

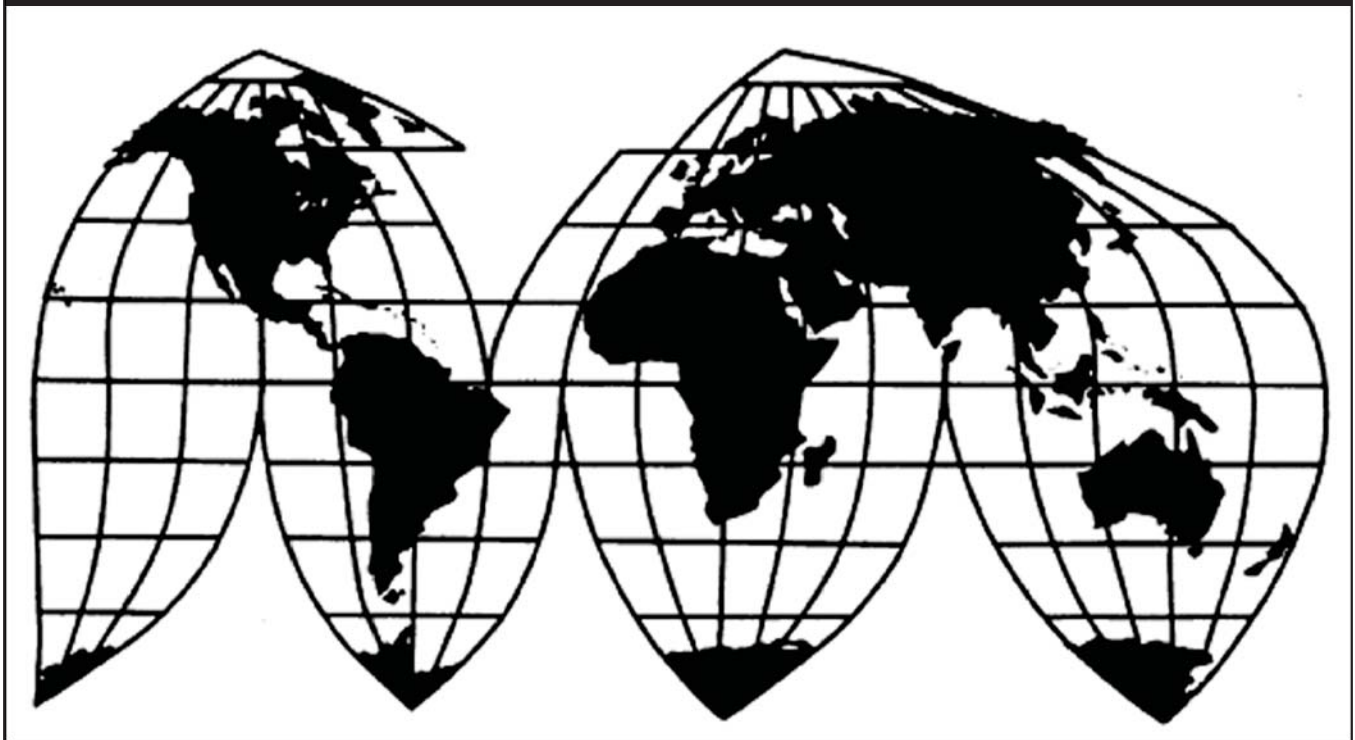
Tool Chests and Cabinets from China and Vietnam

Investigation Nos. 731-TA-1360-1361 (Final)

Publication 4787

May 2018

U.S. International Trade Commission



Washington, DC 20436

U.S. International Trade Commission

COMMISSIONERS

Rhonda K. Schmittlein, Chairman

David S. Johanson, Vice Chairman

Irving A. Williamson

Meredith M. Broadbent

Jason E. Kearns

Catherine DeFilippo
Director of Operations

Staff assigned

Abu B. Kanu, Investigator

David Guberman, Industry Analyst

Amelia Preece, Economist

Emily Kim, Accountant

Lita David-Harris, Statistician

Nataline Viray-Fung, Attorney

Douglas Corkran, Supervisory Investigator

Address all communications to
Secretary to the Commission
United States International Trade Commission
Washington, DC 20436

U.S. International Trade Commission

Washington, DC 20436
www.usitc.gov

Tool Chests and Cabinets from China and Vietnam

Investigation Nos. 731-TA-1360-1361 (Final)

Publication 4787



May 2018

CONTENTS

	Page
Determinations	1
Views of the Commission	3
Part I: Introduction	I-1
Background.....	I-1
Nature and extent of sales at LTFV.....	I-3
Appendixes	
A. <i>Federal Register</i> notices.....	A-1

Note.— Information that would reveal confidential operations of individual concerns may not be published. Such information is identified by brackets or by parallel lines in confidential reports and is deleted and replaced with asterisks in public reports.

UNITED STATES INTERNATIONAL TRADE COMMISSION

Investigation Nos. 731-TA-1360-1361 (Final)
Tool Chests and Cabinets from China and Vietnam

DETERMINATION

On the basis of the record¹ developed in the subject investigations, the United States International Trade Commission (“Commission”) determines, pursuant to the Tariff Act of 1930 (“the Act”), that an industry in the United States is materially injured by imports of tool chests and cabinets from China and Vietnam, provided for in subheadings 7326.90.35, 7326.90.86, and 9403.20.00 of the Harmonized Tariff Schedule of the United States that have been found by the U.S. Department of Commerce (“Commerce”) to be sold in the United States at less than fair value (“LTFV”).^{2 3}

BACKGROUND

The Commission, pursuant to section 735(b) of the Act (19 U.S.C. 1673d(b)), instituted these investigations effective April 11, 2017, following receipt of a petition filed with the Commission and Commerce by Waterloo Industries Inc., Sedalia, Missouri. Effective September 15, 2017, the Commission established a general schedule for the conduct of the final phase of its investigations on tool chests and cabinets, following a preliminary determination by Commerce that imports of the subject merchandise were subsidized by the government of China. Notice of the scheduling of the final phase of the Commission’s investigations and of a public hearing to be held in connection therewith was given by posting copies of the notice in the Office of the Secretary, U.S. International Trade Commission, Washington, DC, and by publishing the notice in the *Federal Register* of September 25, 2017 (82 FR 44657). The hearing was held in Washington, DC, on November 28, 2018, and all persons who requested the opportunity were permitted to appear in person or by counsel. Following notification of final determinations by Commerce that imports of tool chests and cabinets from China and Vietnam were being sold at LTFV within the meaning of section 735(b) of the Act (19 U.S.C. 1673d(a)), notice of the supplemental scheduling of the final phase of the Commission’s antidumping duty investigations was given by posting copies of the notice in the Office of the Secretary, U.S. International Trade Commission, Washington, DC, and by publishing the notice in the *Federal Register* of April 10, 2018 (83 FR 15361-68).

¹ The record is defined in section 207.2(f) of the Commission’s Rules of Practice and Procedure (19 CFR 207.2(f)).

² Commissioner Kearns did not participate in these investigations.

³ 83 FR 15365 (April 10, 2018) and 83 FR 15361 (April 10, 2018).

IEWS OF THE COMMISSION

Based on the record in the final phase of these investigations, we determine that an industry in the United States is materially injured by reason of imports of tool chests and cabinets (“tool chests”) from China and Vietnam found by the U.S. Department of Commerce (“Commerce”) to be sold in the United States at less than fair value (“LTFV”).¹

I. Background

The petitions in these investigations were filed on April 10, 2017, by Waterloo Industries Inc., a domestic producer of tool chests. The petitions sought imposition of antidumping duties on tool chests from China and Vietnam and imposition of countervailing duties on tool chests from China.

Although the petitions for the investigations of tool chests from China and Vietnam were filed on the same day, April 11, 2017, the investigation schedules became staggered when Commerce extended the deadline for making preliminary determinations in the antidumping duty investigations, thereby necessitating an earlier final determination in the countervailing duty investigation involving tool chests from China.² The Commission made an affirmative determination on the basis of cumulated imports from China and Vietnam in its countervailing duty investigation of tool chests from China.³

Pursuant to the statutory provision on staggered investigations, the record for both antidumping duty investigations closed on December 20, 2017, at the same time as for the countervailing duty investigation on subject imports from China, except that the final Commerce dumping determinations on subject imports from China and Vietnam and the parties’ final comments concerning those determinations have been added to the record.⁴

II. Material Injury by Reason of Subject Imports

Section 771(7)(G)(iii) of the Tariff Act of 1930, as amended (“the Act”), provides that the Commission must make its material injury determinations in the instant investigations on the basis of the same record as that in the countervailing duty investigation regarding imports from China.⁵ Therefore, in these investigations, we adopt the findings and analyses in our determination and views regarding subsidized subject imports from China with respect to the

¹ Commissioner Kearns did not participate in these investigations.

² See *Certain Tool Chests and Cabinets from China and Vietnam: Scheduling of the Final Phase of Countervailing Duty and Antidumping Duty Investigations*, 82 Fed. Reg. 44657 (Sep. 25, 2017).

³ *Tool Chests and Cabinets from China*, Inv. No. 731-TA-575 (Final), USITC Pub. 4753 at 1 (January 2018).

⁴ See 19 U.S.C. § 1677(7)(g)(iii).

⁵ 19 U.S.C. § 1677(7)(G)(iii).

issues of domestic like product, domestic industry, cumulation, conditions of competition, and material injury by reason of cumulated subject imports.⁶

Accordingly, we determine that the domestic industry producing tool chests is materially injured by reason of subject imports from China and Vietnam that Commerce determined were sold in the U.S. market at LTFV.^{7 8}

III. Conclusion

For the reasons stated above, we determine that an industry in the United States is materially injured by reason of imports of China and Vietnam that are sold in the United States at LTFV.

⁶ See *Tool Chests and Cabinets from China*, USITC Pub. 4753.

⁷ Pursuant to Section 771(24) of the Tariff Act, in an antidumping investigation imports from a subject country of merchandise corresponding to a domestic like product that account for less than 3 percent of all such merchandise imported into the United States during the most recent 12 months for which data are available preceding the filing of the petition shall be deemed negligible. 19 U.S.C. § 1677(24)(A)(i).

During the 12-month period prior to the filing of the petition (February 2016 through March 2017), subject imports from China accounted for *** percent of the quantity of total imports and subject imports from Vietnam accounted for *** percent. Each of these figures is above the applicable 3 percent individual subject country statutory negligibility threshold. *Tool Chests and Cabinets from China*, USITC Pub. 4753 at Table IV-3. Accordingly, we find that the subject imports from China and Vietnam are not negligible.

⁸ The statute additionally instructs the Commission to consider the “magnitude of the dumping margin” in an antidumping proceeding as part of its consideration of the impact of imports. 19 U.S.C. § 1677(7)(C)(iii)(V). In its final determinations, Commerce found dumping margins of 97.11 percent to 244.29 percent for subject imports from China and 327.17 percent for subject imports from Vietnam. *Certain Tool Chests and Cabinets from China: Affirmative Final Determination of Sales at Less Than Fair Value*, 69 Fed. Reg. 15365 (Apr. 10, 2018); *Certain Tool Chests and Cabinets from the Socialist Republic of Vietnam: Affirmative Final Determination of Sales at Less Than Fair Value*, 69 Fed. Reg. 15361 (Apr. 10, 2018). We take into account in our analysis the fact that Commerce has made final findings that all subject producers in both subject countries are selling subject imports in the United States at less than fair value. In addition to this consideration, our impact analysis has considered other factors affecting domestic prices. Our analysis of the significant underselling and the other price effects of subject imports, described in *Tool Chests and Cabinets from China*, are particularly probative to an assessment of the impact of subject imports. See USITC Pub. 4753 at 25-33.

PART I: INTRODUCTION

BACKGROUND

These investigations result from petitions filed with the U.S. Department of Commerce (“Commerce”) and the U.S. International Trade Commission (“USITC” or “Commission”) by Waterloo Industries Inc., Sedalia, Missouri, on April 11, 2017, alleging that an industry in the United States is materially injured and threatened with material injury by reason of subsidized imports of tool chests and cabinets from China and less-than-fair-value (“LTFV”) imports of tool chests and cabinets from China and Vietnam. The following tabulation provides information relating to the background of these investigations.^{1 2}

¹ Pertinent *Federal Register* notices are referenced in appendix A, and may be found at the Commission’s website (www.usitc.gov)

² The U.S. Department of Commerce did not align its final countervailing duty determination with its final antidumping duty determinations.

Effective date	Action
April 11, 2017	Petition filed with Commerce and the Commission; institution of Commission investigations (82 FR 18309, April 18, 2017)
May 1, 2017	Commerce's notice of initiation of antidumping investigation (82 FR 21523, May 9, 2017); Commerce's notice of initiation of countervailing duty investigation (82 FR21516, May 9, 2017)
May 26, 2017	Commission's preliminary determinations
September 15, 2017	Commerce's countervailing duty preliminary determination; scheduling of final phase of Commission investigation (82 FR 43332, September 15, 2017)
November 7, 2017	Commerce's preliminary antidumping duty determinations (82 FR 53456 and 82 FR 53453, November 16, 2017).
November 22, 2017	Commerce's final countervailing duty determination (82 FR 56582, November 29, 2017)
November 28, 2017	Commission's hearing
January 3, 2018	Commission's vote (China countervailing duty)
January 16, 2018	Commission's views (China countervailing duty)
April 10, 2018	Commerce's final antidumping duty determinations (69 FR 15365 and 69 FR 15361, April 10, 2018)
May 11, 2018	Commission's vote (China, Vietnam antidumping duty)
May 24, 2018	Commission's opinion (China, Vietnam antidumping duty)

The information contained in this report is intended to be used in conjunction with data presented in the Commission's report on *Tool Chests and Cabinets from China and Vietnam: Investigation Nos. 701-TA-575 and 731-TA-1360-1361 (Final)*, USITC Publication 4753, January 2018, and its corresponding confidential version contained in memorandum No. INV-PP-165, *Tool Chests and Cabinets from China and Vietnam, Investigation Nos. 701-TA-575 and 731-TA-1360-1361 (Final)*. No new information except for Commerce's final determinations concerning tool chests and cabinets from China and Vietnam and party comments thereon is included in the record for this proceeding.³

³ The Commission only received comments from the petitioner, Waterloo Industries Inc.

NATURE AND EXTENT OF SALES AT LTFV

On April 10, 2018, Commerce published a notice in the *Federal Register* of its final determinations of sales at LTFV with respect to tool chests and cabinets from China and Vietnam. Table I-1 presents Commerce’s dumping margins with respect to imports of tool chests and cabinets from China and Vietnam.

Table I-1
Tool chests and cabinets: Commerce’s final weight-average LTFV margins with respect to imports from China and Vietnam

Exporter	Producer	Final dumping margin (percent)
China		
14 separate rate exporters/producers combinations	14 separate rate exporters/producers combinations	97.11
China-wide Entity	China-wide Entity	244.29
Vietnam		
Vietnam-wide Entity	Vietnam-wide Entity	327.17

Source: *Certain Tool Chests and Cabinets from China: Final Affirmative Determination of Sales at Less Than Fair Value*, 69 FR 15365, April 10, 2018 and *Certain Tool Chests and Cabinets from the Socialist Republic of Vietnam: Final Affirmative Determination of Sales at Less Than Fair Value*, 69 FR 15361, April 10, 2018.

APPENDIX A

***FEDERAL REGISTER* NOTICES**

The Commission makes available notices relevant to its investigations and reviews on its website, www.usitc.gov. In addition, the following tabulation presents, in chronological order, *Federal Register* notices issued by the Commission and Commerce during the current proceeding.

Citation	Title	Link
82 FR 18309, April 18, 2017	<i>Tool Chests and Cabinets From China and Vietnam Institution of Antidumping and Countervailing Duty Investigations and Scheduling of Preliminary Phase Investigations</i>	https://www.federalregister.gov/d/2017-07749
82 FR 21523, May 9, 2017	<i>Certain Tool Chests and Cabinets from the People's Republic of China and the Socialist Republic of Vietnam: Initiation of Less-Than-Fair-Value Investigations</i>	https://www.federalregister.gov/d/2017-09370
82 FR 25628, June 2, 2017	<i>Tool Chests and Cabinets From China and Vietnam: Determinations</i>	https://www.federalregister.gov/documents/2017/06/02/2017-11391/tool-chests-and-cabinets-from-china-and-vietnam
82 FR 31045, July 5, 2017	<i>Certain Tool Chests and Cabinets From the People's Republic of China: Postponement of Preliminary Determination in Countervailing Duty Investigation</i>	https://www.federalregister.gov/documents/2017/07/05/2017-14056/certain-tool-chests-and-cabinets-from-the-peoplesrepublic-of-china-postponement-of-preliminary

Citation	Title	Link
82 FR 39563, August 21, 2017	<i>Certain Tool Chests and Cabinets From the People's Republic of China and the Socialist Republic of Vietnam: Postponements of Preliminary Determinations of Antidumping Duty Investigations</i>	https://www.federalregister.gov/documents/2017/08/21/2017-17628/certain-tool-chests-and-cabinets-from-the-peoplesrepublic-of-china-and-the-socialist-republic-of
82 FR 43331, September 15, 2017	<i>Certain Tool Chests and Cabinets From the People's Republic of China: Preliminary Affirmative Countervailing Duty Determination</i>	https://www.federalregister.gov/documents/2017/09/15/2017-19633/certain-tool-chests-and-cabinets-from-the-peoplesrepublic-of-china-preliminary-affirmative
82 FR 44657, September 25, 2017	<i>Tool Chests and Cabinets From China and Vietnam; Scheduling of the Final Phase of Countervailing Duty and Antidumping Duty Investigations</i>	https://www.federalregister.gov/documents/2017/09/25/2017-20371/tool-chests-and-cabinets-from-china-and-vietnamscheduling-of-the-final-phase-of-countervailing-duty
82 FR 56582, November 29, 2017	<i>Certain Tool Chests and Cabinets From the People's Republic of China: Final Affirmative Countervailing Duty Determination</i>	https://www.federalregister.gov/documents/2017/11/29/2017-25768/certain-tool-chests-and-cabinets-from-the-peoples-republic-of-china-final-affirmative-countervailing
83 FR 15365 April 10, 2018	<i>Certain Tool Chests and Cabinets From the People's Republic of China: Final Affirmative Determination of Sales at Less Than Fair Value</i>	https://www.gpo.gov/fdsys/pkg/FR-2018-04-10/pdf/2018-07315.pdf

Citation	Title	Link
83 FR 15361 April 10, 2018	<i>Certain Tool Chests and Cabinets From the Socialist Republic of Vietnam: Final Affirmative Determination of Sales at Less Than Fair Value</i>	https://www.gpo.gov/fdsys/pkg/FR-2018-04-10/pdf/2018-07316.pdf
83 FR 17674 April 23, 2018	<i>Tool Chests and Cabinets from China and Vietnam; Supplement Schedule for the Subject Investigations</i>	https://www.gpo.gov/fdsys/pkg/FR-2018-04-23/pdf/2018-08397.pdf

