

PUBLIC VERSION

DOC Investigation Nos. A-570-148, A-552-008, and C-570-149

ITC Investigation Nos. 701-TA-____, and 731-TA-____

Total Pages: 228

AD/CVD Operations

**Business Proprietary Information for
Which Proprietary Treatment Has Been Requested
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and at Exhibits I-2, I-4, I-10, I-11 and I-15**

**BEFORE THE INTERNATIONAL TRADE ADMINISTRATION OF THE
U.S. DEPARTMENT OF COMMERCE
AND THE
U.S. INTERNATIONAL TRADE COMMISSION**

**ANTIDUMPING AND COUNTERVAILING DUTY PETITIONS
ON BEHALF OF FNA GROUP, INC.**

***GAS POWERED PRESSURE WASHERS FROM THE PEOPLE'S REPUBLIC OF CHINA
AND THE SOCIALIST REPUBLIC OF VIETNAM***

VOLUME I: COMMON ISSUES AND INJURY

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December 29, 2022

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These petitions are filed on imports of certain gas powered pressure washers (“GPPW” or “pressure washers” or “subject merchandise”). The petitioner in this case is FNA Group, Inc. This company accounts for the majority of GPPW production in the United States and, therefore, represents the U.S. industry producing GPPW within the meaning of sections 702(c)(4) and 732(c)(4) of the Tariff Act of 1930, as amended (the “Act”).¹

Petitioner alleges that GPPW, which are more fully described in Section 1.E., *infra*, from the People’s Republic of China (“China”) and the Socialist Republic of Vietnam (“Vietnam”) are being, or are likely to be, sold in the United States at less than fair value within the meaning of section 731(1) of the Act.² Petitioner further alleges that the Government of China is providing countervailable subsidies with respect to the manufacture, production, and export of GPPW within the meaning of section 701(a)(1) of the Act.³ Petitioner also alleges that the unfairly traded imports are a cause of material injury to the U.S. industry producing GPPW and threaten to cause further material injury if remedial action is not taken. Petitioner, therefore, requests that antidumping duties be imposed on the subject merchandise from China and Vietnam in an amount equal to the amount by which the normal value exceeds the export price or constructed export price of the merchandise. Petitioner also requests that countervailing duties be imposed on imports of the subject merchandise from China in an amount equal to the net countervailable subsidy.

These petitions set forth relevant information reasonably available to Petitioner and are filed in conformity with the requirements of section 351.202 of the regulations of the U.S.

¹ 19 U.S.C. §§ 1671a(c)(4), 1673a(c)(4).

² 19 U.S.C. § 1673. *See also*, Exhibit I-15.

³ 19 U.S.C. § 1671(a)(1).

Department of Commerce (“Commerce” or “the Department”) and section 207.11 of the regulations of the U.S. International Trade Commission (“ITC” or “Commission”).⁴

I. COMMON ISSUES

A. Contact Information for the Petitioner (19 C.F.R. § 351.202(b)(1))

Petitioner is a company that produces the domestic like product in the United States.

Petitioner is therefore a domestic interested party with the meaning of 19 U.S.C. § 1677(9) and 19 C.F.R. § 351.102(b). The Petitioner in this case is:

FNA Group, Inc.
7152 99th St
Pleasant Prairie, WI 53158

FNA Group, Inc. (“FNA”), headquartered in Pleasant Prairie, Wisconsin is one of the most vertically integrated manufacturers of pressure washers and other power equipment. Available products include brand names such as Simpson®, Delco®, POWERWASHER®, AAA Pumps® as well as private label products for some of the largest power equipment marketers in the world. They manufacture electric and gas pressure washers, cold water and hot water pressure washers, pressure washer pumps, high pressure thermoplastic hoses, accessories and the replacement parts that preserve your unit. The other domestic companies that are known to have any meaningful domestic pressure washer operations are provided at **Exhibit I-1**.

FNA is not affiliated with any importers or exporters of the subject merchandise. FNA previously (prior to 2020), [

].

⁴ 19 C.F.R. §§ 351.202 and 207.11.

B. Identity of the Industry on Whose Behalf the Petitions Are Filed (19 C.F.R. § 207.11(b)(2)(ii); 19 C.F.R. § 351.202(b)(2))

Again, these petitions are filed on behalf of the U.S. industry that produce GPPW.

Exhibit I-1 contains contact information for known producers in the United States. The list of domestic producers of GPPW is based on general industry knowledge, internet research, and the declarations of FNA. *See Exhibit I-2*. Based on the best information available to Petitioner, **Exhibit I-1** identifies all known producers of the domestic like product in the United States.

C. Information Relating to Industry Support for the Petitions (19 C.F.R. § 351.202(b)(3))

The statute requires that “the domestic producers or workers who support the petition account for at least 25 percent of the total production of the like product.”⁵ In addition, the statute requires that “the domestic producers or workers who support the petition account for more than 50 percent of the production of the domestic like product produced by the portion of the industry expressing support for or opposition to the petition.”⁶

Petitioner, as a U.S. producer that is known to be in support of the petition, surpass both the 25 percent and 50 percent thresholds for industry support established in the statute. The combined volume of Petitioner’s production of GPPW in 2021 was [] units. As identified in **Exhibit I-1** there are eight additional domestic producers of GPPW. However, company-specific production data for those four additional domestic producers are not available to Petitioner, nor does Petitioner know of any source of information (public or otherwise) for that data or for data on domestic industry’s total production of GPPW.⁷ However, as set forth in the affidavit at **Exhibit I-2**, Petitioner is quite confident that it represents more than 25 percent of

⁵ 19 U.S.C. § 1671a(c)(4)(A)(i) and 19 U.S.C. § 1673a(c)(4)(A)(i).

⁶ 19 U.S.C. § 1671a(c)(4)(A)(ii) and 19 U.S.C. § 1673a(c)(4)(A)(ii).

⁷ The one exception is Briggs & Stratton, which [] during 2020.
See Exhibit I-2.

total domestic production of GPPW. Indeed, as set forth in **Exhibit I-2**, Petitioner easily meets both the 25 and 50 percent rules.⁸

As explained in **Exhibit I-2**, Petitioner has a better understanding of U.S. shipments by other domestic producers and imports based on its industry contacts and research efforts. Given the absence of official or association-collected data on the U.S. market, FNA bases its industry support calculations on estimated U.S. shipments by U.S. producers, inflated by a production factor that reflects FNA's experience in 2021. For example, FNA's U.S. shipments in 2021 totaled [] units; thus FNA's production accounted for [] percent of FNA's U.S. shipments in 2021. See **Exhibit I-2**. This ratio was applied to the estimated U.S. shipments of all domestic producers, and industry support was estimated accordingly.

D. Previous Requests for Import Relief for the Merchandise (19 C.F.R. 351.202(b)(4))

1. Section 201 Proceedings

The domestic industry has not previously sought relief from serious injury suffered as a result of surges of GPPW imports, pursuant to section 201 of the Trade Act of 1974 ("Section 201") (19 U.S.C. § 2251).

2. Section 701 and 731 Proceedings

To Petitioner's knowledge, GPPW have not been subject to previous antidumping and/or countervailing duty investigations under sections 702 and 732 of the Trade Act of 1930, as amended (the "Act") (19 U.S.C. §§ 1671a and 1673a). As such, currently, there are no antidumping duty orders on GPPW from China or Vietnam, and no countervailing duty order on GPPW from China.

⁸ Because Petitioner does not have access to competitors' production levels, **Exhibit I-2** is [].

3. Other Forms of Import Relief

Petitioner has not sought import relief under section 337 of the Act (19 U.S.C. § 1337), section 232 of the Trade Expansion Act of 1962 (19 U.S.C. § 1862), or section 301 of the Trade Act of 1974 (19 U.S.C. § 2411), with respect to the merchandise that is the subject of these petitions.

E. Description of the Merchandise and Requested Scope of Investigation (19 C.F.R. § 351.202(b)(5))

1. Requested Scope of Investigations

The imported merchandise that Petitioner intends to cover in these investigations are certain gas powered pressure washers, which are classified in the HTSUS under subheading HTS 8424.30.90. A full description of the scope of these investigations is contained in **Exhibit I-3**. Electric powered pressure washers are not covered by these petitions.

2. Technical Characteristics, Production Process, and Uses

a. Technical characteristics

There are two GPPW working standards – that established by the Pressure Washer Manufacturers’ of America (“PWMA”) and the stricter standards established by the Cleaning Equipment Trade Association (“CETA”).⁹ PWMA has developed standards to “educate” the industry, including standards for testing and rating performance, dimensional standards for certain coupler plugs and receptacles, and marking standards.¹⁰ CETA publishes performance/certification guidelines that provide a performance-based standard to evaluate pressure washers specifications used in advertising.¹¹

⁹ See Pressure Washer Manufacturers’ Association (“PWMA”), *Standard For Testing And Rating Performance Of Pressure Washers: Determination Of Pressure And Water Flow* (2016); CETA, *Performance Standard CPC100* (2018); Excerpt from CETA website, “*CPC 100 Performance Standard*” (All attached as **Exhibit I-14**).

¹⁰ See <https://www.pwma.org/standards.asp> for list of PWMA standard publications.

¹¹ See CETA, *Performance Standard CPC100* (2018) at **Exhibit I-14**.

However, GPPW manufacturers are not required to meet either standard. Certification to either or both standards occurs on a case-by-basis with certain manufacturers undertaking the necessary testing and others forgoing certification all together.¹²

b. Production process

A GPPW consists of a frame, engine, pump, and spraying components (*i.e.*, handle kit assembly, the high-pressure hose, spray gun, lance, and nozzle set). The primary steps to manufacture a GPPW are fabrication, assembly, and finishing of the frame; mounting the pump to the engine on the lower half of the frame; testing and calibration of the unit; and packaging the unit and needed accessories for shipment to retail or direct sales customers. **Exhibit I-4** describes this process in detail.

c. Uses

Pressure washers are the ideal solution for cleaning exterior surfaces such as decks, driveways, siding and cars.¹³ They provide significantly more cleaning power, while using significantly less water, than a garden hose, and are capable of cleaning grease, grime, and mold from outdoor surfaces. Pressure washers are rated by PSI (pounds per square inch) and GPM (gallons per minute). The higher the PSI the greater the power output to remove surface dirt and stains. The higher the GPM, the greater the water flow and the speed of work. Cleaning power and speed can also be adjusted by nozzle attachments that modify the angle of the spray. Lower angle nozzles or settings concentrate the power of the spray, while wider angles distribute the power over a greater area of the cleaning surface.

¹² For example, to certify to CETA standards manufacturers must perform additional load/non-load rpm testing to determine how much reserve power is left in the engine. CETA also requires the nozzle and flow specifications to match and performance standards (*i.e.*, PSI and GPM) to fall within a plus or minus 10 percent tolerance range. *See Exhibit I-14.* [

].
¹³ *See* PWMA Certification Video at <https://www.pwma.org>.

There are two main types of pressure washers, GPPW and plug-in electric powered pressure washers (“EPPW”), which are excluded from the scope. EPPW are best for smaller jobs. In addition, they are lightweight, require less maintenance, and are easier to store than GPPW. They are also less expensive.¹⁴ GPPW are in general more powerful than EPPW and are therefore best for bigger jobs like large decks and patios, and tough stains like gum and tree sap. Because of their greater cleaning power, GPPW can complete jobs much more quickly than EPPW and are not limited by the need to be close to the power source.¹⁵

Both EPPW and GPPW are available in consumer and professional models. However, professional grade GPPW models are durable and well-suited for the toughest cleaning jobs, including cleaning agricultural equipment, large homes, commercial buildings, and other large structures. Professional EPPW can be used for indoor jobs at restaurant kitchens or meat packing facilities.

3. Electric Powered Pressure Washers Are Not Part of the Domestic Like Product

For sake of clarity, while there is a market for electric powered pressure washers (“EPPW”), that is a separate market from GPPW, and are distinct from the GPPW that comprise the scope of this petition. As such, EPPW are not part of the Domestic Like Product. Indeed, there is very little production of EPPWs in the United States. FNA produced a mere [] units of EPPWs annually in 2021 and 2022. As shown in the six-factor like product analysis below, there are significant differences between EPPW and GPPW.

¹⁴ See “Pressure Washer Buying Guide Video,” *Consumer Reports* at <https://www.consumerreports.org/pressure-washer/surfaces-safe-to-clean-with-a-pressure-washer-a5445180933/>.

¹⁵ *Id.*

a. Physical and technical characteristics and uses

There is a significant difference between the physical and technical characteristics of EPPW and GPPW. The engine, along with the pump, is the most important physical characteristic of a pressure washer. The engine powers the pump that controls the flow of water through the unit. A more powerful engine will produce higher pressure, *i.e.*, PSI, and a higher flow rate, *i.e.*, GPM and thus, increased cleaning ability.

EPPW use an electric motor while a GPPW uses an internal combustion engine. An electric motor generally produces less power than a gas-powered engine. Thus, EPPWs are more suited for light duty use. As stated in the overview from <https://cleanup.expert/info.gas-vs-electric/>, provided at **Exhibit I-16**, EPPW are well suited for cleaning light tasks such as cleaning outdoor chairs, barbecues, sports equipment, decks, or even a car, while GPPW can handle more challenging cleaning tasks and clean larger areas. In addition, EPPW need to be plugged into an electrical outlet while GPPW do not, therefore GPPW have more portability. There are other differences between EPPW and GPPW.¹⁶ EPPW require less maintenance than GPPW, however, due to the nature of a gas engine, GPPW are louder and create more emissions than EPPW. Finally, EPPW are easier to start than GPPW and can be used in enclosed spaces.

b. Interchangeability

There exists some interchangeability between EPPW and GPPW, but as explained above, GPPW are more powerful and are better suited for larger and tougher cleaning applications than EPPW. In addition, EPPW have limited portability because they have to be near an electrical power source. GPPW produced by FNA comply with CETA standards which require that the

¹⁶ [Electric vs Gas Pressure Washer: Choosing the Right Cleaning Machine - Bob Vila](#), contained in **Exhibit I-16**.

actual measured pressure and flow be within +/- 10 percent of the advertised pressure or flow.¹⁷ For example, a pressure washer advertised having a pressure of 3000 psi must have an actual pressure of at least 2700 psi. EPPW do not comply with the CETA standards and there is no control between the rated pressure and the actual pressure of the machine. Producers of EPPW may claim that their machines conform to the PWMA standards, however, that is not an indication that the machines actual pressure conforms with its advertised pressure. The PWMA standard states, “The existence of a PWMA standard does not in any respect preclude anyone, whether he has approved the standard or not, from manufacturing, marketing, purchasing, or using products, processes, or procedure not conforming to the standard.”¹⁸ Thus, in many cases, EPPW with advertised pressure ratings approaching GPPW do not actually perform to those ratings. Thus, cleaning jobs using an EPPW will take significantly longer than if using a GPPW and EPPW also need to have access to an electric power source, which limits their interchangeability.

c. Distribution channels

EPPW and GPPW are generally sold through the same distribution channels. Both are sold through brick and mortar retailers such as The Home Depot and Lowe’s, as well on their online stores and through Amazon.com.

d. Customer and producer perceptions

The perception of EPPW and GPPW by customers and producers is that there is a distinct difference in the effectiveness and uses for each. As discussed above and demonstrated in the materials in **Exhibit I-16**, EPPW are perceived to be less powerful and suitable for light duty use

¹⁷ See Volume II at **Exhibit II-18** (CPC 100 Performance Standard).

¹⁸ *Id.* (PWMA PW101-2010 (reaffirmed 2016) at iii).

while GPPW are perceived to be more powerful and suitable for larger and more challenging cleaning jobs. According to *Consumer Reports*, GPPWs “pump out 2,000 to 2,800 pounds per square inch (psi) of water pressure vs. 1,000 to 1,800 psi for electrics, allowing gas models to clean a grimy concrete patio three times faster than the fastest electrics.” The “bottom line” according to *pressurewashersdirect.com* is that, “electric pressure washers are fine for light, occasional use around the home. But, if you want to take on the toughest grime with ease, do yourself a favor and invest in a gas-powered pressure washer.” The *pressurewashersdirect.com* article also includes a chart that illustrates the difference in power between EPPW and GPPW. According to *homedepot.com*, “Gas pressure washers are more powerful than most electric washers, which makes them a better fit for commercial tasks. It is common for gas power washers to have upwards of 2,000 psi, where electrical power washers have upwards of 1,300 psi.” The Pressure Washer Manufacturers Association state that “Gas pressure washers offer high power with increased mobility” and that the “cons’ of electric pressure washers is low power and the requirement of a nearby electrical outlet. See **Exhibit I-16**.

e. Manufacturing facilities, processes, and production employees

The manufacturing facilities and processes between EPPW and GPPW are different. The main difference is that EPPW incorporate an electric motor and therefore require other necessary components such as an electrical cord, a ground fault circuit interrupter (“GFCI”) cable, and a plastic cover. In addition, EPPW require high voltage testing. Retailers will not sell EPPW unless they have been tested under Underwriters Laboratory (“UL”) or Electrical Testing Laboratories (“ETL”) standards. Each pressure washer needs to be individually tested. Moreover, production workers have to be specially trained to perform the UL or ETL tests.

f. Price

As demonstrated by the documentation in **Exhibit I-16**, EPPW are less expensive than GPPW. According to <https://cleanup.expert/info.gas-vs-electric/>, EPPWs “test to be less costly than gas models.” Pressure Washers Direct states that the starting price of an EPPW is \$109.99 while the starting price of a GPPW is \$299.00. Finally, according to Home Depot, “electric pressure washers cost less on average.”

4. Semi-finished Product Analysis

The scope specifically includes unfinished GPPW subassemblies that comprise the power unit. The power unit subassembly consists of the engine mounted with the pump. This subassembly is part of same domestic like product as finished GPPW, as confirmed by the standard semi-finished product analysis. Specifically, the first issue examined in the semi-finished product analysis is whether the upstream article is dedicated to the production of the downstream article or has independent uses. In this case, the power unit comprising an engine and a pump is dedicated to the production of the downstream gas powered pressure washers. There is no independent use for a power unit. This combination of components is designed strictly for use in GPPW. The second issue examined is whether there are perceived to be separate markets for the upstream and downstream articles. Simply, there is no separate market for the power unit. Domestic manufacturers purchase engines and pumps and couple them in the production of the power unit and the finished pressure washer. The third issue examined is the differences in the physical characteristics and functions of the upstream and downstream articles. The fact is that the power unit is designed to function only in a GPPW. It is the most critical component of the pressure washer and the only difference is that by itself, it has not been mounted on a frame and equipped with a hose, nozzle and other accessories. The fourth issue

examined is the differences in the costs or value of the vertically differentiated articles. Here, the power unit subassembly is the highest cost component of the finished pressure washer. The engine and pump cost comprises approximately [] percent of the total cost of materials. Finally, one looks at the significance and extent of the processes used to transform the upstream into the downstream articles. As such, it is important to understand that the process to transform the components of the subassembly, *i.e.*, the engine and the pump, is more significant than the process to transform the subassembly into the finished pressure washer. As explained in the description of the production process, there are various steps necessary to mount the pump to the engine to create the power unit.¹⁹ First, an engine shaft key is installed into the key-way. The engine shaft is [

]. Next, the pump is directly coupled to the engine. The engine shaft power take-off (“PTO”) is received by a mating pump of the same PTO diameter. Two diameters of PTO - ¾” or 1” inch diameter shafts - are typical for general purpose engines. The engine and pump each [

].

The only production step to convert the power unit to a finished pressure washer is the mounting of the power unit to a steel frame. Other parts necessary for the operation of the washer such as the hose, spray gun, and nozzle are then added to the box that is shipped to the customer. Thus, there is no significant process needed to transform the upstream article into the downstream article.

¹⁹ See Exhibit II-3.

5. U.S. Tariff Classification

GPPW are currently classifiable in the following HTSUS subheadings: HTS 8424.30.90 and 8424.90.9040. Although the HTSUS subheading is provided for convenience and U.S. Customs & Border Protection purposes, the written description of the merchandise under investigation is dispositive. Excerpts from the current HTSUS are attached as **Exhibit I-5**. The most-favored nation duty rate for imports under the identified HTSUS subheadings is “free”. The tariff number is provided for the convenience of the U.S. Government and does not define the scope of the petitions.

F. The Names of the Subject Countries and the Name of Any Intermediate Country Through Which the Merchandise Is Transshipped (19 C.F.R. § 351.202(b)(6))

The GPPW that are the subject of these petitions are produced in, and exported from, China and Vietnam. Petitioner has no knowledge that the subject merchandise is currently being transshipped from these countries through any third country to the United States.

G. Producers and Exporters of the Subject Merchandise (19 C.F.R. § 351.202(b)(7)(i)(A))

A list of known producers and exporters of GPPW from China is provided in **Exhibit I-6**. A list of known producers and exporters of GPPW from Vietnam is provided in **Exhibit I-7**. In compiling these exhibits, Petitioner relied upon Internet research and general market knowledge. See **Exhibit I-2**.

Information reasonably available to Petitioner does not allow the identification of the proportion of total exports to the United States accounted for during the most recent 12-month period by the producers listed in **Exhibits I-6** and **I-7**. Petitioner believes, however, that the companies listed in **Exhibits I-6** and **I-7** account for substantially all exports of the subject merchandise to the United States from the subject countries.

Similarly, information reasonably available to Petitioner does not allow the calculation of production capacity, production output, etc. of all producers listed in **Exhibits I-6** and **I-7**. Petitioner is simply unaware of any data source (public or otherwise) for that information, but has provided estimated capacity and production volumes in these exhibits.

H. Volume and Value of Imports (19 C.F.R. § 351.202(b)(8))

The volume and value of U.S. imports of GPPW from each subject country are presented at **Exhibit I-8** for calendar years 2019, 2020 and 2021, as well as the three quarters of 2022.²⁰ These data demonstrate a growing presence of the subject import volume from 2019 to 2021. These are the best data available to Petitioner. The sources for these data are explained in **Exhibit I-8**. The tariff code which covers GPPW, HTS 8424.30.90 also includes electric powered pressure washers, which are not included in the petition. The import data at **Exhibit I-8** are provided on a CIF basis. FNA believes it is likely that GPPW accounts for a majority of subject imports by weight and value, while EPPW likely accounts for a majority of imports in terms of units.

These petitions cover the subject merchandise from China and Vietnam. The next largest import sources based on official statistics are Mexico, Canada, Italy, Germany and Japan, whose 2021 shipments were:

²⁰ Import information was obtained through the ITC's DataWeb.

Table 1. U.S. imports of HTS 84243090 from nonsubject countries, 2021²¹

	Quantity	Value
<i>Non-subject countries</i>	<i>Metric tons</i>	<i>USD, c.i.f. basis</i>
Mexico	2,745.4	33,429,177
Canada	3,058.4	46,516,820
Italy	811.5	20,303,601
Germany	903.2	26,861,353
Japan	176.9	9,141,039
Other	1,740.6	37,576,915
Total Non-subject	9,436.1	173,828,905

I. Names and Addresses of U.S. Importers (19 C.F.R. § 207.11(b)(2)(iii); C.F.R. § 351.202(b)(9))

Based on information reasonably available to Petitioner, a list of known and suspected importers of GPPW from the subject countries is provided in **Exhibit I-9**. This list was compiled from general knowledge of the market, Internet research and ImportGenius data. Petitioner has undertaken their best efforts in preparing **Exhibit I-9**. Indeed, in addition to providing the names and addresses, we were able to locate emails and/or phone numbers for each importer.

Petitioner believes, however, that there may be a number of importers of GPPW from the subject countries that cannot be identified from publicly available information. Accordingly, Petitioner respectfully requests that the Department obtain this information from U.S. Customs and Border Protection, as Petitioner does not have access to this information.

Petitioner does not have any direct knowledge as to whether any of the other identified domestic producers of GPPW (**Exhibit I-1**) import the subject merchandise into the United States. Petitioner believes several of the domestic producers do import GPPW from the subject countries. Based on data from Import Genius, [] have

²¹ Source: **Exhibit I-8**.

imported subject merchandise. Petitioner [
].

II. INFORMATION RELATED TO SALES AT LESS THAN FAIR VALUE AND COUNTERAVAILABLE SUBSIDIES

Information related to allegations of less-than-fair-value sales from China and Vietnam provided in Volumes II (China) and IV (Vietnam) of these petitions. Information related to the countervailable subsidies provided by the Government of China with respect to the manufacture, production, and export of the subject merchandise is provided in Volume III of these petitions.

III. THE DOMESTIC GAS POWERED PRESSURE WASHERS INDUSTRY HAS BEEN MATERIALLY INJURED BY REASON OF UNFAIRLY TRADED IMPORTS OF GAS POWERED PRESSURE WASHERS FROM CHINA AND VIETNAM

A. Introduction

Dumped and subsidized imports of GPPW from China and Vietnam have already caused material injury to the domestic industry — and threaten the domestic industry with even more injury going forward.²² The volume of subject imports increased by 128 percent between 2019 and 2021, while U.S. demand for GPPW increased by [] percent.²³ See **Exhibit I-8** and **Exhibit I-10**. Subject imports captured this increase in market share at the expense of the domestic producers. FNA also believes subject import share increased approximately [] percentage points in January-to-June 2022.²⁴

The price effects of subject imports are also significant. Subject imports are interchangeable with the domestic like product — as shown by the fact that subject imports have

²² Because FNA accounts for more than 50% of domestic production of the subject GPPW (see **Exhibit I-2**), the refer to them as either “Petitioner,” “the domestic producer,” the “U.S. producer,” or “the domestic industry.”

²³ Because official trade data for HTS 84243090 do not include quantity data in 2019, the data above are based on the value of imports.

²⁴ See **Exhibit I-8** and **Exhibit I-10**.

already taken significant market share from U.S. producers. Information reasonably available to the Petitioner indicates that the surge in market share was accomplished through systematic underselling. Persistent underselling by subject imports contributed to a decline in domestic industry pricing from 2019 to 2021. In 2022, declining U.S. demand and underselling have caused price suppression. Subject imports suppressed and depressed prices for the domestic like product, under increasingly unfavorable demand conditions.

Subject imports have had a significant harmful impact on the domestic industry. Due to increased import penetration and underselling by imports, virtually all of the Petitioner's trade and financial indicators have declined. *See Exhibit I-10.* In addition to being subject to lower demand in 2022, the domestic industry has increasingly lost market share due to the underselling by subject imports. Domestic producers lost volume and share from 2019 to 2021 as one large U.S. producer closed its U.S. facilities. In 2021, U.S. producers' U.S. shipment volume was approximately [] percent less than their 2019 volumes, with a decline in market share from []. This [] percentage point decline for U.S. producers from 2019 to 2021 corresponded to a [] percentage point market share increase for subject imports. Through the third quarter of 2022, subject import volume declined but still managed to expand its earlier market share gains.

The increasing volumes of low-priced imports that continually undercut U.S. producer prices resulted in significant financial deterioration of the U.S. industry. The decline in U.S. producers' U.S. sales volume and value reflect the combination of [] and declining prices, and largely explain the [] in FNA's operating profit from 2019 to 2021, and the [] in Jan.-Sep. 2022. The domestic producer's operating income to net sales ratio declined from [] percent in 2019 to [] percent in 2021. *See*

Exhibit I-10. The causal link between imports and U.S. producers' financial performance is further corroborated by significant instances of lost sales and revenues provided by the domestic producer. *See Exhibit I-11.*

Thus, the domestic industry has suffered material injury by reason of the subject imports, as manifested in market share lost to the unfair imports, depressed and suppressed U.S. prices, and the resulting deterioration in key trade and financial indicators.

Subject imports also threaten the domestic industry with further material injury. Because its financial performance was adversely affected by the subject imports during the POI, the domestic industry is currently vulnerable to injury by imports. The rapid and dramatic increase in the market share of subject imports demonstrates the ability of the subject imports to enter the U.S. market rapidly, and in large quantities. The subject imports have also had demonstrable negative price effects, as the rising market share of subject imports forced domestic producers to lower their prices in an attempt to avoid further loss of market share and capacity utilization. Producers of GPPW in the subject countries have both substantial capacity and substantial excess capacity.²⁵ This substantial unused capacity will allow them to increase exports to the United States even further. Taken together, these factors will make it difficult, if not impossible, for the domestic industry to generate the level of profit necessary to fund research and development efforts and to make capital investments needed to remain competitive unless trade relief is granted. Indeed, as shown further below, the statutory factors that the Commission is required to consider demonstrate that subject imports threaten the domestic industry with further material injury. In the absence of trade relief, subject imports will continue pouring into this market, causing additional harm to the U.S. industry.

²⁵ *See Exhibit I-6 and Exhibit I-7.*

B. The Domestic Like Product Mirrors the Scope of the Petition

The statute defines the domestic like product as “a product which is like, or in the absence of like, most similar in characteristics and uses with, the article subject to an investigation.”²⁶ The Commission generally considers a number of factors in defining the like product, including physical characteristics and uses, interchangeability, channels of distribution, customer and producer perceptions, common manufacturing facilities, production processes and employees, and, where appropriate, price. *See, e.g., Nippon Steel Corp. v. United States*, 19 CIT 450, 455 (1995). No single factor is dispositive and the Commission’s decision regarding the appropriate like product is a factual determination made on a case-by-case basis. The Commission looks for clear defining lines between products, but disregards minor variations.

The domestic like product here is identical to the definition of the subject merchandise and also consists of GPPW.

C. The Domestic Industry Consists of All U.S. Producers of Gas Powered Pressure Washers

Section 771(4)(A) of the Act defines the relevant industry as the “producers as a whole of a domestic like product, or those producers whose collective output of a domestic like product constitutes a major proportion of the total domestic production of the product.”²⁷ Based on the domestic like product defined above, the domestic industry consists of all U.S. producers of GPPW.

D. Subject Imports Surpass the Negligibility Threshold

Imports of the subject merchandise from China and Vietnam on a volume basis, surpass the negligibility threshold established by the statute. By law, imports from a subject country

²⁶ 19 U.S.C. § 1677(10).

²⁷ 19 U.S.C. § 1677(4)(A).

corresponding to a domestic like product that account for less than three percent of all such merchandise imported to the United States during the most recent 12 months for which data are available preceding the filing of the petition are deemed negligible.²⁸ U.S. import volumes from the subject countries during the most recent 12 month period (October 2021 through September 2022), and their percentage of total imports, are set forth in Table 1 below.

Table 1. U.S. Imports of GPPW, October 2021 – September 2022²⁹

Country	Quantity	Share of Total Imports
	Metric tons	Percent
China	31,281	43
Vietnam	32,388	45
All Others	8,315	12
Total Imports	71,984	100

Accordingly, imports of GPPW from each of the two subject countries are not negligible within the meaning of 19 U.S.C. § 1677(24)(A)(i).

E. The Commission Should Cumulate Imports From Both Subject Countries In Analyzing the Effects of the Unfair Imports

Section 771(7)(G)(i) of the Act requires the Commission to cumulatively assess the volume and effect of imports of the subject merchandise from all countries with respect to which petitions were filed under section 732(b) on the same day, if such imports compete with each other and with the domestic like product in the United States.³⁰ The statutory factors mandating a cumulative analysis are met in this case.

Specifically, petitions against GPPW imports from China and Vietnam are being filed simultaneously. Further, none of the statutory exceptions to cumulation applies in this case.³¹

²⁸ 19 U.S.C. § 1677(24)(A)(i).

²⁹ See **Exhibit I-8**.

³⁰ 19 U.S.C. § 1677(7)(g)(i).

³¹ 19 U.S.C. § 1677(7)(g)(ii).

Thus, provided there is evidence of a reasonable overlap in competition, cumulation of subject imports is mandatory.

An examination of the factors traditionally considered by the Commission to determine whether a reasonable overlap of competition exists demonstrates that each factor is met in this case.

1. Imports From All Subject Countries Are Fungible

GPPW imports from China and Vietnam are generally substitutable with each other and with the domestic like product. Imports from each of the subject countries are generally made by the same processes on similar equipment, and generally have the same basic components and physical properties as the domestic like product.³²

2. All Subject Imports Compete in the Same Geographic Markets

Imports from each of the subject countries compete with imports from the other subject countries and with the domestic like product throughout the U.S. market. **Exhibit I-12** shows significant overlap among the subject countries with respect to the ports into which they entered the United States in 2021 and the first three quarters of 2022. For example, ports of entry where imports from both sources were present during this period accounted for approximately 99 percent of total subject import volume during this period. GPPW produced in the United States and imported from the subject countries are all currently sold nationwide.

3. Subject Imports Are Sold Through the Same Channels of Distribution

A large share of GPPW, whether produced in the United States or imported, are sold to major retailers, who then sell the products to homeowners and commercial customers. Based on its knowledge of competition in the market, Petitioner believes that imports from each of the

³² See **Exhibit I-2**.

subject countries are purchased by many of the same retailers.³³ See Exhibit I-2. A relatively modest share of GPPW is sold to distributors. Increasingly, GPPW is being sold online through Amazon in competition with the websites of major retailers. Subject imports are capturing market share from the domestic industry, providing compelling evidence that some customers have switched their purchases from the domestic like product to subject imports. This factor also supports cumulation of the subject imports.³⁴

4. Subject Imports Are Simultaneously Present in the U.S. Market

Imports of GPPW from both subject countries entered the United States in every year during the POI. See **Exhibit I-8**. Domestically-produced GPPW also have been available in the U.S. market throughout the POI. Thus, this factor provides further evidence that subject imports are competing with each other and the domestic like product.

5. Conclusion

Both domestically-produced and imported GPPW, whether imported from China and Vietnam are fungible products that are produced to standard industry specifications and compete directly against one another. Imports from each of the subject countries and the domestic product are sold through the same distribution channels, primarily to distributors, and are sold in the same geographic markets. Imports from each subject country and U.S.-produced GPPW have been simultaneously present in the U.S. market in each of the POI years. Moreover, the U.S. market for GPPW is highly price-sensitive, with competition occurring between imports and domestic producers for sales on the basis of price. Indeed, at **Exhibit I-13** are examples of

³³ In FNA's experience, major retailers do not import directly from the subject country producers, but rather purchase GPPW from U.S. importers. For the preliminary phase, FNA believes it is not necessary for the Commission to collect data on retailers' direct imports of GPPW.

³⁴ As such, FNA believes the Commission should collect data on the following channels of distribution: Retail (including dotcom) and Distributor.

advertisements of imported product at exceedingly low prices.³⁵ The most revealing is the advertisement of the Predator brand that specifically compares itself to FNA's Simpson brand, and notes that it is almost \$800.00 less in price.

These factors collectively support the conclusion that there is a reasonable overlap of competition between the subject imports and the domestic like product within the meaning of the statute. Accordingly, the Commission should cumulate imports of GPPW from China and Vietnam in analyzing whether subject imports have caused material injury to the domestic industry in this case.

F. Cumulated Imports From the Subject Countries Are Causing Material Injury to the Domestic Industry

In determining whether the domestic industry has been injured by reason of the imports under investigation, the statute directs the Commission to consider: (1) the volume of imports of the subject merchandise; (2) the effect of imports of that merchandise on prices in the United States for the domestic like product; and (3) the impact of imports of such merchandise on domestic producers in the context of production operations within the United States. Information reasonably available to Petitioner indicates unfairly traded imports from China and Vietnam have been, and continue to be, a cause of material injury to the domestic industry producing GPPW.

1. The Volume of Imports From the Subject Countries Is Significant and Increasing

In evaluating the volume of imports, the Commission must consider whether the volume of imports of the merchandise, or any increase in that volume either in absolute terms or relative to production or consumption in the United States, is significant.³⁶ In these investigations,

³⁵ FNA believes that the Black Max brand is manufactured by [] in China, while the Predator and Westinghouse brands are made by [] in Vietnam. *See also*, Exhibit I-15 for statements made by []

³⁶ 19 U.S.C. § 1677(7)(C)(i).

available data show that the volume of subject imports, both in absolute terms and relative to U.S. consumption and production, is significant within the meaning of the relevant statutory provision.

a. The volume of imports is significant and increasing in absolute terms

The absolute volume of subject imports from China and Vietnam is significant whether based on official data or FNA estimates. Based on official data, imports totaled 94,960 metric tons and accounted for over 90 percent of total GPPW imports in 2021.³⁷ See **Exhibit I-8**. Subject imports also increased significantly over the POI. The value of cumulated subject imports increased, they increased by 127 percent from 2019 to 2021.³⁸ While subject import volume declined on an absolute basis between the interim periods, the volume of subject imports was still significant. Subject imports' share of total imports continued to account for approximately 90 percent of imports in the interim periods.³⁹ Further, the decline in subject import volume in interim 2022 in large part reflects the high level of subject inventories that entered the U.S. market in 2021. As explained below, subject imports retained a significant share of the market in 2022.⁴⁰

b. Subject imports have increased significantly as a share of the U.S. market

The volume of subject imports is also significant relative to consumption. The increase in subject import market share came at the expense of the domestic GPPW industry. The

³⁷ As discussed above, imported GPPW and EPPW, as well as other products, are believed to enter under HTS 84243090.

³⁸ See **Exhibit I-8**.

³⁹ *Id.*

⁴⁰ Official data on imports is collected on the basis of kilograms, not units. However, FNA believes that the Commission should collect data on imports (as well as domestic trade and financial data) of complete GPPW on the basis of units. As is its custom, the Commission should present market share on the basis of both quantity and value.

domestic industry's share of the market fell by [] percentage points from 2019 to 2021, while subject imports' share increased by [] percentage points. Subject imports also gained market share during the first three quarters of 2022 at the domestic industry's expense. That is, in January-September 2022 subject imports share of the U.S. market was [] percentage points higher than in 2021, and U.S. producer's share of the market was [] percentage points lower between these periods.⁴¹ These data establish that both the volume of subject imports and the increase in imports were significant both absolutely and relative to apparent consumption.

2. Unfairly Traded Imports from the Subject Countries Have Had an Injurious Impact on Domestic Producer Prices for Gas Powered Pressure Washers

The low-priced, dumped and subsidized imports subject to this proceeding have had significant negative price effects on the domestic industry. Price underselling by unfairly-traded imports of subject merchandise from China and Vietnam have significantly depressed and suppressed the prices at which domestic producers have sold GPPW during the POI.

a. Import prices of gas powered pressure washers have declined over the POI and have undersold domestically-produced gas powered pressure washers by substantial margins

Evidence reasonably available to Petitioner indicates that the increase in market share by the subject imports coincided with significant underselling by subject imports, which serves as important evidence that subject imports have had negative price effects. Based on the lost sale and lost revenue examples, import prices show declines over the POI, as well as widespread and significant underselling of U.S. producers' prices. *See Exhibit I-11.* The underselling by subject imports resulted in the subject merchandise being sold at much lower levels than domestic

⁴¹ *See Exhibit I-10.*

GPPW. See **Exhibit I-13**. This underselling by imports from subject countries caused FNA to lose substantial sales and to reduce prices, causing loss of revenue and declining profitability.

b. Unfairly traded imports have caused suppression and depression of U.S. prices of gas powered pressure washers

The volume gains by producers from China and Vietnam in the U.S. market have been achieved by underselling the prices of U.S. producers. Underselling by unfairly traded imports of GPPW has significantly suppressed and depressed the prices at which domestic producers sell GPPW. Because of the wide variety of GPPW types sold, average unit values on a \$/lb basis for total shipments may not be indicative of price trends, as these changes can also reflect changes in product mix. These price declines occurred as subject imports continued to enter the U.S. market and materially undersold the domestic producers' prices. Moreover, U.S. producers also experienced price suppression, as their COGS to sales ratio [] over the POI, with the highest level being in interim 2022. See **Exhibit I-10** ("Affidavit of [

]". The price depression and suppression exerted by the subject imports on domestic producers' prices, combined with volume losses as subject imports gained market share, led to a deterioration of U.S. producers' profitability levels.

c. Identification of products for which petitioner requests collection of price data

Pursuant to Section 207.11(b)(2)(iv) of the Commission's regulations, 19 C.F.R. § 207.11(b)(2)(iv), Petitioner recommends that the Commission collect pricing data on the following products on a per-piece basis, FOB point of U.S. shipment:

PRODUCT 1: Consumer grade pressure washer with an axial pump and a pressure rating of 2700 psi up to and including 3100 psi, with a flow of 2.3 or 2.4 gallons per minute ("GPM").

PRODUCT 2: Consumer grade pressure washer with an axial pump and a pressure rating of 3200 psi up to and including 3600 psi, with a flow of 2.3 GPM up to and including 2.8 GPM.

PRODUCT 3: Professional grade pressure washer with a triplex pump and a pressure rating of 3000 psi up to and including 3700 psi, with a flow of 2.3 GPM up to and including 3.0 GPM.

PRODUCT 4: Professional grade pressure washer with a triplex pump and a pressure rating of 3800 psi up to and including 4400 psi, with a flow of 2.5 GPM up to and including 4.0 GPM.

These price descriptors represent large-volume and representative types of GPPW sold in the United States during the POI and are believed to represent specifications sold for subject imports.⁴² Accordingly, these are the appropriate products for the Commission's analysis and comparison of U.S. producer and import prices.

3. Unfairly Traded Imports Have Had an Injurious Impact on the Domestic Industry

The domestic industry has suffered material injury by reason of the subject imports, as manifested in sales lost to the unfair imports and suppressed and depressed U.S. prices, resulting in the deterioration of key trade and financial indicators. Subject imports have undersold domestically-produced GPPW, resulting in price suppression and depression, lost sales and lost revenues, and financial deterioration, as evidenced in Petitioner's inadequate and [] declining operating margins over the POI. These data, as described in more detail below, demonstrate a causal link between the unfairly traded imports and the material injury being suffered by the U.S. industry producing GPPW.

⁴² Because of the large number of GPPW types sold, the coverage of total shipments will necessarily be relatively low based on using only six pricing product specifications.

a. Declines in domestic industry production, capacity utilization, and U.S. shipments

From 2019 to 2021, the subject imports had a negative impact on the domestic industry, as demonstrated by declining production, capacity, capacity utilization, shipments, prices, employment, and profitability. FNA could not obtain production data for the whole industry, but is aware that [] closed its domestic facilities producing GPPW during 2020 and now imports its GPPW from subject countries.⁴³ U.S. industry production thus [] thousand pounds ([]), from 2019 to 2020. While some of this volume was [], most of this volume went to subject imports. From 2019 to 2021, [] thousand units, from 2019 to 2021 (by []). Since [] no longer produces GPPW in the U.S. market, domestic capacity to produce GPPW must have declined by at least [] thousand units.

While data on the domestic industry are not available to FNA, FNA is the largest U.S. producer of GPPW and its experience therefore likely reflects that of the domestic industry as a whole. Once [] to service the domestic market, other producers had an incentive to increase sourcing from the subject countries. While [], FNA believes that [] has increasingly relied on subject imports. The major brands' newfound reliance on products manufactured in China and Vietnam has completely changed the dynamics of competition in the U.S. market. The influx of subject GPPW led FNA and probably other domestic producers to introduce products at lower price points in order to compete with the

⁴³ See Exhibit I-2, Attachment A.

lower priced subject merchandise. Competition from subject imports has also prevented FNA from increasing prices to cover its increased costs, and from fully utilizing its expanded production capacity.⁴⁴

Because of increased demand for GPPW that occurred during the pandemic, the harms to FNA and other domestic producers were delayed until late 2021 and 2022. During the pandemic, consumers changed their purchasing habits as they spent more time at home. Demand for GPPW benefitted from this trend. Domestic producers increased output to meet this demand but faced increasing quantities of unfairly traded imports at low prices. Unfortunately, these imports have weighed on the U.S. market and caused significant injury to U.S. producers. With inflated demand gone, the harms caused by dumped imports are now clear.

The petitioner is the largest domestic producer of GPPW and an excellent proxy for the industry as a whole. From January-to-September 2021 to January-to-September 2022, FNA's production declined from [] percent. The quantity of FNA's U.S. commercial shipments declined from [] percent. The value of commercial shipments during this period fell by []; the number of production workers shrank by []; and hours worked [] percent. *See Exhibit I-11.* The pricing pressure, of course, predated 2022. The average unit value of FNA's commercial

⁴⁴ Anticipating increasing imports from China and Vietnam, FNA made a strategic decision in 2018 to relocate its primary GPPW production plant to Mesquite, Texas. FNA installed six semi-automated assembly lines and loader conveyor systems that were designed to increase GPPW productivity and production capacity. FNA previously operated three manual assembly lines one shift per day with a maximum capacity of 550,000 GPPW per year. The new assembly lines were designed to reduce the required number of operators per line by 30 percent while increasing the average number of GPPW produced per line by 10 percent. With improved productivity, three additional assembly lines and available operators to work a second shift, FNA increased its capacity to 2,000,000 GPPW annually.

shipments shrank from [] percent, and continued at relatively low levels in 2021. See **Exhibit I-10**.

The large volumes of subject merchandise in the market compounded the difficulties caused by the normalization of demand in 2022. Competition from subject imports clearly had a material adverse effect, as demonstrated by 1) the domestic industry's loss of market share to subject imports; 2) underselling and declining U.S. prices; and 3) lost sales and revenues.

b. Petitioner's declining operating income demonstrates the injurious impact of the substantial volumes of low-priced imports from subject countries

The deteriorating financial performance of the domestic GPPW industry reflects the combination of adverse volume and price effects resulting from competition from unfairly traded imports from the subject countries. As an initial matter, the domestic industry experienced adverse effects after 2019 as [] on imports from Vietnam and China to service U.S. customers.

FNA has experienced a significant reduction in profitability due to the subject imports. This deterioration [] implemented by FNA that affects the comparison among 2019 and subsequent periods.⁴⁵ See **Exhibit I-10**. If the accounting practices of 2019 are applied through the third quarter of 2022, the injury experienced by FNA is plain. Despite rising commercial sales each year of the POI, FNA experienced declining profitability. Operating income decreased from [] million in 2019 to [] million in 2021 and decreased by [] million in interim 2022 relative to 2021. Operating margin decreased from [] percent in 2019 to [] percent in 2021 and declined by [] percentage points in interim 2022. FNA's gross margin also [] over the POI, consistent with a price depression

⁴⁵ Based on the current accounting treatment, the decline in FNA's profitability will be evident beginning in the fourth quarter of 2022 and in 2023.

and price suppression as a result of competition with the unfairly traded imports. See **Exhibit I-10**.

The financial deterioration of the domestic GPPW industry is directly related to declining sales prices and revenue resulting from increased volumes of unfairly priced imports.

c. Petitioner has lost sales and revenues to unfair gas powered pressure washer imports from the subject countries

The existence of a causal link between rising import market share and U.S. producers' declining profits and market share is corroborated by the anecdotal lost sales and revenue information collected and attached as **Exhibit I-11**. This exhibit identifies lost sales and lost revenue to unfairly traded GPPW imports from the subject countries. This evidence of lost sales and revenues ties the financial performance of the domestic industry to the injurious price and volume of dumped and subsidized subject imports.

The merchandise subject to these investigations is not sold by the manufacturers directly to end user customers. Instead, GPPW are sold by domestic and foreign producers to major retailers, who then sell to end users, either through their brick-and-mortar stores or through their company websites. Online sales are also made through Amazon.com. These retailers purchase from both the domestic producers and the foreign producers and use subject imports to prevent requested price increases. Also, since FNA is the largest U.S. producer [

] it is bidding for virtually all major supply contracts to service the U.S. market. If FNA loses business with a major retailer, the loss must be either on account of subject imports provided by a pure-play importer [

]. As such, while it is not always easy for Petitioner to obtain specific and direct facts of lost sales – because it is not in the interest of the retailers to disclose that information (because

they buy from both sources) – FNA is able to infer lost sales and lost revenues based on negotiation outcomes, post-negotiation research, and subsequent discussions with purchasers. As such, Petitioner acted to the best of its ability to obtain the information provided in **Exhibit I-11**.

In addition, Petitioner has completed the Lost Sales Template as specified in the Commission’s Handbook on Filing Procedures and includes a summary of this information at **Exhibit I-11**. Petitioner hereby certifies that the template spreadsheet will be submitted electronically in the manner specified in the Commission’s Handbook on Filing Procedures.

4. Conclusion

All of the indicators of material injury are present in this case. The volume of subject imports was significant both absolutely and relative to production and consumption, and their market penetration increased dramatically over the POI. The subject imports reached their highest levels of market penetration in interim 2022. The subject imports systematically undersold the domestic product, causing domestic prices to fall or to rise more slowly than costs. The domestic industry experienced declines in all indicia, including production, shipment volume, profitability, and employment. The U.S. industry also experienced significant declines in its capacity utilization rate.

G. Subject Imports Threaten Additional Material Injury to the Domestic Industry

In addition to analyzing present material injury, the statute requires the Commission to determine whether the domestic industry is threatened with material injury by reason of the unfair imports.⁴⁶ In making this determination, the Commission is directed to examine a number

⁴⁶ 19 U.S.C. §1677(7)(F).

of factors specified in the statute, including, inter alia, (1) an increase in foreign producers' productive capacity or existing unused capacity; (2) a significant rate of increase of the volume or market penetration of the subject imports; and (3) the likelihood that imports of the subject merchandise are entering at prices that will have a significant depressing or suppressing effect on domestic prices.⁴⁷ As indicated below, there is ample evidence that imports of GPPW from the subject countries also present a threat of massive and imminent further material injury to the domestic industry.

1. The Commission Should Cumulate Subject Imports for Purposes of Its Threat Analysis

The statute provides that in evaluating the threat of material injury, the Commission may cumulatively assess the volume and price effects of imports of the subject merchandise from all countries with respect to which the petitions were filed on the same day "if such imports compete with each other and with domestic like products in the United States market."⁴⁸ As these petitions cover all of the subject countries, the first requirement is met. Further, as demonstrated above, all subject imports compete with each other and with the domestic like product in the U.S. market. Thus, the statutory requirements for cumulation in a threat investigation have been satisfied.

2. Subject Imports Threaten Domestic Producers with Additional Material Injury

In determining whether subject imports threaten a domestic industry with material injury, the Commission must consider a number of factors, including:

- A significant rate of increase of the volume *or* market penetration of imports of the subject merchandise (as addressed above);
- Price effects of the subject imports;

⁴⁷ 19 U.S.C. § 1677(7)(F)(i).

⁴⁸ 19 U.S.C. § 1677(7)(H).

- The nature of any countervailable subsidies; and
- Existing unused production capacity or potential increases in production capacity in the exporting country.⁴⁹

In this case, all of these factors support an affirmative threat determination. The Commission should find that the domestic industry is vulnerable, and that the subject imports threaten the domestic GPPW industry with material injury.

a. The domestic gas powered pressure washer industry is vulnerable to material injury from the subject imports

The starting point for the Commission's assessment of threat is the question of whether the domestic industry is vulnerable to material injury by reason of the subject imports.⁵⁰ To assess vulnerability, the Commission will consider the various indicators of performance for the industry. The Commission gives special weight to the industry's performance at the end of the POI.⁵¹

The domestic GPPW industry is extremely vulnerable to further material injury by reason of the subject imports. As explained above, U.S. producers are experiencing a significant loss of domestic market share, and significant [] in capacity utilization, employment levels, and gross and operating profits. Indeed, the domestic industry is also vulnerable due to the decline in domestic demand. Brick-and-mortar and online sellers accumulated substantial subject inventories, well beyond the current demand run rate. As a result, they are now selling this inventory at prices that are even lower than FNA's cost of production. As such, the

⁴⁹ 19 U.S.C. § 1677(7)(F)(i).

⁵⁰ See *Seamless Refined Copper and Tube from China and Mexico*, Inv. Nos. 731-TA-1174-1175 (Final), USITC Pub. 4193 at 34 (Nov. 2010) ("*Seamless Refined Copper and Tube from China and Mexico*") at 34; *Certain Seamless Carbon and Alloy Steel Standard, Line, and Pressure Pipe from China*, Inv. Nos. 701-TA-469 and 731-TA-1168 (Final), USITC Pub. 4190 at 27-28 (Nov. 2010).

⁵¹ *Seamless Refined Copper and Tube from China and Mexico*, USITC Pub. 4193 at 34.

increasing and significant losses to imports, at a time of declining overall demand, makes the increasing loss of market share untenable.

Accordingly, the Commission should determine that the domestic GPPW industry is vulnerable to material injury by reason of the subject imports.

b. The subject imports have significantly increased in volume and market share

The Act provides that “a significant rate of increase of the volume or market penetration of imports of the subject merchandise” shall be considered in determining whether the domestic industry is threatened with material injury from the subject imports.⁵² In this case, there have been dramatic increases in both the volume and the market penetration of subject imports over the POI.

c. The subject imports have demonstrable adverse price effects that are likely to continue

The Act provides that, in determining whether the domestic industry is threatened with material injury, the Commission should consider “whether imports of the subject merchandise are entering at prices that are likely to have a significant depressing or suppressing effect on domestic prices, and are likely to increase demand for further imports.”⁵³ The discussion above demonstrates that subject imports have had such effects. In particular, the rise in U.S. market share taken by the subject imports has led to a sharp decline in prices for the domestic product, and are preventing the domestic industry from pricing to offset rising costs. Given continuing high levels of subject import penetration, at prices substantially underselling the domestic like product, it is likely that the fall in domestic prices will continue. Thus, this statutory factor

⁵² 19 U.S.C. § 1677(7)(F)(i)(III) (emphasis added).

⁵³ 19 U.S.C. § 1677(7)(F)(i)(IV).

shows that the domestic industry is threatened with additional material injury from subject imports.

d. The subject country of China encourages exportation of subject merchandise through countervailable subsidies

As part of its threat analysis, the Commission must consider “if a countervailable subsidy is involved” and, in particular, “whether the countervailable subsidy is a subsidy described in Article 3 or 6.1” of the WTO Agreement on Subsidies and Countervailing Measures.⁵⁴ Article 3 of the WTO Subsidies Agreement describes subsidies that are prohibited because they are contingent upon export performance or upon the use of domestic over imported goods.⁵⁵ As demonstrated in these petitions, subject producers in China have received countervailable subsidies, including export subsidies and import substitution subsidies.

e. Subject producers have significant volumes of new and unused capacity, indicating the likelihood of substantial increased imports

The Act provides that in making a threat determination, the Commission shall consider “any existing unused production capacity or imminent, substantial increase in production capacity in the exporting country indicating the likelihood of substantially increased imports.”⁵⁶ The Commission will also consider whether other export markets are available to the subject producers that could absorb excess production.⁵⁷ In this case, the availability of capacity for increased exports to the United States weighs heavily in favor of a threat determination.⁵⁸

⁵⁴ 19 U.S.C. § 1677(7)(F)(i)(I).

⁵⁵ *Agreement on Subsidies and Countervailing Measures* (Apr. 15, 1994), Marrakesh Agreement Establishing the World Trade Organization, Annex 1, 1867 U.N.T.S. 14 at Art. 3.

⁵⁶ 19 U.S.C. § 1677(7)(F)(i)(II).

⁵⁷ 19 U.S.C. § 1677(7)(F)(i)(II).

⁵⁸ See *Chlorinated Isocyanurates from China and Japan*, USITC Pub. 4494 at 36; *Polyethylene Retail Carrier Bags from Indonesia, Taiwan, and Vietnam*, Inv. Nos. 701-TA-462 and 731-TA-1156-1158 (Final), USITC Pub. 4144 at 25-26 (April 2010).

According to FNA, it is believed that the producers of GPPW in China and Vietnam are currently producing at levels well below their capacity. In addition, it appears that new capacity is being added in Vietnam at a time when U.S. demand is normalizing from its post-pandemic surge. It is simply not possible for the subject producers to be producing at anywhere near capacity without increasing exports to the United States. The subject producers have already proven they have the ability to increase exports to the United States significantly without encountering any capacity constraints.⁵⁹

f. Summary

The domestic GPPW industry is currently experiencing material injury as a result of unfair imports from China and Vietnam. As difficult as the current situation may be, if recent trends persist, the domestic industry is threatened with an even bleaker future. The subject producers have demonstrated their ability to rapidly increase exports to the United States of extremely low-priced GPPW that undersell domestic producers by substantial margins. In light of the recent trends in pricing of unfair imports, producers and exporters in China and Vietnam are likely to continue their low-priced, high volume assault on the U.S. market absent the restraining effects of antidumping and countervailing duty orders.

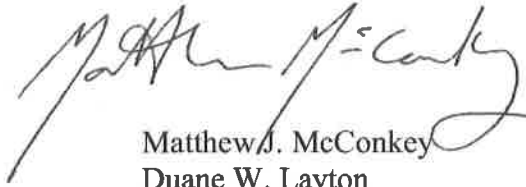
IV. CONCLUSION

The information presented in these petitions provides evidence reasonably available to Petitioner that imports of GPPW from China and Vietnam are being sold in the United States at less than fair value and that the Government of China is providing countervailable subsidies with respect to the manufacture, production, and export of GPPW. These petitions further provide

⁵⁹ It is simply not possible for Petitioner to document the capacity or export capabilities of all the foreign producers. They simply do not have access to that information, and there is no known source of such information (public or otherwise).

evidence that the domestic industry producing GPPW has been materially injured, and is threatened with material injury, by reason of unfairly-traded imports. Accordingly, Petitioner requests that the U.S. Department of Commerce and the U.S. International Trade Commission initiate antidumping duty investigations regarding imports of subject merchandise from China and Vietnam and a countervailing duty investigation regarding imports of GPPW from China.

Respectfully Submitted,



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Exhibit List

Exhibit No.	Description	BPI/Public
I-1	Known Domestic Producers	Public
I-2	25/50% Rule and Affidavit of []	BPI
I-3	Scope	Public
I-4	Production Process	BPI
I-5	HTSUS	Public
I-6	Known Chinese Producers & Estimated Production Capacity	Public
I-7	Known Vietnamese Producers & Estimated Production Capacity	Public
I-8	US Import Statistics	Public
I-9	Known US Importers	Public
I-10	Injury Indicators and Affidavit of []	BPI
I-11	Lost Sales	BPI
I-12	Geographic Overlap	Public
I-13	Import Pricing Examples	Public
I-14	PWMA and CETA Standards	Public
I-15	Affidavit of []	BPI
I-16	Domestic-Like Product	Public