



DEPARTMENT OF COMMERCE

International Trade Administration

[C-570-142]

Certain Walk-Behind Snow Throwers and Parts Thereof from the People's Republic of China: Preliminary Affirmative Countervailing Duty Determination and Alignment of Final Determination with Final Antidumping Duty Determination

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

SUMMARY: The Department of Commerce (Commerce) preliminarily determines that countervailable subsidies are being provided to producers and exporters of certain walk-behind snow throwers and parts thereof (snow throwers) from the People's Republic of China (China). The period of investigation (POI) is January 1, 2020, through December 31, 2020.

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

FOR FURTHER INFORMATION CONTACT: Alex Cipolla or Joy Zhang, AD/CVD Operations, Office III, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-4956 or (202) 482-1168, respectively.

SUPPLEMENTARY INFORMATION:

Background

This preliminary determination is made in accordance with section 703(b) of the Tariff Act of 1930, as amended (the Act). Commerce published the notice of initiation of this investigation on April 26, 2021.¹ On June 8, 2021, Commerce postponed the preliminary determination of this investigation and the revised deadline is now August 27, 2021.² For a complete description of the events that followed the initiation of this investigation, *see the*

¹ See *Certain Walk-Behind Snow Throwers and Parts Thereof from the People's Republic of China: Initiation of Countervailing Duty Investigation*, 86 FR 22022 (April 26, 2021) (*Initiation Notice*).

² See *Certain Walk-Behind Snow Throwers and Parts Thereof from the People's Republic of China: Postponement of Preliminary Determination in the Countervailing Duty Investigation*, 86 FR 30405 (June 8, 2021).

Preliminary Decision Memorandum.³ A list of topics discussed in the Preliminary Decision Memorandum is included as Appendix II to this notice. The Preliminary Decision Memorandum is a public document and is on file electronically via Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS). ACCESS is available to registered users at <https://access.trade.gov>. In addition, a complete version of the Preliminary Decision Memorandum can be accessed directly at <http://enforcement.trade.gov/frn/>.

Scope of the Investigation

The products covered by this investigation are snow throwers from China. For a complete description of the scope of this investigation, *see* Appendix I.

Scope Comments

In accordance with the preamble to Commerce's regulations, the *Initiation Notice* set aside a period of time for parties to raise issues regarding product coverage, (*i.e.*, scope).⁴ MTD Products Inc (the petitioner) commented on the scope of the investigation, requesting the addition of exclusion language to the scope as it appeared in the *Initiation Notice*.⁵ Commerce is preliminarily modifying the scope language as it appeared in the *Initiation Notice* to include the requested language. *See* the revised scope in Appendix I to this notice and accompanying Preliminary Decision Memorandum for further discussion.

Methodology

Commerce is conducting this investigation in accordance with section 701 of the Act. For each of the subsidy programs found countervailable, Commerce preliminarily determines that there is a subsidy, *i.e.*, a financial contribution by an "authority" that gives rise to a benefit to

³ *See* Memorandum, "Decision Memorandum for the Preliminary Determination of the Countervailing Duty Investigation of Certain Walk-Behind Snow Throwers and Parts Thereof from the People's Republic of China," dated concurrently with, and hereby adopted by, this notice (Preliminary Decision Memorandum).

⁴ *See Antidumping Duties; Countervailing Duties, Final Rule*, 62 FR 27296, 27323 (May 19, 1997).

⁵ *See* Petitioner's Letter, "Antidumping and Countervailing Duty Investigations of Certain Walk-Behind Snow Throwers from the People's Republic of China: Scope Comments," dated May 10, 2021.

the recipient, and that the subsidy is specific.⁶

Commerce notes that, in making these findings, it relied, in part, on facts available and, because it finds that one or more respondents did not act to the best of their ability to respond to Commerce's requests for information, it drew an adverse inference where appropriate in selecting from among the facts otherwise available.⁷ For further information, *see* "Use of Facts Otherwise Available and Adverse Inferences" in the Preliminary Decision Memorandum.

Alignment

As noted in the Preliminary Decision Memorandum, in accordance with section 705(a)(1) of the Act and 19 CFR 351.210(b)(4), Commerce is aligning the final CVD determination in this investigation with the final determination in the companion AD investigation of snow throwers from China based on a request made by the petitioner.⁸ Consequently, the final CVD determination will be issued on the same date as the final AD determination, which is currently scheduled to be issued no later than January 10, 2022, unless postponed.

All-Others Rate

Sections 703(d) and 705(c)(5)(A) of the Act provide that in the preliminary determination, Commerce shall determine an estimated all-others rate for companies not individually examined. This rate shall be an amount equal to the weighted average of the estimated subsidy rates established for those companies individually examined, excluding any zero and *de minimis* rates and any rates based entirely under section 776 of the Act.

In this investigation, Commerce calculated an individual estimated countervailable subsidy rate for Zhejiang Zhouli Industrial Co., Ltd. (Zhejiang Zhouli), the only individually examined exporter/producer, that was not zero, *de minimis*, or based entirely under section 776

⁶ *See* sections 771(5)(B) and (D) of the Act regarding financial contribution; *see also* section 771(5)(E) of the Act regarding benefit; and section 771(5A) of the Act regarding specificity.

⁷ *See* sections 776(a) and (b) of the Act.

⁸ *See* Petitioner's Letter, "Countervailing Duty Investigation of Certain Walk-Behind Snow Throwers and Parts Thereof from the People's Republic of China: Request to Align Final Countervailing Duty Determination with Final Antidumping Duty Determination," dated August 6, 2021.

of the Act. As a result, the estimated weighted-average rate calculated for Zhejiang Zhouli is the rate assigned to all other producers and exporters, pursuant to section 705(c)(5)(A)(i) of the Act.

Rate for Non-Responsive Companies

Eight potential producers and/or exporters of snow throwers from China received but did not respond to, or refused delivery of, Commerce’s Quantity and Value (Q&V) Questionnaire or Commerce’s Initial Countervailing Duty Questionnaire. We find that, by not responding to the Q&V Questionnaire or Initial Questionnaire, these companies withheld requested information and significantly impeded this proceeding.⁹ Thus, in reaching our preliminary determination, pursuant to sections 776(a)(2)(A) and (C) of the Act, we are basing the CVD rate for these eight companies on facts otherwise available.

We further preliminarily determine that an adverse inference is warranted, pursuant to section 776(b) of the Act. By failing to submit responses to Commerce’s Q&V or initial questionnaire, the eight companies did not cooperate to the best of their ability in this investigation.

Accordingly, we preliminarily find that an adverse inference is warranted to ensure that the eight companies will not obtain a more favorable result than had they fully complied with our request for information. For more information on the application of adverse facts available to the non-responsive companies, *see* “Use of Facts Otherwise Available and Adverse Inferences” in the Preliminary Determination Memorandum.

Preliminary Determination

Commerce preliminarily determines that the following estimated countervailable subsidy rates exist:

Company	Subsidy Rate (percent)
Zhejiang Zhouli Industrial Co.	12.86

⁹ These companies are Changzhou Globe Tools Co., Ltd., Ningbo Joyo Garden Tools Co., Ltd., Nanjing Chervon Industry Co., Ltd., Ningbo Daye Garden Machinery Co., Ltd., Ningbo Scojet Import & Export Trading Co., Ltd., TIYA International Co., Ltd., Weima Agricultural Machinery Co., Ltd., and Zhejiang Yat Electrical Appliance Co.

All-Others	12.86
Changzhou Globe Tools Co., Ltd. Co., Ltd.	130.44
Nanjing Chevron Industry Co., Ltd.	130.44
Ningbo Daye Garden Machinery Co., Ltd.	130.44
Ningbo Joyo Garden Tools Co., Ltd.	130.44
Ningbo Scojet Import & Export Trading	130.44
TIYA International Co., Ltd.	130.44
Weima Agricultural Machinery Co., Ltd.	130.44
Zhejiang Yat Electrical Appliance Co	130.44

Suspension of Liquidation

In accordance with sections 703(d)(1)(B) and (d)(2) of the Act, Commerce will direct U.S. Customs and Border Protection (CBP) to suspend liquidation of entries of subject merchandise as described in the scope of the investigation section entered, or withdrawn from warehouse, for consumption on or after the date of publication of this notice in the *Federal Register*. Further, pursuant to 19 CFR 351.205(d), Commerce will instruct CBP to require a cash deposit equal to the rates indicated above.

Disclosure

Commerce intends to disclose its calculations and analysis performed to interested parties in this preliminary determination within five days of its public announcement, or if there is no public announcement, within five days of the date of this notice in accordance with 19 CFR 351.224(b).

Verification

As provided in section 782(i)(1) of the Act, Commerce intends to verify the information relied upon in making its final determination. Normally, Commerce verifies information using standard procedures, including an on-site examination of original accounting, financial, and sales documentation. However, due to current travel restrictions in response to the global COVID-19 pandemic, Commerce is unable to conduct on-site verification in this investigation.

Accordingly, we intend to verify the information relied upon in making the final determination through alternative means in lieu of an on-site verification.

Public Comment

Case briefs or other written comments may be submitted to the Assistant Secretary for Enforcement and Compliance. Interested parties will be notified of the timeline for the submission of case briefs and written comments at a later date. Rebuttal briefs, limited to issues raised in case briefs, may be submitted no later than seven days after the deadline date for case briefs.¹⁰ Note that Commerce has temporarily modified certain of its requirements for serving documents containing business proprietary information, until further notice.¹¹ The deadlines for submitting case and rebuttal briefs on scope issues will be established as part of the preliminary determination in the companion AD investigation. Pursuant to 19 CFR 351.309(c)(2) and (d)(2), parties who submit case briefs or rebuttal briefs in this investigation are encouraged to submit with each argument: (1) a statement of the issue; (2) a brief summary of the argument; and (3) a table of authorities.

Pursuant to 19 CFR 351.310(c), interested parties who wish to request a hearing, limited to issues raised in the case and rebuttal briefs, must submit a written request to the Assistant Secretary for Enforcement and Compliance, U.S. Department of Commerce within 30 days after the date of publication of this notice. Requests should contain the party's name, address, and telephone number, the number of participants, and a list of the issues to be discussed. Oral presentations at the hearing will be limited to issues raised in the briefs. If a request for a hearing is made, Commerce intends to hold the hearing at a time and date to be determined.¹² Parties should confirm by telephone the date and time of the hearing two days before the scheduled date.

International Trade Commission Notification

¹⁰ See 19 CFR 351.309; *see also* 19 CFR 351.303 (for general filing requirements).

¹¹ See *Temporary Rule Modifying AD/CVD Service Requirements Due to COVID-19*, 85 FR 17006 (March 26, 2020); and *Temporary Rule Modifying AD/CVD Service Requirements Due to COVID-19; Extension of Effective Period*, 85 FR 41363 (July 10, 2020) (collectively, *Temporary Rule*).

¹² See 19 CFR 351.310(d).

In accordance with section 703(f) of the Act, Commerce will notify the International Trade Commission (ITC) of its determination. If the final determination is affirmative, the ITC will determine before the later of 120 days after the date of this preliminary determination or 45 days after the final determination whether these imports are materially injuring, or threaten material injury to, the U.S. industry.

Notification to Interested Parties

This determination is issued and published pursuant to sections 703(f) and 777(i) of the Act, and 19 CFR 351.205(c).

Dated: August 27, 2021.

Christian Marsh,
Acting Assistant Secretary
for Enforcement and Compliance.

Appendix I

Scope of the Investigation

The merchandise covered by this investigation consists of gas-powered, walk-behind snow throwers (also known as snow blowers), which are snow moving machines that are powered by internal combustion engines and primarily pedestrian-controlled. The scope of the investigation covers certain snow throwers (also known as snow blowers), whether self-propelled or non-self-propelled, whether finished or unfinished, whether assembled or unassembled, and whether containing any additional features that provide for functions in addition to snow throwing. Subject merchandise also includes finished and unfinished snow throwers that are further processed in a third country or in the United States, including, but not limited to, assembly or any other processing that would not otherwise remove the merchandise from the scope of this investigation if performed in the country of manufacture of the in-scope snow throwers.

Walk-behind snow throwers subject to the scope of this investigation are powered by internal combustion engines which are typically spark ignition, single or multiple cylinder, and air-cooled with power take off shafts.

For the purposes of this investigation, an unfinished and/or unassembled snow thrower means at a minimum, a subassembly comprised of an engine, auger housing (*i.e.*, intake frame), and an auger (or “auger paddle”) packaged or imported together. An intake frame is the portion of the snow thrower - typically of aluminum or steel that houses and protects an operator from a rotating auger and is the intake point for the snow. Importation of the subassembly whether or not accompanied by, or attached to, additional components including, but not limited to, handle(s), impeller(s), chute(s), track tread(s), or wheel(s) constitutes an unfinished snow thrower for purposes of this investigation. The inclusion in a third country of any components other than the snow thrower sub-assembly does not remove the snow thrower from the scope. A snow thrower is within the scope of this investigation regardless of the origin of its engine.

Specifically excluded is merchandise covered by the scope of the antidumping and countervailing duty orders on certain vertical shaft engines between 225cc and 999cc, and parts thereof from the People’s Republic of China. *See Certain Vertical Shaft Engines Between 225cc and 999cc, and Parts Thereof, from the People’s Republic of China: Amended Final Antidumping Duty Determination and Antidumping Duty Order*, 86 FR 12623 (March 4, 2021) and *Certain Vertical Shaft Engines Between 225cc and 999cc, and Parts Thereof from the People’s Republic of China: Countervailing Duty Order and Amended Final Affirmative Countervailing Duty Determination*, 86 FR 12619 (March 4, 2021).

Also specifically excluded is merchandise covered by the scope of the antidumping and countervailing duty orders on certain vertical shaft engines between 99cc and Up to 225cc, and Parts Thereof From the People’s Republic of China. *See Certain Vertical Shaft Engines Between 99cc and Up to 225cc, and Parts Thereof From the People’s Republic of China: Antidumping and Countervailing Duty Orders*, 86 FR 023675 (May 4, 2021).

The snow throwers subject to this investigation are typically entered under Harmonized Tariff Schedule of the United States (HTSUS) subheading 8430.20.0060. Certain parts of snow throwers subject to this investigation may also enter under HTSUS 8431.49.9095. The HTSUS subheadings are provided for convenience and customs purposes only, and the written description of the merchandise under investigation is dispositive.

Appendix II

List of Topics Discussed in the Preliminary Decision Memorandum

- I. Summary
- II. Background
- III. Scope Comments
- IV. Scope of the Investigation
- V. Injury Test
- VI. Diversification of China's Economy
- VII. Use of Facts Otherwise Available and Adverse Inferences
- VIII. Subsidies Valuation
- IX. Benchmarks and Interest Rates
- X. Analysis of Programs
- XI. Recommendation

[FR Doc. 2021-19627 Filed: 9/9/2021 8:45 am; Publication Date: 9/10/2021]