



7202-02

INTERNATIONAL TRADE COMMISSION

[Investigation No. TA-201-76]

Large Residential Washers

AGENCY: United States International Trade Commission.

ACTION: Publication of summary of the Commission's report on the investigation.

SUMMARY: The Trade Act of 1974 requires that the United States International Trade Commission ("Commission") publish in the *Federal Register* a summary of each report that it submits to the President under the Trade Act of 1974. Set forth below is a summary of the report that the Commission submitted to the President on December 4, 2017, on investigation No. TA-201-76, *Large Residential Washers*. The Commission conducted the investigation under the Trade Act of 1974 following receipt of a petition, as amended and properly filed on June 5, 2017. The full text of the report (with the exception of confidential business information) will be posted on the Commission's website at <https://www.usitc.gov>.

DATES: December 4, 2017: Transmittal of the Commission's report to the President.

ADDRESSES: United States International Trade Commission, 500 E Street SW, Washington, DC, 20436. The public record for this investigation may be viewed on the Commission's electronic docket (EDIS) at <https://edis.usitc.gov>.

FOR FURTHER INFORMATION CONTACT: Nathanael Comly (202-205-3174), Office of Investigations, U.S. International Trade Commission, 500 E Street SW, Washington, DC 20436. The media should contact Martha Lawless, Office of External Relations (202-205-3497 or

Martha.Lawless@usitc.gov). Hearing-impaired individuals may obtain information on this matter by contacting the Commission's TDD terminal at 202-205-1810. General information concerning the Commission may also be obtained by accessing its website (<https://www.usitc.gov>). Persons with mobility impairments who will need special assistance in gaining access to the Commission should contact the Office of the Secretary at 202-205-2002.

SUPPLEMENTARY INFORMATION:

Procedural summary: Effective June 5, 2017, the Commission instituted this investigation under section 202(b) of the Trade Act of 1974 to determine whether large residential washers ("LRWs") are being imported into the United States in such increased quantities as to be a substantial cause of serious injury, or the threat thereof, to the domestic industry producing an article like or directly competitive with the imported article. The Commission instituted the investigation in response to a petition, as amended and properly filed on June 5, 2017, by Whirlpool Corporation ("Whirlpool"), a producer of LRWs in the United States.

Notice of the institution of the Commission's investigation and of the scheduling of public hearings to be held in connection therewith was given by posting copies of the notice in the Office of the Secretary, U.S. International Trade Commission, Washington, DC, and by publishing the notice in the *Federal Register* (82 Fed. Reg. 27075 (June 13, 2017)). The public hearing in connection with the injury phase of the investigation was held on September 7, 2017, in Washington, DC, and the public hearing in connection with the remedy phase of the investigation was held on October 19, 2017, in Washington, DC; all persons who requested the opportunity were permitted to appear in person or by counsel. The Commission voted with

respect to injury issues on October 5, 2017, and with respect to remedy issues on November 21, 2017.

The Commission submitted its report to the President on December 4, 2017. The report included the Commission's injury determination and recommended actions, an explanation of the basis for the injury determination and recommended actions, and a summary of the information obtained in the investigation.

Determination: On the basis of information developed in the subject investigation, the Commission determined pursuant to section 202(b) of the Trade Act of 1974 that large residential washers are being imported into the United States in such increased quantities as to be a substantial cause of serious injury to the domestic industry producing an article like or directly competitive with the imported article.

Having made an affirmative injury determination pursuant to section 202(b) of the Trade Act of 1974, the Commission was required to make certain additional findings under the implementing statutes of certain free trade agreements ("FTAs") or under statutory provisions related to certain preferential trade programs. Under section 311(a) of the NAFTA Implementation Act (19 U.S.C. 3371(a)), the Commission found that imports of LRWs from neither Canada nor Mexico account for a substantial share of total imports or contribute importantly to the serious injury caused by imports. The Commission also found that imports of LRWs from Australia, CAFTA DR countries, Colombia, Jordan, Korea, Panama, Peru, and Singapore, individually, are not a substantial cause of serious injury or threat thereof, under the relevant FTA implementing legislation. See 19 U.S.C. 2112 note (Jordan); 19 U.S.C. 3805 note

(Australia, Colombia, Korea, Panama, Peru, Singapore); 19 U.S.C. 4101 (CAFTA-DR). The Commission also found that the serious injury substantially caused by imports to the domestic industry producing a like or directly competitive article does not result from the reduction or elimination of any duty provided for under the U.S.-Israel Free Trade Agreement or from duty free treatment provided for under the Caribbean Basin Economic Recovery Act provisions of the Caribbean Basin Initiative Trade Program or the GSP program. 19 U.S.C. 2112 note (Israel); 19 U.S.C. 2703(e) (CBERA); 19 U.S.C. 2253(e)(6) (GSP).

Remedy recommendations: In order to address the serious injury to the domestic industry producing large residential washers and be most effective in facilitating the efforts of the domestic industry to make a positive adjustment to import competition, the Commissioners recommend the following actions.

The Commissioners recommend that the President impose a tariff-rate quota (TRQ) on imports of large residential washers for a duration of three years. For U.S. imports of large residential washers that exceed 1.2 million units, the Commissioners recommend a tariff rate of 50 percent *ad valorem*, in addition to the current rate of duty. The Commissioners recommend that the in-quota volume remain constant throughout and that the above-quota tariff rate decrease by five percentage points during each year of the remedy period. Chairman Schmidlein and Commissioner Williamson additionally recommend an in-quota tariff rate of 20 percent *ad valorem*, which would decrease to 18 percent in the second year of the remedy period and 15 percent in the third year of the period, in addition to the current rate of duty. Vice Chairman Johanson and Commissioner Broadbent do not recommend an additional in-quota tariff rate for

large residential washers.

The Commissioners also unanimously recommend that the President impose a separate TRQ on imports of covered parts of large residential washers for a duration of three years. For U.S. imports of covered parts that exceed 50,000 units, they recommend a tariff rate of 50 percent *ad valorem*, in addition to the current rate of duty. They recommend that the in-quota volume increase by 20,000 units in each year of the remedy period, and that the above-quota tariff rate decrease by five percentage points each year. They do not recommend an in-quota tariff rate for covered parts.

Summary of Commissioners' Recommended Actions Large Residential Washers			
	Year 1	Year 2	Year 3
Large Residential Washers: TRQ			
In-Quota Volume Level	1.2 million units	1.2 million units	1.2 million units
Above-Quota Tariff Rate	50%	45%	40%
In-Quota Tariff Rate (<i>Schmidlein & Williamson</i>)	20%	18%	15%
In-Quota Tariff Rate (<i>Johanson & Broadbent</i>)	0%	0%	0%
Covered Parts: TRQ			
In-Quota Volume Level	50,000 units	70,000 units	90,000 units
Above-Quota Tariff Rate	50%	45%	40%

In-Quota Tariff Rate	0%	0%	0%
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Having made negative findings with respect to imports from Canada and Mexico under section 311(a) of the North American Free Trade Agreement Implementation Act, the Commissioners recommend that imports from Canada and Mexico be excluded from the above TRQs and increased rates of duty. The Commissioners also recommend that the above TRQs and increased rates of duty not apply to imports from Australia, Colombia, Costa Rica, the Dominican Republic, El Salvador, Guatemala, Honduras, Israel, Jordan, Korea, Nicaragua, Panama, Peru, and Singapore, or to imports from the beneficiary countries under the Caribbean Basin Economic Recovery Act.

Availability of the public version of the report. The public version of the Commission's report containing the Commission's injury determination, its remedy recommendations, an explanation of the basis for its injury determination and remedy recommendations, and a summary of the information obtained in the investigation is contained in *Large Residential Washers*, Inv. No. TA-201-076, USITC Publication 4745, December 2017.

By order of the Commission.

Issued: December 4, 2017.

Katherine M. Hiner,

Supervisory Attorney.

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