
Hughes Hubbard & Reed

New Antidumping and Countervailing Duty Petitions on Certain Vertical Shaft Engines from the People's Republic of China

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March 20, 2020 – On March 17, 2020, Briggs & Stratton Corporation filed petitions with the U.S. Department of Commerce (“Commerce”) and the U.S. International Trade Commission (“ITC”). Petitioner seeks antidumping (“AD”) and countervailing (“CVD”) duties on certain vertical shaft engines with a displacement between 99 cubic centimeters (“cc”) and up to 225cc, also known as small vertical engines, imported from the People’s Republic of China (“China”). The petition alleges that small vertical engines between 99cc and 225cc are being, or are likely to be, sold in the United States at less than fair value and asserts that the domestic industry is materially injured by reason of these imports. The petition expands on another petition involving vertical shaft engines filed on January 15, 2020, which was filed by the Coalition of American Vertical Engine Producers, comprised of Kohler Co. and Briggs & Stratton, targeting vertical shaft engines between 225cc and 999cc on January 15, 2020. (We previously summarized the January 15, 2020 petition [here](#).)

The petition illustrates a growing trend for petitioners to file staggered petitions on similar products or involving different countries, so that a new petition is filed while a related investigation is still pending. For example, Cambria Company LLC submitted overlapping petitions on certain quartz surface products, filing a first petition against China on April 17, 2018 and a second petition against India and Turkey on May 8, 2019, several weeks before Commerce issued its final determinations. (We previously summarized the petition on quartz surface products from India and Turkey [here](#).) Other petitions follow shortly after the same petitioner has been successful in earlier cases involving the same product from different countries. One such instance is the petition on forged steel fittings from India and South Korea filed in October 2019 (summarized [here](#)), which was filed by the same petitioner following Commerce’s countervailing duty orders on forged steel fittings from China and antidumping duty orders on forged steel fittings from Italy and China in November 2018.

Scope

The latest petition on certain small vertical engines encompasses gasoline powered, spark-ignition, internal combustion engines, which are one cylinder and are air-cooled. The small vertical shaft engines have a minimum displacement of 99cc and a maximum displacement of up to 225cc, typically generating gross power of 1.95kw to 7.74kw. The engines are generally used in walk-behind lawn mowers, but can also be used in pressure washers.

The merchandise covered by the petition typically enters under U.S. Harmonized Tariff Schedule (“HTSUS”) number 8407.90.1010. However, HTSUS number 8407.90.1010 is not limited to the engines covered by the petition, and certain out-of-scope engines enter under the same subheading. Small vertical shaft engines and subassemblies may also enter under HTSUS numbers 8407.90.1020, 8407.90.9040, 8407.90.9060, 8409.91.9990, 8433.11.0050, 8433.11.0060, and 8424.30.9000.

Foreign Producers and Exporters

A list of foreign producers and exporters, as identified by the petitioners, is provided in [Attachment 1](#).

U.S. Importers of Subject Merchandise

A list of U.S. importers, as identified by the petitioners, is provided in [Attachment 2](#).

Alleged Dumping Margins

Petitioner estimates dumping margins of 517.82 percent, 466.02 percent, 548.74 percent, and 491.81 percent on small vertical engines from China.

Commerce generally assigns duties at these alleged dumping rates to exporters that fail to cooperate with the investigation.

No specific subsidy margins are included in the petition.

Potential Trade Impact

According to official import statistics, subject imports totaled 650,626 engines and constituted 23.7 percent of imports from all countries in 2019.

Estimated Schedule of Investigations

March 17, 2020 – Petition filed

May 1, 2020 – ITC preliminary injury determination

May 21, 2020 – DOC preliminary CVD determination, if not postponed

July 25, 2020 – DOC preliminary CVD determination, if fully postponed

August 4, 2020 – DOC preliminary AD determination, if not postponed

September 23, 2020 – DOC preliminary AD determination, if fully postponed

February 12, 2021 – DOC final AD and CVD determinations, if both preliminary and final determinations are fully postponed

April 5, 2021 – ITC final injury determination, if DOC’s determinations are fully postponed

April 12, 2021 – AD/CVD orders published

If you have any questions about the petition, please contact the experienced attorneys in HHR’s international trade group.

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