



FACT SHEET

Commerce Preliminarily Finds Dumping of Imports of Large Residential Washers from the People's Republic of China

- On July 20, 2016, the Department of Commerce (Commerce) announced its affirmative preliminary determination in the antidumping duty (AD) investigation of imports of certain large residential washers (washing machines) from the People's Republic of China (China).
- The AD law provides U.S. businesses and workers with a transparent, quasi-judicial, and internationally accepted mechanism to seek relief from the market-distorting effects caused by injurious dumping of imports into the United States, establishing an opportunity to compete on a level playing field.
- For the purpose of an AD investigation dumping occurs when a foreign company sells a product in the United States at less than its fair value.
- Commerce preliminarily found dumping has occurred by mandatory respondents Nanjing LG-Panda Appliances Co., Ltd. (LG), and Suzhou Samsung Electronics Co. Ltd. and Suzhou Samsung Electronics Co. Ltd – Export (collectively, Samsung) at preliminary dumping margins of 49.88 percent and 111.09 percent, respectively. Commerce calculated a preliminary dumping margin of 80.49 percent for all other producers/exporters in China.
- Commerce preliminarily found that critical circumstances exist with respect to Samsung and the China-wide entity. Critical circumstances are found when there has been a surge in imports over a relatively short period of time in anticipation of the possible imposition of AD duties.
- As a result of the preliminary affirmative determination, Commerce will instruct U.S. Customs and Border Protection (CBP) to collect cash deposits based on these preliminary rates. Where critical circumstances were found with respect to Samsung and the China-wide entity, CBP will be instructed to impose provisional measures retroactively on entries of certain washing machines up to 90 days prior to publication of the preliminary determination in the *Federal Register* notice.
- The petitioner for this investigation is Whirlpool Corporation (MI).
- The products covered by this investigation are large residential washers and certain parts thereof from China.

For purposes of this investigation, the term “large residential washers” includes all automatic clothes washing machines, regardless of the orientation of the rotational axis, 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), except as noted below.

Also covered are certain parts used in large residential washers, namely: (1) all cabinets, or portions thereof, designed for use in large residential washers; (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 parts or 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” segment 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 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 that meet all of the following conditions: (1) have a vertical rotational axis; (2) are top loading;⁸ (3) have a drive train consisting,

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.

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).

⁸ “Top loading” means that access to the basket is from the top of the washer.

inter alia, of (a) a permanent split capacitor (PSC) motor,⁹ (b) a belt drive,¹⁰ and (c) a flat wrap spring clutch.¹¹

Also 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;¹² and (3) have a drive train consisting, *inter alia*, of (a) a controlled induction motor (CIM),¹³ and (b) a belt drive.

Also 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 cabinet width (measured from its widest point) of more than 28.5 inches (72.39 cm).

- The products subject to this investigation are currently classifiable under subheadings 8450.20.0040 and 8450.20.0080 of the Harmonized Tariff Schedule of the United States (HTSUS). Products subject to this investigation 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 investigation is dispositive.
- In 2014, imports of washing machines from China were valued at an estimated \$899.4 million.

NEXT STEPS

- Commerce is scheduled to announce its final determination on or about December 9, 2016.
- If Commerce makes an affirmative final determination, and the U.S. International Trade Commission (ITC) makes an affirmative final determination that imports of washing machines from China materially injure, or threaten material injury to, the domestic industry, Commerce will issue an AD order. If either Commerce's or the ITC's final determination is negative, no AD orders will be issued. The ITC is scheduled to make its final injury determination in January 2017.

⁹ A "PSC motor" is an asynchronous, alternating current (AC), single phase induction motor that employs split phase capacitor technology.

¹⁰ A "belt drive" refers to a drive system that includes a belt and pulleys.

¹¹ A "flat wrap spring clutch" is a flat metal spring that, when engaged, links abutted cylindrical pieces on the input shaft with the end of the concentric output shaft that connects to the drive hub.

¹² "Front loading" means that access to the basket is from the front of the washer.

¹³ A "controlled induction motor" is an asynchronous, alternating current (AC), polyphase induction motor.

PRELIMINARY DUMPING MARGINS:

EXPORTER	PRODUCER	DUMPING MARGINS
Nanjing LG-Panda Appliances Co., Ltd. / LG Electronics, Inc.	Nanjing LG-Panda Appliances Co., Ltd.	49.88%
Suzhou Samsung Electronics Co., Ltd./ Suzhou Samsung Electronics Co. Ltd – Export / Samsung Electronics Co., Ltd.	Suzhou Samsung Electronics Co., Ltd./ Suzhou Samsung Electronics Co. Ltd – Export	111.09%
China-Wide Rate		80.49%

CASE CALENDAR:

EVENT	DATE
Petitions Filed	December 16, 2015
DOC Initiation Date	January 5, 2016
ITC Preliminary Determination	February 1, 2016†
DOC Preliminary Determination	July 19, 2016
DOC Final Determination	December 8, 2016
ITC Final Determination*	January 23, 2017
Issuance of Order**	January 30, 2017

NOTE: Commerce preliminary and final determination deadlines are governed by statute. For AD investigations, the deadlines are set forth in sections 733(b) and 735(a) of the Tariff Act of 1930, as amended. These deadlines may be extended under certain circumstances.

†Where the deadline falls on a weekend/holiday, the appropriate date is the next business day.

*This will take place only in the event of a final affirmative determination by Commerce.

**This will take place only in the event of final affirmative determinations by Commerce and the ITC.

IMPORT STATISTICS:

CHINA	2012	2013	2014
Volume (units)	471,000	1,823,000	3,806,000
Value (USD)	171,888,000	689,179,000	899,399,000

Source: U.S. Census Bureau, accessed through Global Trade Atlas. (HTSUS 8450.20.0090). The above HTSUS subheading may cover both subject and non-subject merchandise. Note: in 2015, HTSUS 8450.20.0090 was replaced by HTSUS 8450.20.0040 and 8450.20.0080.

Imports of washing machines may also enter under HTSUS 8450.11.0040, 8450.11.0080, 8450.90.2000, and 8450.90.6000. However, these HTSUS subheadings may cover a significant amount of non-subject merchandise. Therefore, these HTSUS subheadings have been excluded for purposes of reporting the import statistics above.