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## UNITED STATES INTERNATIONAL TRADE COMMISSION

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WASHINGTON, DC 20436

November 21, 2017

### ***Large Residential Washers***

Investigation No. TA-201-76 (Remedy Phase)

Chairman Rhonda K. Schmidtlein and Commissioner Irving A. Williamson recommend to the President the following actions:

With regard to large residential washers, they recommend a tariff-rate quota (TRQ) with an in-quota volume level of 1.2 million units and in-quota tariff rate of 20 percent ad valorem. For U.S. imports of large residential washers that exceed 1.2 million units, they recommend a tariff rate of 50 percent ad valorem. Chairman Schmidtlein and Commissioner Williamson recommend that this tariff-rate quota be implemented for three years and that the in-quota volume level remain the same throughout. They recommend that the in-quota tariff rate decrease to 18 percent in year two and to 15 percent in year three, and that the above-quota tariff rate decrease by 5 percentage points each subsequent year during the three-year remedy period.

With regard to covered parts of large residential washers, they recommend a separate TRQ with an in-quota volume level of 50,000 units. For U.S. imports of covered parts that exceed 50,000 units, they recommend a tariff rate of 50 percent ad valorem. Chairman Schmidtlein and Commissioner Williamson recommend that this tariff-rate quota be implemented for three years. In each subsequent year, they recommend that the in-quota volume level increase by 20,000 units and that the tariff rate decrease by 5 percentage points.

Having made findings that U.S. imports from Australia, the CAFTA-DR countries, Colombia, Israel, Jordan, Korea, Panama, Peru, Singapore, and the beneficiary countries under the Caribbean Basin Economic Recovery Act were not a substantial cause of the serious injury

experienced by the domestic industry, Chairman Schmidlein and Commissioner Williamson recommend to the President that U.S. imports from these countries be excluded from the remedy. Having also made negative findings with respect to imports from Canada and Mexico under section 311(a) of the North American Free Trade Agreement Implementation Act, they recommend that the President exclude such imports from the remedy.

<b>Chairman Schmidlein and Commissioner Williamson Recommended Action</b>			
	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>
<b>Large Residential Washers: TRQ</b>			
In-Quota Volume Level	1.2 million units	1.2 million units	1.2 million units
In-Quota Tariff Rate	20%	18%	15%
Above-Quota Tariff Rate	50%	45%	40%
<b>Covered Parts: TRQ</b>			
In-Quota Volume Level	50,000 units	70,000 units	90,000 units
Above-Quota Tariff Rate	50%	45%	40%

**REMEDY RECOMMENDATION OF VICE CHAIRMAN JOHANSON IN THE  
GLOBAL SAFEGUARD INVESTIGATION ON LARGE RESIDENTIAL WASHERS  
November 21, 2017**

Pursuant to Section 202(e) of the Trade Act of 1974, I recommend that the President take the following actions to address the serious injury that I have found to the domestic industry and to be most effective in facilitating the efforts of the domestic industry to make a positive adjustment to import competition. I recommend that for a three year period the President impose, first, a tariff-rate quota on imports of Large Residential Washers and, second, a tariff-rate quota on imports of covered parts.

For imports of Large Residential Washers, I recommend a tariff-rate quota with an additional 50 percent ad valorem tariff on imports in excess of 1.2 million units. In each subsequent year, I recommend that the tariff decrease by five percentage points to 45 percent in the second year and to 40 percent in the third year. I recommend that the rate of duty on in-quota Large Residential Washers be zero.

For imports of covered parts, I recommend a tariff-rate quota with an additional 50 percent ad valorem tariff on imports in excess of 50,000 units. In each subsequent year, I recommend that the tariff be phased down by five percentage points to 45 percent in the second year and to 40 percent in the third year. Further, I recommend that the allowable in-quota quantity of covered parts be increased to 70,000 units in the second year and to 90,000 units in the third year. I recommend that the rate of duty on in-quota covered parts be zero.

Having made negative findings with respect to imports from Canada and Mexico under section 311(a) of the North American Free Trade Agreement Implementation Act, I recommend that imports from Canada and Mexico be excluded from the above tariff-rate quotas and increased rates of duty.

Further, I recommend that the above tariff-rate quotas and increased rates of duty not apply to imports from the following countries with which the United States has free trade agreements: Australia, Colombia, Costa Rica, the Dominican Republic, El Salvador, Guatemala, Honduras, Israel, Jordan, Korea, Nicaragua, Panama, Peru, and Singapore. I also recommend that the tariff-rate quotas and increased rates of duty not apply to imports from the beneficiary countries under the Caribbean Basin Economic Recovery Act.

	Year 1	Year 2	Year 3
<b>Large Residential Washers: Tariff Rate Quota</b>			
In-Quota Tariff Rate	0%	0%	0%
In-Quota Volume Level	1.2 million	1.2 million	1.2 million
Out-of-Quota Tariff Rate	50%	45%	40%
<b>Covered Parts: Tariff Rate Quota</b>			
In-Quota Tariff Rate	0%	0%	0%
In-Quota Volume Level	50,000	70,000	90,000
Out-of-Quota Tariff Rate	50%	45%	40%

**Statement of Commissioner Meredith M. Broadbent on her remedy recommendations in the global safeguard investigation on *Large Residential Washers***

Pursuant to section 202(e) of the Trade Act of 1974, I recommend that the President impose a tariff-rate quota on imports of large residential washers for a duration of three years, with an additional 50 percent ad valorem tariff on imports in excess of 1.2 million units. In each subsequent year, I recommend that this tariff decrease by five percentage points, and that the in-quota amount remain constant.

I also recommend that the President impose a tariff-rate quota on imports of covered parts for a duration of three years, with an additional 50 percent ad valorem tariff on imports in excess of 50,000 units. In each subsequent year, I recommend that this tariff decrease by five percentage points, and that the in-quota amount increase by 20,000 units.

Further, I recommend that the above tariff-rate quotas not apply to imports from countries with which the United States has free trade agreements or to imports from beneficiary countries under the Caribbean Basin Economic Recovery Act.

	Year 1	Year 2	Year 3
<b>Large Residential Washers: Tariff Rate Quota</b>			
In-Quota Tariff Rate	0%	0%	0%
In-Quota Volume Level	1.2 million	1.2 million	1.2 million
Out-of-Quota Tariff Rate	50%	45%	40%
<b>Covered Parts: Tariff Rate Quota</b>			
In-Quota Tariff Rate	0%	0%	0%
In-Quota Volume Level	50,000	70,000	90,000
Out-of-Quota Tariff Rate	50%	45%	40%