

Administration of Donald J. Trump, 2018

Proclamation 9694—To Facilitate Positive Adjustment to Competition From Imports of Large Residential Washers

January 23, 2018

By the President of the United States of America

A Proclamation

1. On December 4, 2017, the United States International Trade Commission (ITC) transmitted to the President a report (the "ITC Report") on its investigation under section 202 of the Trade Act of 1974, as amended (the "Trade Act") (19 U.S.C. 2252), with respect to imports of large residential washers ("washers"). The product subject to the ITC's investigation and determination excluded certain washers described in the ITC Notice of Institution, 82 *Fed. Reg.* 27075 (June 13, 2017), and listed in subdivision (c)(2) of Note 17 in the Annex to this proclamation.

2. The ITC reached an affirmative determination under section 202(b) of the Trade Act (19 U.S.C. 2252(b)) that the following products are being imported into the United States in such increased quantities as to be a substantial cause of serious injury, or threat of serious injury, to the domestic industries producing like or directly competitive articles:

(a) washers; and

(b) certain washer parts, including (i) all cabinets, or portions thereof, designed for use in washers; (ii) all assembled tubs designed for use in washers which incorporate, at a minimum, a tub and a seal; (iii) all assembled baskets designed for use in washers which incorporate, at a minimum, a side wrapper, a base, and a drive hub; and (iv) any combination of the foregoing parts or subassemblies.

3. Pursuant to section 311(a) of the North American Free Trade Agreement Implementation Act (the "NAFTA Implementation Act") (19 U.S.C. 3371(a)), the ITC made findings as to whether imports from Canada and Mexico, considered individually, account for a substantial share of total imports and contribute importantly to the serious injury, or threat thereof, caused by imports. The ITC made negative findings of contribution to injury with respect to imports of washers from Canada and Mexico.

4. The ITC transmitted to the President its recommendations made pursuant to section 202(e) of the Trade Act (19 U.S.C. 2252(e)) with respect to the actions that, in its view, would address the serious injury, or threat of serious injury, to the domestic industry and be most effective in facilitating the efforts of the industry to make a positive adjustment to import competition.

5. Pursuant to section 203 of the Trade Act (19 U.S.C. 2253), and after taking into account the considerations specified in section 203(a)(2) of the Trade Act (19 U.S.C. 2253(a)(2)) and the ITC Report, I have determined to implement action of a type described in section 203(a)(3) of the Trade Act (19 U.S.C. 2252(a)(3)) (a "safeguard measure"), with regard to the following washers and covered washer parts:

(a) washers provided for in subheadings 8450.11.00 and 8450.20.00 in the Annex to this proclamation;

(b) all cabinets, or portions thereof, designed for use in washers, and all assembled baskets designed for use in washers that incorporate, at a minimum, a side wrapper, a base, and a drive hub, provided for in subheading 8450.90.60 in the Annex to this proclamation;

(c) all assembled tubs designed for use in washers that incorporate, at a minimum, a tub and a seal, provided for in subheading 8450.90.20 in the Annex to this proclamation;

(d) any combination of the foregoing parts or subassemblies, provided for in subheadings 8450.90.20 or 8450.90.60 in the Annex to this proclamation.

6. Pursuant to section 312(a) of the NAFTA Implementation Act (19 U.S.C. 3372(a)), I have determined after considering the ITC Report that (a) imports from Canada of washers and covered washer parts, considered individually, do not account for a substantial share of total imports and do not contribute importantly to the serious injury or threat of serious injury found by the ITC; and (b) imports from Mexico of washers and covered washer parts, considered individually, account for a substantial share of total imports and have contributed importantly to the serious injury or threat of serious injury found by the ITC. Accordingly, pursuant to section 312(b) of the NAFTA Implementation Act (19 U.S.C. 3372(b)), I have excluded washers and covered washer parts that are the product of Canada from the actions I am taking under section 203 of the Trade Act.

7. Pursuant to section 203 of the Trade Act, the action I have determined to take shall be a safeguard measure in the form of:

(a) a tariff-rate quota on imports of washers described in subparagraph (a) of paragraph 5 of this proclamation, imposed for a period of 3 years plus 1 day, with unchanging within-quota quantities, annual reductions in the rates of duties entered within those quantities in the second and third years, and annual reductions in the rates of duty applicable to goods entered in excess of those quantities in the second and third years; and

(b) a tariff-rate quota on imports of covered washer parts described in subparagraphs (b), (c), and (d) of paragraph 5 of this proclamation, imposed for a period of 3 years plus 1 day, with increasing within-quota quantities and annual reductions in the rates of duty applicable to goods entered in excess of those quantities in the second and third years.

8. This safeguard measure shall apply to imports from all countries, except for products of Canada and except as provided in paragraph 9 of this proclamation.

9. This safeguard measure shall not apply to imports of any product described in paragraph 5 of this proclamation of a developing country that is a Member of the World Trade Organization (WTO), as listed in subdivision (b)(2) of Note 17 in the Annex to this proclamation, as long as such a country's share of total imports of the product, based on imports during a recent representative period, does not exceed 3 percent, provided that imports that are the product of all such countries with less than 3 percent import share collectively account for not more than 9 percent of total imports of the product. If I determine that a surge in imports of a product described in paragraph 5 of this proclamation of a developing country that is a WTO Member results in imports of that product from that developing country exceeding either of the thresholds described in this paragraph, the safeguard measure shall be modified to apply to such product from such country.

10. The in-quota quantity in each year under the tariff rate quotas described in paragraph 7 of this proclamation shall be allocated among all countries except those countries the

products of which are excluded from such tariff-rate quota pursuant to paragraphs 8 and 9 of this proclamation.

11. Pursuant to section 203(a)(1)(A) of the Trade Act (19 U.S.C. 2253(a)(1)(A)), I have determined that this safeguard measure will facilitate efforts by the domestic industry to make a positive adjustment to import competition and provide greater economic and social benefits than costs. If I determine that further action is appropriate and feasible to facilitate efforts by the domestic industry to make a positive adjustment to import competition and to provide greater economic and social benefits than costs, or if I determine that the conditions under section 204(b)(1) of the Trade Act (19 U.S.C. 2254(b)(1)) are met, I shall reduce, modify, or terminate the action established in this proclamation accordingly. In addition, if I determine within 30 days of the date of this proclamation, as a result of consultations between the United States and other WTO Members pursuant to Article 12.3 of the WTO Agreement on Safeguards, that it is necessary to reduce, modify, or terminate the safeguard measure, I shall proclaim the corresponding reduction, modification, or termination of the safeguard measure within 40 days.

12. If I determine that a surge in imports of covered washer parts described in subparagraphs (b), (c), and (d) of paragraph 5 of this proclamation undermines the effectiveness of the safeguard measure, the safeguard measure shall be modified by imposing a quantitative restriction in lieu of the tariff-rate quota.

13. Section 604 of the Trade Act (19 U.S.C. 2483), authorizes the President to embody in the Harmonized Tariff Schedule of the United States (HTS) the substance of the relevant provisions of that Act, and of other acts affecting import treatment, and actions thereunder, including the removal, modification, continuance, or imposition of any rate of duty or other import restriction.

Now, Therefore, I, Donald J. Trump, President of the United States of America, acting under the authority vested in me by the Constitution and the laws of the United States, including but not limited to sections 203 and 604 of the Trade Act, section 312 of the NAFTA Implementation Act (19 U.S.C. 3372), and section 301 of title 3, United States Code, do proclaim that:

(1) In order to establish increases in duty and a tariff rate quota on imports of the washers and covered washer parts described in paragraph 5 of this proclamation (other than excluded products), subchapter III of chapter 99 of the HTS is modified as provided in the Annex to this proclamation. Any merchandise subject to the safeguard measure that is admitted into U.S. foreign trade zones on or after 12:01 a.m. eastern standard time, on February 7, 2018, must be admitted as "privileged foreign status" as defined in 19 CFR 146.41, and will be subject upon entry for consumption to any quantitative restrictions or tariffs related to the classification under the applicable HTS subheading.

(2) Imports of washers and covered washer parts that are the product of Canada shall be excluded from the safeguard measure established in this proclamation, and such imports shall not be counted toward the tariff-rate quota limits that trigger the over-quota rates of duty.

(3) Except as provided in clause (4) below, imports of washers and covered washer parts that are the product of WTO Member developing countries, as listed in subdivision (b)(2) of Note 17 in the Annex to this proclamation, shall be excluded from the safeguard measure established in this proclamation, and such imports shall not be counted toward the tariff-rate quota limits that trigger the over-quota rates of duties.

(4) If, after the safeguard measure established in this proclamation takes effect, the United States Trade Representative (USTR) determines that:

(a) the share of total imports of the product of a country listed in subdivision (b)(2) of Note 17 in the Annex to this proclamation exceeds 3 percent,

(b) imports of the product from all listed countries with less than 3 percent import share collectively account for more than 9 percent of total imports of the product, or

(c) a country listed in subdivision (b)(2) of Note 17 in the Annex to this proclamation is no longer a developing country for purposes of this proclamation; the USTR is authorized, upon publication of a notice in the *Federal Register*, to revise subdivision (b)(2) of Note 17 in the Annex to this proclamation to remove the relevant country from the list or suspend operation of that subdivision, as appropriate.

(5) If, after the safeguard measure established in this proclamation takes effect, the USTR determines that the out-of-quota quantity in units of covered washer parts entered under the tariff lines in chapter 99 enumerated in the Annex to this proclamation has increased by an unjustifiable amount and undermines the effectiveness of the safeguard measure, the USTR is authorized, upon publishing a notice of such determination in the *Federal Register*, to modify the HTS provisions created by the Annex to this proclamation so as to modify the tariff-rate quota on covered washer parts with a quantitative restriction on covered washer parts at a level that the USTR considers appropriate.

(6) Any provision of previous proclamations and Executive Orders that is inconsistent with the actions taken in this proclamation is superseded to the extent of such inconsistency.

(7) The modifications to the HTS made in this proclamation, including the Annex hereto, shall be effective with respect to goods entered, or withdrawn from warehouse for consumption, on or after 12:01 a.m. eastern standard time on February 7, 2018, and shall continue in effect as provided in the Annex to this proclamation, unless such actions are earlier expressly reduced, modified, or terminated. One year from the termination of the safeguard measure established in this proclamation, the U.S. note and tariff provisions established in the Annex to this proclamation shall be deleted from the HTS.

In Witness Whereof, I have hereunto set my hand this twenty-third day of January, in the year of our Lord two thousand eighteen, and of the Independence of the United States of America the two hundred and forty-second.

DONALD J. TRUMP

[Filed with the Office of the Federal Register, 2 p.m., January 24, 2018]

NOTE: This proclamation and its attached annex were published in the *Federal Register* on January 25.

Categories: Proclamations : Large residential washers, facilitating positive adjustment to competition from imports.

Subjects: Commerce, international : Residential washers and photovoltaic cells, U.S. tariffs.

DCPD Number: DCPD201800045.