



7020-02

## INTERNATIONAL TRADE COMMISSION

### Investigation No. TA-201-76

#### Large Residential Washers

Institution and Scheduling of Safeguard Investigation and Determination that the Investigation is Extraordinarily Complicated.

**AGENCY:** United States International Trade Commission.

**ACTION:** Notice of institution of investigation and scheduling of public hearings.

**SUMMARY:** Following receipt of a petition for import relief, as amended and properly filed on June 5, 2017, the Commission has instituted investigation No. TA-201-76 pursuant to section 202 of the Trade Act of 1974 (“the Act”) to determine whether large residential washers (“LRWs”) are being imported into the United States in such increased quantities as to be a substantial cause of serious injury, or the threat thereof, to the domestic industry producing an article like or directly competitive with the imported articles. The Commission has deemed the petition, as amended, to have been properly filed on June 5, 2017. The Commission has determined that this investigation is “extraordinarily complicated,” and will make its injury determination within 122 days after the petition was filed, or by October 5, 2017. The Commission will submit to the President the report required under section 202(f) of the Act within 180 days after the date on which the petition was deemed filed, or by December 4, 2017.

**DATES:** Effective June 5, 2017.

**FOR FURTHER INFORMATION CONTACT:** Michael Szustakowski (202-205-3169), Office of Investigations, U.S. International Trade Commission, 500 E Street SW, Washington, DC 20436. Hearing-impaired persons can obtain information on this matter by contacting the Commission's TDD terminal on 202-205-1810. Persons with mobility impairments who will need special assistance in gaining access to the Commission should contact the Office of the Secretary at 202-205-2000. General information concerning the Commission may also be obtained by accessing its internet server (<https://www.usitc.gov>). The public record for this investigation may be viewed on the Commission's electronic docket (EDIS) at <https://edis.usitc.gov>.

**SUPPLEMENTARY INFORMATION:**

**Background.** – This investigation is being instituted, pursuant to section 202 of the Act (19 U.S.C. § 2252), in response to a petition, as amended and properly filed on June 5, 2017, by Whirlpool Corporation (“Whirlpool”), a producer of LRWs in the United States. Whirlpool alleges that LRWs are being imported into the United States in such increased quantities as to be a substantial cause of serious injury, or the threat thereof, to the domestic industry producing an article like or directly competitive with the imported article. The Commission must submit its report on this investigation to the President no later than 180 days after institution, which in this case falls on December 4, 2017. (19 U.S.C. § 2252(f)).

The articles covered by this investigation are all LRWs and certain parts thereof. For purposes of this petition, the term LRWs denotes 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 tubs<sup>1</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>2</sup> designed for use in large residential washers which incorporate, at a minimum: (a) a side wrapper;<sup>3</sup> (b) a base; and (c) a drive hub;<sup>4</sup> 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;<sup>5</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

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<sup>1</sup> A “tub” is the part of the washer designed to hold water.

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

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

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

<sup>5</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.

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;<sup>6</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>7</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 that meet all of the following conditions: (1) have a vertical rotational axis; (2) are top loading;<sup>8</sup> (3) have a drive

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<sup>6</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>7</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).

<sup>8</sup> "Top loading" means that access to the basket is from the top of the washer.

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

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;<sup>12</sup> and (3) have a drive train consisting, inter alia, of (a) a controlled induction motor (CIM),<sup>13</sup> 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).

For Customs purposes, the LRWs covered by the investigation are provided for under Harmonized Tariff Schedule of the United States (“HTSUS”) subheading 8450.20.00. LRWs and certain parts thereof subject to this petition may also be imported under HTSUS subheadings 8450.11.00, 8450.90.20, and 8450.90.60. Although the HTSUS subheadings are provided for convenience and customs purposes, the written description of the merchandise subject to this petition is dispositive.

**Determination to institute this investigation.** – Whirlpool initially submitted a petition on May 31, 2017. On June 2, 2017, Commission staff sent a letter requesting that Whirlpool supply additional data on its percentage share of total domestic production and estimated data

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<sup>9</sup> A “PSC motor” is an asynchronous, alternating current (AC), single phase induction motor that employs split phase capacitor technology.

<sup>10</sup> A “belt drive” refers to a drive system that includes a belt and pulleys.

<sup>11</sup> 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.

<sup>12</sup> “Front loading” means that access to the basket is from the front of the washer.

<sup>13</sup> A “controlled induction motor” is an asynchronous, alternating current (AC), polyphase induction motor.

in calculating import-to-production ratios, apparent consumption, and market shares held by imports and domestic producers, in compliance with Commission Rule 206.14 (19 CFR § 206.14). On June 5, 2017, Whirlpool amended its petition and provided the additional data requested by Commission staff. The Commission determined that the petition, as amended, was properly filed as of June 5, 2017.

**Determination that investigation is extraordinarily complicated.** – The Commission has determined that this investigation is “extraordinarily complicated” within the meaning of section 202(b)(2)(B) of the Act (19 U.S.C. § 2252(b)(2)(B)). The Commission’s decision to designate this investigation “extraordinarily complicated” is based on the complexity of the issues, including the existence of antidumping and/or countervailing duty orders on certain imports covered by this investigation. Ordinarily, the Commission would have been required to make its injury determination within 120 days after the petition was filed, or by October 3, 2017. (19 U.S.C. § (b)(2)(A)). The statute permits the Commission to take up to 30 additional days to make its injury determination in an investigation where it determines that the investigation is extraordinarily complicated. In this instance, the Commission intends to take two extra days and make its injury determination by October 5, 2017.

**Participation in the investigation and public service list.** – Persons (other than petitioner) wishing to participate in the investigation as parties must file an entry of appearance with the Secretary to the Commission, as provided in section 201.11 of the Commission’s rules, not later than 21 days after publication of this notice in the *Federal Register*. The Secretary will prepare a service list containing the names and addresses of all persons, or their

representatives, who are parties to this investigation upon the expiration of the period for filing entries of appearance.

**Limited disclosure of confidential business information (CBI) under an administrative protective order (APO) and CBI service list.** – Pursuant to section 206.17 of the Commission’s rules, the Secretary will make CBI gathered in this investigation available to authorized applicants representing interested parties (as defined in 19 C.F.R. § 206.17(a)(3)(iii)) under the APO issued in the investigation, provided that the application is made not later than 21 days after the publication of this notice in the *Federal Register*. A separate service list will be maintained by the Secretary for those parties authorized to receive CBI under the APO.

The Commission may include CBI in the reports it sends to the President and to the U.S. Trade Representative. Additionally, all information, including CBI, submitted in this investigation may be disclosed to and used by (i) the Commission, its employees and Offices, and contract personnel (a) for developing or maintaining the records of this or a related proceeding, or (b) in internal investigations, audits, reviews, and evaluations relating to the programs, personnel, and operations of the Commission including under 5 U.S.C. Appendix 3; or (ii) by U.S. government employees and contract personnel for cybersecurity purposes. The Commission will not otherwise disclose any CBI in a manner that would reveal the operations of the firm supplying the information.

**Hearings on injury and remedy.** – The Commission has scheduled separate hearings in connection with the injury and remedy phases of this investigation. The hearing on injury will be held beginning at 9:30 a.m. on September 7, 2017, at the U.S. International Trade

Commission Building, 500 E Street SW, Washington, DC. In the event that the Commission makes an affirmative injury determination or is equally divided on the question of injury in this investigation, a hearing on the question of remedy will be held beginning at 9:30 a.m. on October 19, 2017. Requests to appear at the hearings should be filed in writing with the Secretary to the Commission on or before August 31, 2017 for the injury hearing, and October 13, 2017 for the remedy hearing. A nonparty who has testimony that may aid the Commission's deliberations may request permission to present a short statement at the hearings. All parties and nonparties desiring to appear at the hearings and make oral presentations should participate in prehearing conferences to be held on September 5, 2017 for the injury hearing and October 17, 2017 for the remedy hearing, if deemed necessary. Oral testimony and written materials to be submitted at the public hearings are governed by sections 201.6(b)(2) 201.13(f), and 206.5 of the Commission's rules. Parties must submit any request to present a portion of their hearing testimony **in camera** no later than 7 business days prior to the date of the respective hearings.

**Written submissions.** – Each party who is an interested party may submit a prehearing brief to the Commission. Prehearing briefs must conform with the provisions of sections 201.8, 206.7, and 206.8 of the Commission's rules. The deadline for filing prehearing briefs on injury is August 29, 2017; that for filing prehearing briefs on remedy, including any commitments pursuant to 19 U.S.C. § 2252(a)(6)(B), is October 12, 2017. Parties may also file written testimony in connection with their presentation at the hearing, as provided in sections 201.13, 206.5, and 206.8 of the Commission's rules, and posthearing briefs, which must conform with

the provisions of sections 201.8, 201.13, 206.7, and 206.8 of Commission's rules. The deadline for filing posthearing briefs for the injury phase of the investigation is September 14, 2017; the deadline for filing posthearing briefs for the remedy phase of the investigation, if any, is October 26, 2017. In addition, any person who has not entered an appearance as a party to the investigation may submit a written statement of information pertinent to the consideration of injury on or before September 14, 2017, and pertinent to the consideration of remedy on or before October 26, 2017. All written submissions must conform with the provisions of section 201.8 of the Commission's rules; any submissions that contain CBI must also conform with the requirements of sections 201.6 and 206.17 of the Commission's rules. The Commission's *Handbook on E-Filing*, available on the Commission's website at [https://www.usitc.gov/secretary/documents/handbook\\_on\\_filing\\_procedures.pdf](https://www.usitc.gov/secretary/documents/handbook_on_filing_procedures.pdf), elaborates upon the Commission's rules with respect to electronic filing.

Any additional written submissions to the Commission, including requests pursuant to section 201.12 of the Commission's rules, will not be accepted unless good cause is shown for accepting such a submission, or unless the submission is pursuant to a specific request by a Commissioner or Commission staff.

In accordance with section 201.16(c) of the Commission's rules, each document filed by a party to the investigation must be served on all other parties to the investigation (as identified by the service list), and a certificate of service must be timely filed. The Secretary will not accept a document for filing without a certificate of service.

For further information concerning the conduct of this investigation and rules of general application, consult the Commission's Rules of Practice and Procedure, part 201, subparts A and B (19 CFR part 201), and part 206, subparts A and B (19 CFR part 206).

**AUTHORITY:** This investigation is being conducted under authority of Section 202 of the Act; this notice is published pursuant to section 203(b)(3) of the Act.

By order of the Commission.

Lisa R. Barton  
Secretary to the Commission

Issued: June 7, 2017

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