



7020-02

INTERNATIONAL TRADE COMMISSION

[Investigation Nos. 701-TA-637 and 731-TA-1471 (Preliminary)]

Vertical Shaft Engines from China; Determinations

On the basis of the record¹ developed in the subject investigations, the United States International Trade Commission (“Commission”) determines, pursuant to the Tariff Act of 1930 (“the Act”), that there is a reasonable indication that an industry in the United States is materially injured by reason of imports of vertical shaft engines from China that are alleged to be sold in the United States at less than fair value (“LTFV”) and to be subsidized by the government of China.² The products subject to these investigations are primarily provided for in subheadings 8407.90.10, 8407.90.90, 8409.91.50, and 8409.91.99 of the Harmonized Tariff Schedule of the United States (“HTS”).

COMMENCEMENT OF FINAL PHASE INVESTIGATIONS

Pursuant to section 207.18 of the Commission’s rules, the Commission also gives notice of the commencement of the final phase of its investigations. The Commission will issue a final phase notice of scheduling, which will be published in the *Federal Register* as provided in section 207.21 of the Commission’s rules, upon notice from the U.S. Department of Commerce (“Commerce”) of affirmative preliminary determinations in the investigations under sections

¹ The record is defined in sec. 207.2(f) of the Commission’s Rules of Practice and Procedure (19 CFR 207.2(f)).

² *Certain Vertical Shaft Engines Between 225cc and 999cc, and Parts Thereof From the People’s Republic of China: Initiation of Less-Than-Fair-Value Investigation*, 85 FR 8809 (February 18, 2020); *Certain Vertical Shaft Engines Between 223cc and 999cc, and Parts Thereof From the People’s Republic of China: Initiation of Countervailing Duty Investigation*, 85 FR 8835 (February 18, 2020).

703(b) or 733(b) of the Act, or, if the preliminary determinations are negative, upon notice of affirmative final determinations in those investigations under sections 705(a) or 735(a) of the Act. Parties that filed entries of appearance in the preliminary phase of the investigations need not enter a separate appearance for the final phase of the investigations. Industrial users, and, if the merchandise under investigation is sold at the retail level, representative consumer organizations have the right to appear as parties in Commission antidumping and countervailing duty investigations. The Secretary will prepare a public service list containing the names and addresses of all persons, or their representatives, who are parties to the investigations.

BACKGROUND

On January 15, 2020, the Coalition of American Vertical Engine Producers,³ filed petitions with the Commission and Commerce, alleging that an industry in the United States is materially injured or threatened with material injury by reason of subsidized imports of vertical shaft engines from China and LTFV imports of vertical shaft engines from China. Accordingly, effective January 15, 2020, the Commission instituted countervailing duty investigation No. 701-TA-637 and antidumping duty investigation No. 731-TA-1471 (Preliminary).

Notice of the institution of the Commission's investigations and of a public conference 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* of January 23, 2020 (85 FR 3945). The conference was held in

³ The Coalition of American Vertical Engine Producers is comprised of Kohler Co., Kohler, Wisconsin, and Briggs & Stratton Corporation, Wauwatosa, Wisconsin.

Washington, DC, on February 5, 2020, and all persons who requested the opportunity were permitted to appear in person or by counsel.

The Commission made these determinations pursuant to sections 703(a) and 733(a) of the Act (19 U.S.C. 1671b(a) and 1673b(a)). It completed and filed its determinations in these investigations on March 2, 2020. The views of the Commission are contained in USITC Publication 5034 (March 2020), entitled *Vertical Shaft Engines from China: Investigation Nos. 701-TA-637 and 731-TA-1471 (Preliminary)*.

By order of the Commission.

Issued: March 2, 2020.

Lisa Barton,

Secretary to the Commission.

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