiwan,³⁴ as demonstrated below.

A. Mattresses are a Single Domestic Like Product

The “domestic like product” is “a product which is like, or in the absence of like, most similar in characteristics and uses with, the article subject to an investigation.”³⁵ In defining the domestic like product, the Commission applies the statutory standard of “like” or “most similar

³¹ 19 USC § 1677(7)(A).

³² 19 USC §§ 1677(7)(B), 1677(7)(C).

³³ 19 USC § 1677(7)(C)(iii).

³⁴ 19 USC §§ 1671b(a), 1673b(a).

³⁵ 19 USC § 1677(10).

in characteristics and uses” on a case-by-case basis.³⁶ The Commission considers (1) physical characteristics and uses; (2) interchangeability; (3) channels of distribution; (4) customer and producer perceptions of the products; (5) common manufacturing facilities, production processes, and production employees; and, (6) where appropriate, price.³⁷ The Commission should define a single domestic like product consisting of the continuum of foam, innerspring, and hybrid mattresses of all sizes and packaging, coextensive with the proposed scope of the investigations,³⁸ consistent with its determinations in the prior mattresses investigations.³⁹

1. *Physical Characteristics and Uses*

All mattresses sold in the US market share the same basic physical characteristics and uses.⁴⁰ Mattresses are generally produced to lengths and widths that correspond to size descriptions such as “crib,” “youth,” “twin,” “twin XL,” “full,” “queen,” “king,” or “California king.” Mattresses have one or more layers of foam and may contain innersprings. Regardless of size description or foam and/or innerspring layers, mattresses may be compressed or compressed and rolled and packaged as mattresses in a box (“MiBs”). When unpackaged, MiBs and

³⁶ See, e.g., *Cleo Inc. v. United States*, 501 F.3d 1219, 1299 (Fed. Cir. 2007); *NEC Corp. v. Department of Commerce*, 36 F. Supp. 2d 380, 383 (Ct. Int’l Trade 1998); *Nippon Steel Corp. v. United States*, 19 CIT 450, 455 (1995).

³⁷ See *Nippon*, 19 CIT at 455 n.4; *Timken Co. v. United States*, 913 F. Supp. 580, 584 (Ct. Int’l Trade 1996).

³⁸ For purposes of the domestic like product discussion, “mattress” is defined as coextensive with the proposed scope and excludes futon mattresses and mattresses that consist of air- or liquid-filled bladders as the core or main support system of the mattress.

³⁹ USITC Pub. 5191 at 4-13; *Mattresses from Cambodia, China, Indonesia, Malaysia, Serbia, Thailand, Turkey, and Vietnam*, Inv. Nos. 701-TA-645 and 731-TA-1495-1501 (Preliminary), USITC Pub. 5059 (May 2020) at 5-12; USITC Pub. 5000 at 4-9; USITC Pub. 4842 at 4-11.

⁴⁰ USITC Pub. 5191 at 11-13; USITC Pub. 5059 at 11-12; USITC Pub. 5000 at 9; USITC Pub. 4842 at 8-9.

non-MiBs share the same physical characteristics, with the same mattresses often sold in both MiB and non-MiB packaging.⁴¹ All mattresses serve the same end use as a comfortable sleeping surface.⁴²

2. *Interchangeability*

All mattresses are interchangeable regardless of actual size, type of core, or packaging.⁴³ When looking to purchase a mattress, purchasers can consider the various sizes and cores that best fit their needs. Individuals can sleep on innerspring or non-innerspring mattresses. Mattresses that are compressed or compressed and rolled and packaged as MiBs are interchangeable with non-MiBs,⁴⁴ because the packing of the mattress does not change the intended use of the mattress in the packaging – to be slept upon.

3. *Channels of Distribution*

Innerspring and non-innerspring mattresses, regardless of packaging, are sold through the same channels of distribution, including retail stores and online. While the overwhelming majority of mattresses regardless of size are sold to retailers, mattresses also can be sold directly to consumers through company-owned stores and/or direct-to-consumer channels.⁴⁵

⁴¹ See USITC Pub. 5191 at 33-34 (finding that “MiBs and FPMs {flat-packed mattresses} are also functionally interchangeable once unpackaged...”); USITC Pub. 5000 at 8, 37-44.

⁴² 15 CFR § 1632.1(a) (defining “mattress” for Consumer Product Safety Commission flammability standards as “a ticking filled with a resilient material used alone or in combination with other products intended or promoted for sleeping upon”).

⁴³ USITC Pub. 5191 at 11-13, II-40; USITC Pub. 5059 at 11-12; USITC Pub. 5000 at 9; USITC Pub. 4842 at 10.

⁴⁴ See USITC Pub. 5191 at 33-34 (finding that “MiBs and FPMs {flat-packed mattresses} are also functionally interchangeable once unpackaged...”); USITC Pub. 5000 at 8, 37-44.

⁴⁵ USITC Pub. 5191 at 11-12, II-9, Table II-4, Appendix D; USITC Pub. 5059 at 11; USITC Pub. 5000 at 9; USITC Pub. 4842 at 10.

4. *Customer and Producer Perceptions*

Retail purchasers and producers generally consider all mattresses to be a single like product in that any type of mattress can be used to sleep upon. At the retail level of trade, some consumers prefer innerspring mattresses (including hybrid mattresses), some prefer non-innerspring mattresses, and others do not distinguish between the two types of mattresses. Likewise, some consumers prefer MiB packaging, whereas others prefer non-MiB mattresses. There is significant consumer “cross-shopping” among mattresses.⁴⁶

5. *Common Manufacturing Facilities, Processes, and Employees*

Innerspring and non-innerspring mattresses can be produced at the same facilities. For example, Corsicana produces both innerspring and non-innerspring mattresses at some of its facilities. Although manufacturers utilize some different equipment to produce innerspring and non-innerspring mattresses, the production process is essentially the same in that the constituent materials are assembled together (“built up”) and encased in a ticking/cover. At facilities that produce both innerspring and non-innerspring mattresses, producers often cross-train their employees to manufacture both types of mattresses.⁴⁷ As for packaging, some domestic producers package their products as MiBs and non-MiBs whereas others focus on one or the other.⁴⁸ MiBs and non-MiBs share overlapping production processes, facilities, and employees until the final stage, when some manufacturers package their products as flat-compressed

⁴⁶ USITC Pub. 5191 at 11-12; USITC Pub. 5059 at 11; USITC Pub. 5000 at 9; USITC Pub. 4842 at 11.

⁴⁷ USITC Pub. 5191 at 11-12; USITC Pub. 5059 at 11; USITC Pub. 5000 at 9; USITC Pub. 4842 at 9-10.

⁴⁸ USITC Pub. 5191 at 29-30.

mattresses and others package the mattresses using a machine that compresses then rolls the mattresses in order to load them into individual boxes or cartons.⁴⁹

6. *Price*

Mattresses sell for a wide range of prices with innerspring (including hybrid mattresses) and non-innerspring mattresses of all sizes and packaging configurations present along the price continuum.⁵⁰

B. The Domestic Industry Should Not Include Certain Related Parties

The “domestic industry” includes the “producers as a whole of a domestic like product, or those producers whose collective output of a domestic like product constitutes a major proportion of the total domestic production of the product.”⁵¹ The domestic industry consists of US producers of the domestic like product – mattresses.

Mattress Petitioners believe that several firms may be eligible for exclusion from the domestic industry as related parties pursuant to 19 USC § 1677(4)(B) due to their affiliations with foreign producers of subject merchandise and/or their imports of mattresses from subject countries. Mattress Petitioners reserve the right to argue for related party exclusions based on information that those firms submit on the nature of their US operations, affiliations, and importing activities.

⁴⁹ USITC Pub. 5191 at I-15, I-16.

⁵⁰ USITC Pub. 5191 at 11-12; USITC Pub. 5059 at 11; USITC Pub. 5000 at 9; USITC Pub. 4842 at 11.

⁵¹ 19 USC § 1677(4)(A).

C. Subject Imports Surpass the Negligibility Threshold

Pursuant to 19 USC § 1677(24)(A)(i), imports from a single subject country are generally considered “negligible” if they account for less than three percent of the total import volume of the merchandise under consideration in the most recent 12-month period for which data are available preceding the filing of the petitions.⁵² The statute further provides that subject countries that individually account for less than three percent of imports shall not be negligible if the aggregate volume from all such countries accounts for more than seven percent of all such merchandise imported into the United States.⁵³

For the most recent 12-month period for which data are available preceding the petition filings (June 2022 to May 2023), US imports from Burma, Indonesia, Kosovo, Mexico, and Taiwan exceed the negligibility threshold, as shown in **Table I-1**.⁵⁴ For this same period, imports from the other subject countries individually account for less than three percent of total imports but collectively, they account for 12.30 percent of total mattress imports, which exceeds the 7.0 percent statutory threshold.⁵⁵ As such, imports from each of the subject countries are not negligible.

⁵² USTR maintains a list of countries that are eligible for special negligible import volume standards under the US countervailing duty law, and the list does not identify Indonesia as a country with a special standard. *See* 85 Fed. Reg. 7613, 7615 (Feb. 10, 2020); 85 Fed. Reg. 7448 (Feb. 10, 2020); *see also* 19 USC § 1677(36); 15 CFR § 2013.1.

⁵³ 19 USC § 1677(24)(A)(ii).

⁵⁴ *See* **Exhibit I-12** (imports under HTSUS statistical reporting numbers 9404.21.0010, 9404.21.0013, 9404.21.0095, 9404.29.1005, 9404.29.1013, 9404.29.1095, 9404.29.9085, 9404.29.9087, 9404.29.9095).

⁵⁵ *See* **Table I-1, Exhibit I-12**.

Table I-1: Each Subject Country is Individually or Collectively Not Negligible (units = mattresses)		
Subject country	June 2022-May 2023	Share of Main HTSUS
Bosnia	149,811	1.12%
Bulgaria	81,288	0.61%
Burma	475,006	3.55%
India	165,528	1.24%
Indonesia	3,755,958	28.07%
Italy	72,675	0.54%
Kosovo	1,325,754	9.91%
Mexico	3,385,784	25.30%
Philippines	349,405	2.61%
Poland	390,676	2.92%
Slovenia	82,222	0.61%
Spain	354,814	2.65%
Taiwan	1,158,890	8.66%
All imports	13,382,995	

D. The Commission Should Cumulate Unfairly Traded Imports of Mattresses from Bosnia, Bulgaria, Burma, India, Indonesia, Italy, Kosovo, Mexico, Philippines, Poland, Slovenia, Spain, and Taiwan

The statute requires the Commission to cumulate unfairly traded imports of mattresses from Bosnia, Bulgaria, Burma, India, Indonesia, Italy, Kosovo, Mexico, the Philippines, Poland, Slovenia, Spain, and Taiwan because all prerequisites for cumulation are met.⁵⁶ Mattress Petitioners filed the petitions for each of these imports on the same day, and all imports are fungible with one another and the domestic like product and sold simultaneously through similar distribution channels in overlapping geographic markets.

⁵⁶ 19 USC § 1677(7)(G); see also *Certain Cast-Iron Pipe Fittings from Brazil, the Republic of Korea and Taiwan*, Inv. Nos. 731-TA-278 to 280 (Final), USITC Pub. 1845 (May 1986), *aff'd*, *Fundicao Tupy, S.A. v. United States*, 678 F. Supp. 898 (Ct. Int'l Trade), *aff'd*, 859 F.2d 915 (Fed. Cir. 1988).

1. *Mattresses from All Subject Countries are Highly Fungible with Each Other and with US-Manufactured Mattresses*

All mattresses, whether from Bosnia, Bulgaria, Burma, India, Indonesia, Italy, Kosovo, Mexico, Philippines, Poland, Slovenia, Spain, Taiwan, or the United States share the same basic physical characteristics and uses. As discussed above in **Section III-A**, mattresses sold in the US market are generally produced to lengths and widths that correspond to size descriptions such as “crib,” “youth,” “twin,” “twin XL,” “full,” “queen,” “king,” or “California king.”⁵⁷ Mattresses may be packaged for storage and transport as flat-packed mattresses; in the configuration used for sleeping; or compressed, rolled, and boxed in an MiB configuration.⁵⁸ Regardless of packaging or actual size, all mattresses have the same use as they are intended or promoted for sleeping upon.⁵⁹ All mattresses are interchangeable regardless of core type.⁶⁰ When looking to purchase a mattress, purchasers can consider the various sizes and cores that best fit their needs. Individuals can sleep on innerspring or non-innerspring mattresses. Based on these physical characteristics, US-manufactured mattresses and mattresses imported from the subject countries are uniquely suitable for use in sleeping. While each purchaser or individual consumer may prefer a particular mattress size and type, all sources are interchangeable, regardless of manufacturing location.⁶¹

⁵⁷ See USITC Pub. 5191 at 22; USITC Pub. 5000 at 7.

⁵⁸ See USITC Pub. 5191 at 22; USITC Pub. 5000 at 8.

⁵⁹ See 15 CFR § 1632.1(a) (defining “mattress” for Consumer Product Safety Commission flammability standards as “a ticking filled with a resilient material used alone or in combination with other products intended or promoted for sleeping upon.”)

⁶⁰ See USITC Pub. 5191 at 11-13, 33-34, II-40; USITC Pub. 5059 at 11-12; USITC Pub. 5000 at 9; USITC Pub. 4842 at 10.

⁶¹ See USITC Pub. 5191 at 22, II-9, Table II-4, Appendix D; USITC Pub. 5000 at II-26.

2. *Subject Imports and US Mattresses Sell in Similar Distribution Channels*

The overwhelming majority of mattresses are sold to retailers, including to brick and mortar stores, direct-to-consumers through internet sales, and through omni-channel retailers.

Mattresses also are sold to distributors and end users.⁶² Indeed, many firms imported mattresses from more than one of the subject countries, as shown in **Table I-2**.⁶³

Table I-2: Several Firms Imported Mattresses from More Than One Subject Country	
Importer	Subject countries
Amazon	India, Indonesia, Taiwan
Amerilink Distribution	Indonesia, Taiwan
Ashley Furniture Trading	Burma, India, Indonesia, Taiwan
Big Lots	Italy, Mexico, Taiwan
Bob's Discount Furniture	Italy, Mexico, Taiwan
Boyd	Kosovo, Mexico, Philippines, Slovenia
Carico International	Italy, Poland
Casper Sleep	India, Mexico
City Furniture	Indonesia, Mexico
Classic Brands	India, Mexico, Philippines, Taiwan
Commerce Inc.	Indonesia, Taiwan
CVB/Malouf	Bulgaria, India, Kosovo, Mexico, Spain
Design Within Reach	Indonesia, Italy
Dorel	India, Italy, Spain
Easy Rest	Burma, India, Taiwan
Goplus Corp.	Bosnia, Italy
IKEA	Mexico, Poland
LMP Worldwide	Bosnia, Slovenia
Lull Ventures	Spain, Taiwan
Mattress America	Indonesia, Taiwan
Mellow Inc.	Bosnia, Indonesia, Kosovo, Slovenia
MIlly USA	Bosnia, Italy, Slovenia, Spain
Orange Supply Chain	Indonesia, Taiwan
PNC Business Credit	India, Kosovo, Philippines, Slovenia, Spain, Taiwan
SSecretland	Indonesia, Taiwan
Stanley Chair	Bosnia, Slovenia
Starshine International	Indonesia, Taiwan
Superior Importer	Indonesia, Taiwan
Sweetnight Home	Slovenia, Taiwan
VBS Enterprises	Philippines, Taiwan
Zinus	Indonesia, Italy, Spain, Taiwan

⁶² USITC Pub. 5191 at 22, II-9, Table II-4, App. D; USITC Pub. 5000 at II-6, II-7, Table II-4.

⁶³ See **Exhibit I-11** (importers/consignees).

3. *Mattresses from Each Subject Country were Simultaneously Present with the Domestic Like Product in the US Market*

The domestic industry sold mattresses in the US market throughout the most recent full-year 2022 and in the first quarter of 2023. For all or all but one of these months, firms imported mattresses from each of the subject countries under 9404.29.1005, 9404.21.0095, 9404.29.9085, 9404.21.0013, 9404.21.0010, 9404.29.1095, 9404.29.1013, 9404.29.9087, and 9404.29.9095, as shown in **Table I-3**.⁶⁴ Even for the sole exception, Slovenia, firms imported mattresses from Slovenia in 14 of the 15 months.⁶⁵ Thus, subject imports competed simultaneously with one another and the domestic like product in the US market in this period.

Table I-3: Monthly Imports under Main HTSUS															
	2022												2023		
	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar
Bosnia	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Bulgaria	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Burma	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
India	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Indonesia	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Italy	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Kosovo	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Mexico	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Philippines	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Poland	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Slovenia	X	X	X	X	X	X	X	X	X	X	X	X	X	X	
Spain	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Taiwan	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X

⁶⁴ See **Exhibit I-13**.

⁶⁵ See **Exhibit I-13**.

4. *Subject Imports and the Domestic Like Product Overlap Geographically*

The domestic industry sells mattresses throughout the United States.⁶⁶ Mattresses from all subject countries entered the US market through overlapping geographic regions during the period of investigation or (“POI”), as shown in **Table I-4** below.⁶⁷

Table I-4							
	Northeast	Midwest	Southeast	Cent. Southwest	Mountains	Pacific	Other
Bosnia	X	X	X	X		X	
Bulgaria	X	X	X	X		X	
Burma	X	X	X	X	X	X	
India	X	X	X	X		X	X
Indonesia	X	X	X	X	X	X	X
Italy	X	X	X	X	X	X	X
Kosovo	X	X	X	X		X	
Mexico	X	X	X	X		X	X
Philippines	X		X	X		X	
Poland	X	X	X	X	X	X	X
Slovenia	X	X	X	X		X	
Spain	X	X	X	X		X	X
Taiwan	X	X	X	X	X	X	X

E. Conditions of Competition and the Business Cycle

1. *Mattress Demand is Tied to Housing Sales and Overall Economic Activity*

As the Commission previously found, demand for mattresses is driven by housing activity (including new home sales, housing starts, and home resales), interest rates, growth in

⁶⁶ USITC Pub. 5191 at 23, Table II-5.

⁶⁷ See **Exhibit I-14** (Northeast: CT, ME, MA, NH, NJ, NY, PA, RI, and VT; Midwest: IL, IN, IA, KS, MI, MN, MO, NE, ND, OH, SD, and WI; Southeast: AL, DE, DC, FL, GA, KY, MD, MS, NC, SC, TN, VA, and WV; Central Southwest: AR, LA, OK, and TX; Mountains: AZ, CO, ID, MT, NV, NM, UT, and WY; Pacific Coast: CA, OR, and WA; Other: All other markets in the United States not previously listed, including AK, HI, PR, and VI).

gross domestic product, and consumer sentiment.⁶⁸ According to information collected in the Mattresses 2.0 investigations, apparent US consumption of mattresses rose annually from 2017 to 2019 and into the first three quarters of 2020.⁶⁹ Apparent US consumption has been stable to declining since then, as shown based on available information in **Table I-5**.⁷⁰

Table I-5: Apparent US Consumption (units = mattresses)							
		2020	2021	2022	1Q-2022	1Q-2023	
Apparent US consumption	[]
Domestic Industry	[]
All other non-subject		516,162	904,909	638,993	190,795	121,313	
Non-subject under orders		10,062,202	1,901,962	1,373,245	579,428	269,784	
Bosnia		0	2,276	209,547	50,898	8,287	
Bulgaria		26,131	556,361	243,958	100,253	14,705	
Burma		194	11,292	155,943	30,870	146,463	
India		6,128	227,721	269,257	84,623	21,048	
Indonesia		4,072,129	3,748,051	4,383,437	1,235,591	1,008,383	
Italy		211,615	219,877	96,994	23,315	9,586	
Kosovo		29,379	984,799	1,561,002	434,322	340,960	
Mexico		1,311,342	3,171,512	3,360,500	888,394	821,809	
Philippines		137,519	374,187	412,669	107,646	48,010	
Poland		213,491	370,336	553,430	92,027	45,568	
Slovenia		84,000	230,672	241,097	97,906	6,503	
Spain		19,589	479,328	461,827	109,015	55,504	
Taiwan		305,533	1,498,860	1,490,160	439,537	189,621	
Subject imports		6,417,050	11,875,272	13,439,821	3,694,397	2,716,447	

⁶⁸ USITC Pub. 5191 at 27; USITC Pub. 5000 at 17.

⁶⁹ USITC Pub. 5191 at 28.

⁷⁰ **Exhibit I-2** (domestic industry US shipment data from **Exhibit I-3** and imports under HTSUS 9404.21.0010, 9404.21.0013, 9404.21.0095, 9404.29.1005, 9404.29.1013, 9404.29.1095, 9404.29.9085, 9404.29.9087, 9404.29.9095). The “Non-subject under orders” row in **Table I-5** includes imports from China, Cambodia, Vietnam, Malaysia, Serbia, Thailand, and Turkey.

2. *Additional Suppliers Entered the US Market as Commerce Issued Its Preliminary Determinations in the Mattresses 2.0 Proceeding*

During and since the Mattresses 1.0 proceeding, the domestic industry accounted for a large but generally declining share of the US market, followed by subject imports. As discussed earlier, Chinese producers first captured market share from the domestic industry by significant and increasing volumes of lower-priced mattresses, and the Commission unanimously determined that the domestic industry was materially injured by reason of those dumped imports that were sold at less than fair value margins of 57.03 to 1,731.75 percent.⁷¹ Imports of Chinese mattresses declined after the imposition of section 301 duties, Commerce's preliminary antidumping duty determination, and an antidumping duty order, but mattress imports from other countries quickly replaced Chinese imports.⁷² The second wave of imports included mattresses from production facilities in Cambodia, Indonesia, Malaysia, Serbia, Thailand, Turkey, and Vietnam with affiliations to Chinese mattress producers.⁷³ The Commission concluded that the domestic industry was materially injured by reason of those imports, which Commerce determined were subsidized or dumped in the US market.⁷⁴ With those imports subject to

⁷¹ 84 Fed. Reg. 56761; USITC Pub. 5000 at 3.

⁷² USITC Pub. 5191 at 30-31.

⁷³ USITC Pub. 5191 at 31.

⁷⁴ USITC Pub. 5191. The Department determined a countervailing subsidy margin of 97.78 percent for China and dumping margins of 45.34 percent for mattresses from Cambodia, 2.2 percent for Indonesia, 42.92 percent for Malaysia, 112.11 percent for Serbia, 37.48 percent to 763.28 percent for Thailand, 20.03 percent for Turkey, and 144.92 percent to 668.38 percent for Vietnam. 86 Fed. Reg. 15910; 86 Fed. Reg. 15889; 86 Fed. Reg. 15892; 86 Fed. Reg. 15894; 86 Fed. Reg. 15899; 86 Fed. Reg. 15901; 86 Fed. Reg. 15917; 86 Fed. Reg. 15928.

Mattresses 1.0 and/or Mattresses 2.0 countervailing and/or antidumping duty orders, many of the same importers are now sourcing from the countries subject to these petitions.⁷⁵ Evidence also shows that various firms that manufacture mattresses in one or more of the subject countries have foreign producer affiliates in the Mattresses 1.0 and/or Mattresses 2.0 subject countries.⁷⁶

3. *The US Mattress Industry Operates on a Just-in-Time Basis with High Variable Costs*

The Commission has previously acknowledged that US mattress production “operates pursuant to a ‘just-in-time’ or ‘made-to-order’ delivery model.”⁷⁷ US mattress producers add additional shifts to scale up production. The domestic mattress industry also has a cost structure that is significantly weighted towards variable costs. For example, in the earlier investigation the Commission found that variable costs made up approximately 91 percent of the cost of goods sold (“COGS”) for US producers, consisting primarily of raw materials.⁷⁸ Variable costs further accounted for approximately 52 percent of its selling, general, and administrative (“SG&A”) costs.⁷⁹ The just-in-time manufacturing model and high variable costs have forced the domestic

⁷⁵ Compare, e.g., **Exhibit I-11** with USITC Pub. 5191 at 3, Table IV-1 and USITC Pub. 5000 at Table IV-1 (showing, e.g., the following firms imported mattresses from the countries subject to these petitions and were importers from the Mattresses 1.0 and/or Mattresses 2.0 countries: Amazon, American Furniture, Ashley, Best Price, Big Lots, Bob’s Discount, Boyd, Classic Brands, Cozy Comfort, CVB/Malouf, Desert Trade, Dorel Home, IKEA, Keetsa, Night and Day, Rooms to Go, Walmart, Wayfair, Zinus, and ZMM).

⁷⁶ Compare, e.g., **Exhibit I-10** with USITC Pub. 5191 at Table VII-9, Table VII-21, Table VII-30, Table VII-36 and USITC Pub. 5000 at Table VII-1 (showing, e.g., the following firms manufacture mattresses in one or more of the countries subject to these petitions and have affiliated foreign producers in the countries involved in the Mattresses 1.0 and/or Mattresses 2.0 proceedings: Ashley, BRN, Glory Home, Grantec, Healthcare, Zinus).

⁷⁷ USITC Pub. 5191 at 35; USITC Pub. 5000 at 19.

⁷⁸ USITC Pub. 5000 at VI-15, n.11; see also *id.* at 24; USITC Pub. 5191 at 54 at n.308.

⁷⁹ USITC Pub. 5000 at VI-17, n.15.

industry to concede market share and operate only one or two shifts in the face of aggressively low-priced subject imports.⁸⁰ As in the prior proceedings, such conditions of competition inherent to domestic mattress manufacturing have led the domestic industry to endure overall declines in production, sales volumes, and employment – all of which reflect the material injury caused by unfairly traded subject imports shown below.

4. *The Overwhelming Majority of Sales Occur at the Wholesale Level*

US producers and importers of subject merchandise ship mattresses through the same channels of distribution, primarily to retailers.⁸¹ Retailers account for the vast majority of mattress sales, meaning that competition between subject imports and the domestic like product occurs overwhelmingly at the wholesale level.⁸² As the Commission previously found, “both domestic producers and importers of subject merchandise made a substantial proportion of their US shipments to third party retailers, including brick and mortar stores, direct to consumer/internet, and omni-channel retailers.”⁸³ All of these firms compete for sales to consumers at the retail level, which in turn drives sales at the wholesale level.⁸⁴

⁸⁰ See USITC Pub. 5191 at 44-48; USITC Pub. 5000 at 33-35.

⁸¹ See USITC Pub. 5191 at 22; USITC Pub. 5000 at 23.

⁸² See USITC Pub. 5191 at 22, 33.

⁸³ USITC Pub. 5000 at 23; *see also* USITC Pub. 5191 at 35.

⁸⁴ USITC Pub. 5000 at 24; USITC Pub. 5191 at 22, 33.

5. *US and Imported Mattresses are Substitutable and Compete on Price*

Subject imports and US mattresses are substitutable.⁸⁵ Mattresses have similar sizes, materials, and features, and compete on the basis of the net wholesale price offered to retailers. The *net wholesale price* is the key factor in the retailer's purchasing decision.⁸⁶ The Commission previously found that price is an important purchasing factor for mattresses.⁸⁷

6. *The US Mattress Industry has the Geographic Reach and Capacity to Supply the US Market*

The US mattress industry has the geographic reach and capacity to supply the US market.⁸⁸ As in the previous investigations, domestic producers manufacture mattresses throughout the United States.⁸⁹ Domestic producers reported that they are able to build and deliver a mattress anywhere in the United States within three to five days of receiving an order, and thus have shorter lead times than importers.⁹⁰ Approximately one-third of US sales were within 100 miles of a production facility.⁹¹

⁸⁵ See USITC Pub. 5000 at II-19 ("For most mattresses, substitutability appears to be quite high."); USITC Pub. 5191 at Table II-14, Table II-15.

⁸⁶ See USITC Pub. 5000 at II-21, Table II-10.

⁸⁷ USITC Pub. 5191 at 34; USITC Pub. 5000 at 22.

⁸⁸ See, e.g., USITC Pub. 5000 at II-8, Table II-5 (US producers sell to all geographic market areas in the United States); USITC Pub. 5191 at Table III-1.

⁸⁹ See **Exhibit I-4, Exhibit I-5**; USITC Pub. 5000 at 19; USITC Pub. 5191 at Table III-1.

⁹⁰ See, e.g., USITC Pub. 5191 at 29; USITC Pub. 5000 at 19, 21.

⁹¹ USITC Pub. 5000 at II-8; USITC Pub. 5191 at II-13.

The domestic industry has ample capacity to supply all mattress types.⁹² Domestic producers commercially ship all types of mattresses, including innerspring, foam, and hybrid, packaged as both flat-packed mattresses (“FPMs”) and mattresses in a box (“MiBs”).⁹³ Although subject imports may be comprised of a greater percentage of MiBs, such shipments differ from the domestic industry’s shipments of FPMs “only in terms of packaging, and otherwise consist of the same types of mattresses – innerspring, foam, and hybrid – shipped by the domestic industry.”⁹⁴

F. The Domestic Industry is Materially Injured by Cumulated Subject Imports

1. *The Cumulated Volume of Subject Imports is Significant, and the Volume Increased Significantly Relative to Production and Consumption*

The Commission considers “whether the volume of imports of the merchandise {under investigation}, or any increase in that volume, either in absolute terms or relative to production or consumption in the United States, is significant.”⁹⁵ The volume of mattresses imported from the subject countries and the increase in that volume absolutely and relative to production and consumption in the United States are significant.

⁹² See USITC Pub. 5000 at II-9 (“US producers of mattresses have the ability to respond to changes in demand with moderate changes in the quantity of shipments of US-produced mattresses to the US market”). Nor has the domestic industry experienced supply constraints. *Id.* at II-11; see also USITC Pub. 5191 at 30, 44-45, 48 at n.270, 53.

⁹³ USITC Pub. 5000; see also *id.* at 22 (“both domestic producers and importers of subject merchandise shipped the full range of mattress types during the period of investigation, including innerspring, foam, and hybrid mattresses, packaged as both FPMs and MiBs”); USITC Pub. 5191 at 22.

⁹⁴ USITC Pub. 5000 at 22; see also USITC Pub. 5191 at 9, 29, 32-34, 50-54.

⁹⁵ 19 USC § 1677(7)(C)(i).

Mattress imports from the subject countries held a significant presence in the US market throughout the POI, from a low of 6.4 million mattresses in 2020 to a high of 13.4 million mattresses in 2022, ranging from [] of the market, as shown in **Table I-6** below.⁹⁶ While apparent US consumption decreased by [] percent from 2020 to 2022, the volume of subject imports surged by 109.4 percent during this period.

Table I-6: Apparent US Consumption (units = mattresses)							
		2020	2021	2022	1Q-2022	1Q-2023	
Apparent US consumption	[]
Domestic Industry	[]
Non-subject under orders		10,062,202	1,901,962	1,373,245	579,428	269,784	
All other non-subject		516,162	904,909	638,993	190,795	121,313	
Subject imports		6,417,050	11,875,272	13,439,821	3,694,397	2,716,447	
Market Share							
Domestic Industry	[]
Non-subject under orders	[]
All other non-subject	[]
Subject imports	[]

The approximately 7.0 million unit increase in the volume of mattresses imported from the subject countries between 2020 and 2022 allowed subject imports to increase their share of apparent US consumption by [] percentage points. This significant increase came at the domestic industry's expense. The domestic industry's share increased by [] percentage points from 2020 to 2021 following the orders in Mattresses 2.0 but fell by [] percentage

⁹⁶ See **Exhibit I-2** (apparent US consumption and back up data). Note that **Table I-6**, which relies on information from USITC Dataweb, may overstate the non-subject imports under orders because at least some of the imports from those countries appear to involve out of scope merchandise, such as mattress toppers. Moreover, **Table I-6**, which relies on Mattress Petitioners' data from **Exhibit I-3** as reasonably available information, also understates the domestic industry's US shipments and market share.

points from 2021 to 2022, for an overall decline of [] percentage points from 2020 to 2022, as shown in **Table I-6** above. Subject imports continued to maintain a significant presence in the US market into the first quarter of 2023 during a period when apparent US consumption continued to fall.⁹⁷

The volume of mattresses imported from Bosnia, Bulgaria, Burma, India, Indonesia, Italy, Kosovo, Mexico, the Philippines, Poland, Slovenia, Spain, and Taiwan also is significant and increased significantly relative to domestic production of mattresses. As the domestic industry's production decreased overall by [] percent from 2020 to 2022, the ratio of subject imports to domestic production grew from [] percent in 2020 to [] percent in 2022, and subject import volumes [] in 1Q-2022 and 1Q-2023, as shown in **Table I-7**.⁹⁸

Table I-7: Subject Imports are Significant Relative to Domestic Production					
	2020	2021	2022	1-Q 2022	1Q-2023
Domestic industry production (units)	[]				[]
Subject imports (units)	6,417,050	11,875,272	13,439,821	3,694,397	2,716,447
Imports as ratio to US production	[]				[]

As these data indicate, no matter the metric used (subject import volumes and/or market share) or the comparative indicator (domestic production or consumption), the volume of subject imports from Bosnia, Bulgaria, Burma, India, Indonesia, Italy, Kosovo, Mexico, the Philippines, Poland, Slovenia, Spain, and Taiwan and the increase in these subject imports are “significant.” These imports are causing an adverse impact on the domestic industry.

⁹⁷ See **Table I-6; Exhibit I-2**.

⁹⁸ See **Exhibit I-3** (domestic industry production) and **Exhibit I-2** (subject imports).

2. *The Significant and Increasing Volume of Cumulated Subject Imports is Negatively Affecting the Domestic Industry's Prices*

Mattresses imported from the subject countries are highly substitutable for mattresses manufactured in the United States.⁹⁹ Subject imports and the domestic like product are produced in similar types, such as foam, innerspring, and hybrid and are produced to common sizes, including crib, twin, twin XL, full, queen, king, and California king, as discussed in section III.D. Price is an important factor in purchasing decisions because retailers give floor slots and locations on e-commerce sites to mattresses that will sell and thus allow the retailers to earn their margins.¹⁰⁰

i. *Cumulated Subject Imports Consistently Undersold US Prices*

In analyzing adverse price effects, the Commission considers whether there was “significant price underselling” by subject imports compared to the prices of the domestic like product.¹⁰¹ A comparison of the average unit values (“AUVs”) of the domestic industry’s commercial US shipments with the AUVs for subject imports indicates pervasive underselling by imports from individual subject countries as well as subject imports as a whole. The AUVs for subject imports were less than half of the AUVs for the domestic industry’s US shipments, as shown in **Table I-8**.¹⁰²

⁹⁹ See, e.g., USITC Pub. 5191 at Table II-14, Table II-15, Table II-16, Table II-17; USITC Pub. 5000 at 7-8, II-20, II-25 to II-28.

¹⁰⁰ See, e.g., USITC Pub. 5191 at 34-35, 38, II-3 to II-8; USITC Pub. 5000 at 22-23, 26, II-2 to II-5, II-21, II-22.

¹⁰¹ 19 USC § 1677(7)(C)(ii)(I).

¹⁰² See **Exhibit I-3** (average unit value of domestic industry’s US commercial shipments) and **Exhibit I-2** (average unit value of imports from each subject country).

Table I-8: Subject Import AUVs Underselling US AUVs					
	2020	2021	2022	Q1-2022	Q1-2023
Bosnia		\$ 171	\$ 112	\$ 120	\$ 93
Bulgaria	\$ 68	\$ 71	\$ 85	\$ 89	\$ 80
Burma	\$ 18	\$ 92	\$ 114	\$ 126	\$ 69
India	\$ 41	\$ 110	\$ 89	\$ 99	\$ 130
Indonesia	\$ 91	\$ 95	\$ 91	\$ 102	\$ 87
Italy	\$ 128	\$ 142	\$ 180	\$ 156	\$ 283
Kosovo	\$ 92	\$ 94	\$ 88	\$ 92	\$ 73
Mexico	\$ 81	\$ 88	\$ 109	\$ 101	\$ 124
Philippines	\$ 46	\$ 75	\$ 72	\$ 83	\$ 65
Poland	\$ 30	\$ 33	\$ 52	\$ 43	\$ 44
Slovenia	\$ 92	\$ 100	\$ 96	\$ 93	\$ 80
Spain	\$ 102	\$ 119	\$ 122	\$ 136	\$ 115
Taiwan	\$ 101	\$ 105	\$ 99	\$ 109	\$ 55
Subject imports	\$ 95	\$ 103	\$ 108	\$ 113	\$ 103
Domestic industry	I				I

To identify further the extent of underselling and other adverse price effects, Mattress Petitioners propose that the Commission collect quarterly quantity (# of mattress units) and value data, as well as direct import purchase price data, on three pricing products. In the final phase of the Mattresses 1.0 investigation, the Commission obtained pricing data on five products that accounted for approximately 31.7 percent of domestic producers' US shipments of mattresses and 32.8 percent of US shipments of subject imports from China.¹⁰³ The Commission concluded that these pricing products provided a "reliable basis for apples-to-apples comparisons based on specifically defined mattress products."¹⁰⁴ In the Mattresses 2.0 investigations, the Commission further refined the pricing product definitions and also split the products by packaging type (*i.e.*,

¹⁰³ USITC Pub. 5000 at 27-28.

¹⁰⁴ USITC Pub. 5000 at 27 n.153.

MiB or non-MiB), which necessarily resulted in lower pricing coverage.¹⁰⁵ In the preliminary and final phase of the Mattresses 1.0 and Mattresses 2.0 investigations, the pricing data showed widespread underselling of the domestic like product by subject imports based on comparisons of traditional pricing data as well as direct import purchase data.¹⁰⁶

Based on these considerations and due to the shortened time available for preliminary investigations and the number of subject countries targeted by these petitions, we recommend seeking pricing data on only three products. Inasmuch as the Commission has consistently determined that all mattresses compete with one another regardless of packaging type, we also request that the Commission determine not to segregate the pricing data by packaging.¹⁰⁷ In short, we recommend the following products for the preliminary phase of these investigations:

- **Product 1:** Memory foam mattress (without any innersprings), queen size, height (edge to edge) greater than or equal to 8.0 inches but less than or equal to 10.0 inches.
- **Product 2:** Memory foam mattress (without any innersprings), queen size, height (edge to edge) greater than or equal to 10.0 inches but less than or equal to 12.0 inches.

¹⁰⁵ USITC Pub. 5191 at 39.

¹⁰⁶ See, e.g., USITC Pub. 5000 at 28-29 (pointing to underselling by subject imports in 90 of 96 quarters, or 94.0 percent of the time, at margins averaging 32.7 percent, with underselling accounting for 96.6 percent of reported subject import sales volume; noting that when analyzed separately by packaging type, underselling occurred in 53 of 59 quarters with respect to MiBs at margins averaging 30.9 percent and in 37 of 37 quarters with respect to non-MiBs at margins averaging 35.2 percent; and observing large differentials between import purchase costs and the prices of the domestic like product); USITC Pub. 5191 at 40 (referring to “pervasive underselling” with respect to traditional pricing data and purchase cost data for subject imports that were “significantly” lower than domestic sales prices); USITC Pub. 4842 at 29-30 (underselling in 52 of 56 comparisons at margins averaging 24.7 percent for traditional pricing data and purchase cost data for imports were lower than domestic prices in 56 of 56 comparisons); USITC Pub. 5059 at 37-38 (finding “pervasive and significant underselling” based on traditional pricing products and direct import data).

¹⁰⁷ See, e.g., USITC Pub. 5191 at 42, 50-52; USITC Pub. 5000 at 37-44.

- **Product 3:** Innerspring mattress (including mattresses with multiple cores and/or foam in addition to the innerspring), queen size, height (edge to edge) greater than or equal to 9.0 inches but less than or equal to 12.0 inches.

Given the meaningful role played by direct importers in this market,¹⁰⁸ it would be more instructive to use limited Commission resources to seek purchase cost data on all three pricing products than to segregate the three pricing products by packaging type. The suggested pricing products include two foam mattresses and one innerspring mattress, since these products account for a large share of consumption.¹⁰⁹

ii. *Cumulated Subject Imports Adversely Affected US Prices*

Widespread underselling at large margins by an increasing volume of subject imports has prevented increases in prices of the domestic like product that otherwise would have occurred. The domestic industry's prices were already suppressed by two prior waves of imports, and its ratio of cost of goods sold ("COGS") to net sales deteriorated from [] percent in 2020 to [] percent in 2022 and remained elevated into 1Q-2023.¹¹⁰ This demonstrates that, as significant volumes of low-priced mattresses from the third wave of subject countries surged into the US market, the domestic industry increasingly faced a cost/price squeeze.

Mattresses are sold in a range of sizes (*e.g.*, twin, queen, king, California king) and at various price points. Accordingly, in this industry, product mix issues may affect AUVs from one period to the next.¹¹¹ The overall increase in the domestic industry's AUVs from 2020 to

¹⁰⁸ See, *e.g.*, USITC Pub. 5191 at 39 (noting, for example, that direct imports accounted for 15.6 percent of imports from Indonesia in 2019); USITC Pub. 5000 at 23, 28.

¹⁰⁹ See USITC Pub. 5191 at IV-17; USITC Pub. 5000 at 18.

¹¹⁰ See **Exhibit I-3**.

¹¹¹ See USITC Pub. 5191 at 41-42; USITC Pub. 5000 at 30 n.169.

2022 likely reflects a greater portion of sales of mattresses at higher price points rather than an increase in prices for mattresses at lower price points. This information, coupled with information regarding sales and revenue that the domestic industry lost to subject imports,¹¹² indicate that the significant and increasing volume of low-priced subject imports is suppressing prices of the domestic like product to a significant degree.

3. *Cumulated Subject Imports Materially Injured the Domestic Industry*

Several years ago, mattress imports from China accounted for the largest share of subject imports. Preliminary antidumping duties became effective as of June 4, 2019,¹¹³ and the antidumping duty order on imports from China in Mattresses 1.0 did not take effect until December 16, 2019. Because the Commission issued a negative critical circumstances determination, duties on imports from China were not imposed retroactively 90 days prior to Commerce's preliminary determination. Meanwhile, Chinese producers and US importers of Chinese mattresses shifted their supply sourcing to other countries to maintain exports to the United States.

Due to the Mattresses 1.0 order and the imposition of section 301 duties on imports from China, some of the domestic industry's performance indicators improved.¹¹⁴ At the same time, the domestic industry "remained unable to fully capitalize on strong demand growth due to

¹¹² Examples of sales and revenue that the domestic industry lost to subject imports are included in the Lost Sales/Lost Revenue Worksheet that is being submitted electronically to the Commission in accordance with 19 CFR § 207.11(b)(2)(v). See **Exhibit I-16**.

¹¹³ *Mattresses from the People's Republic of China: Preliminary Determination of Sales at Less-Than-Fair-Value, Postponement of Final Determination and Affirmative Preliminary Determination of Critical Circumstances*, 84 Fed. Reg. 25732 (June 4, 2019).

¹¹⁴ USITC Pub. 5191 at 45.

increasing low-priced” competition with dumped imports from Cambodia, China, Indonesia, Malaysia, Serbia, Thailand, Turkey, and Vietnam.¹¹⁵ In its affirmative final determinations in the Mattresses 2.0 investigations, the Commission determined that despite strong demand growth and the availability of domestic production capacity, most measures of the domestic industry’s performance weakened between 2017 and 2019 as the second wave of imports captured substantial market share from the domestic industry and significantly depressed the domestic industry’s prices.¹¹⁶ The Commission rejected respondents’ claims of attenuated competition between those imports and the domestic like product based on evidence that the imported MiBs competed with domestically manufactured non-MiBs and took market share from domestically manufactured MiBs and non-MiBs using lower prices.¹¹⁷

The domestic industry experienced some improvements in the wake of the Mattresses 2.0 investigations. For example, in 2021, Brooklyn Bedding broke ground on a new manufacturing facility and corporate headquarters in Glendale, Arizona.¹¹⁸ In 2021, Bedding Industries of America opened a mattress manufacturing facility in Rialto, California.¹¹⁹ In June 2021, Tempur Sealy International announced that it would open its third domestic foam-pouring plant in early 2023.¹²⁰ In August 2021, Soft-Tex International opened its second US manufacturing facility.¹²¹

¹¹⁵ USITC Pub. 5191 at 45.

¹¹⁶ USITC Pub. 5191 at 45.

¹¹⁷ USITC Pub. 5191 at 50-51.

¹¹⁸ See [] in **Exhibit I-9**.

¹¹⁹ See [] in **Exhibit I-9**.

¹²⁰ See [] in **Exhibit I-9**.

¹²¹ See [] in **Exhibit I-9**.

Brooklyn Bedding combined with Helix Sleep, a direct-to-consumer mattress platform, and in July 2022, they acquired mattress manufacturer Bear Mattress.¹²²

In the intervening time since the Mattresses 2.0 investigations, a third wave of imports has aggressively increased its presence in the US market using low prices. These imports often originate from producers and/or importers involved in the prior investigations or their corporate affiliates,¹²³ and these imports are unfairly traded, as explained in Volumes II and III. Unlike the improving demand conditions characterizing the prior investigations, current demand conditions reflect stable to declining trends in apparent US consumption. **Table I-9** illustrates the negative impact on the domestic industry of this third wave, this time from Bosnia, Bulgaria, Burma, India, Indonesia, Italy, Kosovo, Mexico, Philippines, Poland, Slovenia, Spain, and Taiwan.¹²⁴

¹²² See **Exhibit I-15** (recent news articles).

¹²³ Compare, e.g., **Exhibit I-12** with USITC Pub. 5191 at 3, Table IV-1 and USITC Pub. 5000 at Table IV-1 (showing, e.g., the following firms imported mattresses from the countries subject to these petitions and were importers from the Mattresses 1.0 and/or Mattresses 2.0 countries: Amazon, American Furniture, Ashley, Best Price, Big Lots, Bob's Discount, Boyd, Classic Brands, Cozy Comfort, CVB/Malouf, Desert Trade, Dorel Home, IKEA, Keetsa, Night and Day, Rooms to Go, Walmart, Wayfair, Zinus, and ZMM); compare also, e.g., **Exhibit I-11** with USITC Pub. 5191 at Table VII-9, Table VII-21, Table VII-30, Table VII-36 and USITC Pub. 5000 at Table VII-1 (showing, e.g., the following firms manufacture mattresses in one or more of the countries subject to these petitions and have affiliated foreign producers in the countries involved in the Mattresses 1.0 and/or Mattresses 2.0 proceedings: Ashley, BRN, Glory Home, Grantec, Healthcare, Zinus).

¹²⁴ See **Exhibit I-3** (trade, financial, and employment information for Mattress Petitioners).

Table I-9: The Domestic Industry is Materially Injured by Subject Imports					
	2020	2021	2022	1Q-2022	1Q-2023
US commercial shipments (units)	[]
Avg capacity (units)	[]
Production (units)	[]
Capacity utilization (%)	[]
End of period inventories (units)	[]
Production and related workers	[]
Net sales (units)	[]
Net sales (value)	[]
COGS to net sales	[]
Operating income (\$1000)	[]
Net income (\$1000)	[]
Net income to net sales	[]

Consistent with an industry characterized by relatively high variable costs and a just-in-time manufacturing structure, the domestic industry's production, sales volume, and employment demonstrate the detrimental impact of increasing volumes of unfairly traded mattress imports. The domestic industry's performance improved somewhat from 2020 to 2021, but increasing volumes of low-priced subject imports wiped out most of those gains by 2022. For example, production and sales volume increased from 2020 to 2021 but fell in 2022 to lower levels than in 2020, and [] of workers lost their jobs. As subject imports captured market share, other major domestic industry performance indicators also deteriorated from 2021 to 2022, often to lower levels than in 2020. The domestic industry's capacity utilization fell and, with rising costs and declining net sales volumes, the domestic industry's financial performance [], as shown in **Table I-9**.

The domestic industry had to take some drastic steps to remain competitive in the face of increasing volumes of low-priced imports. For example, in April 2022, SSB announced plans to consolidate factories in Beloit and Janesville, Wisconsin into a new shared 500,000-square foot

facility for manufacturing Serta and Beautyrest products, and in July 2022, SSB announced plans to close plants in Virginia, Iowa, and Kansas.¹²⁵ In May 2022, Corsicana announced the closure of its LaPorte, Indiana facility.¹²⁶ In June 2022, Corsicana and its 11 affiliated companies filed for bankruptcy protection.¹²⁷ In June 2022, Corsicana, as part of its strategy to re-examine the effectiveness and efficiency of its national manufacturing and distribution footprint, announced that it would close its Symbol mattress production plant in August 2022.¹²⁸ In September 2022, Moody's Investors Service downgraded its corporate rating for Serta Simmons Bedding, and in January 2023, Serta Simmons Bedding filed for Chapter 11 bankruptcy protection.¹²⁹ Additionally, Serta Simmons Bedding [

].

In short, the available information discussed in these petitions already demonstrates that the domestic industry is materially injured by reason of cumulated subject imports of mattresses from Bosnia, Bulgaria, Burma, India, Indonesia, Italy, Kosovo, Mexico, Philippines, Poland, Slovenia, Spain, and Taiwan.

¹²⁵ See [] in **Exhibit I-9**. The [

].

¹²⁶ See [] in **Exhibit I-9**.

¹²⁷ See [] in **Exhibit I-9**.

¹²⁸ See [] in **Exhibit I-9**.

¹²⁹ See **Exhibit I-15**.

G. Subject Imports Threaten Material Injury to the Domestic Industry

The Commission considers several factors when evaluating whether the domestic mattress industry is threatened with material injury by reason of subject imports. These factors include: (1) existing, unused production capacity in the exporting country and substantial increases in production capacity; (2) inventories of the subject merchandise; (3) potential for product shifting; (4) a significant rate of increase of the volume or market penetration of subject imports; (5) whether countervailable subsidies are involved such that imports of subject merchandise are likely to increase; (6) whether subject imports enter the US at prices that are likely to have a significant suppressing or depressing effect on domestic prices; (7) the actual and potential negative effects on the domestic industry's reinvestment and research and development; and (8) any other demonstrable adverse trends.¹³⁰ Not only is the domestic injury currently being injured by reason of cumulated subject imports, but it is also faced with the imminent threat of material injury by those same imports. These petitions establish all key threat criteria, as explained below. Without the protection of orders against those unfairly traded mattresses, the domestic industry's already precarious position will continue to deteriorate.

1. Subject Imports Should be Cumulated for Any Threat Analysis

The statute permits the Commission to cumulatively assess the volume and price effects of subject imports for purposes of its threat analysis.¹³¹ Subject imports compete with one another and the domestic like product in the US market, as demonstrated in section **III.D** above,

¹³⁰ See 19 USC § 1677(7)(F)(i). Factor VII does not apply as these investigations do not involve imports of an agricultural product.

¹³¹ 19 USC § 1677(7)(H).

and all subject countries sold substantial volumes of mattresses in the US market at prices that allowed those imports to take market share from the domestic industry. In such circumstances, and because no reason dictates otherwise, the Commission should exercise its discretion to cumulate subject imports from Bosnia, Bulgaria, Burma, India, Indonesia, Italy, Kosovo, Mexico, Philippines, Poland, Slovenia, Spain, and Taiwan for any threat analysis.

2. *The Mattress Industries in the Subject Countries Collectively Have Substantial Production Capacity*

The mattress industries in Bosnia, Bulgaria, Burma, Kosovo, India, Indonesia, Italy, Mexico, Philippines, Poland, Slovenia, Spain, and Taiwan collectively have substantial and increasing production capacity. In particular, the industries in India, Poland, Italy, and Spain are [] mattress producers in the world, with India [] industry and Poland being the []

[].¹³² Indian mattress producers [].¹³³ Italian mattress producers increased production by [] from 2020 to 2021.¹³⁴

Other subject countries also make the list of the 50 major mattress producers globally in 2021: Mexico was the [] mattress producer in the world, with production valued at an estimated [];¹³⁵ Philippines' mattress production valued at [];

¹³² See [] in **Exhibit I-9**.

¹³³ See [] in **Exhibit I-9**.

¹³⁴ See [] in **Exhibit I-9**.

¹³⁵ See [] in **Exhibit I-9**.

and Bulgaria's mattress production valued at [].¹³⁶ The mattress industry in Taiwan has [] the value of its mattress production in the past decade, most recently by [] from 2020 to 2021.¹³⁷ An industry report lists Indonesia as [] in the Asia-Pacific region, which []

[].¹³⁸ The available information thus indicates that the subject countries collectively have the ability to export significant and increasing volumes of subject merchandise to the US market.

3. *Countervailable Subsidies from the Government of Indonesia Account for Indonesian Producers' Sizable Presence in the US Market*

As demonstrated in **Volume III**, the government of Indonesia provides numerous subsidies to its mattress producers. Even with the initial restraining effect of the 2020 antidumping duty order, Indonesian mattress exporters have been able to regain a sizable presence in the US market and are primed to continue doing so — at the expense of the domestic

¹³⁶ See [] in **Exhibit I-9**.

¹³⁷ See [] in **Exhibit I-9**.

¹³⁸ See [] in **Exhibit I-9**. Production and capacity information for Bosnia, Burma, Kosovo, and Slovenia is not reasonably available to Petitioners. Nevertheless, US imports from these countries ballooned during the last three years, with Kosovo becoming the third-largest source of subject imports in 2022. See **Exhibit I-2**. Moreover, Slovenia []. See [] in **Exhibit I-9**. Subject producers in these countries have documented relationships with other subject producers and large US customers, including Mlilly/Healthcare (Bosnia and Slovenia), Zinus (Kosovo and Slovenia), CVB d/b/a Malouf (Kosovo and Slovenia), and other national big box retailers (Burma). See, e.g., **Exhibit I-11, Exhibit I-12**.

industry — due to the availability of these countervailable subsidy programs for Indonesian mattress producers.

4. *Mattress Producers in Bosnia, Bulgaria, Burma, Kosovo, India, Indonesia, Italy, Mexico, Philippines, Poland, Slovenia, Spain, and Taiwan are Export-Oriented with Significant Exports to the US Market*

In addition to substantial and increasing production capacity, most of the subject countries are export oriented and dependent on international markets generally, and the US market specifically, to absorb increased production and capacity. World trends illustrate the export-oriented nature of the mattress industries in these subject countries. Poland's mattress industry is [

].¹³⁹ Other subject countries also [], including Indonesia ([]), Bulgaria ([]), Taiwan ([]), and Mexico ([]).¹⁴⁰ Indonesia in particular has [] its mattress exports since 2018, directing [] of those exports to the United States.¹⁴¹ Mexico sends [] of its exported mattresses to the United States,¹⁴² and Taiwan sends [] of its exported mattresses here.¹⁴³

Of the other subject countries, the United States is the top export destination of [] and the second largest export destination for [].¹⁴⁴

¹³⁹ See [] in **Exhibit I-9**.

¹⁴⁰ See [] in **Exhibit I-9**.

¹⁴¹ See [] in **Exhibit I-9**.

¹⁴² See [] in **Exhibit I-9**.

¹⁴³ See [] in **Exhibit I-9**.

¹⁴⁴ See [] in **Exhibit I-9**.

The value of Italian mattress exports to the US market has [] since 2018, increasing [] from 2020 to 2021.¹⁴⁵ Additionally, Spain [] the value of its exported mattresses to the United States, from [].¹⁴⁶ Even India, which has [], [] the value of its exports by [] from 2020 to 2021.¹⁴⁷ The value of shipments to the United States has [] percent between 2019 and 2020.¹⁴⁸ Kosovo has also substantially increased its export orientation, becoming the [] source of US mattress imports by value in 2021.¹⁴⁹

In sum, the countries subject to these petitions have collectively increased exports of subject merchandise over the last several years and continue to view the United States as a top export destination. Available information indicates that the United States will continue to remain a highly lucrative market for foreign mattress producers, whose export orientation gives those producers ample opportunity and incentive to ship increasing and significant volumes of subject merchandise into the US market in the imminent future.

5. *Significant and Increasing Subject Import Volumes Will Continue to Adversely Affect the Domestic Industry's Prices and Condition*

In addition to the increased production capacity and export-orientation of the mattress producers in the subject countries, the subject industries directed increasing volumes of

¹⁴⁵ See [] in **Exhibit I-9**.

¹⁴⁶ See [] in **Exhibit I-9**.

¹⁴⁷ See [] in **Exhibit I-9**.

¹⁴⁸ See [] in **Exhibit I-9**.

¹⁴⁹ See [] in **Exhibit I-9**.

lower-priced mattresses to the US market in recent years. They used underselling to capture market share at the domestic industry's expense and to suppress prices of the domestic like product, as discussed in section III.F *supra*.

Given the increasing imports of mattresses from subject countries at unfair prices, the domestic industry — whose financial condition is already deteriorating — will continue to be vulnerable to subject imports. The domestic industry's production, shipment, and capacity indicators deteriorated overall from 2020 to 2022 after seeing some improvement following the most recent mattresses investigation. Subject imports have established a significant foothold in the US market since 2020. The deterioration in the domestic industry's indicators has led to a decline in the domestic industry's financial performance that would not have been so poor but for the significant and increasing presence of unfairly traded imports. Continued subject imports and further pricing pressure from those imports will have an immediate, negative impact on the domestic industry.

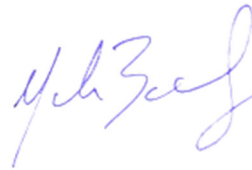
For the reasons stated above, the domestic industry is also threatened with material injury by reason of cumulated subject imports from Bosnia, Bulgaria, Burma, India, Indonesia, Italy, Kosovo, Mexico, Philippines, Poland, Slovenia, Spain, and Taiwan.

IV. CONCLUSION

The domestic mattress industry is materially injured by reason of cumulated subject imports from Bosnia, Bulgaria, Burma, India, Indonesia, Italy, Kosovo, Mexico, Philippines, Poland, Slovenia, Spain, and Taiwan. Producers in the subject countries have relied on subsidized and dumped imports to flood the US market and rapidly take market share away from the domestic industry. The impact of increasing volumes of subject imports has weakened the domestic industry that has already had to face two earlier waves of unfairly traded imports. The

industries in the subject countries have substantial capacity to produce mattresses and demonstrated their interest in exporting, particularly to the United States. This illustrates that the additional threat of material injury to US manufacturers and their workers also is clear. For the reasons set forth in these petitions, the Mattress Petitioners seek initiation of antidumping duty investigations on mattresses from Bosnia, Bulgaria, Burma, India, Italy, Kosovo, Mexico, Poland, Slovenia, Spain, and Taiwan and a countervailing duty investigation on mattress imports from Indonesia.

Respectfully submitted,



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