

FACT SHEET

Commerce Preliminarily Finds Dumping of Imports of Tool Chests and Cabinets from the People's Republic of China and the Socialist Republic of Vietnam

- On November 13, 2017, the Department of Commerce (Commerce) announced its affirmative preliminary determinations in the antidumping duty (AD) investigations of imports of tool chests and cabinets from the People's Republic of China (China) and the Socialist Republic of Vietnam (Vietnam).
- The AD law provides U.S. businesses and workers with a transparent, quasi-judicial, and internationally accepted mechanism to seek relief from the market-distorting effects caused by injurious dumping of imports into the United States, establishing an opportunity to compete on a level playing field.
- For the purpose of AD investigations, dumping occurs when a foreign company sells a product in the United States at less than its fair value.
- In the China investigation, Commerce calculated a preliminary dumping rate of 168.93 for mandatory respondent, Geelong Sales (Macao Commercial Offshore) Limited. Commerce calculated a preliminary dumping rate of 90.40 for mandatory respondent, the Tongrun Single Entity. All other producers/exporters in China that are eligible for a separate rate received a rate of 145.99 percent. All other producers/exporters in China that are not eligible for a separate rate received the China-wide rate of 168.93 percent, based on adverse facts available.
- In the Vietnam investigation, Commerce calculated a preliminary dumping rate of 230.31 for the sole mandatory respondent, the Clearwater Metal Single Entity. All other producers/exporters in Vietnam that are not eligible for a separate rate received the Vietnam-wide rate of 230.31 percent, based on adverse facts available.
- As a result of the preliminary affirmative determinations, Commerce will instruct U.S. Customs and Border Protection (CBP) to require cash deposits based on these preliminary rates.
- The petitioner is Waterloo Industries, Inc. (Waterloo). Waterloo manufactures tool chests at its production facility in Sedalia, Missouri.
- The scope of these investigations cover certain metal tool chests and tool cabinets, with drawers, (tool chests and cabinets), from the People's Republic of China (China). The scope covers all metal tool chests and cabinets, including top chests, intermediate chests, tool cabinets and side cabinets, storage units, mobile work benches, and work stations and that have the following physical characteristics:
 - (1) a body made of carbon, alloy, or stainless steel and/or other metals;
 - (2) two or more drawers for storage in each individual unit;
 - (3) a width (side to side) exceeding 15 inches for side cabinets and exceeding 21 inches for all other individual units but not exceeding 60 inches;
 - (4) a body depth (front to back) exceeding 10 inches but not exceeding 24 inches; and

(5) prepackaged for retail sale.

For purposes of this scope, the width parameter applies to each individual unit, *i.e.*, each individual top chest, intermediate top chest, tool cabinet, side cabinet, storage unit, mobile work bench, and work station.

Prepackaged for retail sale means the units may, for example, be packaged in a cardboard box, other type of container or packaging, and may bear a Universal Product Code, along with photographs, pictures, images, features, artwork, and/or product specifications. Subject tool chests and cabinets are covered whether imported in assembled or unassembled form. Subject merchandise includes tool chests and cabinets produced in the China but assembled, prepackaged for retail sale, or subject to other minor processing in a third country prior to importation into the United States. Similarly, it would include tool chests and cabinets produced in China that are later found to be assembled, prepackaged for retail sale, or subject to other minor processing after importation into the United States.

Subject tool chests and cabinets may also have doors and shelves in addition to drawers, may have handles (typically mounted on the sides), and may have a work surface on the top. Subject tool chests and cabinets may be uncoated (*e.g.*, stainless steel), painted, powder coated, galvanized, or otherwise coated for corrosion protection or aesthetic appearance.

Subject tool chests and cabinets may be packaged as individual units or in sets. When packaged in sets, they typically include a cabinet with one or more chests that stack on top of the cabinet. Tool cabinets act as a base tool storage unit and typically have rollers, casters, or wheels to permit them to be moved more easily when loaded with tools. Work stations and mobile work benches are tool cabinets with a work surface on the top that may be made of rubber, plastic, metal, wood, or other materials.

Top chests are designed to be used with a tool cabinet to form a tool storage unit. The top chests may be mounted on top of the base tool cabinet or onto an intermediate chest. They are often packaged as a set with tool cabinets or intermediate chests, but may also be packaged separately. They may be packaged with mounting hardware (*e.g.*, bolts) and instructions for assembling them onto the base tool cabinet or onto an intermediate tool chest which rests on the base tool cabinet. Smaller top chests typically have handles on the sides, while the larger top chests typically lack handles. Intermediate tool chests are designed to fit on top of the floor standing tool cabinet and to be used underneath the top tool chest. Although they may be packaged or used separately from the tool cabinet, intermediate chests are designed to be used in conjunction with tool cabinets. The intermediate chests typically do not have handles. The intermediate and top chests may have the capability of being bolted together.

Side cabinets are designed to be bolted or otherwise attached to the side of the base storage cabinet to expand the storage capacity of the base tool cabinet.

Subject tool chests and cabinets also may be packaged with a tool set included. Packaging a subject tool chest and cabinet with a tool set does not remove an otherwise covered subject tool chest and cabinet from the scope. When this occurs, the tools are not part of the subject merchandise.

All tool chests and cabinets that meet the above definition are included in the scope unless otherwise specifically excluded.

Excluded from the scope of these investigations are tool boxes, chests, and cabinets with bodies made of plastic, carbon fiber, wood, or other non-metallic substances.

Also excluded from the scope of these investigations are industrial grade steel tool chests and cabinets. The excluded industrial grade steel tool chests and cabinets are those:

- (1) having a body that is over 60 inches in width; or
- (2) having each of the following physical characteristics:
 - (a) a body made of steel that is 0.047 inches or more in thickness;
 - (b) a body depth (front to back) exceeding 21 inches; and
 - (c) a unit weight that exceeds the maximum unit weight shown below for each width range:

Weight to Width Ratio Tool Chests	
Inches	Maximum Pounds
21 > ≤ 25	90
25 > ≤ 28	115
28 > ≤ 30	120
30 > ≤ 32	130
32 > ≤ 34	140
34 > ≤ 36	150
36 > ≤ 38	160
38 > ≤ 40	170
40 > ≤ 42	180
42 > ≤ 44	190
44 > ≤ 46	200
46 > ≤ 48	210
48 > ≤ 50	220
50 > ≤ 52	230
52 > ≤ 54	240
54 > ≤ 56	250
56 > ≤ 58	260
58 > ≤ 60	270

Weight to Width Ratio Tool Cabinets	
Inches	Maximum Pounds
21 > ≤ 25	155
25 > ≤ 28	170
28 > ≤ 30	185
30 > ≤ 32	200
32 > ≤ 34	215
34 > ≤ 36	230
36 > ≤ 38	245
38 > ≤ 40	260
40 > ≤ 42	280
42 > ≤ 44	290
44 > ≤ 46	300
46 > ≤ 48	310
48 > ≤ 50	320
50 > ≤ 52	330
52 > ≤ 54	340
54 > ≤ 56	350
56 > ≤ 58	360
58 > ≤ 60	370

Also excluded from the scope of these investigations are service carts. The excluded service carts have all of the following characteristics:

- (1) casters, wheels, or other similar devices which allow the service cart to be rolled from place to place;
- (2) a flat top or flat lid on top of the unit that opens;
- (3) a space or gap between the casters, wheels, or other similar devices, and the bottom of the enclosed storage space (e.g., drawers) of at least 10 inches; and
- (4) a total unit height, including casters, of less than 48 inches.

Also excluded from the scope of these investigations are non-mobile work benches. The excluded non-mobile work benches have all of the following characteristics:

- (1) a solid top working surface;
- (2) no drawers, one drawer, or two drawers in a side-by-side configuration; and
- (3) the unit is supported by legs and has no solid front, side, or back panels enclosing the body of the unit.

Also excluded from the scope of these investigations are metal filing cabinets that are configured to hold hanging file folders and are classified in the Harmonized Tariff Schedule of the United States (HTSUS) at subheading 9403.10.0020.

Merchandise subject to these investigations is classified under HTSUS categories 9403.20.0021, 9403.20.0026, 9403.20.0030 and 7326.90.8688, but may also be classified under HTSUS category 7326.90.3500. While HTSUS subheadings are provided for convenience and Customs purposes, the written description of the scope of these investigations is dispositive.

- In 2016, imports of tool chests and cabinets from China and Vietnam were valued at an estimated \$230 million and \$77 million, respectively.

NEXT STEPS

- Commerce is currently scheduled to announce its final determinations in March 2018.
- If Commerce makes affirmative final determinations and the U.S. International Trade Commission (ITC) makes affirmative final determinations that imports of tool chests and cabinets from China and Vietnam materially injure, or threaten material injury to, the domestic industry in the United States, Commerce will issue AD orders. If either the Commerce or the ITC final determinations are negative, no AD orders will be issued. The ITC is scheduled to make its final injury determinations approximately 45 days after Commerce issues its final determinations, if affirmative.

PRELIMINARY DUMPING RATES

COUNTRY	EXPORTER/PRODUCER	DUMPING RATE
China	Geelong Sales (Macao Commercial Offshore) Limited	168.93%
	The Tongrun Single Entity	90.40%
	Non-Selected Separate Rate Respondents	145.99%
	China-Wide Rate	168.93%
Vietnam	The Clearwater Metal Single Entity	230.31%
	Vietnam-Wide Rate	230.31%

CASE CALENDAR

EVENT	AD INVESTIGATIONS
Petitions Filed	April 11, 2017
DOC Initiation Date	May 1, 2017
ITC Preliminary Determinations	May 26, 2017
DOC Preliminary Determinations	November 7, 2017
DOC Final Determinations	March 22, 2018
ITC Final Determinations*†	May 7, 2018
Issuance of Orders**	May 14, 2018

NOTE: Commerce preliminary and final determination deadlines are governed by statute. For AD investigations, the deadlines are set forth in sections 733(b) and 735(a) of the Tariff Act of 1930, as amended. These deadlines may be extended under certain circumstances.

†Where the deadline falls on a weekend/holiday, the appropriate date is the next business day.

*This will take place only in the event of final affirmative determinations from Commerce.

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IMPORT STATISTICS

CHINA	2014	2015	2016
Value (USD)	146,000,000	200,000,000	230,000,000
VIETNAM	2014	2015	2016
Value (USD)	19,000,000	23,000,000	77,000,000

Source: U.S. Census Bureau, accessed through Global Trade Atlas. (HTSUS 9403.20.0030) Volume data are not available, as imports of tool chests and cabinets are reported in multiple units of quantity. The HTSUS subheading is a basket category and covers a wide variety of both subject and non-subject merchandise. Therefore, the above import statistics may vary significantly from actual imports of certain tool chests and cabinets from China and Vietnam.