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DEPARTMENT OF COMMERCE

International Trade Administration

[A-201-842, A-580-868, C-580-869]

Large Residential Washers from the Republic of Korea and Mexico: Initiation of Changed Circumstances Reviews, and Consideration of Revocation, in Part, of the Antidumping Duty Orders on Large Residential Washers from the Republic of Korea and Mexico and the Countervailing Duty Order on Large Residential Washers from the Republic of Korea

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

SUMMARY: Based upon a request from Whirlpool Corporation (Whirlpool), the Department of Commerce (Commerce) is initiating changed circumstances reviews to consider the possible revocation, in part, of the antidumping duty (AD) orders on large residential washers (LRWs) from the Republic of Korea (Korea) and Mexico and the countervailing duty (CVD) order on LRWs from Korea with respect to LRWs that (1) have a horizontal rotational axis; (2) are front loading; and (3) have a drive train consisting, *inter alia*, of (a) a controlled induction motor and (b) a belt drive (hereinafter, FL CIM/Belt washers).

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

FOR FURTHER INFORMATION CONTACT: William Miller or Ajay Menon, AD/CVD Operations, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230; telephone (202) 482-3906 or (202) 482-1993, respectively.

SUPPLEMENTARY INFORMATION:

Background

On February 15, 2013, Commerce published the AD orders on LRWs from Korea and

Mexico and the CVD order on LRWs from Korea.<sup>1</sup> On March 22, 2018, Whirlpool requested that Commerce conduct changed circumstances reviews pursuant to section 751(b)(1) of the Tariff Act of 1930, as amended (the Act) and 19 CFR 351.216(b).<sup>2</sup> Whirlpool expressed an interest in partially revoking the *Orders* with respect to FL CIM/Belt washers – LRWs that (1) have a horizontal rotational axis; (2) are front loading,<sup>3</sup> and (3) have a drive train consisting, *inter alia*, of (a) a controlled induction motor<sup>4</sup> and (b) a belt drive. Whirlpool acknowledged that it is unclear whether it represents substantially all of the domestic industry. Thus, Whirlpool stated that Commerce should solicit comments from other members of the domestic industry.<sup>5</sup> Subsequently, LG Electronics Inc. (LG) and Samsung Electronics Co., Ltd. (Samsung) both submitted comments on Whirlpool’s request in which they noted that it is unclear whether Whirlpool represents “substantially all” of the domestic industry and requested that Commerce solicit comments.<sup>6</sup> We received no comments from other interested parties.

### Scope of the *Orders*

The products covered by the *Orders* are all large residential washers and certain subassemblies thereof from Mexico and Korea.

For purposes of these *Orders*, the term “large residential washers” denotes all automatic clothes washing machines, regardless of the orientation of the rotational axis, except as noted

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<sup>1</sup> See *Large Residential Washers from Mexico and the Republic of Korea: Antidumping Duty Orders*, 78 FR 11148 (February 15, 2013); and *Large Residential Washers from the Republic of Korea: Countervailing Duty Order*, 78 FR 11154 (February 15, 2013) (collectively, the *Orders*).

<sup>2</sup> See Letter from Whirlpool, “Large Residential Washers from the Republic of Korea and Mexico: Request for Changed Circumstances Review,” dated March 22, 2018.

<sup>3</sup> According to Whirlpool, “front loading” means that “access to the basket is from the front of the washer.” *Id.* at 1 n.1

<sup>4</sup> According to Whirlpool, a “controlled induction motor” is “an asynchronous, alternating current, polyphase induction motor.” *Id.* at 2 n.2.

<sup>5</sup> *Id.* at 6.

<sup>6</sup> See Letter from LG, “LG Electronics’ Response to Whirlpool’s Request for Changed Circumstances Review,” dated March 27, 2018, and Letter from Samsung, “Large Residential Washers from Korea and Mexico: Response to Whirlpool’s Changed Circumstances Review Request,” dated March 29, 2018.

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 tubs<sup>7</sup> designed for use in large residential washers which incorporate, at a minimum: (a) a tub; and (b) a seal; (3) all assembled baskets<sup>8</sup> designed for use in large residential washers which incorporate, at a minimum: (a) a side wrapper;<sup>9</sup> (b) a base; and (c) a drive hub;<sup>10</sup> 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;<sup>11</sup> (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,

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<sup>7</sup> A “tub” is the part of the washer designed to hold water.

<sup>8</sup> A “basket” (sometimes referred to as a “drum”) is the part of the washer designed to hold clothing or other fabrics.

<sup>9</sup> A “side wrapper” is the cylindrical part of the basket that actually holds the clothing or other fabrics.

<sup>10</sup> A “drive hub” is the hub at the center of the base that bears the load from the motor.

<sup>11</sup> “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.

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;<sup>12</sup> *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 importation) such that, in normal operation,<sup>13</sup> 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 3.7 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 these *Orders* are currently classifiable under subheadings 8450.20.0040 and 8450.20.0080 of the Harmonized Tariff System of the United States (HTSUS). Products subject to these *Orders* may also enter under HTSUS subheadings 8450.11.0040, 8450.11.0080, 8450.90.2000, and 8450.90.6000. Although the HTSUS subheadings are

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<sup>12</sup> 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.

<sup>13</sup> “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).

provided for convenience and customs purposes, the written description of the merchandise subject to this scope is dispositive.

#### Proposed Revocation of the *Orders*

Whirlpool requests that the *Orders* be revoked with respect to all unliquidated entries of FL CIM/Belt washers. Should Commerce determine to revoke the *Orders*, in part, Whirlpool proposes that Commerce amend the scope language as follows: “{A}lso excluded from the scope are automatic clothes washing machines that meet all of the following conditions: (1) have a horizontal rotational axis; (2) are front loading; and (3) have a drive train consisting, *inter alia*, of (a) a controlled induction motor and (b) a belt drive.”<sup>14</sup>

#### Initiation of Changed Circumstances Reviews, and Consideration of Revocation of the *Orders*, in Part

Pursuant to section 751(b)(1) of the Act, Commerce will conduct a changed circumstances review upon receipt of a request from an interested party that shows changed circumstances sufficient to warrant a review of an order.<sup>15</sup> In accordance with 19 CFR 351.216(d), Commerce determines that the information submitted by Whirlpool constitutes sufficient evidence to conduct changed circumstances reviews of the *Orders*.

Section 782(h)(2) of the Act and 19 CFR 351.222(g)(1)(i) provide that Commerce may revoke an order (in whole or in part) if it determines that producers accounting for substantially all of the production of the domestic like product have expressed a lack of interest in the order, in whole or in part. In its administrative practice, Commerce has interpreted “substantially all” to

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<sup>14</sup> Whirlpool proposes that the following words be defined as follows: (1) front loading” means that “access to the basket is from the front of the washer;” and (3) a “controlled induction motor” is “an asynchronous, alternating current, polyphase induction motor.”

<sup>15</sup> See 19 CFR 351.216.

mean producers accounting for at least 85 percent of the total U.S. production of the domestic like product covered by the order.<sup>16</sup>

As discussed below, we are providing interested parties with an opportunity to address the issue of domestic industry support (*i.e.*, support by “substantially all” of the domestic industry) with respect to this requested partial revocation of the *Orders*, as explained below. After examining comments, if any, concerning domestic industry support, Commerce will issue the preliminary results of these changed circumstances reviews.

#### Public Comment

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<sup>16</sup> See, e.g., *Certain Cased Pencils from the People’s Republic of China: Initiation and Preliminary Results of Antidumping Duty Changed Circumstances Review, and Intent To Revoke Order in Part*, 77 FR 42276 (July 18, 2012), unchanged in *Certain Cased Pencils from the People’s Republic of China: Final Results of Antidumping Duty Changed Circumstances Review, and Determination To Revoke Order, in Part*, 77 FR 53176 (August 31, 2012).

In its request, Whirlpool acknowledges that it is unclear whether the company represents substantially all of the domestic industry, and, therefore, requests that Commerce solicit comments from other members of the domestic industry.<sup>17</sup> Accordingly, we invite members of the domestic industry to provide comments, including their domestic production data of LRWs for 2017.<sup>18</sup> Other interested parties may also provide comments regarding these changed circumstances reviews, including comments concerning industry support under section 782(h) of the Act. Comments and factual information may be submitted to Commerce no later than ten days after the date of publication of this notice. Rebuttal comments and rebuttal factual information may be filed with Commerce no later than seven days after the deadline for comments and/or factual information.<sup>19</sup> All submissions must be filed electronically using Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS).<sup>20</sup> An electronically filed document must be received successfully in its entirety by ACCESS, by 5:00 p.m. Eastern Time on the due dates set forth in this notice.

#### Preliminary and Final Results of the Reviews

Commerce intends to publish in the *Federal Register* a notice of the preliminary results of these changed circumstances reviews in accordance with 19 CFR 351.221(b)(4) and (c)(3)(i), which will set forth Commerce's preliminary factual and legal conclusions. Commerce will issue its final results of these changed circumstances reviews in accordance with the time limits set forth in 19 CFR 351.216(e).

This notice is published in accordance with section 751(b)(1) of the Act and 19 CFR 351.221(b)(1).

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<sup>17</sup> See Whirlpool Request at 6.

<sup>18</sup> Parties should provide the volume (in number of units) and value (in U.S. dollars) of their domestic production of LRWs for 2017.

<sup>19</sup> Submission of rebuttal factual information must comply with 19 CFR 351.301(b)(2).

<sup>20</sup> See, generally, 19 CFR 351.303.

*Dated: May 7, 2018.*

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Gary Taverman,  
Deputy Assistant Secretary  
for Antidumping and Countervailing Duty Operations,  
performing the non-exclusive functions and duties of the  
Assistant Secretary for Enforcement and Compliance.

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