

ITC NON-BINDING RECOMMENDATIONS SET THE STAGE FOR THE PRESIDENT TO DECIDE REMEDY

This Safeguard Investigation

Whirlpool Corporation filed a safeguard petition with the U.S. International Trade Commission on May 31, 2017, to address the ongoing efforts of Samsung and LG to evade U.S. trade laws. On October 5, 2017, the ITC voted unanimously that a surge of large-residential washer imports from Samsung and LG have seriously injured American manufacturers and workers. Learn more about this case through our [case fact sheet](#).

The U.S. International Trade Commission's Non-Binding Remedy Recommendation

On November 21, 2017, the ITC announced its non-binding trade remedy recommendations to prevent further injury to American workers who have been hurt by Samsung and LG's pattern of serial country-hopping to circumvent trade orders. The Commission will forward its report to President Trump and his administration on December 4, setting the stage for the president to establish a final remedy by February 2 to stop these abusive trade practices.

All four Commissioners recommended the president impose a tariff rate quota effective for three years. They also agreed that a legal-maximum 50% tariff should apply on all large-residential washer imports in excess of 1.2 million units. Whirlpool estimates that Samsung and LG imported approximately 3 million large-residential washers in 2016. The Commissioners also recommended a 50% tariff rate quota on covered parts in excess of 50,000 units. For details about the Commissioners' recommendations, see the [ITC's Press Room](#).

What the ITC's Non-Binding Remedy Recommendations Mean

The ITC's recommendation is a procedural, non-binding step that the president may consider as he forms his decision about what final remedy to impose. **Whirlpool is encouraged by the ITC's recommendation to impose a 50% tariff and remains optimistic that the Administration will implement a full and appropriate remedy to ensure that Samsung and LG cannot circumvent any element of the order.** A strong final remedy will ensure that more U.S. manufacturing jobs are created in states like Ohio, Kentucky, Tennessee and South Carolina.

The U.S. Washer Industry's Remedy Proposal

The U.S. washer industry proposed a 50% tariff based on the value of the washer being imported. This recommendation was appropriate to prevent further injury to American workers who have been hurt by Samsung and LG's persistent dumping of residential washing machines in the United States and to stop Samsung and LG's country-hopping to avoid U.S. trade laws. The proposed tariff is consistent with what the companies would be paying, had they not evaded antidumping orders by moving production from China to Thailand and Vietnam.

The industry also recommended strong anti-circumvention measures, including a quota on covered parts (cabinet/tub/basket assemblies) equal to the average quantity of imported parts during 2014-2016. A quota on parts is necessary to prevent Samsung and LG from establishing "screwdriver" operations in the United States that would essentially circumvent the remedy on finished washers. "Screwdriver" operations rely heavily on imported cabinet/tub/basket assemblies and employ far fewer U.S. workers than full-scale manufacturing facilities.

Next Step: The Trump Administration Reviews the Recommendation

The November 21 announcement was a procedural step and concluded the formal portion of the ITC's investigation. The ITC submits its non-binding remedy recommendation to the Trump Administration on December 4. The president then has until early February 2018 to fashion and announce a remedy. The U.S. Trade Representative is expected to lead the administration's review of the case. The president makes the final decision whether to provide relief to the U.S. washer industry, and the type and amount of relief.

Safeguard Petition Timeline

- **September 7, 2017:** International Trade Commission (ITC) hearing about whether the Samsung and LG increased large-residential washer import volumes injured the domestic washer industry.
- **October 5, 2017:** The ITC voted unanimously that increased large-residential washer imports have been (or threaten to be) a substantial cause of serious injury to the U.S. washer industry.
- **October 19, 2017:** ITC hearing on proposed remedies to address serious injury to the U.S. washer industry from Samsung and LG's increased large-residential washer import volumes.
- **November 21, 2017:** The ITC announces its non-binding remedy recommendations to address the injury that Samsung and LG's increased large-residential washer import volumes have caused the U.S. washer industry.
- **December 4, 2017:** The ITC provides its recommendation to the president. The president will then have approximately two months to consider the ITC's recommendations and to fashion a remedy.
- **February 2, 2018:** Deadline by which the president must take action (e.g., tariffs or other remedy) in response to the ITC's report.

Importance of the Non-Binding Remedy Recommendation

These recommendations from the ITC send a strong signal that American manufacturers and American workers need real relief from companies that ignore U.S. trade laws to undercut businesses that make products in the United States. Whirlpool Corp. is confident that the president and his team will institute a remedy that is both tough and fair to prevent continued abuse of existing trade laws by companies that seek an unfair advantage over American workers.

Why a Safeguard Petition?

The safeguard petition was necessary because U.S. manufacturers and workers needed trade relief that Samsung and LG could not circumvent. If these companies try to country hop again, then the remedies can be applied to those export countries.