

ITC Clears Path For Costly Duties On Chinese Snowblowers

By **Alex Lawson**

Law360 (April 22, 2022, 5:43 PM EDT) -- Chinese snowblowers will soon face new duties stretching upward of 200% after the U.S. International Trade Commission found in a vote Friday that the imports are injuring domestic producers.

The ITC's unanimous injury vote came weeks after the U.S. Department of Commerce found that the goods had been sold at artificially low prices and unfairly subsidized by the Chinese government.

"As a result of the commission's affirmative determinations, Commerce will issue antidumping duty orders and countervailing duty orders on imports of this product from China," the ITC said in a bulletin announcing the results of its vote.

The ITC's vote closed the book on duty investigations prompted by a petition from Ohio manufacturer MTD Products Inc., which claimed that the cheap Chinese snowblowers were decimating its business and needed to be hit with remedial duties. U.S. trade data shows that imports of Chinese snowblowers rose from \$81.1 million in 2019 to over \$108 million in 2021.

Commerce's half of the investigation ended last month, doling out a 142.19% adjusted dumping rate to five Chinese producers and a 201.99% adjusted rate for all other companies that the agency did not individually investigate.

On the subsidy side, Commerce hit all Chinese producers with a 203.06% countervailing duty rate after faulting a slew of Chinese support programs for giving the companies a leg up in the U.S. market.

Alexander Schaefer, a Crowell & Moring LLP attorney who represents MTD, told Law360 that the ITC's vote "fairly reflects the record."

The company alleged in its petition that the average price of imported Chinese snowblowers has fallen 3% in the past four years, while the volume of imports has nearly doubled. MTD also purported that Chinese producers purchase steel at lower prices with help from the government and receive preferential electricity rates, putting them at an advantage over U.S. producers.

"The domestic industry has been faced with increasing material costs because of increased tariffs on imported components and inputs — increased imports of subject merchandise at artificially low prices have exacerbated the cost-price squeeze experienced by [MTD Products], who has been unable to increase prices at sustainable levels because of substantial price-competition from importers," MTD told

the government last year.

The ITC only released the results of its vote on Friday, saying it will publish a lengthier report detailing the reasons behind its decision next month.

MTD Products is represented by Alexander H. Schaefer, Brian McGrath, Daniel Cannistra, Jakub Wisniewski, Pierce Lee, Robert L. LaFrankie and Simeon Yerokun of Crowell & Moring LLP.

The cases are Walk-Behind Snow Throwers from China, investigation numbers 701-TA-666 and 731-TA-1558, in the U.S. International Trade Commission.

--Editing by Vaqas Asghar.

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