



BILLING CODE 3510-DS-P

DEPARTMENT OF COMMERCE

International Trade Administration

[C-580-869]

Large Residential Washers from the Republic of Korea: Final Results of Expedited First Sunset Review of the Countervailing Duty Order

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce

SUMMARY: The Department of Commerce (Commerce) finds that revocation of the countervailing duty (CVD) order on large residential washers (washing machines) from the Republic of Korea (Korea) would be likely to lead to continuation or recurrence of countervailable subsidies at the levels indicated in the “Final Results of Sunset Review” section of this notice.

DATES: Applicable [INSERT DATE OF PUBLICATION IN THE *FEDERAL REGISTER*].

FOR FURTHER INFORMATION CONTACT: Kaitlin Wojnar at (202) 482-3857, AD/CVD Operations, Enforcement and Compliance, International Trade Administration, Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230.

SUPPLEMENTARY INFORMATION:

Background

Commerce published the CVD order on washing machines from Korea on February 15, 2013.¹ On January 2, 2018, Commerce initiated this review, the first five-year (sunset) review of

¹ See *Large Residential Washers from the Republic of Korea: Countervailing Duty Order*, 78 FR 11154 (February 15, 2013) (*Order*).

the *Order*, in accordance with section 751(c)(2) of the Tariff Act of 1930, as amended (the Act).² Whirlpool Corporation, a domestic producer of washing machines and the petitioner in the underlying CVD investigation, subsequently filed a timely notice of intent to participate.³

Commerce received an adequate and timely substantive response from the petitioner on February 5, 2018.⁴ Neither the Government of Korea (GOK) nor any other respondent interested party to this proceeding submitted a substantive response. Therefore, pursuant to section 751(c)(3)(B) of the Act and 19 CFR 351.218(e)(1)(ii)(B)(2) and (C)(2), Commerce conducted an expedited sunset review of the *Order*. As a result of the tolling of deadlines for the closure of the Federal Government from January 20 through January 22, 2018, the deadline for this expedited sunset review was extended to May 7, 2018.⁵

Scope of the Order

The product covered by the *Order* is washing machines from Korea. For a complete description of the scope of the *Order*, see the Appendix to this notice.

Analysis of Comments Received

All issues raised in this review are addressed in the accompanying Issues and Decision Memorandum.⁶ These issues include the likelihood of continuation or recurrence of countervailable subsidies, the net countervailable subsidy rate likely to prevail upon revocation of the *Order*, and the nature of the subsidies. The Issues and Decision Memorandum is a public

² See *Initiation of Five-Year (Sunset) Reviews*, 83 FR 100 (January 2, 2018).

³ See Letter from the petitioner, “Five-Year (‘Sunset’) Review of Antidumping and Countervailing Duty Orders on Large Residential Washers from Mexico and the Republic of Korea: Notice of Intent to Participate,” January 17, 2018. As a domestic producer of washing machines, the petitioner is an interested party to this proceeding pursuant to section 771(9)(C) of the Act.

⁴ See Letter from the petitioner, “Five-Year (‘Sunset’) Review of the Countervailing Duty Order on Large Residential Washers from Korea: Substantive Response of Whirlpool Corporation to the Notice of Initiation of First Sunset Review,” February 5, 2018. The petitioner’s response was filed in accordance with 19 CFR 351.218(d).

⁵ See Commerce Memorandum, “Deadlines Affected by the Shutdown of the Federal Government,” January 23, 2018.

⁶ See Commerce Memorandum, “Countervailing Duty Order on Large Residential Washers from the Republic of Korea: Issues and Decision Memorandum for the Final Results of the Expedited First Sunset Review,” dated concurrently with, and hereby adopted by, this *Federal Register* notice (Issues and Decision Memorandum).

document and is available electronically *via* Enforcement and Compliance’s Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS). ACCESS is available to registered users at <http://access.trade.gov> and to all parties in the Central Records Unit in room B8024 of the main Commerce building. In addition, a complete electronic version of the Issues and Decision Memorandum can be accessed at <http://enforcement.trade.gov/frn/>. The signed and electronic versions of the Issues and Decision Memorandum are identical in content.

Final Results of Sunset Review

Pursuant to sections 752(b)(1) and (3) of the Act, we determine that revocation of the *Order* would be likely to lead to continuation or recurrence of net countervailable subsidies at the rates listed below:

Exporter/Producer	Net Countervailable Subsidy Rate
Daewoo Electronics Corporation	80.25 percent
Samsung Electronics Co., Ltd.	20.75 percent
All-Others	15.28 percent

Notification Regarding Administrative Protective Order

This notice also serves as the only reminder to parties subject to an administrative protective order (APO) of their responsibility concerning the return or destruction of proprietary information disclosed under APO in accordance with 19 CFR 351.305. Timely notification of the return or destruction of APO materials or conversion to judicial protective order is hereby requested. Failure to comply with the regulations and terms of an APO is a violation subject to sanction.

Commerce is issuing and publishing these final results in accordance with sections 751(c), 752(b), and 777(i)(1) of the Act and 19 CFR 351.218.

Dated: April 26, 2018.

Christian Marsh,
Deputy Assistant Secretary
for Enforcement and Compliance.

Appendix

Scope of the Order

The products covered by this order are all large residential washers and certain subassemblies thereof from Korea.

For purposes of this order, the term “large residential washers” denotes all automatic clothes washing machines, regardless of the orientation of the rotational axis, except as noted below, with a cabinet width (measured from its widest point) of at least 24.5 inches (62.23 cm) and no more than 32.0 inches (81.28 cm).

Also covered are certain subassemblies used in large residential washers, namely: (1) all assembled cabinets designed for use in large residential washers which incorporate, at a minimum: (a) at least three of the six cabinet surfaces; and (b) a bracket; (2) all assembled tubs¹ designed for use in large residential washers which incorporate, at a minimum: (a) a tub; and (b) a seal; (3) all assembled baskets² designed for use in large residential washers which incorporate, at a minimum: (a) a side wrapper;³ (b) a base; and (c) a drive hub;⁴ and (4) any combination of the foregoing subassemblies.

Excluded from the scope are stacked washer-dryers and commercial washers. The term “stacked washer-dryers” denotes distinct washing and drying machines that are built on a unitary frame and share a common console that controls both the washer and the dryer. The term “commercial washer” denotes an automatic clothes washing machine designed for the “pay per use” market meeting either of the following two definitions:

- (1) (a) it contains payment system electronics;⁵ (b) it is configured with an externally mounted steel frame at least six inches high that is designed to house a coin/token operated payment system (whether or not the actual coin/token operated payment system is installed at the time of importation); (c) it contains a push button user interface with a maximum of six manually selectable wash cycle settings, with no ability of the end user to otherwise modify water temperature, water level, or spin speed for a selected wash cycle setting; and (d) the console containing the user interface is made of steel and is assembled with security fasteners;⁶ *or*
- (2) (a) it contains payment system electronics; (b) the payment system electronics are enabled (whether or not the payment acceptance device has been installed at the time of

¹ A “tub” is the part of the washer designed to hold water.

² A “basket” (sometimes referred to as a “drum”) is the part of the washer designed to hold clothing or other fabrics.

³ A “side wrapper” is the cylindrical part of the basket that actually holds the clothing or other fabrics.

⁴ A “drive hub” is the hub at the center of the base that bears the load from the motor.

⁵ “Payment system electronics” denotes a circuit board designed to receive signals from a payment acceptance device and to display payment amount, selected settings, and cycle status. Such electronics also capture cycles and payment history and provide for transmission to a reader.

⁶ A “security fastener” is a screw with a non-standard head that requires a non-standard driver. Examples include those with a pin in the center of the head as a “center pin reject” feature to prevent standard Allen wrenches or Torx drivers from working.

importation) such that, in normal operation,⁷ the unit cannot begin a wash cycle without first receiving a signal from a bona fide payment acceptance device such as an electronic credit card reader; (c) it contains a push button user interface with a maximum of six manually selectable wash cycle settings, with no ability of the end user to otherwise modify water temperature, water level, or spin speed for a selected wash cycle setting; and (d) the console containing the user interface is made of steel and is assembled with security fasteners.

Also excluded from the scope are automatic clothes washing machines with a vertical rotational axis and a rated capacity of less than 3.70 cubic feet, as certified to the U.S. Department of Energy pursuant to 10 CFR § 429.12 and 10 CFR § 429.20, and in accordance with the test procedures established in 10 CFR Part 430.

The products subject to this order are currently classifiable under subheading 8450.20.0090 of the Harmonized Tariff System of the United States (HTSUS). Products subject to this order may also enter under HTSUS subheadings 8450.11.0040, 8450.11.0080, 8450.90.2000, and 8450.90.6000. Although the HTSUS subheadings are provided for convenience and customs purposes, the written description of the merchandise subject to this scope is dispositive.

⁷ “Normal operation” refers to the operating mode(s) available to end users (*i.e.*, not a mode designed for testing or repair by a technician).

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