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DEPARTMENT OF COMMERCE

INTERNATIONAL TRADE ADMINISTRATION

C-570-142

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

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

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

DATES: Applicable [Insert date of publication in the *Federal Register*].

FOR FURTHER INFORMATION CONTACT: Alex Cipolla or Joy Zhang, AD/CVD

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(202) 482-4956 or (202) 482-1168, respectively.

SUPPLEMENTARY INFORMATION:

Background

On September 10, 2021, Commerce published the *Preliminary Determination* in the
Federal Register.¹ A summary of the events that occurred since Commerce published the

¹ See *Certain Walk-Behind Snow Throwers and Parts Thereof from the People's Republic of China: Preliminary Affirmative Countervailing Duty Determination and Alignment of Final Determination with Final Antidumping Duty Determination*, 86 FR 50696 (September 10, 2021) (*Preliminary Determination*), and accompanying Preliminary Decision Memorandum.

Preliminary Determination may be found in the Issues and Decision Memorandum.² The Issues and Decision Memorandum is a public document and is on file electronically via Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS). ACCESS is available to registered users at <https://access.trade.gov>. A list of topics discussed in the Issues and Decision Memorandum is included at Appendix II. In addition, a complete version of the Issues and Decision Memorandum can be accessed directly at <https://access.trade.gov/public/FRNoticesListLayout.aspx>.

Scope of the Investigation

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

Scope Comments

There have been no scope comments since the *Preliminary Determination*. As a result, Commerce has made no changes to the scope of this investigation since the *Preliminary Determination*.

Analysis of Subsidy Programs and Comments Received

The subsidy programs under investigation and the issues raised in the case and rebuttal briefs by parties in this investigation are discussed in the Issues and Decision Memorandum. A list of the issues raised by parties, and to which we responded in the Issue and Decision Memorandum, is attached to this notice at Appendix II.

² See Memorandum, "Certain Walk-Behind Snow Throwers and Parts Thereof from the People's Republic of China: Final Affirmative Countervailing Duty Determination," dated concurrently with, and hereby adopted by, this notice (Issues and Decision Memorandum).

Methodology

Commerce conducted this investigation in accordance with section 701 of the Tariff Act of 1930, as amended (the Act). For each of the subsidy programs found countervailable, Commerce determines that there is a subsidy, *i.e.*, a financial contribution by an “authority” that gives rise to a benefit to the recipient, and that the subsidy is specific.³ For a full description of the methodology underlying our final determination, *see* the Issues and Decision Memorandum.

In making this final determination, Commerce is relying on facts otherwise available, including adverse facts available (AFA), pursuant to sections 776(a) and (b) of the Act. For a full discussion of our application of AFA, *see* the *Preliminary Determination* and the section “Use of Facts Otherwise Available and Adverse Inferences” in the accompanying Issues and Decision Memorandum.⁴

Verification

Commerce was unable to conduct on-site verification of the information relied upon in making its final determination in this investigation. However, we took additional steps in lieu of an on-site verification to verify the information relied upon in making this final determination, in accordance with section 782(i) of the Act.⁵

Changes Since the *Preliminary Determination*

Based on our review and analysis of the comments received from parties, as well as additional information collected subsequent to the *Preliminary Determination*, we made certain changes to Zhejiang Zhouli Industrial Co., Ltd. (Zhejiang Zhouli)’s subsidy rate calculations, the

³ See sections 771(5)(B) and (D) of the Act regarding financial contribution; section 771(5)(E) of the Act regarding benefit; and section 771(5A) of the Act regarding specificity.

⁴ See Preliminary Decision Memorandum at “Use of Facts Otherwise Available and Adverse Inferences;” *see also* Issues and Decision Memorandum at “Use of Facts Otherwise Available and Adverse Inferences.”

⁵ See Commerce’s Letter, “Certain Walk-Behind Snow Throwers and Parts Thereof from the People’s Republic of China: Zhejiang Zhouli Industrial Co. Ltd.: In Lieu of Verification Questionnaire,” dated October 11, 2021.

rate for non-cooperating respondents, and the all-others rate. For a discussion of these changes, see the Issues and Decision Memorandum.

All-Others Rate

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

Pursuant to section 705(c)(5)(A)(ii) of the Act, if the individual estimated countervailable subsidy rates established for all exporters and producers individually examined are zero, *de minimis* or determined based entirely on facts otherwise available, Commerce may use “any reasonable method” to establish the estimated subsidy rate for all other producers or exporters. All three companies selected as mandatory respondents⁶ in this investigation are receiving individual estimated subsidy rates based entirely on facts available under section 776 of the Act. Consequently, pursuant to section 705(c)(5)(A)(ii) of the Act, we established the all-others rate by applying the countervailable subsidy rate assigned to the three mandatory respondents.

Final Determination

Commerce determines that the following estimated countervailable subsidy rates exist:

Company	Subsidy Rate (percent)
Zhejiang Zhouli Industrial Co.	203.06
All Others	203.06

⁶ The mandatory respondents in this investigation are TIYA International (TIYA), Ningbo Scojet Import & Export Co., Ltd. (Ningbo Scojet), and Zhejiang Zhouli. Commerce originally selected TIYA as a mandatory respondent. On May 28, 2021, TIYA notified Commerce that it did not intend to participate as a mandatory respondent. Commerce then selected Ningbo Scojet as a mandatory respondent. However, Ningbo Scojet did not respond to our initial questionnaire.

Company	Subsidy Rate (percent)
Changzhou Globe Tools Co., Ltd. ⁷	203.06
Nanjing Chervon Industry Co., Ltd. ⁸	203.06
Ningbo Daye Garden Machinery Co., Ltd. ⁹	203.06
Ningbo Joyo Garden Tools Co., Ltd. ¹⁰	203.06
Ningbo Scojet Import & Export Trading ¹¹	203.06
TIYA International Co., Ltd.	203.06
Weima Agricultural Machinery Co., Ltd.	203.06
Zhejiang Yat Electrical Appliance Co	203.06

Disclosure

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

Continuation of Suspension of Liquidation

As a result of our *Preliminary Determination* and pursuant to section 703(d)(1)(B) and (d)(2) of the Act, we instructed U.S. Customs and Border Protection (CBP) to suspend liquidation of entries of subject merchandise from China that were entered, or withdrawn from warehouse, for consumption, effective September 10, 2021, which is the date of publication of the *Preliminary Determination* in the *Federal Register*. In accordance with section 703(d) of the Act, effective January 9, 2022, we instructed CBP to discontinue the suspension of liquidation of all entries on or after January 9, 2022, but to continue the suspension of liquidation of all entries

⁷ See Preliminary Decision Memorandum at section “Application of AFA: Non-Responsive Companies.”

⁸ *Id.*; see also Issues and Decision Memorandum at Comment 6.

⁹ See Preliminary Decision Memorandum at section “Application of AFA: Non-Responsive Companies.”

¹⁰ *Id.*

¹¹ *Id.*

between September 10, 2021, and January 8, 2022.

If the U.S. International Trade Commission (ITC) issues a final affirmative injury determination, we will issue a CVD order, and continue to require a cash deposit of estimated countervailing duties for such entries of subject merchandise in the amounts indicated above, in accordance with section 706(a) of the Act. If the ITC determines that material injury, or threat of material injury, does not exist, this proceeding will be terminated, and all estimated duties deposited or securities posted as a result of the suspension of liquidation will be refunded or canceled.

ITC Notification

In accordance with section 705(d) of the Act, we will notify the ITC of our final affirmative determination that countervailable subsidies are being provided to producers and exporters of snow throwers from China. Because the final determination in this proceeding is affirmative, in accordance with section 705(b) of the Act, the ITC will make its final determination as to whether the domestic industry in the United States is materially injured, or threatened with material injury, by reason of imports of snow throwers from China no later than 45 days after our final determination. In addition, we are making available to the ITC all non-privileged and nonproprietary information related to this investigation. If the ITC determines that material injury or threat of material injury does not exist, this proceeding will be terminated and all cash deposits will be refunded. If the ITC determines that such injury does exist, Commerce will issue a countervailing duty order directing CBP to assess, upon further instruction by Commerce, countervailing duties on all imports of the subject merchandise that are entered, or withdrawn from warehouse, for consumption on or after the effective date of the suspension of liquidation, as discussed above in the “Continuation of Suspension of Liquidation”

section. We will allow the ITC access to all privileged and business proprietary information in our files, provided the ITC confirms that it will not disclose such information, either publicly or under an administrative protective order (APO), without the written consent of the Assistant Secretary for Enforcement and Compliance.

Notification Regarding Administrative Protective Orders

In the event that the ITC issues a final negative injury determination, this notice will serve as the only reminder to parties subject to an APO of their responsibility concerning the destruction of proprietary information disclosed under APO in accordance with 19 CFR 351.305(a)(3). Timely written notification of the return/destruction of APO materials or conversion to judicial protective order is hereby requested. Failure to comply with the regulations and terms of an APO is a violation which is subject to sanction.

Notification to Interested Parties

This determination is issued and published pursuant to sections 705(d) and 777(i) of the Act, and 19 CFR 351.210(c).

Dated: March 21, 2021

/S/ Lisa W. Wang

Lisa W. Wang
Assistant Secretary
for Enforcement and Compliance

Appendix I

Scope of the Investigation

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

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

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

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

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

The snow throwers subject to this investigation are typically entered under Harmonized Tariff

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

Appendix II

List of Topics Discussed in the Final Decision Memorandum

- I. Summary
 - II. Background
 - III. Scope of the Investigation
 - IV. Use of Facts Otherwise Available and Adverse Inferences
 - V. Analysis of Comments
 - Comment 1: Whether Commerce Should Accept Zhejiang Zhouli's Response
 - Comment 2: Export Buyer's Credit Program
 - Comment 3: Whether Commerce Should Continue to Apply Adverse Facts Available to the Provision of Electricity for Less Than Adequate Remuneration
 - Comment 4: Countervailability of Other Subsidies
 - Comment 5: Currency Undervaluation
 - Comment 6: Nanjing Chervon Industry Co., Ltd.'s Request
 - VI. Recommendation
- Appendix: AFA Rate Calculation