

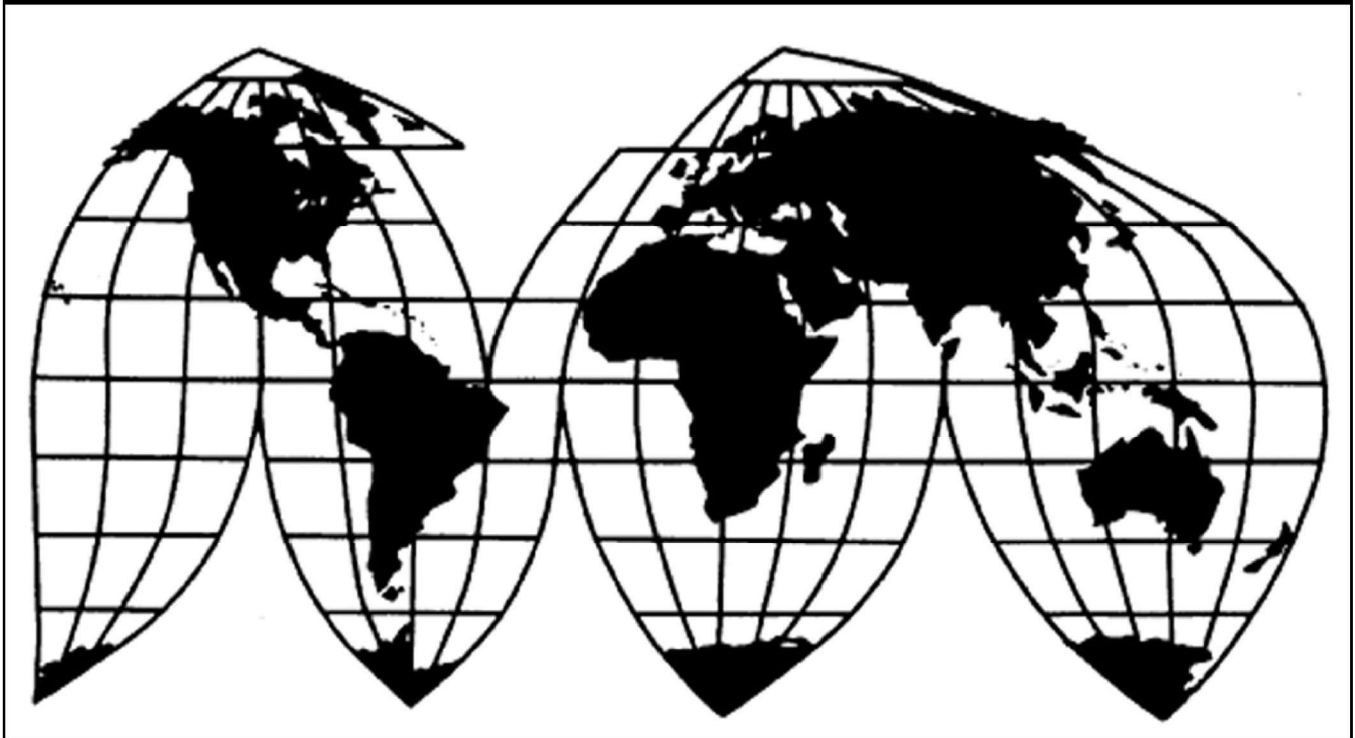
Tool Chests and Cabinets from China and Vietnam

Investigation Nos. 701-TA-575 and 731-TA-1360-1361 (Review)

Publication 5439

June 2023

U.S. International Trade Commission



Washington, DC 20436

U.S. International Trade Commission

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CONTENTS

| | Page |
|--|------------|
| Determinations | 1 |
| Views of the Commission | 3 |
| Information obtained in these reviews | I-1 |
| Background | I-1 |
| Responses to the Commission’s notice of institution..... | I-2 |
| Individual responses | I-2 |
| Party comments on adequacy | I-2 |
| The original investigations | I-3 |
| Previous and related investigations..... | I-3 |
| Commerce’s five-year reviews..... | I-4 |
| The product..... | I-4 |
| Commerce’s scope..... | I-4 |
| U.S. tariff treatment..... | I-8 |
| Description and uses..... | I-9 |
| Manufacturing processes..... | I-15 |
| The industry in the United States | I-18 |
| U.S. producers..... | I-18 |
| Recent developments | I-19 |
| U.S. producers’ trade and financial data | I-21 |
| Definitions of the domestic like product and domestic industry | I-22 |
| U.S. importers | I-22 |
| U.S. imports..... | I-23 |
| Cumulation considerations | I-23 |
| Apparent U.S. consumption and market shares | I-23 |
| The industry in China | I-25 |
| Producers in China | I-25 |
| Recent developments | I-25 |
| Exports | I-26 |
| The industry in Vietnam..... | I-27 |
| Producers in Vietnam | I-27 |
| Recent developments | I-27 |
| Exports | I-28 |
| Third-country trade actions | I-28 |
| The global market | I-28 |

Appendixes

| | | |
|----|---|-----|
| A. | <i>Federal Register</i> notices..... | A-1 |
| B. | Company-specific data..... | B-1 |
| C. | Summary data compiled in prior proceedings..... | C-1 |
| D. | Purchaser questionnaire responses..... | D-1 |

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UNITED STATES INTERNATIONAL TRADE COMMISSION

Investigation Nos. 701-TA-575 and 731-TA-1360-1361 (Review)

Tool Chests and Cabinets from China and Vietnam

DETERMINATIONS

On the basis of the record¹ developed in the subject five-year reviews, the United States International Trade Commission (“Commission”) determines, pursuant to the Tariff Act of 1930 (“the Act”), that revocation of the countervailing duty order on tool chests and cabinets from China and revocation of the antidumping duty orders on tool chests and cabinets from China and Vietnam would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.

BACKGROUND

The Commission instituted these reviews on December 1, 2022 (87 FR 73786) and determined on March 6, 2023 that it would conduct expedited reviews (88 FR 23464, April 17, 2023).

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

Views of the Commission

Based on the record in these five-year reviews, we determine under section 751(c) of the Tariff Act of 1930, as amended (“the Tariff Act”), that revocation of the countervailing duty order on tool chests and cabinets (“tool chests”) from China and the antidumping duty orders on tool chests from China and Vietnam would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.

I. Background

Original Investigations. On April 11, 2017, Waterloo Industries Inc. (“Waterloo”), a domestic producer of tool chests, filed a countervailing duty petition concerning tool chests from China and antidumping duty petitions concerning tool chests from China and Vietnam.¹ In January 2018, the Commission determined that a domestic industry was materially injured by reason of imports of tool chests from China that the Department of Commerce (“Commerce”) found to be subsidized by the government of China.² On January 24, 2018, Commerce issued its countervailing duty order on tool chests from China.³ In May 2018, the Commission determined that a domestic industry was materially injured by reason of imports of tool chests from China and Vietnam found by Commerce to be sold at less than fair value.⁴ On June 4, 2018, Commerce issued its antidumping duty orders on tool chests from China and Vietnam.⁵

Current Reviews. On December 1, 2022, the Commission instituted these first five-year reviews of the antidumping and countervailing duty orders on tool chests from China and Vietnam.⁶ One domestic producer of tool chests, Stanley Black & Decker (“SBD” or “domestic

¹ *Tool Chests and Cabinets from China*, Inv. No. 701-TA-575 (Final), USITC Pub. 4753 (Jan. 2018) (“*Original Determination*”) at 3.

² *Original Determination*, USITC Pub. 4753 (Jan. 2018) at 1. 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. *Id.* 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. *Tool Chests and Cabinets from China and Vietnam*, Inv. Nos. 731-TA-1360-1361 (Final), USITC Pub. 4787 (May 2018) (“*Original Trailing Determinations*”) at 3.

³ 83 Fed. Reg. 3299 (Jan. 24, 2018).

⁴ *Original Trailing Determinations*, USITC Pub. 4787 (May 2018) at 3.

⁵ 83 Fed. Reg. 25645 (June 4, 2018).

⁶ 87 Fed. Reg. 73786 (Dec. 1, 2022).

interested party”), responded to the notice of institution.⁷ No respondent interested party responded to the notice of institution or participated in these reviews.⁸ On March 6, 2023, the Commission determined that the domestic interested party group response was adequate for all reviews and that the respondent interested party group response was inadequate for all reviews.⁹ Finding no other circumstances that would warrant conducting full reviews, the Commission determined to conduct expedited reviews of the orders.¹⁰ SBD subsequently submitted final comments pursuant to Commission rule 207.62(d)(1).¹¹

U.S. industry data are based on the information submitted by SBD in its response to the notice of institution, accounting for all known production of tool chests in the United States during 2021.¹² Information regarding U.S. imports is also based on the facts available, in particular, information submitted by SBD, as reliable official import statistics concerning tool chests are unavailable.¹³ Foreign industry data and related information are based on information from the original investigations and information supplied by SBD in its response to the notice of institution. Two U.S. purchasers of tool chests, ***, responded to the Commission’s adequacy phase questionnaire.¹⁴

⁷ Stanley Black & Decker’s Response to the Notice of Institution, EDIS Doc. 787196 (Jan. 3, 2023) (“SBD Response”). SBD purchased the petitioner of the original investigations, Waterloo, in July 2017, three months after the filing of the petitions. *Original Determination*, USITC Pub. 4753 (Jan. 2018) at 15.

⁸ Confidential Report, INV-VV-018, Feb. 22, 2023 (“CR”) at I-2; *Tool Chests and Cabinets from China and Vietnam*, Inv. No. 701-TA-575 and 731-TA-1360-1361 (Review), USITC Pub. 5439 (June 2023) (“PR”) at I-2.

⁹ 88 Fed. Reg. 23464 (Apr. 17, 2023).

¹⁰ 88 Fed. Reg. 23464 (Apr. 17, 2023).

¹¹ SBD’s Final Comments, EDIS Doc. 798012 (June 7, 2023).

¹² CR/PR at Table I-2 and I-18.

¹³ See CR/PR at I-23, n. 51. The relevant HTSUS statistical reporting numbers that cover tool chests, 7326.90.8688, 9403.20.0050, 9403.20.0086, and 9403.20.0090, also include substantial volumes of out-of-scope products, rendering official import statistics an unreliable measure of subject imports. In the original investigations, U.S. import data were based on questionnaire responses.

¹⁴ CR/PR at D-3.

II. Domestic Like Product and Industry

A. Domestic Like Product

In making its determination under section 751(c) of the Tariff Act, the Commission defines the “domestic like product” and the “industry.”¹⁵ The Tariff Act defines “domestic like product” as “a product which is like, or in the absence of like, most similar in characteristics and uses with, the article subject to an investigation under this subtitle.”¹⁶ The Commission’s practice in five-year reviews is to examine the domestic like product definition from the original investigation and consider whether the record indicates any reason to revisit the prior findings.¹⁷

Commerce has defined the imported merchandise within the scope of the orders under review as follows:

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.

¹⁵ 19 U.S.C. § 1677(4)(A).

¹⁶ 19 U.S.C. § 1677(10); *see, e.g., Cleo Inc. v. United States*, 501 F.3d 1291, 1299 (Fed. Cir. 2007); *NEC Corp. v. Dep’t of Commerce*, 36 F. Supp. 2d 380, 383 (Ct. Int’l Trade 1998); *Nippon Steel Corp. v. United States*, 19 CIT 450, 455 (1995); *Timken Co. v. United States*, 913 F. Supp. 580, 584 (Ct. Int’l Trade 1996); *Torrington Co. v. United States*, 747 F. Supp. 744, 748-49 (Ct. Int’l Trade 1990), *aff’d*, 938 F.2d 1278 (Fed. Cir. 1991); *see also* S. Rep. No. 249, 96th Cong., 1st Sess. 90-91 (1979).

¹⁷ *See, e.g., Internal Combustion Industrial Forklift Trucks from Japan*, Inv. No. 731-TA-377 (Second Review), USITC Pub. 3831 at 8-9 (Dec. 2005); *Crawfish Tail Meat from China*, Inv. No. 731-TA-752 (Review), USITC Pub. 3614 at 4 (July 2003); *Steel Concrete Reinforcing Bar from Turkey*, Inv. No. 731-TA-745 (Review), USITC Pub. 3577 at 4 (Feb. 2003).

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 China or Vietnam 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 or Vietnam that are 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 orders 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 orders 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 orders 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) an open top for storage, a flat top, or a 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 orders 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 orders 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 9403.10.0020.¹⁸

The scope has not changed since the original investigations.¹⁹

Tool chests are designed for the storage of tools and equipment. They are generally produced from carbon, alloy, or stainless steel. Tool chests can be differentiated by such factors as size, color, number and load rating of drawers, type of drawer slides, type of latching system, thickness of primary construction material, lock type, type and load rating of casters or wheels, and total load rating and storage capacity. Some tool chests have additional features like power strips, USB ports, and Bluetooth connectivity (which enables keyless locking and unlocking).²⁰

¹⁸ Issues and Decision Memorandum for the Final Results of the Expedited First Sunset Review of the Countervailing Duty Order on Certain Tool Chests and Cabinets from the People's Republic of China (Mar. 24, 2023) at 2-5; Issues and Decision Memorandum for the Expedited Sunset Reviews of the Antidumping Duty Orders on Certain Tool Chests and Cabinets from the People's Republic of China and the Socialist Republic of Vietnam (Mar. 8, 2023) at 2-5.

¹⁹ See *Original Determination*, USITC Pub. 4753 (Jan. 2018) at 5-8.

²⁰ CR/PR at I-9-15.

In the original investigations, the Commission defined a single domestic like product consisting of tool chests, coextensive with Commerce’s scope.²¹ In these reviews, there is no new information suggesting that the characteristics and uses of domestically produced tool chests have changed since the original investigations so as to warrant reconsideration of the domestic like product definition from the original investigations, and SBD agrees with the prior definition.²² We consequently define a single domestic like product consisting of tool chests, coextensive with Commerce’s scope.

B. Domestic Industry

Section 771(4)(A) of the Tariff Act defines the relevant industry as the domestic “producers as a whole of a domestic like product, or those producers whose collective output of a domestic like product constitutes a major proportion of the total domestic production of the product.”²³ In defining the domestic industry, the Commission’s general practice has been to include in the industry producers of all domestic production of the like product, whether toll-produced, captively consumed, or sold in the domestic merchant market.

In the original investigations, the Commission considered whether to exclude *** from the domestic industry under the related parties provision because ***. The Commission determined that appropriate circumstances did not exist for *** exclusion.²⁴ Accordingly, the Commission defined the domestic industry as all U.S. producers of tool chests.²⁵

²¹ *Original Determination*, USITC Pub. 4753 (Jan. 2018) at 11-14. The Commission found that there was a clear dividing line between domestically produced in-scope tool chests and larger out-of-scope tool chests that respondents sought to include in the domestic like product definition. It found that while all tool chests have the same end use (tool storage), the majority of in-scope tool chests have different characteristics and are intended for different end users (*i.e.*, homeowners) than the majority of out-of-scope tool chests (*i.e.*, professional users). The Commission observed that domestic manufacturers produced in- and out-of-scope tool chests using different equipment, production processes, and employees, and that in-scope tool chests generally were not sold to industrial distributors or directly to professional consumers, as were out-of-scope tool chests. Additionally, out-of-scope tool chests tended to be priced at substantially higher price points than in-scope tool chests. *Id.*

²² See generally CR/PR at I-9-18; SBD Response at 15.

²³ 19 U.S.C. § 1677(4)(A). The definitions in 19 U.S.C. § 1677 are applicable to the entire subtitle containing the antidumping and countervailing duty laws, including 19 U.S.C. §§ 1675 and 1675a. See 19 U.S.C. § 1677.

²⁴ *Original Determination*, USITC Pub. 4753 (Jan. 2018) at 15-16; Confidential Original Determination, EDIS Doc. 789202 (“Confidential Original Determination”) at 21-22.

²⁵ *Original Determination*, USITC Pub. 4753 (Jan. 2018) at 16.

In these reviews, SBD agrees with the Commission’s definition of the domestic industry in the original investigations.²⁶ There are no related parties or other domestic industry issues in these reviews.²⁷ Therefore, consistent with our definition of the domestic like product, we define the domestic industry to include all U.S. producers of tool chests.

III. Cumulation

A. Legal Standard

With respect to five-year reviews, section 752(a) of the Tariff Act provides as follows: *the Commission may cumulatively assess the volume and effect of imports of the subject merchandise from all countries with respect to which reviews under section 1675(b) or (c) of this title were initiated on the same day, if such imports would be likely to compete with each other and with domestic like products in the United States market. The Commission shall not cumulatively assess the volume and effects of imports of the subject merchandise in a case in which it determines that such imports are likely to have no discernible adverse impact on the domestic industry.*²⁸

Cumulation therefore is discretionary in five-year reviews, unlike original investigations, which are governed by section 771(7)(G)(i) of the Tariff Act.²⁹ The Commission may exercise its discretion to cumulate, however, only if the reviews are initiated on the same day, the Commission determines that the subject imports are likely to compete with each other and the domestic like product in the U.S. market, and imports from each such subject country are not likely to have no discernible adverse impact on the domestic industry in the event of revocation. Our focus in five-year reviews is not only on present conditions of competition, but also on likely conditions of competition in the reasonably foreseeable future.

²⁶ SBD Response at 15.

²⁷ SBD states that it is not related to any U.S. importer or foreign producer of subject merchandise, and did not import subject merchandise itself. SBD Response at 13.

²⁸ 19 U.S.C. § 1675a(a)(7).

²⁹ 19 U.S.C. § 1677(7)(G)(i); *see also, e.g., Nucor Corp. v. United States*, 601 F.3d 1291, 1293 (Fed. Cir. 2010) (Commission may reasonably consider likely differing conditions of competition in deciding whether to cumulate subject imports in five-year reviews); *Allegheny Ludlum Corp. v. United States*, 475 F. Supp. 2d 1370, 1378 (Ct. Int’l Trade 2006) (recognizing the wide latitude the Commission has in selecting the types of factors it considers relevant in deciding whether to exercise discretion to cumulate subject imports in five-year reviews); *Nucor Corp. v. United States*, 569 F. Supp. 2d 1328, 1337-38 (Ct. Int’l Trade 2008).

The statutory threshold for cumulation is satisfied in these reviews because all reviews were initiated on the same day, December 1, 2022.³⁰

Original Investigations. The Commission cumulated subject imports from China and Vietnam, finding a reasonable overlap of competition between the domestic like product and imports from each subject country and among imports from the subject countries.³¹

B. Likelihood of No Discernible Adverse Impact

The statute precludes cumulation if the Commission finds that subject imports from a country are likely to have no discernible adverse impact on the domestic industry.³² Neither the statute nor the Uruguay Round Agreements Act (“URAA”) Statement of Administrative Action (“SAA”) provides specific guidance on what factors the Commission is to consider in determining that imports “are likely to have no discernible adverse impact” on the domestic industry.³³ With respect to this provision, the Commission generally considers the likely volume of subject imports and the likely impact of those imports on the domestic industry within a reasonably foreseeable time if the orders are revoked. Our analysis for each of the subject countries takes into account, among other things, the nature of the product and the behavior of subject imports in the original investigations.

Based on the record in these reviews, we do not find that imports from each subject country would be likely to have no discernible adverse impact on the domestic industry in the event of revocation, for the reasons discussed below.

China. In the original investigations, subject imports from China increased from *** units in 2014, accounting for *** percent of apparent U.S. consumption, to *** units in 2015, accounting for *** percent of apparent U.S. consumption, before decreasing to *** units in 2016, a level higher than at the beginning of the period of investigation and accounting for *** percent of apparent U.S. consumption.³⁴ Although the record contains no import data concerning the volume of subject imports from China during the period of review (“POR”), including from which to calculate their share of consumption, SBD reports that in its experience, imports of tool chests from China declined substantially following imposition of the orders but have maintained a presence in U.S. retail stores.³⁵

³⁰ CR/PR at Table I-1; 87 Fed. Reg. 73757 (Dec. 1, 2022).

³¹ *Original Determination*, USITC Pub. 4753 (Jan. 2018) at 18.

³² 19 U.S.C. § 1675a(a)(7).

³³ SAA, H.R. Rep. No. 103-316, vol. I at 887 (1994).

³⁴ CR/PR at Table I-5.

³⁵ SBD Response at 5.

During the original investigations, 14 firms in China, whose exports accounted for the majority of U.S imports from China in 2016, responded to the Commission’s foreign producers’ questionnaire.³⁶ Responding Chinese producers reported production capacity of *** units and a capacity utilization rate of *** percent in 2016.³⁷ They reported exporting *** percent of their total shipments, with *** percent of their total shipments exported to the United States that year.³⁸

In the current reviews, the record contains limited information concerning the tool chests industry in China because no producer in China responded to the Commission’s notice of institution. SBD provided a list of 47 possible producers of tool chests in China.³⁹ According to information submitted by SBD, the subject industry in China continues to have large production capacity and remains export oriented and focused on the U.S. market.⁴⁰ SBD asserts that the largest producers in China from the original investigations remain active producers and exporters of subject merchandise.⁴¹ Trade Data Monitor (“TDM”) data submitted by SBD covering metal furniture products and iron and steel products, a category that includes in-scope tool chests and substantial volumes of out-of-scope products, show that exports of such merchandise from China to the United States increased during the POR from \$3.9 billion in 2017 to \$6.6 billion in 2021.⁴² The United States was the leading destination for exports of such merchandise from China in each year of the POR.⁴³

In the original investigations, subject imports from China undersold the domestic like product in 11 of 41 (or 26.8 percent of) quarterly comparisons, however on a volume basis subject imports from China undersold domestic like product in 51.1 percent of comparisons, at an average margin of 15.8 percent.⁴⁴ Additionally, the Commission found that an important characteristic of the U.S. tool chests market was that a substantial share of subject imports were directly imported by retailers, as the volume of direct imports of subject merchandise was

³⁶ *Original Determination*, USITC Pub. 4753 (Jan. 2018) at VII-3.

³⁷ *Original Determination*, USITC Pub. 4753 (Jan. 2018) at Table VII-4; Original Confidential Report, INV-PP-165, EDIS Doc. 789192 (Dec. 14, 2017) (“Original Confidential Report”) at Table VII-4.

³⁸ *Original Determination*, USITC Pub. 4753 (Jan. 2018) at Table VII-4; Original Confidential Report at Table VII-4.

³⁹ CR/PR at I-25; SBD Response at Exhs. 1 and 6.

⁴⁰ SBD Response at 5-6, 9, Exh. 3.

⁴¹ SBD Response at 5-6.

⁴² CR/PR at I-26; SBD Response at 9 and Exh. 4. We recognize that data for subheadings 7326.90 and 9403.20 contain substantial volumes of out-of-scope products and thus overstates exports of tool chests from China to the United States. CR/PR at I-26.

⁴³ SBD Response at 8 and Exh. 4.

⁴⁴ *Original Determination*, USITC Pub. 4753 (Jan. 2018) at V-9 and Table V-13.

substantially greater than the volume shipped to unrelated U.S. customers.⁴⁵ Purchase cost data showed that the purchase cost of subject imports from China was lower than the sales price of U.S. product in 33 of 48 (or 68.7 percent of) quarterly comparisons.⁴⁶ No product-specific pricing data were obtained in these expedited reviews.

In light of the foregoing, including the significant and increasing volume and market share of subject imports from China during the original investigations, the continued presence of subject imports from China in the U.S. market, the facts available concerning the size and exports of the subject industry in China, and the underselling by subject imports from China during the original investigations, we do not find that subject imports from China would likely have no discernible adverse impact on the domestic industry if the relevant orders were revoked.

Vietnam. In the original investigations, subject imports from Vietnam increased from *** units in 2014, accounting for *** percent of apparent U.S. consumption, to *** units in 2015, accounting for *** percent of apparent U.S. consumption, before decreasing to *** units in 2016, accounting for *** percent of apparent U.S. consumption.⁴⁷ Although the record contains no import data concerning the volume of subject imports from Vietnam during the POR, including for purposes of calculating their share of consumption, SBD reports that in its experience, the volume of subject imports from Vietnam declined substantially following imposition of the order.⁴⁸

During the original investigations, five firms, whose production accounted for the majority of tool chests production in Vietnam in 2016, responded to the Commission's foreign producers' questionnaire.⁴⁹ Responding Vietnamese producers reported production capacity of *** units and a capacity utilization rate of *** percent in 2016.⁵⁰ They reported exporting *** percent of their total shipments that year, with *** percent of their total shipments exported to the United States.⁵¹

⁴⁵ *Original Determination*, USITC Pub. 4753 (Jan. 2018) at 27.

⁴⁶ *See Original Determination*, USITC Pub. 4753 (Jan. 2018) at V-5-6.

⁴⁷ CR/PR at Table I-5.

⁴⁸ SBD Response at 5.

⁴⁹ *Original Determination*, USITC Pub. 4753 (Jan. 2018) at VII-6.

⁵⁰ *Original Determination*, USITC Pub. 4753 (Jan. 2018) at Table VII-9; Original Confidential Report at Table VII-9.

⁵¹ *Original Determination*, USITC Pub. 4753 (Jan. 2018) at Table VII-9; Original Confidential Report at Table VII-9.

In the current reviews, the record contains limited information concerning the tool chests industry in Vietnam because no producer in Vietnam responded to the Commission's notice of institution. SBD provided a list of five possible producers of tool chests in Vietnam.⁵² According to information submitted by SBD, the subject industry in Vietnam continues to have large production capacity and remains export oriented and focused on the U.S. market.⁵³ TDM data covering metal furniture products and iron and steel products, a category that includes in-scope tool chests and substantial volumes of out-of-scope products, show that exports of such merchandise from Vietnam to the United States increased during the POR from \$203.8 million in 2017 to \$803.2 million in 2021.⁵⁴ The United States was the leading destination for exports of such merchandise from Vietnam in each year of the POR.⁵⁵

In the original investigations, subject imports from Vietnam undersold the domestic like product in 7 of 9 (or 78 percent of) quarterly comparisons, and on a volume basis subject imports from Vietnam undersold domestic like product in 91.0 percent of comparisons, at an average margin of *** percent.⁵⁶ Purchase cost data showed that the purchase cost of subject imports from Vietnam was lower than the sales price of U.S. product in 19 of 25 (or 76 percent of) quarterly comparisons.⁵⁷ No product-specific pricing data were obtained in the current expedited reviews.

In light of the foregoing, including the significant and increasing volume and market share of subject imports from Vietnam during the original investigations, the facts available concerning the size and exports of the subject industry in Vietnam, and the underselling by subject imports from Vietnam during the original investigations, we do not find that subject imports from Vietnam would likely have no discernible adverse impact on the domestic industry if the relevant order was revoked.

⁵² CR/PR at I-27; SBD Response at Exhs. 1 and 6.

⁵³ SBD Response at 5-6, 9, Exh. 3.

⁵⁴ SBD Response at 9 and Exh. 4. We recognize that data for HS subheadings 7326.90 and 9403.20 contains substantial volumes of out-of-scope products and thus overstates exports of tool chests from Vietnam to the United States. CR/PR at I-28.

⁵⁵ SBD Response at 8 and Exh. 4.

⁵⁶ *Original Determination*, USITC Pub. 4753 (Jan. 2018) at V-9 and Table V-13; Original Confidential Report at V-27 and Table V-13.

⁵⁷ See *Original Determination*, USITC Pub. 4753 (Jan. 2018) at V-5-6.

C. Likelihood of a Reasonable Overlap of Competition

The Commission generally has considered four factors intended to provide a framework for determining whether subject imports compete with each other and with the domestic like product.⁵⁸ Only a “reasonable overlap” of competition is required.⁵⁹ In five-year reviews, the relevant inquiry is whether there likely would be competition even if none currently exists because the subject imports are absent from the U.S. market.⁶⁰

Fungibility. In the original investigations, all responding U.S. producers reported that subject tool chests from China and Vietnam were always interchangeable with each other and the domestic like product, and the majority of responding importers and purchasers reported that imports from each subject source were always or frequently interchangeable with each other and the domestic like product, with one exception.⁶¹ Majorities or pluralities of responding purchasers reported that subject imports from China and Vietnam were comparable to each other with respect to all purchasing factors, that subject imports from China were comparable to the domestic product in 14 of 18 purchasing factors, and that subject

⁵⁸ The four factors generally considered by the Commission in assessing whether imports compete with each other and with the domestic like product are as follows: (1) the degree of fungibility between subject imports from different countries and between subject imports and the domestic like product, including consideration of specific customer requirements and other quality-related questions; (2) the presence of sales or offers to sell in the same geographical markets of imports from different countries and the domestic like product; (3) the existence of common or similar channels of distribution for subject imports from different countries and the domestic like product; and (4) whether subject imports are simultaneously present in the market with one another and the domestic like product. See, e.g., *Wieland Werke, AG v. United States*, 718 F. Supp. 50 (Ct. Int’l Trade 1989).

⁵⁹ See *Mukand Ltd. v. United States*, 937 F. Supp. 910, 916 (Ct. Int’l Trade 1996); *Wieland Werke*, 718 F. Supp. at 52 (“Completely overlapping markets are not required.”); *United States Steel Group v. United States*, 873 F. Supp. 673, 685 (Ct. Int’l Trade 1994), *aff’d*, 96 F.3d 1352 (Fed. Cir. 1996). We note, however, that there have been investigations where the Commission has found an insufficient overlap in competition and has declined to cumulate subject imports. See, e.g., *Live Cattle from Canada and Mexico*, Inv. Nos. 701-TA-386 and 731-TA-812-13 (Preliminary), USITC Pub. 3155 at 15 (Feb. 1999), *aff’d sub nom.*, *Ranchers-Cattlemen Action Legal Foundation v. United States*, 74 F. Supp. 2d 1353 (Ct. Int’l Trade 1999); *Static Random Access Memory Semiconductors from the Republic of Korea and Taiwan*, Inv. Nos. 731-TA-761-62 (Final), USITC Pub. 3098 at 13-15 (Apr. 1998).

⁶⁰ See generally, *Cheflin Corp. v. United States*, 219 F. Supp. 2d 1313, 1314 (Ct. Int’l Trade 2002).

⁶¹ *Original Determination*, USITC Pub. 4753 (Jan. 2018) at 17. The exception being that a plurality of purchasers reported that the domestic like product and subject imports from Vietnam were always or frequently interchangeable, with the remainder reporting that they were sometimes interchangeable. *Id.* at n.77.

imports from Vietnam were comparable to the domestic like product in 11 of 18 purchasing factors.⁶²

In these reviews, there is no new information in the record to indicate that the degree of fungibility between and among subject imports from China and Vietnam and the domestic like product has changed since the original investigations. SBD contends that tool chests remain a highly interchangeable product, regardless of source.⁶³

Channels of Distribution. In the original investigations, the Commission found that *** of subject imports from Vietnam and over *** percent of subject imports from China were *** during the period of investigation. Domestic producers reported selling *** percent of their U.S. shipments to retailers.⁶⁴

In these reviews, there is no new information in the record to indicate that if the orders were revoked, the channels of distribution used by the domestic industry and subject imports from China and Vietnam would differ from those observed by the Commission in the original investigations.⁶⁵ As discussed previously, based on SBD's experience, subject imports from China have maintained a presence in the U.S. retail stores.⁶⁶

Geographic Overlap. In the original investigations, subject imports from China and Vietnam were sold in all geographic regions of the United States throughout the period of investigation, as were domestically produced tool chests.⁶⁷

In these reviews, there is no new information in the record to indicate that if the orders were revoked, the geographic overlap of domestic and subject tool chests from China and Vietnam would differ from that observed by the Commission in the original investigations.⁶⁸

Simultaneous Presence in Market. In the original investigations, imports of tool chests from China and Vietnam, as well as the domestic like product, were present in the U.S. market in every month of the period of investigation.⁶⁹ In these reviews, subject imports from China have maintained a presence in the U.S. market.⁷⁰

⁶² *Original Determination*, USITC Pub. 4753 (Jan. 2018) at 17.

⁶³ SBD Response at 11.

⁶⁴ *Original Determination*, USITC Pub. 4753 (Jan. 2018) at 18; Confidential Original Determination at 24-25.

⁶⁵ CR/PR at I-23; SBD Response at 5.

⁶⁶ CR/PR at I-23; SBD Response at 5.

⁶⁷ *Original Determination*, USITC Pub. 4753 (Jan. 2018) at 18.

⁶⁸ See CR/PR at I-23.

⁶⁹ *Original Determination*, USITC Pub. 4753 (Jan. 2018) at 18.

⁷⁰ CR/PR at I-23; SBD Response at 5.

Conclusion. The record in these expedited reviews contains limited information concerning subject imports in the U.S. market during the current POR. However, the record contains no new information suggesting a change in the considerations that led the Commission in its original determinations to conclude that there was a reasonable overlap of competition between and among imports from the two subject countries and the domestic like product. In light of this, and in the absence of any contrary argument, we find that there would likely be a reasonable overlap of competition between and among subject imports of tool chests from China and Vietnam and the domestic like product, if the orders were revoked.

D. Likely Conditions of Competition

In determining whether to exercise our discretion to cumulate the subject imports, we assess whether subject imports from China and Vietnam would likely compete under similar or different conditions of competition in the U.S. market after revocation of the orders. The record in these expedited reviews contains limited current information about the tool chests industries in China and Vietnam. However, the available information does not indicate that there would likely be any significant difference in the conditions of competition between subject imports from China and Vietnam if the orders were revoked.

E. Conclusion

In sum, we determine that subject imports of tool chests from China and Vietnam, considered individually, are not likely to have no discernible adverse impact on the domestic industry if the corresponding orders were revoked. We also find a likely reasonable overlap of competition between and among subject imports from China and Vietnam and the domestic like product if the orders were revoked. Finally, we find that imports from each subject country would be likely to compete under similar conditions of competition if the orders were revoked. We therefore exercise our discretion to cumulate subject imports from China and Vietnam for purposes of our analysis in these reviews.

IV. Revocation of the Antidumping and Countervailing Duty Orders Would Likely Lead to Continuation or Recurrence of Material Injury Within a Reasonably Foreseeable Time

A. Legal Standards

In a five-year review conducted under section 751(c) of the Tariff Act, Commerce will revoke an antidumping or countervailing duty order unless: (1) it makes a determination that dumping or subsidization is likely to continue or recur and (2) the Commission makes a determination that revocation of the antidumping or countervailing duty order “would be likely to lead to continuation or recurrence of material injury within a reasonably foreseeable time.”⁷¹ The SAA states that “under the likelihood standard, the Commission will engage in a counterfactual analysis; it must decide the likely impact in the reasonably foreseeable future of an important change in the status quo – the revocation or termination of a proceeding and the elimination of its restraining effects on volumes and prices of imports.”⁷² Thus, the likelihood standard is prospective in nature.⁷³ The U.S. Court of International Trade (“CIT”) has found that “likely,” as used in the five-year review provisions of the Act, means “probable,” and the Commission applies that standard in five-year reviews.⁷⁴

⁷¹ 19 U.S.C. § 1675a(a).

⁷² SAA at 883-84. The SAA states that “[t]he likelihood of injury standard applies regardless of the nature of the Commission’s original determination (material injury, threat of material injury, or material retardation of an industry). Likewise, the standard applies to suspended investigations that were never completed.” *Id.* at 883.

⁷³ While the SAA states that “a separate determination regarding current material injury is not necessary,” it indicates that “the Commission may consider relevant factors such as current and likely continued depressed shipment levels and current and likely continued {sic} prices for the domestic like product in the U.S. market in making its determination of the likelihood of continuation or recurrence of material injury if the order is revoked.” SAA at 884.

⁷⁴ See *NMB Singapore Ltd. v. United States*, 288 F. Supp. 2d 1306, 1352 (Ct. Int’l Trade 2003) (“‘likely’ means probable within the context of 19 U.S.C. § 1675(c) and 19 U.S.C. § 1675a(a)”), *aff’d mem.*, 140 Fed. Appx. 268 (Fed. Cir. 2005); *Nippon Steel Corp. v. United States*, 26 CIT 1416, 1419 (2002) (same); *Usinor Industeel, S.A. v. United States*, 26 CIT 1402, 1404 nn.3, 6 (2002) (“more likely than not” standard is “consistent with the court’s opinion;” “the court has not interpreted ‘likely’ to imply any particular degree of ‘certainty’”); *Indorama Chemicals (Thailand) Ltd. v. United States*, 26 CIT 1059, 1070 (2002) (“standard is based on a likelihood of continuation or recurrence of injury, not a certainty”); *Usinor v. United States*, 26 CIT 767, 794 (2002) (“‘likely’ is tantamount to ‘probable,’ not merely ‘possible’”).

The statute states that “the Commission shall consider that the effects of revocation or termination may not be imminent, but may manifest themselves only over a longer period of time.”⁷⁵ According to the SAA, a “‘reasonably foreseeable time’ will vary from case-to-case, but normally will exceed the ‘imminent’ timeframe applicable in a threat of injury analysis in original investigations.”⁷⁶

Although the standard in a five-year review is not the same as the standard applied in an original investigation, it contains some of the same fundamental elements. The statute provides that the Commission is to “consider the likely volume, price effect, and impact of imports of the subject merchandise on the industry if the orders are revoked or the suspended investigation is terminated.”⁷⁷ It directs the Commission to take into account its prior injury determination, whether any improvement in the state of the industry is related to the order or the suspension agreement under review, whether the industry is vulnerable to material injury if an order is revoked or a suspension agreement is terminated, and any findings by Commerce regarding duty absorption pursuant to 19 U.S.C. § 1675(a)(4).⁷⁸ The statute further provides that the presence or absence of any factor that the Commission is required to consider shall not necessarily give decisive guidance with respect to the Commission’s determination.⁷⁹

In evaluating the likely volume of imports of subject merchandise if an order under review is revoked and/or a suspended investigation is terminated, the Commission is directed to consider whether the likely volume of imports would be significant either in absolute terms or relative to production or consumption in the United States.⁸⁰ In doing so, the Commission must consider “all relevant economic factors,” including four enumerated factors: (1) any likely

⁷⁵ 19 U.S.C. § 1675a(a)(5).

⁷⁶ SAA at 887. Among the factors that the Commission should consider in this regard are “the fungibility or differentiation within the product in question, the level of substitutability between the imported and domestic products, the channels of distribution used, the methods of contracting (such as spot sales or long-term contracts), and lead times for delivery of goods, as well as other factors that may only manifest themselves in the longer term, such as planned investment and the shifting of production facilities.” *Id.*

⁷⁷ 19 U.S.C. § 1675a(a)(1).

⁷⁸ 19 U.S.C. § 1675a(a)(1). Commerce has not made any duty absorption findings with respect to the orders. Issues and Decision Memorandum for the Expedited Sunset Reviews of the Antidumping Duty Orders on Certain Tool Chests and Cabinets from the People’s Republic of China and the Socialist Republic of Vietnam (Mar. 8, 2023); Issues and Decision Memorandum for the Final Results of the Expedited First Sunset Review of the Countervailing Duty Order on Certain Tool Chests and Cabinets from the People’s Republic of China (Mar. 24, 2023).

⁷⁹ 19 U.S.C. § 1675a(a)(5). Although the Commission must consider all factors, no one factor is necessarily dispositive. SAA at 886.

⁸⁰ 19 U.S.C. § 1675a(a)(2).

increase in production capacity or existing unused production capacity in the exporting country; (2) existing inventories of the subject merchandise, or likely increases in inventories; (3) the existence of barriers to the importation of the subject merchandise into countries other than the United States; and (4) the potential for product shifting if production facilities in the foreign country, which can be used to produce the subject merchandise, are currently being used to produce other products.⁸¹

In evaluating the likely price effects of subject imports if an order under review is revoked and/or a suspended investigation is terminated, the Commission is directed to consider whether there is likely to be significant underselling by the subject imports as compared to the domestic like product and whether the subject imports are likely to enter the United States at prices that otherwise would have a significant depressing or suppressing effect on the price of the domestic like product.⁸²

In evaluating the likely impact of imports of subject merchandise if an order under review is revoked and/or a suspended investigation is terminated, the Commission is directed to consider all relevant economic factors that are likely to have a bearing on the state of the industry in the United States, including but not limited to the following: (1) likely declines in output, sales, market share, profits, productivity, return on investments, and utilization of capacity; (2) likely negative effects on cash flow, inventories, employment, wages, growth, ability to raise capital, and investment; and (3) likely negative effects on the existing development and production efforts of the industry, including efforts to develop a derivative or more advanced version of the domestic like product.⁸³ All relevant economic factors are to be considered within the context of the business cycle and the conditions of competition that are distinctive to the industry. As instructed by the statute, we have considered the extent to which any improvement in the state of the domestic industry is related to the orders under review and whether the industry is vulnerable to material injury upon revocation.⁸⁴

⁸¹ 19 U.S.C. § 1675a(a)(2)(A-D).

⁸² See 19 U.S.C. § 1675a(a)(3). The SAA states that “{c}onsistent with its practice in investigations, in considering the likely price effects of imports in the event of revocation and termination, the Commission may rely on circumstantial, as well as direct, evidence of the adverse effects of unfairly traded imports on domestic prices.” SAA at 886.

⁸³ 19 U.S.C. § 1675a(a)(4).

⁸⁴ The SAA states that in assessing whether the domestic industry is vulnerable to injury if the order is revoked, the Commission “considers, in addition to imports, other factors that may be contributing to overall injury. While these factors, in some cases, may account for the injury to the domestic industry, they may also demonstrate that an industry is facing difficulties from a variety of sources and is vulnerable to dumped or subsidized imports.” SAA at 885.

No respondent interested party participated in these expedited reviews. The record, therefore, contains limited new information with respect to the tool chests industry in China and Vietnam. There also is limited information on the tool chests market in the United States during the POR. Accordingly, for our determinations, we rely as appropriate on the facts available from the original investigations and the limited new information on the record of these reviews.

B. Conditions of Competition and the Business Cycle

In evaluating the likely impact of the subject imports on the domestic industry if an order is revoked, the statute directs the Commission to consider all relevant economic factors “within the context of the business cycle and conditions of competition that are distinctive to the affected industry.”⁸⁵ The following conditions of competition inform our determinations.

1. Demand Conditions

Original Investigations. The Commission found that demand for tool chests tends to track the overall U.S. economy and, to some extent, housing starts, with some seasonality.⁸⁶ Responding market participants reported mixed perceptions of demand, with the majority reporting that demand increased or was unchanged during the period of investigation, and a smaller number reporting that demand declined or fluctuated.⁸⁷ Apparent U.S. consumption declined by *** percent from 2014 to 2016, decreasing from *** units in 2014 and 2015 to *** units in 2016; it was *** units January-September 2017 (“interim 2017”), compared to *** units in January-September 2016 (“interim 2016”).⁸⁸

Current Reviews. According to SBD, demand for tool chests in the U.S. market slightly increased during the review period, reaching a high level in 2020 as consumers spent more time at home and on home projects during the COVID-19 pandemic, but more recently experiencing “flattening trends” in 2022.⁸⁹

⁸⁵ 19 U.S.C. § 1675a(a)(4).

⁸⁶ *Original Determination*, USITC Pub. 4753 (Jan. 2018) at 22.

⁸⁷ *Original Determination*, USITC Pub. 4753 (Jan. 2018) at 22.

⁸⁸ *Original Determination*, USITC Pub. 4753 (Jan. 2018) at 22; Confidential Original Determination at 31.

⁸⁹ SBD Response at 15. Due to the absence of reliable import data for tool chests during the POR, apparent U.S. consumption data are unavailable. CR/PR at Table I-5 note.

2. Supply Conditions

Original Investigations. The Commission found that the domestic industry supplied a decreasing share of the U.S. tool chests market during the period of investigation. The domestic industry's share of apparent U.S. consumption declined from *** percent in 2014 to *** percent in 2015 and *** percent in 2016; it was *** percent in interim 2017, compared to *** percent in interim 2016.⁹⁰ In July 2017, SBD acquired Waterloo, the largest domestic producer of tool chests at the time.⁹¹

Cumulated subject imports supplied an increasing share of the U.S. tool chests market during the period of investigation and were the leading source of supply by the end of the period. Subject imports' share of apparent U.S. consumption increased from *** percent in 2014 to *** percent in 2015 and *** percent in 2016; it was *** percent in interim 2017, compared to *** percent in interim 2016.⁹²

Nonsubject imports comprised a small and decreasing share of the U.S. market during the period of investigation. Their share of apparent U.S. consumption declined from *** percent in 2014 to *** percent in 2015 and *** percent in 2016; it was *** percent in interim 2017, compared to *** percent in interim 2016.⁹³

Current Reviews. In 2021, the domestic industry's U.S. shipments were *** units, a level higher than in 2016 but lower than 2014 and 2015.⁹⁴ Since the original investigations, domestic producer Metal Box International ("MBI") exited the U.S. industry, having ceased production in 2020.⁹⁵ Despite this closure, SBD contends that there is ample available domestic supply in the U.S. market.⁹⁶ SBD reports that it has made significant investments in its production operations since the orders were imposed.⁹⁷

⁹⁰ *Original Determination*, USITC Pub. 4753 (Jan. 2018) at 22; Confidential Original Determination at 31. The domestic industry's U.S. shipments were *** units in 2014, *** units in 2015, and *** units in 2016. CR/PR at Table I-5.

⁹¹ *Original Determination*, USITC Pub. 4753 (Jan. 2018) at 22.

⁹² *Original Determination*, USITC Pub. 4753 (Jan. 2018) at 23; Confidential Original Determination at 32.

⁹³ *Original Determination*, USITC Pub. 4753 (Jan. 2018) at 23; Confidential Original Determination at 32.

⁹⁴ CR/PR at Table I-5. Due to the absence of data concerning apparent U.S. consumption, the domestic industry's market share in 2021 cannot be calculated. See CR/PR at Table I-5 note.

⁹⁵ SBD Response at 15.

⁹⁶ SBD Response at 15.

⁹⁷ SBD Response at 15.

As noted above, there are no import data concerning the volume of tool chests from subject countries on the record in these reviews. With respect to cumulated subject imports, SBD reports that in its experience, cumulated subject imports declined substantially following imposition of the orders but subject imports from China have maintained a presence in U.S. retail stores.⁹⁸ SBD also reports that nonsubject imports from new suppliers that entered the market during the POR have contributed to the supply of tool chests in the U.S. market during the POR.⁹⁹

3. Substitutability and Other Conditions

Original Investigations. The Commission found that there was a moderate degree of substitutability between subject imports and domestically produced tool chests and that price was an important factor in purchasing decisions.¹⁰⁰ All responding domestic producers indicated that subject imports were always substitutable with the domestic like product and the majority of responding importers and purchasers reported that subject imports were always or frequently substitutable for the domestic like product.¹⁰¹

Price was considered an important purchasing factor. In ranking the top three factors in their purchasing decisions, purchasers cited price second most frequently, behind only quality, and the majority of purchasers (14 of 20) indicated that they sometimes purchase the lowest-priced product (two reported always purchasing the lowest priced product and four reported never doing so).¹⁰²

The Commission observed that tool chests were prepackaged for sale directly to consumers, primarily through home improvement stores, club stores, hardware stores, other retail outlets, and online, and that many large retailers own the brands under which tool chests are sold.¹⁰³ The record indicated that the domestic industry and subject imports had supplied tool chests for the same retailer for the same brand at the same time.¹⁰⁴ During the period of investigation, virtually all subject imports from Vietnam and the large majority of subject

⁹⁸ SBD Response at 5.

⁹⁹ SBD Response at 15.

¹⁰⁰ *Original Determination*, USITC Pub. 4753 (Jan. 2018) at 23, 25.

¹⁰¹ *Original Determination*, USITC Pub. 4753 (Jan. 2018) at 23.

¹⁰² *Original Determination*, USITC Pub. 4753 (Jan. 2018) at 23.

¹⁰³ *Original Determination*, USITC Pub. 4753 (Jan. 2018) at 23-24. For instance, Home Depot's "Husky" brand, Lowe's "Kobalt" brand, and the "Craftsman" brand long associated with Sears. *Id* at 24.

¹⁰⁴ *Original Determination*, USITC Pub. 4753 (Jan. 2018) at 24.

imports from China were imported for retail sale to consumers, primarily by major big-box retailers.¹⁰⁵

Finally, the Commission observed that during the period of investigation, Sears, ***, experienced significant financial difficulties.¹⁰⁶ It closed many of its stores and decreased purchases of tool chests for its Craftsman brand.¹⁰⁷ At the time, Waterloo was the primary supplier of tool chests to Sears.¹⁰⁸

Current Review. The record in these reviews contains no new information to indicate that the degree of substitutability between the domestic like product and subject imports or the importance of price in purchasing decisions has changed since the original investigations. SBD argues that tool chests remain a highly interchangeable product, regardless of source, and are sold largely on the basis of price.¹⁰⁹ Accordingly, we continue to find a moderate degree of substitutability between subject imports and domestically produced tool chests, and that price remains an important factor in purchasing decisions for tool chests.

In September 2018, tool chests originating in China imported under HTSUS subheadings 7326.90.96 and 9403.20.00 became subject to an additional 10 percent *ad valorem* duty under section 301 of the Trade Act of 1974 (“section 301”). In May 2019, the section 301 duty for tool chests originating in China imported under HTSUS subheadings 7326.90.96 and 9403.20.00 was increased to 25 percent *ad valorem*.¹¹⁰

C. Likely Volume of Subject Imports

Original Investigations. The Commission found that the volume of cumulated subject imports increased from 1.1 million units in 2014 to 1.5 million units in 2015, before decreasing slightly to 1.3 million units in 2016, a level higher than that at the beginning of the period of investigation; the volume of cumulated subject imports was 986,158 units in interim 2017, compared to 943,014 units in interim 2016.¹¹¹ The Commission found that subject import

¹⁰⁵ *Original Determination*, USITC Pub. 4753 (Jan. 2018) at 24. In the United States, Home Depot was the largest purchaser and the *** direct importer of tool chests. *Original Determination*, USITC Pub. 4753 (Jan. 2018) at 24; Confidential *Original Determination* at 33-34.

¹⁰⁶ *Original Determination*, USITC Pub. 4753 (Jan. 2018) at 24; Confidential *Original Determination* at 34.

¹⁰⁷ *Original Determination*, USITC Pub. 4753 (Jan. 2018) at 24.

¹⁰⁸ *Original Determination*, USITC Pub. 4753 (Jan. 2018) at 24.

¹⁰⁹ SBD Response at 11.

¹¹⁰ CR/PR at I-8.

¹¹¹ *Original Determination*, USITC Pub. 4753 (Jan. 2018) at 24; Confidential *Original Determination* at 34.

volumes increased as apparent U.S. consumption and domestic production declined from 2014 to 2016, resulting in cumulated subject imports gaining market share at the direct expense of the domestic industry.¹¹² Cumulated subject imports as a share of apparent U.S. consumption increased from *** percent in 2014 to *** percent in 2015 and *** percent in 2016.¹¹³ By contrast, the domestic industry's market share declined by *** percentage points from 2014 to 2016.¹¹⁴ Additionally, the Commission found that cumulated subject imports as a share of U.S. production increased from 2014 to 2016.¹¹⁵ The Commission concluded that the volume of cumulated subject imports was significant in absolute terms and relative to U.S. production and consumption.¹¹⁶

Current Reviews. As previously noted, the record in these expedited reviews contains no import data on the volume of cumulated subject imports during the POR. According to SBD, cumulated subject imports have declined substantially since imposition of the orders, but subject imports from China have maintained a presence in U.S. retail stores.¹¹⁷

The record also contains limited information on the subject industries in China and Vietnam. The information available indicates that the subject industries have the ability to produce and export significant volumes of subject merchandise to the United States if the orders were revoked. As previously noted, SBD identified 47 possible producers of tool chests in China and five possible producers of tool chests in Vietnam.¹¹⁸ SBD asserts that the nine largest subject producers in China remain active in the production and exportation of subject merchandise.¹¹⁹ It contends that one of these producers was acquired by a new entrant in the

¹¹² The Commission found the volume of subject imports was affected by the pendency of the investigations. The domestic industry reported increased sales after the petitions were filed and secured new business with large retailers for products that were previously deemed not price competitive. The Commission therefore reduced the weight given to the market share data for interim 2017, pursuant to 19 U.S.C. § 1677(7)(I). *Original Determination*, USITC Pub. 4753 (Jan. 2018) at 24 n. 126.

¹¹³ *Original Determination*, USITC Pub. 4753 (Jan. 2018) at 24-25; Confidential Original Determination at 35.

¹¹⁴ *Original Determination*, USITC Pub. 4753 (Jan. 2018) at 24-25; Confidential Original Determination at 35.

¹¹⁵ *Original Determination*, USITC Pub. 4753 (Jan. 2018) at 25.

¹¹⁶ *Original Determination*, USITC Pub. 4753 (Jan. 2018) at 25.

¹¹⁷ SBD Response at 5.

¹¹⁸ CR/PR at I-25, I-27; SBD Response at Exhs. 1 and 6.

¹¹⁹ SBD Response at 5-6. According to SBD, the following nine firms in China remain active producers and exporters of subject merchandise: Meridian Zhejiang LM Manufacturing Co., Ltd., Hangzhou Great Star Industrial Co., Ltd., Shanghai Hom-Steel Industry Co., Jin Rong Hua Le Metal (Continued...)

Chinese industry, Hangzhou Great Star Industrial Co., Ltd. (“Great Star”), that has reportedly become “the world’s leading producer of storage cabinets.”¹²⁰ Indeed, information on Great Star’s website, submitted by SBD, indicates that sales in its storage cabinets division, which includes tool chests, increased by 152.3 percent from 2020 to 2021 and that it made progress in “the expansion of new categories and channels in the U.S. market,” while “order volume continued to increase.”¹²¹ According to information from other company websites submitted by SBD, numerous subject producers in China and Vietnam possess substantial production capacity for tool chests and remain focused on exports, including to the United States.¹²²

The available information also indicates that subject producers in China and Vietnam continue to export significant volumes of metal furniture and certain other articles of iron or steel, a category that includes tool chests globally, including to the United States. According to the TDM, China was the world’s leading exporter of metal furniture and certain other articles of iron or steel during the POR.¹²³ These data also show that total exports of such merchandise from China and Vietnam have grown substantially since the time of the original investigations.¹²⁴

Available information also indicates that the U.S. market remains attractive to subject producers. According to SBD, subject imports from China have maintained a presence in the U.S. market.¹²⁵ The TDM indicates that exports of metal furniture and certain other articles of iron or steel, a category that includes in-scope and out-of-scope merchandise, from China to

Manufactures Co., Ltd., Shanghai Hon-Steel Industry Co., Ltd., Jin Rong Hua Le Metal Manufactures Cos., Ltd., Jiangsu Tongrun Tool Cabinet Co., Ltd., Excel International Inc., and HMC Holding LLC. *Id.*

¹²⁰ SBD Response at 6 and Exh. 3.

¹²¹ SBD Response at 7 and Exh. 3; CR/PR at I-25. The company’s 2020 annual report claims that Great Star “has become one of the largest suppliers of tools and storage for Home Depot, Walmart, Lowes, Kingfisher, CTC and other large supermarkets chains in the United States, and has been continually expanding new product categories.” SBD Response at 7 and Exh. 3.

¹²² SBD Response at 6-8 and Exh. 3. For example, in China, Jin Rong Hua Le Metal Co., Ltd. produces and exports tool chests and cabinets, with annual production capacity of 18,000 units as of 2020. Shanghai Hom-Steel Industry Co., a manufacturer of steel products, including toolboxes and storage cabinets, advertises annual production of 600,000 units. Taixing HutChin Mfg. Co., Ltd. another manufacturer of tool chests in China, advertises that it derives 70 percent of its revenue from exports to North America. In Vietnam, Rabat Corporation and Clearwater Metal Co., Ltd. produce and export tool chests globally. Rabat Corporation reportedly exported tool chests to the United States during the POR. *See Id.*

¹²³ CR/PR at I-28.

¹²⁴ SBD Response at 9 and Exh. 4.

¹²⁵ SBD Response at 5.

the United States increased from \$3.9 billion in 2017 to \$6.6 billion in 2021,¹²⁶ and the United States was the leading destination for such exports from China each year during the POR.¹²⁷ With respect to Vietnam, the TDM indicates that Vietnamese exports of metal furniture and certain other articles of iron or steel to the United States also increased during the POR, from \$203.8 million in 2017 to \$803.2 million in 2021.¹²⁸ Again, the United States was the leading destination for exports of such merchandise from Vietnam each year during the POR.¹²⁹

Given the foregoing, including the significant and increasing volume of cumulated subject imports during the original investigations, the continued presence of cumulated subject imports in the U.S. market during the POR, and the facts available concerning the size and exports of the subject industries and the attractiveness of the U.S. market, we find that the volume of cumulated subject imports would likely be significant, both in absolute terms and relative to consumption in the United States, if the orders were revoked.¹³⁰

D. Likely Price Effects

Original Investigations. The Commission found that there was a moderate degree of substitutability between subject imports and the domestic like product and that price was an important factor in purchasing decisions.¹³¹

¹²⁶ SBD Response at 9 and Exh. 4.

¹²⁷ SBD Response at 8 and Exh. 4. Additionally, Commerce found that two of the Chinese subsidy programs it found were likely to continue or recur were export subsidy programs within the meaning of Article 3.1 of the World Trade Organization's ("WTO's") Agreement on Subsidies and Countervailing Measures ("SCM Agreement"). *Issues and Decision Memorandum for the Final Results of the Expedited First Sunset Review of the Countervailing Duty Order on Certain Tool Chests and Cabinets from the People's Republic of China* (Mar. 24, 2023) at 14.

¹²⁸ SBD Response at 9 and Exh. 4.

¹²⁹ SBD Response at 8 and Exh. 4.

¹³⁰ While there is currently a Section 301 duty of 25 percent *ad valorem* duty on subject imports from China, *** SBD reported that these measures have had an effect on either the supply of or demand for subject imports or that they anticipated such effects in the reasonably foreseeable future. See CR/PR at D-3. Given this, the substantial capacity and export orientation of the subject industries, and the attractiveness of the U.S. market, we find that the Section 301 duty would not likely prevent subject imports from China from increasing significantly if the orders were revoked.

The record does not contain information on the ability of subject producers to shift production from other products to subject merchandise, nor data concerning inventories of the subject merchandise.

¹³¹ *Original Determination*, USITC Pub. 4753 (Jan. 2018) at 23, 25.

Cumulated subject imports undersold the domestic like product in 18 out of 50 (or 36 percent of) quarterly comparisons at average margins ranging from *** percent from January 2014 to September 2017.¹³² While the price comparison data showed predominantly overselling with respect to the number of quarters, the volume of subject imports involved in quarters with underselling was substantially larger than the volume involved in quarters with overselling. There were *** units of subject imports in quarters with underselling, compared to *** units of subject imports in quarters with overselling.¹³³

As discussed previously, the Commission found that an important characteristic of the U.S. market was that a substantial share of subject imports were directly imported by retailers, as the volume of direct imports of subject merchandise was substantially greater than the volume shipped by importers to unrelated U.S. customers.¹³⁴ Purchase cost data for direct imports showed that the purchase cost of subject imports was lower than sales prices for the domestic like product in 52 of 73 (or 71.2 percent of) quarterly comparisons. On a volume basis, there were *** units of direct imports in quarters in which their purchase cost was lower than prices for the domestic like product, and only *** units of direct imports in quarters in which their purchase cost was higher than prices for the domestic like product.¹³⁵ In addition, the average difference between direct import purchase costs and domestic prices was 40.2 percent, substantially higher than the estimated additional costs reported by direct importers for their importing activities.¹³⁶ Based on the foregoing, the Commission found that there was significant underselling by cumulated subject imports.¹³⁷

The Commission also found that the substantial volume of low-priced subject imports depressed domestic prices to a significant degree.¹³⁸ Prices for all four domestically produced products were lower at the end of the period of investigation than at the beginning, by *** to *** percent.¹³⁹

¹³² *Original Determination*, USITC Pub. 4753 (Jan. 2018) at 26; Confidential Original Determination at 37-38.

¹³³ *Original Determination*, USITC Pub. 4753 (Jan. 2018) at 27; Confidential Original Determination at 38.

¹³⁴ *Original Determination*, USITC Pub. 4753 (Jan. 2018) at 27.

¹³⁵ *Original Determination*, USITC Pub. 4753 (Jan. 2018) at 27; Confidential Original Determination at 38-39.

¹³⁶ *Original Determination*, USITC Pub. 4753 (Jan. 2018) at 27.

¹³⁷ *Original Determination*, USITC Pub. 4753 (Jan. 2018) at 28.

¹³⁸ *Original Determination*, USITC Pub. 4753 (Jan. 2018) at 28-29.

¹³⁹ *Original Determination*, USITC Pub. 4753 (Jan. 2018) at 28; Confidential Original Determination at 40.

The Commission concluded that cumulated subject imports had significantly undersold the domestic like product, thereby depressing domestic prices to a significant degree and gaining market share at the domestic industry's expense.¹⁴⁰

Current Reviews. As discussed above, we continue to find a moderate degree of substitutability between subject imports and domestically produced tool chests, and that price remains an important factor in purchasing decisions.

The record in these expedited reviews does not contain product-specific pricing information for the POR. Based on the moderate degree of substitutability of subject imports and the domestic like product and the importance of price in purchasing decisions, we find that if the orders were revoked, the likely significant volume of cumulated subject imports would likely undersell the domestic like product to a significant degree, as during the original investigations. Absent the discipline of the orders, the likely significant volumes of low-priced cumulated subject imports would likely force the domestic industry to lower prices and/or lose sales and market share to subject imports, as occurred in the original investigations, or forgo needed price increases. Consequently, we find that if the orders were revoked, cumulated subject imports would likely have significant price effects.

E. Likely Impact¹⁴¹

Original Investigations. The Commission found that the domestic industry's trade indicators generally declined from 2014 to 2016, including its production, capacity utilization, U.S. shipments, and share of apparent U.S. consumption.¹⁴² The domestic industry's financial performance also declined from 2014 to 2016, as the industry's total net sales, gross profits, operating income, and operating income margin all declined during the full calendar years of

¹⁴⁰ *Original Determination*, USITC Pub. 4753 (Jan. 2018) at 29.

¹⁴¹ In its expedited review of the countervailing duty order on tool chests from China, Commerce determined that revocation of the order would result in the continuation or recurrence of countervailable subsidies, with estimated margins ranging from 14.82 to 96.15 percent. 88 Fed. Reg. 19065 (Mar. 30, 2023).

In its expedited reviews of the antidumping orders on tool chests from China and Vietnam, Commerce determined that revocation of the orders would result in the to continuation or recurrence of dumping, with margins up to 244.29 percent for China and 327.17 percent for Vietnam. 88 Fed. Reg. 15667 (Mar. 14, 2023).

¹⁴² *Original Determination*, USITC Pub. 4753 (Jan. 2018) at 29-30. As discussed previously, the Commission found that the pendency of the investigations affected the domestic industry's performance and therefore accorded reduced weight to the data used to assess the impact of subject imports for interim 2017. *Id.* at n. 157.

the period of investigation.¹⁴³ The industry's employment indicators were mixed, as were its trends in capital expenditures and research and development spending.¹⁴⁴ The Commission found that the significant volume of cumulated subject imports that significantly undersold the domestic like product throughout the period of investigation took market share from the domestic industry and depressed domestic prices, which resulted in the domestic industry's declining financial performance from 2014 to 2016.¹⁴⁵

The Commission addressed and rejected respondents' arguments that the domestic industry's declining performance was caused by other issues.¹⁴⁶ It also considered the effect of declining apparent U.S. consumption during the period of investigation. The Commission observed that the extent of any actual decline in demand was unclear, given that market participants mostly reported that demand was increasing, stable, or fluctuating. It further found that any decline in demand did not explain the shift in market share from the domestic industry to subject imports nor the greater decline in the domestic industry's production and shipments as cumulated subject import volume and market share increased.¹⁴⁷ Finally, the Commission considered the role of nonsubject imports and found that they had a small and declining presence in the U.S. market during the period of investigation.¹⁴⁸

¹⁴³ *Original Determination*, USITC Pub. 4753 (Jan. 2018) at 30-31.

¹⁴⁴ *Original Determination*, USITC Pub. 4753 (Jan. 2018) at 30-31.

¹⁴⁵ *Original Determination*, USITC Pub. 4753 (Jan. 2018) at 31.

¹⁴⁶ *Original Determination*, USITC Pub. 4753 (Jan. 2018) at 31-32. Respondents argued that the domestic industry's declining performance was caused by Sears' financial decline because Sears was Waterloo's primary customer. The Commission found that Sears' problems during the period of investigation did not fully explain declines in the domestic industry's performance. While a substantial share of Waterloo's sales were to Sears over the period, the record indicated that Waterloo actively sought to gain and retain sales to other purchasers, and that these efforts were adversely impacted by competition from low-priced subject imports. The Commission also observed that MBI, which experienced declines similar to Waterloo's, never sold to Sears, and therefore its declining performance was not attributable to Sears' problems. *Id.*

Respondents also argued that the domestic industry could not provide innovative features, refused to bid on certain products during the period, or was unable to provide products within the timeline required by purchasers. *Id.* at 32. The Commission found that the domestic industry was generally able to provide innovations and features desired by purchasers, but not at the prices set by subject imports. After the petitions were filed and preliminary duties were imposed, the domestic industry gained business from certain large retailers, demonstrating that it was able to provide the features sought by purchasers. Furthermore, the Commission found, to the extent that the domestic industry was unable to meet the delivery times requested by some purchasers, the volume of sales involved was relatively small and did not adequately explain the domestic industry's lost sales and declining market share. *Id.*

¹⁴⁷ *Original Determination*, USITC Pub. 4753 (Jan. 2018) at 32.

¹⁴⁸ *Original Determination*, USITC Pub. 4753 (Jan. 2018) at 32-33.

Current Reviews. The record in these expedited reviews contains limited information concerning the domestic industry’s performance since the original investigations.

The information available indicates that the domestic industry’s performance was stronger in terms of production, capacity utilization, and U.S. shipments, but weaker in terms of capacity and financial indicators, in 2021 as compared to 2016, the final year of the original period of investigation. Specifically, the domestic industry’s production (***) units), capacity utilization (***) percent), and U.S. shipments (***) units, valued at \$***) were all higher in 2021 than in 2016.¹⁴⁹ On the other hand, the domestic industry’s production capacity, at *** units, was slightly lower in 2021 than in 2016.¹⁵⁰ The industry’s financial performance has also declined since the original investigations, as its cost of goods sold (“COGS”) to net sales ratio (***) percent), gross profits (\$***), operating income (***), and operating income margin (***) percent) were all worse in 2021 than in 2016 or any other year during the original investigations.¹⁵¹ The limited information in these expedited reviews is insufficient for us to make a finding on whether the domestic industry is vulnerable to the continuation or recurrence of material injury in the event of revocation of the orders.¹⁵²

Based on the information available, we find that revocation of the orders would likely result in a significant volume of cumulated subject imports that would likely undersell the domestic like product to a significant degree. Given the moderate degree of substitutability between the domestic like product and subject imports and the importance of price to purchasers, significant volumes of low-priced subject imports would likely capture sales and market share from the domestic industry and/or force domestic producers to lower their prices

¹⁴⁹ CR/PR at Table I-4. In 2016, the domestic industry’s production was *** units, its capacity utilization rate was *** percent, and its U.S. shipments were *** units (\$***). *Id.*

¹⁵⁰ CR/PR at Table I-4. The domestic industry’s production capacity was *** units in 2016. *Id.*

¹⁵¹ CR/PR at Table I-4. From 2014 to 2016, the domestic industry’s COGS to net sales ratio ranged from *** to *** percent, its gross profits ranged from \$*** to \$***, its operating income ranged from \$*** to \$***, and its operating income margin ranged from *** to *** percent. *Id.*

In 2021, the domestic industry’s net sales (\$***), total COGS (\$***), and SG&A expenses (\$***) were higher than during the original investigations when they ranged from \$*** to \$***, \$*** to \$***, and \$*** to \$***, respectively. *Id.*

¹⁵² Based on the information available in these expedited reviews (covering *** percent of U.S. production of tool chests), Commissioner Kearns finds that the domestic industry is in a weakened state and therefore is vulnerable to material injury if the orders were revoked. He notes that only one domestic producer remains. In 2021, the domestic industry’s production of *** units, capacity utilization of *** percent, and quantity of U.S. shipments of *** units were all lower than at the beginning of the POI. The domestic industry’s *** operating *** and *** operating margin were at a lower point in 2021 than in any year of the POI, and its COGS-to-net-sales ratio of *** percent was higher than in any year of the POI. See CR/PR at I-18 and Table I-4.

or forgo needed price increases in order to maintain their sales, thereby depressing or suppressing prices for the domestic like product to a significant degree. The likely significant volume of subject imports and their price effects would negatively affect the domestic industry's capacity, production, capacity utilization, shipments, market share, net sales values and quantities, employment levels, operating income, operating income margins, and capital investments. Consequently, we conclude that, if the orders were revoked, cumulated subject imports from China and Vietnam would be likely to have an adverse impact on the domestic industry within a reasonably foreseeable time.

We have also considered the role of factors other than cumulated subject imports, including the presence of nonsubject imports, so as not to attribute injury from other factors to cumulated subject imports. As discussed previously, nonsubject imports comprised a small and decreasing share of the U.S. market during the original period of investigation, having accounted for only *** percent of apparent U.S. consumption in 2016.¹⁵³ Although data concerning the volume of nonsubject imports during the POR is unavailable, SBD reports that nonsubject imports from new suppliers entered the U.S. market during the POR.¹⁵⁴ Nevertheless, the record provides no indication that the presence of nonsubject imports would prevent subject imports from entering the U.S. market in significant volumes, adversely affecting the domestic industry's prices and/or taking market share from the industry after revocation of the orders. Consequently, we find that any effects of nonsubject imports would be distinct from the likely effects attributable to cumulated subject imports.¹⁵⁵

In sum, we conclude that if the antidumping and countervailing duty orders were revoked, cumulated subject imports from China and Vietnam would likely have a significant adverse impact on the domestic industry within a reasonably foreseeable time.

V. Conclusion

For the foregoing reasons, we determine that revocation of the countervailing duty order on tool chests from China and the antidumping duty orders on tool chests from China and Vietnam would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.

¹⁵³ CR/PR at Table I-5.

¹⁵⁴ SBD Response at 15.

¹⁵⁵ We also note that the domestic industry would not be insulated from recurrence of material injury by the section 301 measures, as discussed above, in IV.C.

Information obtained in these reviews

Background

On December 1, 2022, the U.S. International Trade Commission (“Commission”) gave notice, pursuant to section 751(c) of the Tariff Act of 1930, as amended (“the Act”),¹ that it had instituted reviews to determine whether revocation of the countervailing duty order on tool chests and cabinets (“tool chests”) from China and the antidumping duty orders on tool chests from China and Vietnam would be likely to lead to continuation or recurrence of material injury.² All interested parties were requested to respond to this notice by submitting certain information requested by the Commission.³ ⁴ Table I-1 presents information relating to the background and schedule of this proceeding.

Table I-1
Tool chests: Information relating to the background and schedule of this proceeding

| Effective date | Action |
|-----------------------|--|
| December 1, 2022 | Notice of initiation by Commerce (87 FR 73757, December 1, 2022) |
| December 1, 2022 | Notice of institution by Commission (87 FR 73786, December 1, 2022) |
| March 6, 2023 | Commission’s vote on adequacy |
| March 14, 2023 | Commerce’s results of its AD expedited reviews (88 FR 15667, March 14, 2023) |
| March 30, 2023 | Commerce’s results of its CVD expedited review (88 FR 19065, March 30, 2023) |
| June 30, 2023 | Commission’s determinations and views |

¹ 19 U.S.C. 1675(c).

² 87 FR 73786, December 1, 2022. In accordance with section 751(c) of the Act, the U.S. Department of Commerce (“Commerce”) published a notice of initiation of five-year reviews of the subject antidumping and countervailing duty orders. 87 FR 73757, December 1, 2022. Pertinent Federal Register notices are referenced in app. A, and may be found at the Commission’s website (www.usitc.gov).

³ As part of their response to the notice of institution, interested parties were requested to provide company-specific information. That information is presented in app. B. Summary data compiled in the original investigations are presented in app. C.

⁴ Interested parties were also requested to provide a list of three to five leading purchasers in the U.S. market for the domestic like product and the subject merchandise. Presented in app. D are the responses received from purchaser surveys transmitted to the purchasers identified in this proceeding.

Responses to the Commission’s notice of institution

Individual responses

The Commission received one submission in response to its notice of institution in the subject reviews. It was filed on behalf of Stanley Black & Decker (“SBD”),⁵ a U.S. producer engaged in the production of tool chests in the United States (referred to herein as the “domestic interested party”).

A complete response to the Commission’s notice of institution requires that the responding interested party submit to the Commission all the information listed in the notice. Responding firms are given an opportunity to remedy and explain any deficiencies in their responses. A summary of the number of responses and estimates of coverage for each is shown in table I-2.

Table I-2
Tool chests: Summary of completed responses to the Commission’s notice of institution

| Interested party | Type | Number of firms | Coverage |
|------------------|----------|-----------------|----------|
| U.S. producer | Domestic | 1 | 100.0% |

Note: The U.S. producer coverage figure presented is the domestic interested party’s estimate of its share of total U.S. production of tool chests during 2021. Domestic interested party’s response to the notice of institution, January 3, 2023, p. 14. Domestic interested party’s comments on adequacy, February 10, 2023, p. 2.

Party comments on adequacy

The Commission received party comments on the adequacy of responses to the notice of institution and whether the Commission should conduct expedited or full reviews from the domestic interested party. It requests that the Commission conduct expedited reviews of the antidumping and countervailing duty orders on tool chests.⁶

⁵ SBD purchased the petitioner of the original investigations, Waterloo Industries, Inc., in July 2017, three months after the filing of the petitions. Tool Chests and Cabinets from China, Inv. No. 701-TA-575 (Final), USITC Publication 4753, January 2018 (“Original publication”), p. 15.

⁶ Domestic interested party’s comments on adequacy, February 10, 2023, pp. 1-4.

The original investigations

The original investigations resulted from petitions filed on April 11, 2017, with Commerce and the Commission by Waterloo Industries Inc., Sedalia, Missouri.⁷ On November 29, 2017, Commerce determined that imports of tool chests from China were being subsidized by the government of China.⁸ The Commission determined on January 16, 2018 that an industry in the United States was materially injured by reason of imports of tool chests from China that had been found by Commerce to be subsidized by the government of China.⁹ On January 24, 2018, Commerce issued its countervailing duty order on China with final net subsidy rates ranging from 14.03 to 95.96 percent.¹⁰ On April 10, 2018, Commerce determined that imports of tool chests from China and Vietnam were being sold at less than fair value (“LTFV”).¹¹ The Commission determined on May 24, 2018 that an industry in the United States was materially injured by imports of tool chests from China and Vietnam that have been found by Commerce to be sold in the United States at LTFV.¹² On June 4, 2018, Commerce issued its antidumping duty orders on China and Vietnam with final weighted-average dumping margins for China ranging from 97.11 to 244.29 percent and a final weighted-average dumping margin for Vietnam at 327.17 percent.¹³

Previous and related investigations

Tool chests have not been the subject of any prior antidumping or countervailing duty investigations in the United States.¹⁴

⁷ Original publication, p. I-1; Tool Chests and Cabinets from China and Vietnam, Inv. Nos. 731-TA-1360–1361 (Final), USITC Publication 4787, May 2018 (“Original supplemental publication”), p. I-1.

⁸ 82 FR 56582, November 29, 2017. Commerce did not align its countervailing duty investigation on tool chests from China with its antidumping duty investigations on tool chests from China and Vietnam. As a result, the Commission’s determinations were staggered. Original supplemental publication, p. I-1.

⁹ 83 FR 3025, January 22, 2018.

¹⁰ 83 FR 3299, January 24, 2018.

¹¹ 83 FR 15361 and 83 FR 15365, April 10, 2018.

¹² 83 FR 24820, May 30, 2018.

¹³ 83 FR 25645, June 4, 2018.

¹⁴ The Commission, however, has investigated products similar to tool chests. See Metal Lockers from China, Investigation Nos. 701-TA-656 and 731-TA-1533 (Final), USITC Publication 5218, August 2021, p. I-9–I-14 (“Commerce’s scope” and “Tariff treatment” sections); and Vertical Metal File Cabinets from China, Investigation Nos. 701-TA-623 and 731-TA-1449 (Final), USITC Publication 4995, December 2019, p. I-10 (“Tariff treatment” section).

Commerce's five-year reviews

Commerce announced that it would conduct expedited reviews with respect to the orders on imports of tool chests from China and Vietnam with the intent of issuing the final results of these reviews based on the facts available not later than March 31, 2023.¹⁵ Commerce publishes its Issues and Decision Memoranda and its final results concurrently, accessible upon publication at <http://enforcement.trade.gov/frn/>. Issues and Decision Memoranda contain complete and up-to-date information regarding the background and history of the order, including scope rulings, duty absorption, changed circumstances reviews, and anticircumvention, as well as any decisions that may have been pending at the issuance of this report. Any foreign producers/exporters that are not currently subject to the countervailing duty order on tool chest from China or the antidumping duty orders on imports of tool chests from China and Vietnam are noted in the sections titled "The original investigations" and "U.S. imports," if applicable.

The product

Commerce's scope

Commerce has defined the scope as follows:

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.*

¹⁵ Letter from Alex Villanueva, Senior Office Director, Office I, AD/CVD Operations, Enforcement and Compliance, U.S. Department of Commerce to Nannette Christ, Director of Investigations, U.S. International Trade Commission, January 25, 2023.

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 China or Vietnam 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 or Vietnam that are 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 orders 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 orders 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 With 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 With 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 orders 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) an open top for storage, a flat top, or a 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 orders 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 orders 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 orders is classified under HTSUS categories 9403.20.0021, 9403.20.0026, 9403.20.0030, 9403.20.0080, 9403.20.0090, 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 orders is dispositive.¹⁶

¹⁶ 83 FR 3299, January 24, 2018 and 83 FR 25645, June 4, 2018.

U.S. tariff treatment

Tool chests are currently imported under Harmonized Tariff Schedule of the United States (“HTSUS” or “HTS”) statistical reporting numbers 7326.90.8688, 9403.20.0050,¹⁷ 9403.20.0086,¹⁸ and 9403.20.0090.¹⁹ These classifications are residual or “basket” provisions and also include miscellaneous articles of metal or metal furniture products that are outside the scope of these reviews. The merchandise subject to these reviews may also be imported under HTS statistical reporting number 7326.90.3500 (steel containers of a kind normally carried on the person, in the pocket or in the handbag). The general rate of duty is 2.9 percent ad valorem for HTS subheading 7326.90.86 and “free” for HTS subheading 9403.20.00.²⁰ Decisions on the tariff classification and treatment of imported goods are within the authority of U.S. Customs and Border Protection (“CBP”).

Effective September 24, 2018, tool chests originating in China imported under HTS subheadings 7326.90.96 and 9403.20.00 were subject to an additional 10 percent ad valorem duty under section 301 of the Trade Act of 1974. Effective May 10, 2019, the section 301 duty for tool chests originating in China imported under HTS subheadings 7326.90.96 and 9403.20.00 was increased to 25 percent.²¹

¹⁷ HTS statistical reporting number 9403.20.0050 succeeded HTS 9403.20.0024 which was discontinued in January 2018. Change Record—HTS (2018) Basic Edition, January 2018, p. 8.

¹⁸ HTS statistical reporting numbers 9403.20.0082 and 9403.20.0086 succeeded HTS 9403.20.0081 which was discontinued in July 2022. HTS 9403.20.0081 succeeded HTS 9403.20.0080 which was discontinued in July 2019. HTS 9403.20.0080 succeeded HTS 9403.20.0026 which was discontinued in January 2018. Change Record—HTS (2018) Basic Edition, January 2018, p. 8; Change Record—HTS (2020) Basic Edition, January 2020, p. 13; Change Record—HTS (2023) Basic Edition, January 2023, p. 15.

¹⁹ HTS statistical reporting number 9403.20.0090 succeeded HTS 9403.20.0030 which was discontinued in January 2018. Change Record—2018 Basic Edition, HTSUS (2018), January 2018, p. 8.

²⁰ USITC, HTS (2023) Basic Edition, Publication 5395, January 2023, pp. 73-42, 94-8.

²¹ 83 FR 47974, September 21, 2018; 84 FR 20459, May 9, 2019. See also HTS headings 9903.88.03 and 9903.88.04 and U.S. notes 20(e)–20(g) to subchapter III of chapter 99 and related tariff provisions for this duty treatment. USITC, HTS (2023) Basic Edition, USITC Publication 5395, January 2023, pp. 99-III-26–99-III-50. Goods exported from China to the United States prior to May 10, 2019, and entering the United States prior to June 1, 2019, were not subject to the escalated 25 percent duty (84 FR 21892, May 15, 2019).

Description and uses²²

The products covered by these reviews are metal tool chests and tool cabinets, typically made of steel, with two or more drawers per unit. The subject merchandise includes top chests, intermediate chests, tool cabinets and side cabinets, mobile work benches, workstations, and metal storage units with two or more drawers. Not covered by the scope of these investigations are (1) tool boxes, chests and cabinets with bodies made entirely of plastic, carbon fiber, wood, or other non-metallic substances;²³ (2) portable tool boxes;²⁴ ²⁵ (3) service carts;²⁶ and (4) industrial-grade tool chests and cabinets.²⁷

²² Unless otherwise noted, this information is based on the original publication, pp. I-11–I-16; and Inv. No. 701-TA-575 and 731-TA-1360-1361 (Final): Tool Chests and Cabinets from China and Vietnam, Confidential Report, INV-PP-165, December 14, 2017, (“Original confidential report”), pp. I-21–I-26.

²³ The petitioner in the original investigations stated that non-metal tool chests and cabinets are produced using completely different equipment and facilities and by entirely different producers (firms), as these products are not produced from steel that must be slit, pressed, punched, and welded.

²⁴ Portable tool boxes, which are excluded from the scope of these reviews, are metal tool boxes with handles on the top and of a small size that makes them suitable for transporting by hand when filled with tools. Portable metal tool boxes have each of the following characteristics: (1) fewer than three drawers; (2) a handle on the top that allows the tool box to be carried by hand; (3) a width that is 21 inches or less; and depth (front to back) not exceeding 10 inches.

²⁵ During the original investigations, respondent Geelong stated that the tool chest and cabinet industry does not have standard definitions for “industrial” equipment or “portable tool boxes.” Instead, these terms are used as general descriptors, and not as technical specifications correlating to specific criteria.

²⁶ Service carts have casters or wheels, a flat top or lid that opens, a space between the casters and the bottom of the enclosed storage space of at least 10 inches, and a total unit height of less than 48 inches.

²⁷ The scope of these reviews defined industrial-grade metal tool chests and cabinets as those having each of the following physical characteristics: (1) a width of more than 60 inches or (2) having each of the following characteristics: (a) a body made of steel that is 0.055 inches or more in thickness; (b) all drawers more than 21 inches deep; (c) all drawer slides rated for 200 pounds or more; and (d) not prepackaged for retail sale.

The tool chests and cabinets at issue in these reviews have at least two drawers that are designed to store tools and equipment. They have bodies that are generally produced from carbon alloy, or stainless steel,²⁸ but can also be produced from other metals. Tool chests and cabinets can be differentiated by size, color, number and load rating of drawers, type of drawer slides (ball bearing or friction), type of latching system, type and thickness of primary construction material, lock type (internal or padlock), type and load rating of casters or wheels, and total load rating and storage capacity. Some newer tool chests have additional features such as charging stations for tools, integrated peg boards, power strips, USB ports, stereos, and Bluetooth connectivity (enabling keyless locking and unlocking).

The steel used in the bodies and drawers of subject tool chests and cabinets typically ranges in thickness from 0.018 inch to 0.055 inches, but most commonly falls within a range of 0.033 inch to 0.044 inches thick.

Drawers are an essential component of all subject tool chests and cabinets. Drawers are typically made of steel, but can be made from other metals. Each individual unit of the subject merchandise (i.e., top chest, intermediate chest, tool cabinet, side cabinet, work station, and tool storage unit) has two or more drawers for storage of tools and equipment, although subject merchandise may also have doors, top lids, or shelves in addition to the drawers. Drawers are typically assembled with the finished metal tool chest and cabinet bodies with ball-bearing sliders or other hardware for easy opening and closing. The drawers are designed to hold tools and other equipment and have different depths, weight ratings, and compartment layouts, depending on their design. Drawers have slide load ratings that indicate the amount of weight, in pounds, that they can support without failing.

Tool chests and cabinets typically are painted or epoxy- or powder-coated, but they may also be otherwise coated or made of uncoated metal, such as stainless or galvanized steel. Coatings serve as protection against corrosion and improve surface appearances. The subject merchandise may also incorporate other non-metallic materials such as rubber, plastic, carbon fibers, or wood in the drawers, trim, worktops, or accessories.

²⁸ The majority of subject tool chests and cabinets are made from cold-rolled carbon steel. Stainless steel tool chests are a relatively small part of the market. ***.

Subject tool chests and cabinets are produced in widths (side to side) exceeding 21 inches but not exceeding 60 inches,²⁹ and have a depth (front to back) exceeding 10 inches but not exceeding 24 inches. Units with a width of 21 inches or less and/or a depth of 10 inches or less are typically portable tool boxes and are excluded from the scope. According to the petitioner in the original investigations, units with a width exceeding 60 inches or drawer depths exceeding 24 inches are typically industrial grade tool chests that are also excluded from the scope. The petitioner stated that tool chests with widths exceeded 60 inches were too large to typically fit in a “do-it-yourselfer’s” garage.

Subject tool chests and cabinets include top chests, intermediate chests, tool cabinets and side cabinets, metal storage units, and mobile workstations and mobile work benches. Each of these types of tool chests and cabinets meet the physical description above and are discussed in more detail below. They are also pictured below in a combined unit (figure I-1).

Figure I-1
Tool chests: Tool cabinet with top and intermediate chests



Source: SBD/Craftsman, <https://www.craftsman.com/product/cmst98222rb/37-4-drawer-tool-chest-2000-series?tid=569046>, retrieved February 1, 2023.

²⁹ Subject side cabinets have a width exceeding 15 inches.

Top chests (figure I-2) are tool chests, primarily made of steel, but possibly made of other metals, that are designed to sit on top of a tool cabinet or intermediate chest. Top chests have two or more drawers for tool storage space, but they will often also open from the top allowing users to store tools in the body of the chests. Top chests may have side handles to assist the purchaser in lifting the chest out of its packaging, but their size and weight limit their portability.

Figure I-2
Tool chests: Top chest



Source: SBD/Craftsman, <https://www.craftsman.com/product/cmst98222rb/37-4-drawer-tool-chest-2000-series?tid=569046>, retrieved February 1, 2023.

Intermediate (middle) chests (figure I-3), usually made of steel, are designed to sit between a tool cabinet and a top chest. For this reason, they typically will not open from the top. Like other subject merchandise, intermediate chests have two or more drawers for tool and equipment storage. They typically do not have handles. As with top chests, the size and weight of intermediate chests limit their portability.

Figure I-3
Tool chests: Intermediate chest



Source: SBD/Craftsman, <https://www.craftsman.com/product/cmst98246rb/26-3-drawer-intermediate-tool-chest-2000-series?tid=569046>, retrieved February 1, 2023.

Tool cabinets (figure I-4) are tool storage units, primarily with steel bodies, that are larger than top chests or intermediate chests. They are made to stand on the floor and act as the base for the top and intermediate chests. As with all other subject merchandise, tool cabinets have multiple drawers, although they may also have storage space incorporated with doors and shelving. Tool cabinets also typically have casters, which may be assembled with the unit before or after the product is purchased. Casters allow the cabinet to be pushed on the floor, but they may also be locked in place. Tool cabinets may also have side handles to assist with rolling the cabinets.

Figure I-4
Tool chests: Tool cabinet



Source: SBD/Craftsman, <https://www.craftsman.com/product/cmst98223rb/37-5-drawer-rolling-tool-cabinet-2000-series?tid=579801>, retrieved February 1, 2023.

Side cabinets are tool storage units with two or more drawers that are designed to be attached to the side of a tool cabinet or work station to expand the storage space of the main tool cabinet.

Mobile work benches or workstations (figure I-5) otherwise fit the description of tool cabinets but also have a work surface on the top. The work surface may be made of rubber, plastic, metal, or wood.

Figure I-5
Tool chests: Mobile workstation



Source: SBD/Craftsman, <https://www.craftsman.com/product/cmst24160rb/2000-series-41-wide-6-drawer-mobile-workbench-redblack?tid=579801>, retrieved February 1, 2023.

Although top chests and intermediate chests may be packaged or sold separately from tool cabinets, they are designed to be sold and used with tool cabinets. For this reason, they may come with hardware that allows them to be attached to the tool cabinet. Top chests, intermediate chests, tool cabinets, and side cabinets may be assembled and used together to form a tool storage unit. The most common combination units are a tool cabinet and chests that are 26 inches and 41 inches in width. For example, a 26-inch combination unit might include a 22-inch chest that is designed for use with a 26-inch cabinet.

Subject tool chests and cabinets are packaged for retail sale in a corrugated box with a product descriptor and a UPC code that the retailer can scan. In some instances, the tool chests and cabinets may include tool sets. Packages may include instructions for assembling chest and cabinet combinations and/or attaching side handles and casters. Subject tool chests and cabinets are typically sold to consumers in membership clubs, department, hardware and home-improvement stores, and automotive parts retailers. Subject tool chests and cabinets are typically used for tool storage by “do-it-yourself” customers for home projects.

Manufacturing processes³⁰

In U.S. plants, production of subject tool chests is highly automated and most steps are performed with minimal amounts of manual labor until final assembly. Subject tool chests are typically produced to standard sizes and configurations and are usually made in large production runs³¹ both to increase production efficiency and minimize the downtime required to reconfigure production equipment between production batches.³² Producers that use automated production processes typically operate separate lines for different sizes of tool chests. The petitioner in the original investigations produces 26-inch wide tool chests on one production line and 40- and 52-inch wide tool chests on a separate line. The petitioner stated that it can produce other sizes of tool chests, like 32-inch wide tool chests, but those would be made manually and production costs would be higher than those produced on automated equipment.³³

³⁰ Unless otherwise noted, this information is based on the original publication, pp. I-17–I-19 and the original confidential report, pp. I-21–I-26.

³¹ ***.

³² Industrial tool chests tend to be more customized and are produced in smaller quantities on separate production lines.

³³ The petitioner in the original investigations stated that the costs to reconfigure an automated production line to produce a different size tool chest include \$30,000-\$50,000 for a new die used to form parts and “seven figures” for a new automated welding line.

The production process typically begins with the slitting coils of cold-rolled, flat-rolled carbon steel³⁴ and/or stainless steel³⁵ into widths suitable for forming the panels and drawers of tool chests and cabinets.³⁶ The thickness of the coiled steel varies depending on the design and level of durability required for the individual chest or cabinet as well as the individual piece (i.e., drawer or chest and cabinet unit) that will be produced. The thicknesses may range from 0.018 inch to 0.055 inches but most commonly fall within a range of 0.033 inch to 0.044 inches. The coils are slit to various widths depending on the part that will be produced from the slit steel.

The slit steel moves through various processes to produce the component parts of the cabinets and chests (body panels, drawers, dividers, etc.). First, the steel is fed into a series of presses and punch machines where it is cut to size, punched, and bent into various shapes necessary to create the components.³⁷ Second, the various component pieces are welded together to form the drawers, bodies, lids, and other components of the chests and cabinets. Welding parts for subject tool chests can be automated because welds are made in the same spots for tool chests of the same size.³⁸

³⁴ During the original investigations, the petitioner's website indicated that it purchases 100 percent of its cold-rolled steel from U.S. steel mills. Steel is the largest component of their products, accounting for about 40 percent of the total cost of its products. ***.

³⁵ Subject tool chests and cabinets made from carbon or stainless steel can be produced with the same equipment. The petitioner stated that it has the capability to produce stainless steel tool chests at its plant in Missouri but it did not produce them during the period of the original investigations because customers were unwilling to pay the higher prices of stainless steel products.

Producing stainless steel tool chests and cabinets is more labor intensive because materials need to be protected to avoid scratching, and welding and finishing work is more detailed than in carbon-steel tool chests and cabinets.

³⁶ The process may also begin with flat sheets that have already been cut from coils, but most modern U.S. production facilities cut their own sheets from coils.

³⁷ Presses are fitted with custom dies that form the steel into the desired parts and are capable of high-volume production runs. This process is sometimes referred to as "hard tooling." Parts for industrial tool chests are typically made in small production runs using laser cutting machines. By contrast, the process is slower and more labor intensive than that used for retail tool chests and the equipment is capable of producing much larger parts than auto presses.

³⁸ By contrast, welding parts for industrial tool chests is labor intensive and performed primarily by workers using handheld tools. Weld spots differ depending on how the tool chest is configured, so more time is involved in this step compared to that for subject tool chests. ***.

The individual parts are then washed before being coated with paint, typically by one of two processes— either electro-coating (or "e-coating") or powder coating. E-coating involves electrically charging the metal parts and placing them in a bath of paint that holds the opposite charge. The parts are moved through the paint for a short period during which the paint adheres to the part. The part is then sprayed with a clear coat and is cured in an oven. Powder coating also involves electrically charging the parts and the coating with opposite charges, but the coating is a dry powder that is sprayed on.³⁹

Once the components are painted, the parts are assembled by hand into finished tool chests and cabinets. Ball bearing slides, casters, drawer pulls, name plates, and rubber mats and other hardware and accessories are incorporated into the product at the assembly stage or are packaged together with the tool chests and cabinets.⁴⁰ Finally, the finished tool chests and cabinets are packaged in corrugated boxes and labeled for retail sale before they leave the factory floor.

In contrast, ***.

³⁹ ***.

⁴⁰ The petitioner stated that at its plant, 22 employees assemble about 100 subject tool chests per hour, in contrast 26-27 employees assemble five nonsubject industrial tool chests per hour.

The petitioner in the original investigations produced nonsubject industrial tool chests and cabinets at the same plant that it produced subject tool chests and cabinets but with different manufacturing equipment. The petitioner stated that manufacturing industrial tool chests requires different welding and painting equipment than subject tool chests, and different employees weld and assemble these products.⁴¹ The petitioner stated that portable tool boxes and tool chests are produced on different equipment, through different processes, and by different employees⁴² than subject tool chests.

The industry in the United States

U.S. producers

During the final phase of the original investigations, the Commission received U.S. producer questionnaires from two firms, which accounted for all known U.S. production of tool chests during 2016.⁴³

In response to the Commission's notice of institution in these current reviews, the domestic interested party listed itself as the only known and currently operating U.S. producer of tool chests. One firm providing U.S. industry data in response to the Commission's notice of institution accounted for an estimated 100.0 percent of production of tool chests in the United States during 2021.⁴⁴

⁴¹ The Petitioner in the original investigations stated that they have dedicated space and equipment for producing nonsubject industrial tool chests and cabinets, but they started cross-training their employees to be able to work on retail and industrial tool chests and cabinets production lines. They stated that this was primarily done to avoid laying off employees owing to declines in their sales volumes.

⁴² ***.

⁴³ Original publication, p. I-4 and III-1.

⁴⁴ Domestic interested party's response to the notice of institution, January 3, 2023, p. 14 and exh. 1. Domestic interested party's comments on adequacy, February 10, 2023, p. 2.

Recent developments

According to the domestic interested party and staff research, demand for tool chests and cabinets in the U.S. market increased slightly from 2017-21, with a peak in 2020, but has flattened in 2022. The increase in demand in 2020 reflected the impact of the COVID-19 pandemic as consumers were involved in more home projects.⁴⁵ Table I-3 presents recent developments in the U.S. tool chests industry.

Table I-3
Tool chests: Recent developments in the U.S. industry

| Item | Firm | Event |
|-------------------------------|-----------------------------|---|
| Acquisition | SBD | In July 2017, SBD announced that it had successfully completed its purchase of the Craftsman brand from Sears Holdings Corporation for approximately \$900 million. SBD acquired the rights to develop, manufacture, and sell Craftsman-branded products outside the Sears Holdings and Sears Hometown & Outlet Stores distribution channels. Waterloo, the petitioner in the original investigations, produced some of the tool chests that were marketed by Sears under the Craftsman brand name. |
| Acquisition | SBD | On July 28, 2017, Waterloo Industries Inc., (the petitioner in the original investigations) was acquired by SBD and operates under the SBD name. |
| Section 232 tariffs on inputs | U.S. Department of Commerce | Effective March 23, 2018, cold-rolled and stainless steel were included in the enumeration of iron and steel articles that became subject to the additional 25 percent ad valorem duty under Section 232 of the Trade Expansion Act of 1962, as amended. Cold-rolled steel and, to a lesser extent, stainless steel are primary inputs used to produce tool chests. |
| Branding | SBD | In September 2018, SBD announced a “relaunch” of the Craftsman brand identity and a new line of tools, products, and accessories. The Craftsman products, including tool chests produced by the original petitioner, had been sold in Sears stores before SBD acquired the brand. SBD announced that the products would be available at Lowe’s Home Improvement, ACE Hardware stores and other major retailers, including Amazon. Initially, SBD planned to manufacture, with global materials, approximately 30 percent of the tools in its U.S. facilities, with the goal of increasing that ratio to more than 50 percent over the next few years. |

⁴⁵ Domestic interested party’s response to the notice of institution, January 3, 2023, p. 15; GlobeNewswire, “Global Tool Storage Product Market Report 2021, featuring profiles of key players Including Stanley Black & Decker, Techtronic Industries, Griffon Corp and Apex Tools Group,” October 1, 2021, <https://www.globenewswire.com/news-release/2021/10/01/2306812/28124/en/Global-Tool-Storage-Product-Market-Report-2021-Featuring-Profiles-of-Key-Players-Including-Stanley-Black-Decker-Techtronic-Industries-Griffon-Corp-and-Apex-Tools-Group.html>.

| Item | Firm | Event |
|---------|---------------------------------|--|
| Lawsuit | SBD | In March 2019, SBD sued Sears, accusing Sears of breach of contract and trademark infringement over a new line of tools marketed under the Craftsman Ultimate Collection brand. Craftsman had been an exclusive Sears brand for decades before SBD acquired it in March 2017, while giving Sears what was called a “limited” license to continue to sell some Craftsman products. The parties reached a resolution in May 2019 and the case was dismissed. |
| Closure | Metal Box International (“MBI”) | MBI (identified as a producer of subject tool chests in the original investigations) reportedly stopped producing subject tool chests in 2020. |

Sources: Domestic interested party’s response to the notice of institution, January 3, 2023, pp. 1 and 15; Cision PR Newswire, “Stanley Black & Decker completes purchase of Craftsman brand from Sears Holdings,” March 9, 2017, <https://www.prnewswire.com/news-releases/stanley-black--decker-completes-purchase-of-craftsman-brand-from-sears-holdings-300420760.html>; Adjusting Imports of Steel Into the United States, Presidential Proclamation 9705, March 8, 2018 (83 FR 11625, March 15, 2018), <https://www.federalregister.gov/documents/2018/03/15/2018-05478/adjusting-imports-of-steel-into-the-united-states>; SBD news release, “Craftsman brand relaunches with a full system of tools, equipment and accessories,” September 19, 2018, <https://press.craftsman.com/press-releases?item=122384>; CNBC, “Sears is sued over ‘Craftsman’ brand,” March 7, 2019, <https://www.cnbc.com/2019/03/07/sears-is-sued-over-craftsman-brand.html>; HBSDealer, “Craftsman case dismissed,” May 14, 2019, <https://www.hbsdealer.com/news/craftsman-case-dismissed-2>.

U.S. producers’ trade and financial data

The Commission asked domestic interested parties to provide trade and financial data in their response to the notice of institution in the current five-year reviews.⁴⁶ Table I-4 presents a compilation of the trade and financial data submitted from all responding U.S. producers in the original investigations, as well as information provided by the domestic interested party participating in these reviews.

Table I-4

Tool chests: Trade and financial data submitted by U.S. producers, by period

Quantity in units; value in 1,000 dollars; unit value in dollars per unit; ratio is in percent

| Item | Measure | 2014 | 2015 | 2016 | 2021 |
|--|------------|------|------|------|------|
| Capacity | Quantity | *** | *** | *** | *** |
| Production | Quantity | *** | *** | *** | *** |
| Capacity utilization | Ratio | *** | *** | *** | *** |
| U.S. shipments | Quantity | *** | *** | *** | *** |
| U.S. shipments | Value | *** | *** | *** | *** |
| U.S. shipments | Unit value | *** | *** | *** | *** |
| Net sales | Value | *** | *** | *** | *** |
| COGS | Value | *** | *** | *** | *** |
| COGS to net sales | Ratio | *** | *** | *** | *** |
| Gross profit or (loss) | Value | *** | *** | *** | *** |
| SG&A expenses | Value | *** | *** | *** | *** |
| Operating income or (loss) | Value | *** | *** | *** | *** |
| Operating income or (loss) to net sales | Ratio | *** | *** | *** | *** |

Source: For the years 2014-16, data are compiled using data submitted in the Commission’s original investigations. For the year 2021, data are compiled using data submitted by the domestic interested party. Domestic interested party’s response to the notice of institution, January 3, 2023, exh. 1.

Note: For a discussion of data coverage, please see “U.S. producers” section.

⁴⁶ Individual company trade and financial data are presented in app. B.

Definitions of the domestic like product and domestic industry

The domestic like product is defined as the domestically produced product or products which are like, or in the absence of like, most similar in characteristics and uses with, the subject merchandise. The domestic industry is defined as the U.S. producers as a whole of the domestic like product, or those producers whose collective output of the domestic like product constitutes a major proportion of the total domestic production of the product. Under the related parties provision, the Commission may exclude a U.S. producer from the domestic industry for purposes of its injury determination if “appropriate circumstances” exist.⁴⁷

In its original determinations, the Commission defined a single domestic like product consisting of tool chests, coextensive with Commerce’s scope. In its original determinations, the Commission defined the domestic industry to include all domestic producers of in-scope tool chests.⁴⁸

U.S. importers

During the final phase of the original investigations, the Commission received U.S. importer questionnaires from 21 firms that accounted for the majority of imports of tool chests from China and virtually all imports of tool chests from Vietnam during 2016.⁴⁹ Import data presented in the original investigations were based on questionnaire responses.

Although the Commission did not receive responses from any respondent interested parties in these current reviews, in its response to the Commission’s notice of institution, the domestic interested party provided a list of 22 firms that it believes have imported subject merchandise from China and Vietnam into the United States during the past five years.⁵⁰

⁴⁷ Section 771(4)(B) of the Tariff Act of 1930, 19 U.S.C. § 1677(4)(B).

⁴⁸ 87 FR 73786, December 1, 2022.

⁴⁹ Original publication, p. I-4 and IV-1.

⁵⁰ Domestic interested party’s response to the notice of institution, January 3, 2023, p. 13 and exhs. 1 and 5.

U.S. imports⁵¹

The domestic interested party reported that imports of tool chests from China and Vietnam have declined substantially following the imposition of the antidumping and countervailing duty orders,⁵² but it is also aware of Chinese tool chests' presence in the U.S. retail stores.⁵³

Cumulation considerations

In assessing whether imports should be cumulated in five-year reviews, the Commission considers, among other things, whether there is a likelihood of a reasonable overlap of competition among subject imports and the domestic like product. Additional information concerning geographical markets and simultaneous presence in the market is presented below.⁵⁴

The domestic interested party reports that tool chests from China and Vietnam have entered the United States throughout the review period.⁵⁵

Apparent U.S. consumption and market shares

Table I-5 presents data on U.S. producers' U.S. shipments, U.S. imports, apparent U.S. consumption, and market shares.

⁵¹ Import data are not available for the current reviews. In the original investigations, U.S. import data were based on questionnaire responses, which collected quantity in units. Official import statistics cannot be relied upon to disclose amounts of or trends in subject imports because (1) the HTSUS subheadings in question are basket categories which cover substantial nonsubject imports within their scope and (2) the unit of quantity specified in the HTSUS for reporting subject merchandise under these subheadings is mixed (both in units and in KG) whereas the Commission relied solely upon quantity measured in units during the original investigations.

⁵² Domestic interested party's response to the notice of institution, January 3, 2023, p. 5 and exh. 2.

⁵³ Domestic interested party's response to the notice of institution, January 3, 2023, p. 5.

⁵⁴ In addition, available information concerning subject country producers and the global market is presented in the next section of this report.

⁵⁵ Domestic interested party's response to the notice of institution, January 3, 2023, pp. 5-8 and exh. 2.

Table I-5
Tool chests: Apparent U.S. consumption and market shares, by source and period

Quantity in units; value in 1,000 dollars; shares in percent

| Source | Measure | 2014 | 2015 | 2016 | 2021 |
|---------------------------|-------------------|-----------|-----------|-----------|------|
| U.S. producers | Quantity | *** | *** | *** | *** |
| China | Quantity | *** | *** | *** | --- |
| Vietnam | Quantity | *** | *** | *** | --- |
| Subject sources | Quantity | 1,100,317 | 1,285,510 | 1,122,681 | --- |
| Nonsubject sources | Quantity | *** | *** | *** | --- |
| All import sources | Quantity | *** | *** | *** | --- |
| Apparent U.S. consumption | Quantity | *** | *** | *** | --- |
| U.S. producers | Value | *** | *** | *** | *** |
| China | Value | *** | *** | *** | --- |
| Vietnam | Value | *** | *** | *** | --- |
| Subject sources | Value | 188,804 | 214,889 | 213,852 | --- |
| Nonsubject sources | Value | *** | *** | *** | --- |
| All import sources | Value | *** | *** | *** | --- |
| Apparent U.S. consumption | Value | *** | *** | *** | --- |
| U.S. producers | Share of quantity | *** | *** | *** | --- |
| China | Share of quantity | *** | *** | *** | --- |
| Vietnam | Share of quantity | *** | *** | *** | --- |
| Subject sources | Share of quantity | *** | *** | *** | --- |
| Nonsubject sources | Share of quantity | *** | *** | *** | --- |
| All import sources | Share of quantity | *** | *** | *** | --- |
| U.S. producers | Share of value | *** | *** | *** | --- |
| China | Share of value | *** | *** | *** | --- |
| Vietnam | Share of value | *** | *** | *** | --- |
| Subject sources | Share of value | *** | *** | *** | --- |
| Nonsubject sources | Share of value | *** | *** | *** | --- |
| All import sources | Share of value | *** | *** | *** | --- |

Source: For the years 2014-16, data are compiled using data submitted in the Commission's original investigations. For the year 2021, U.S. producers' U.S. shipments are compiled from the domestic interested party's response to the Commission's notice of institution.

Note: For 2014-16, apparent U.S. consumption is derived from U.S. shipments of imports, rather than U.S. imports.

Note: For 2021, U.S. import data, and subsequently apparent U.S. consumption data, are not available. For more information, please see "U.S. importers" section.

Note: Share of quantity is the share of apparent U.S. consumption by quantity in percent; share of value is the share of apparent U.S. consumption by value in percent.

Note: For a discussion of data coverage, please see "U.S. producers" and "U.S. importers" sections.

The industry in China

Producers in China

During the final phase of the original investigations, the Commission received usable foreign producer questionnaire responses from 14 producers or exporters in China, accounting for the majority of production of tool chests in China in 2016.⁵⁶

Although the Commission did not receive responses from any respondent interested parties in these five-year reviews, the domestic interested party provided a list of 47 possible producers of tool chests in China.⁵⁷

Recent developments

Table I-6 presents developments in the Chinese industry since the Commission’s original investigations.

Table I-6
Tool chests: Recent developments in the Chinese industry

| Item | Firm | Event |
|----------------------------------|--|--|
| Acquisition/ Current capacity | Hangzhou Great Star Industrial Co., Ltd. (formerly Zhongshang Geelong Manufacturing Co., Ltd.) | In 2021, Great Star Industrial acquired another Chinese subject tool chest producer, Zhongshan Geelong. In 2021, the company reported that after its acquisition of Zhongshan Geelong, it became “the world’s leading manufacturer of storage cabinets,” with sales in this division increasing by 152.36 percent from 2020. |

Source: Domestic interested party’s response to the notice of institution, January 3, 2023, pp. 6–8.

The domestic interested party noted that according to publicly available information, tool chest producers in China have large production capacities.⁵⁸ The following are some of the known producers of subject tool chests in China:⁵⁹

- Changzhou City Hongfei Metalwork Co., Ltd produces metal tool cabinets, tool chests, tool boxes, and work benches for global export, including to the United States. According to company reports, its factory has an annual production of 1.2 million units.

⁵⁶ Original publication, pp. 3, I-4, and VII-2-VII-3.

⁵⁷ Domestic interested party’s response to the notice of institution, January 3, 2023, exhs. 1 and 6.

⁵⁸ Domestic interested party’s response to the notice of institution, January 3, 2023, p. 6.

⁵⁹ Domestic interested party’s response to the notice of institution, January 3, 2023, pp. 6–8.

- Hangzhou Great Star Industrial Co., Ltd. (formerly Zhongshang Geelong Manufacturing Co., Ltd.) Great Star produces subject tool chests under many different brand names across many production bases worldwide, including 10 locations in China.
- Jiangsu Tongrun Equipment Technology Co., Ltd. operates two manufacturing plants that produce metal products, including subject metal tool chests—90 percent of which are exported to over 140 countries including the United States. The company has the capacity to produce about 72,000 finished products per year.
- Jinhua JG Tools Manufacturing Co., Ltd. manufactures subject metal tool chests for “international markets such as North America.” The company operates two manufacturing plants and has an “annual steel plate/material processing capacity” exceeding 50,000 metric tons per year. Subject tool chest production capacity was not specified.
- Jin Rong Hua Le Metal Manufactures Co., Ltd. produces subject tool chests and, as of November 2020, had an annual production capacity of 18,000 units.
- Meridian - Zhejiang LM manufacturing Co., LTD. manufactures metal storage products (including subject tool chests and other metal products at its plant in Jinhua, ZheJiang, China.
- Shanghai Hom-Steel Industry Co. manufactures steel products including subject tool chests. The company claims to have an annual production capacity of over 600,000 units.

Exports

Total exports of both metal furniture products and iron and steel products (categories that include in-scope tool chests and out-of-scope products) from China have increased during the period of review.⁶⁰ The United States remains a top destination for exports of these categories of products from China. The value of China’s exports of metal furniture products and iron and steel products to the United States increased from \$3.9 billion in 2017 to \$6.6 billion in 2021.⁶¹

⁶⁰ Global Trade Atlas provides data for HS subheadings 7326.90 and 9403.20 which contain substantial quantities of products that are not covered by the scope of these reviews. Therefore, these data overstate Chinese exports and are not presented.

⁶¹ Domestic interested party’s response to the notice of institution, January 3, 2023, p. 9.

The industry in Vietnam

Producers in Vietnam

During the final phase of the original investigations, the Commission received usable foreign producer questionnaire responses from five producers in Vietnam, accounting for the majority of production of subject merchandise from Vietnam in 2016.⁶²

Although the Commission did not receive responses from any respondent interested parties in these five-year reviews, the domestic interested party provided a list of five possible producers of tool chests in Vietnam.⁶³

The domestic interested party notes that publicly available information indicates that tool chest producers in Vietnam have large production capacities.⁶⁴ Clearwater Metal Co., Ltd. (a/k/a as Kinox Corporation) produces subject tool chests and manufactures tool cabinets that are exported globally, including to North America. Rabat Corporation produces various furniture products, including subject tool chests, some of which were exported to the United States during the period of review.⁶⁵

Recent developments

There were no major developments in the Vietnamese industry since the imposition of the orders identified by interested parties in the proceeding and no relevant information from outside sources was found.

⁶² Original publication, pp. 3, I-4, and VII-6.

⁶³ Domestic interested party's response to the notice of institution, January 3, 2023, exhs. 1 and 6.

⁶⁴ Domestic interested party's response to the notice of institution, January 3, 2023, p. 6.

⁶⁵ Domestic interested party's response to the notice of institution, January 3, 2023, p. 6.

Exports

Total exports of both metal furniture products and iron and steel products (categories that include in-scope tool chests and out-of-scope products) from Vietnam increased during the period of review.⁶⁶ The United States remains a top destination for exports of these categories of products from Vietnam. The value of Vietnam’s exports of metal furniture products and iron and steel products to the United States rose from \$203.8 million in 2017 to \$803.2 million in 2021.⁶⁷

Third-country trade actions

Based on available information, tool chests from China and Vietnam have not been subject to antidumping or countervailing duty investigations outside of the United States.

The global market⁶⁸

Global exports (by value) of metal furniture and certain other articles of iron or steel were \$77.7 billion in 2021, a 43.6 percent increase from 2017.⁶⁹ China was the world’s leading exporter (by value) of metal furniture and certain other articles of iron or steel during the period of review, followed by Germany, the United States, and Italy.

⁶⁶ Global Trade Atlas provides data for HS subheadings 7326.90 and 9403.20 which contain substantial quantities of products that are not covered by the scope of these reviews. Therefore, these data overstate Vietnamese exports and are not presented.

⁶⁷ Domestic interested party’s response to the notice of institution, January 3, 2023, p. 9.

⁶⁸ Unless otherwise noted, this information is based on the original publication, p. VII-13.

⁶⁹ HS subheading 9403.20 “Other metal furniture” and HS subheading 7326.90 “Other articles of iron or steel” contain substantial quantities of products that are not covered by the scope of these reviews. Therefore, these data overstate global exports and are not presented.

During the original investigations, Canada was identified as a nonsubject country that supplied tool chests and cabinets to the United States. One producer in Canada, SPG International Ltd., manufactured a wide range of metal toolboxes and industrial storage systems designed for home and professional use at its production facility in Quebec. It exported some of those products to the United States. The company began operating in 1960 and merged with the Geelong Sales Company in 2007, giving Geelong manufacturing capabilities in North America and Asia. As of February 2023, the company's website was no longer active and according to a home improvement industry source, SPG International filed for bankruptcy protection and closed its operations in late 2018.⁷⁰

⁷⁰ Hardlines, "SPG International faces bankruptcy," https://hardlines.ca/gp_dailynews/spg-international-faces-bankruptcy/, retrieved February 1, 2023.

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 |
|----------------------------------|--|---|
| 87 FR 73757, December 1, 2022 | <i>Initiation of Five-Year (Sunset) Reviews</i> | https://www.govinfo.gov/content/pkg/FR-2022-12-01/pdf/2022-26154.pdf |
| 87 FR 73786, December 1, 2022 | <i>Tool Chests and Cabinets From China and Vietnam; Institution of Five-Year Reviews</i> | https://www.govinfo.gov/content/pkg/FR-2022-12-01/pdf/2022-26050.pdf |

APPENDIX B
COMPANY-SPECIFIC DATA

* * * * *

APPENDIX C

SUMMARY DATA COMPILED IN PRIOR PROCEEDINGS

Co-extensive with scope

Table C-1
Tool chests and cabinets: Summary data concerning the U.S. market, 2014-16, January to September 2016, and January to September 2017
 (Quantity=in units; Value=1,000 dollars; Unit values, unit labor costs, and unit expenses=dollars per unit; Period changes=percent--exceptions noted)

| | Reported data | | | | | Period changes | | | |
|---|---------------|-----------------------|-----------|------------------------------|------------------------------|----------------|--------------------------|---------|--------------------|
| | 2014 | Calendar year 2015 | 2016 | January to September 2016 | January to September 2017 | 2014-16 | Calendar year 2014-15 | 2015-16 | Jan-Sep 2016-17 |
| U.S. consumption quantity: | | | | | | | | | |
| Amount | *** | *** | *** | *** | *** | *** | *** | *** | *** |
| Producers' share (fn1) | *** | *** | *** | *** | *** | *** | *** | *** | *** |
| Importers' share (fn1): | | | | | | | | | |
| China | *** | *** | *** | *** | *** | *** | *** | *** | *** |
| Vietnam | *** | *** | *** | *** | *** | *** | *** | *** | *** |
| Subject sources | *** | *** | *** | *** | *** | *** | *** | *** | *** |
| Nonsubject sources | *** | *** | *** | *** | *** | *** | *** | *** | *** |
| All import sources | *** | *** | *** | *** | *** | *** | *** | *** | *** |
| U.S. consumption value: | | | | | | | | | |
| Amount | *** | *** | *** | *** | *** | *** | *** | *** | *** |
| Producers' share (fn1) | *** | *** | *** | *** | *** | *** | *** | *** | *** |
| Importers' share (fn1): | | | | | | | | | |
| China | *** | *** | *** | *** | *** | *** | *** | *** | *** |
| Vietnam | *** | *** | *** | *** | *** | *** | *** | *** | *** |
| Subject sources | *** | *** | *** | *** | *** | *** | *** | *** | *** |
| Nonsubject sources | *** | *** | *** | *** | *** | *** | *** | *** | *** |
| All import sources | *** | *** | *** | *** | *** | *** | *** | *** | *** |
| U.S. importers' U.S. shipments of imports from: | | | | | | | | | |
| China: | | | | | | | | | |
| Quantity | *** | *** | *** | *** | *** | *** | *** | *** | *** |
| Value | *** | *** | *** | *** | *** | *** | *** | *** | *** |
| Unit value | *** | *** | *** | *** | *** | *** | *** | *** | *** |
| Ending inventory quantity | *** | *** | *** | *** | *** | *** | *** | *** | *** |
| Vietnam | | | | | | | | | |
| Quantity | *** | *** | *** | *** | *** | *** | *** | *** | *** |
| Value | *** | *** | *** | *** | *** | *** | *** | *** | *** |
| Unit value | *** | *** | *** | *** | *** | *** | *** | *** | *** |
| Ending inventory quantity | *** | *** | *** | *** | *** | *** | *** | *** | *** |
| Subject sources: | | | | | | | | | |
| Quantity | 1,100,317 | 1,285,510 | 1,122,681 | 796,555 | 807,763 | 2.0 | 16.8 | (12.7) | 1.4 |
| Value | 188,804 | 214,889 | 213,852 | 138,695 | 161,339 | 13.3 | 13.8 | (0.5) | 16.3 |
| Unit value | \$172 | \$167 | \$190 | \$174 | \$200 | 11.0 | (2.6) | 14.0 | 14.7 |
| Ending inventory quantity | 371,032 | 458,831 | 665,617 | 664,817 | 801,013 | 79.4 | 23.7 | 45.1 | 20.5 |
| Nonsubject sources: | | | | | | | | | |
| Quantity | *** | *** | *** | *** | *** | *** | *** | *** | *** |
| Value | *** | *** | *** | *** | *** | *** | *** | *** | *** |
| Unit value | *** | *** | *** | *** | *** | *** | *** | *** | *** |
| Ending inventory quantity | *** | *** | *** | *** | *** | *** | *** | *** | *** |
| All import sources: | | | | | | | | | |
| Quantity | *** | *** | *** | *** | *** | *** | *** | *** | *** |
| Value | *** | *** | *** | *** | *** | *** | *** | *** | *** |
| Unit value | *** | *** | *** | *** | *** | *** | *** | *** | *** |
| Ending inventory quantity | *** | *** | *** | *** | *** | *** | *** | *** | *** |
| U.S. producers': | | | | | | | | | |
| Average capacity quantity | *** | *** | *** | *** | *** | *** | *** | *** | *** |
| Production quantity | *** | *** | *** | *** | *** | *** | *** | *** | *** |
| Capacity utilization (fn1) | *** | *** | *** | *** | *** | *** | *** | *** | *** |
| U.S. shipments: | | | | | | | | | |
| Quantity | *** | *** | *** | *** | *** | *** | *** | *** | *** |
| Value | *** | *** | *** | *** | *** | *** | *** | *** | *** |
| Unit value | *** | *** | *** | *** | *** | *** | *** | *** | *** |
| Export shipments: | | | | | | | | | |
| Quantity | *** | *** | *** | *** | *** | *** | *** | *** | *** |
| Value | *** | *** | *** | *** | *** | *** | *** | *** | *** |
| Unit value | *** | *** | *** | *** | *** | *** | *** | *** | *** |
| Ending inventory quantity | *** | *** | *** | *** | *** | *** | *** | *** | *** |
| Inventories/total shipments (fn1) | *** | *** | *** | *** | *** | *** | *** | *** | *** |
| Production workers | *** | *** | *** | *** | *** | *** | *** | *** | *** |
| Hours worked (1,000s) | *** | *** | *** | *** | *** | *** | *** | *** | *** |
| Wages paid (\$1,000) | *** | *** | *** | *** | *** | *** | *** | *** | *** |
| Hourly wages (dollars) | *** | *** | *** | *** | *** | *** | *** | *** | *** |
| Productivity (units per hour) | *** | *** | *** | *** | *** | *** | *** | *** | *** |
| Unit labor costs | *** | *** | *** | *** | *** | *** | *** | *** | *** |
| Net sales: | | | | | | | | | |
| Quantity | *** | *** | *** | *** | *** | *** | *** | *** | *** |
| Value | *** | *** | *** | *** | *** | *** | *** | *** | *** |
| Unit value | *** | *** | *** | *** | *** | *** | *** | *** | *** |
| Cost of goods sold (COGS) | *** | *** | *** | *** | *** | *** | *** | *** | *** |
| Gross profit or (loss) | *** | *** | *** | *** | *** | *** | *** | *** | *** |
| SG&A expenses | *** | *** | *** | *** | *** | *** | *** | *** | *** |
| Operating income or (loss) | *** | *** | *** | *** | *** | *** | *** | *** | *** |
| Net income or (loss) | *** | *** | *** | *** | *** | *** | *** | *** | *** |
| Capital expenditures | *** | *** | *** | *** | *** | *** | *** | *** | *** |
| Unit COGS | *** | *** | *** | *** | *** | *** | *** | *** | *** |
| Unit SG&A expenses | *** | *** | *** | *** | *** | *** | *** | *** | *** |
| Unit operating income or (loss) | *** | *** | *** | *** | *** | *** | *** | *** | *** |
| Unit net income or (loss) | *** | *** | *** | *** | *** | *** | *** | *** | *** |
| COGS/sales (fn1) | *** | *** | *** | *** | *** | *** | *** | *** | *** |
| Operating income or (loss)/sales (fn1) | *** | *** | *** | *** | *** | *** | *** | *** | *** |
| Net income or (loss)/sales (fn1) | *** | *** | *** | *** | *** | *** | *** | *** | *** |

Notes:

fn1.--Reported data are in percent and period changes are in percentage points.
 fn2.--Undefined.

Source: Compiled from data submitted in response to Commission questionnaires.

APPENDIX D

PURCHASER QUESTIONNAIRE RESPONSES

As part of their response to the notice of institution, interested parties were asked to provide a list of three to five leading purchasers in the U.S. market for the domestic like product. A response was received from the domestic interested party and it provided contact information for the following three firms as top purchasers of tool chests: ***. Purchaser questionnaires were sent to these three firms and two firms (***) provided responses, which are presented below.

1. Have there been any significant changes in the supply and demand conditions for tool chests and cabinets that have occurred in the United States or in the market for tool chests and cabinets in China and/or Vietnam since January 1, 2018?

| Purchaser | Yes / No | Changes that have occurred |
|-----------|----------|----------------------------|
| *** | *** | *** |
| *** | *** | *** |

2. Do you anticipate any significant changes in the supply and demand conditions for tool chests and cabinets in the United States or in the market for tool chests and cabinets in China and/or Vietnam within a reasonably foreseeable time?

| Purchaser | Yes / No | Anticipated changes |
|-----------|----------|---------------------|
| *** | *** | *** |
| *** | *** | *** |

