Walk-Behind Snow Throwers from China

Investigation Nos. 701-TA-666 and 731-TA-1558 (Preliminary)

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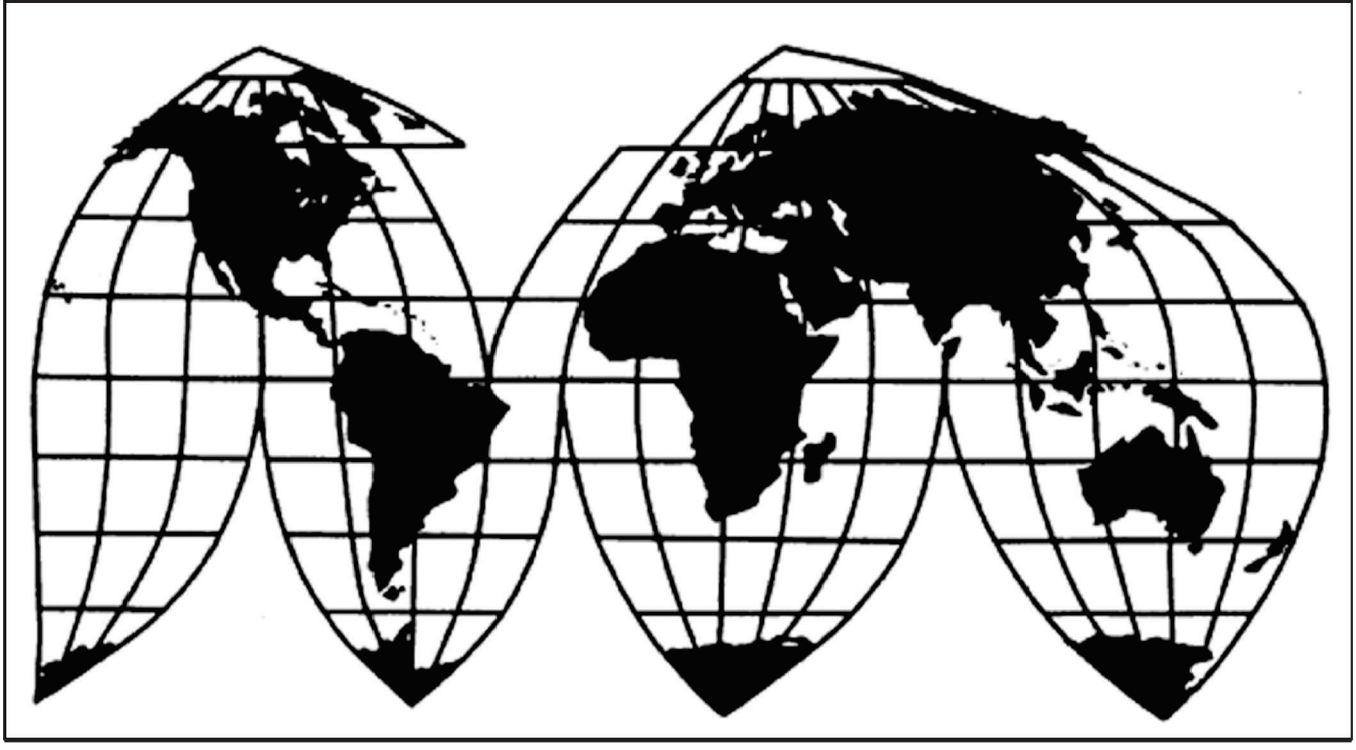
U.S. International Trade Commission



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UNITED STATES INTERNATIONAL TRADE COMMISSION

Investigation Nos. 701-TA-666 and 731-TA-1558 (Preliminary)

Walk-Behind Snow Throwers from China

DETERMINATIONS

On the basis of the record[1] developed in the subject investigations, the United States International Trade Commission ("Commission") determines, pursuant to the Tariff Act of 1930 ("the Act"), that there is a reasonable indication that an industry in the United States is materially injured by reason of imports of walk-behind snow throwers from China, provided for in subheading 8430.20.00 of the Harmonized Tariff Schedule of the United States, that are alleged to be sold in the United States at less than fair value ("LTFV") and to be subsidized by the government of China.[2]

COMMENCEMENT OF FINAL PHASE INVESTIGATIONS

Pursuant to section 207.18 of the Commission's rules, the Commission also gives notice of the commencement of the final phase of its investigations. The Commission will issue a final phase notice of scheduling, which will be published in the *Federal Register* as provided in § 207.21 of the Commission's rules, upon notice from the U.S. Department of Commerce ("Commerce") of affirmative preliminary determinations in the investigations under §§ 703(b) or 733(b) of the Act, or, if the preliminary determinations are negative, upon notice of affirmative final determinations in those investigations under §§ 705(a) or 735(a) of the Act. Parties that filed entries of appearance in the preliminary phase of the investigations need not enter a separate appearance for the final phase of the investigations. Industrial users, and, if the merchandise under investigation is sold at the retail level, representative consumer organizations have the right to appear as parties in Commission antidumping and countervailing duty investigations. The Secretary will prepare a public service list containing the names and addresses of all persons, or their representatives, who are parties to the investigations.

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

[2] 86 FR 22026 (April 26, 2021) and 86 FR 22022 (April 26, 2021).

BACKGROUND

On March 30, 2021, MTD Products Inc., Valley City, Ohio filed petitions with the Commission and Commerce, alleging that an industry in the United States is materially injured or threatened with material injury by reason of subsidized imports of walk-behind snow throwers from China and LTFV imports of walk-behind snow throwers from China. Accordingly, effective March 30, 2021, the Commission instituted countervailing duty investigation No. 701-TA-666 and antidumping duty investigation No. 731-TA-1558 (Preliminary).

Notice of the institution of the Commission's investigations and of a public conference to be held in connection therewith was given by posting copies of the notice in the Office of the Secretary, U.S. International Trade Commission, Washington, DC, and by publishing the notice in the *Federal Register* of April 6, 2021 (86 FR 17852). In light of the restrictions on access to the Commission building due to the COVID–19 pandemic, the Commission conducted its conference through written testimony and video conference on April 20, 2021. All persons who requested the opportunity were permitted to participate.

Views of the Commission

Based on the record in the preliminary phase of these investigations, we determine that there is a reasonable indication that an industry in the United States is materially injured by reason of imports of certain walk-behind snow throwers and parts thereof ("gas-powered snow throwers") from China that are allegedly sold in the United States at less than fair value and that are allegedly subsidized by the government of China.

I. The Legal Standard for Preliminary Determinations

The legal standard for preliminary antidumping and countervailing duty determinations requires the Commission to determine, based upon the information available at the time of the preliminary determinations, whether there is a reasonable indication that a domestic industry is materially injured or threatened with material injury, or that the establishment of an industry is materially retarded, by reason of the allegedly unfairly traded imports.[1] In applying this standard, the Commission weighs the evidence before it and determines whether "(1) the record as a whole contains clear and convincing evidence that there is no material injury or threat of such injury; and (2) no likelihood exists that contrary evidence will arise in a final investigation."[2]

II. Background

Petitioner MTD Products Inc. ("Petitioner" or "MTD") filed the petitions in these investigations on March 30, 2021. Petitioner is a U.S. producer of gas-powered snow throwers. Representatives for Petitioner submitted testimony and appeared at the staff conference accompanied by counsel. Petitioner also submitted a postconference brief.

No respondents participated in the preliminary phase of these investigations.

[1] 19 U.S.C. §§ 1671b(a), 1673b(a) (2000); *see also American Lamb Co. v. United States*, 785 F.2d 994, 1001-04 (Fed. Cir. 1986); *Aristech Chem. Corp. v. United States, 2*0 CIT 353, 354-55 (1996). No party argues that the establishment of an industry in the United States is materially retarded by the allegedly unfairly traded imports.

[2] *American Lamb Co.*, 785 F.2d at 1001; see also *Texas Crushed Stone Co. v. United States*, 35 F.3d 1535, 1543 (Fed. Cir. 1994).

U.S. industry data in the staff report are based on the questionnaire responses of six firms accounting for virtually all U.S. production of gas-powered snow throwers in 2020.[3] U.S. import data are based on questionnaire responses from 11 U.S. importers, accounting for approximately *** percent of in-scope and out-of-scope imports from China in 2020 under statistical reporting number 8430.20.0060 of the Harmonized Tariff Schedule of the United States (HTSUS).[4] The Commission did not receive any questionnaire responses from Chinese producers of gas-powered snow throwers.[5]

III. Domestic Like Product

In determining whether there is a reasonable indication that an industry in the United States is materially injured or threatened with material injury by reason of imports of the subject merchandise, the Commission first defines the "domestic like product" and the "industry."[6] Section 771(4)(A) of the Tariff Act of 1930, as amended ("the Tariff Act"), defines the relevant domestic industry as the "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."[7] In turn, 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."[8]

By statute, the Commission's "domestic like product" analysis begins with the "article subject to an investigation," *i.e.*, the subject merchandise as determined by the U.S.

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[3] Confidential Report ("CR") at I-4, INV-TT-064 (May 7, 2021); Public Report, *Walk-Behind Snow Throwers from China*, Inv. Nos. 701-TA-665 and 731-TA-1557 (Preliminary), USITC Pub. 5197 (May 2021) ("PR") at I-4.

[4] CR/PR at I-4 & IV-1. For purposes of our determinations in the preliminary phase of these investigations, we rely on questionnaire data rather than official import statistics for analyzing import volumes of in-scope gas-powered snow throwers. Statistical reporting number 8430.20.0060, HTSUS is a "basket" category that also contains out-of-scope electric snow throwers. CR/PR at IV-1. Moreover, thirteen U.S. importers, including firms that are believed to be major importers of snow throwers under HTS subheading 8430.20.0060, reported that they did not import in-scope gas-powered snow throwers into the United States. CR/PR at IV-1. Given these considerations, we believe that official import statistics under HTS subheading 8430.20.0060 are overstated with respect to subject merchandise, and it appears that the questionnaire data from responding U.S. importers account for the majority of U.S. imports of in-scope gas-powered snow throwers during the POI. CR/PR at IV-1.

[5] CR/PR at VII-3.

[6] 19 U.S.C. § 1677(4)(A).

[7] 19 U.S.C. § 1677(4)(A).

[8] 19 U.S.C. § 1677(10).

Department of Commerce ("Commerce").[9] Therefore, Commerce's determination as to the scope of the imported merchandise that is subsidized and/or sold at less than fair value is "necessarily the starting point of the Commission's like product analysis."[10] The Commission then defines the domestic like product in light of the imported articles Commerce has identified.[11] The decision regarding the appropriate domestic like product(s) in an investigation is a factual determination, and the Commission has applied the statutory standard of "like" or "most similar in characteristics and uses" on a case-by-case basis.[12] No single factor is dispositive, and the Commission may consider other factors it deems relevant based on the facts of a particular investigation.[13] The Commission looks for clear dividing lines among possible like products and disregards minor variations.[14] The Commission may, where

[9] 19 U.S.C. § 1677(10). The Commission must accept Commerce's determination as to the scope of the imported merchandise that is subsidized and/or sold at less than fair value. *See*, *e.g.*, *USEC, Inc. v. United States*, 34 Fed. App'x 725, 730 (Fed. Cir. 2002) ("The ITC may not modify the class or kind of imported merchandise examined by Commerce."); *Algoma Steel Corp. v. United States,* 688 F. Supp. 639, 644 (Ct. Int'l Trade 1988), *aff'd*, 865 F.3d 240 (Fed. Cir.), *cert. denied*, 492 U.S. 919 (1989).

[10] *Cleo Inc. v. United States*, 501 F.3d 1291, 1298 (Fed. Cir. 2007); see also *Hitachi Metals, Ltd. v. United States*, Case No. 19-1289, slip op. at 8-9 (Fed. Circ. Feb. 7, 2020) (the statute requires the Commission to start with Commerce's subject merchandise in reaching its own like product determination).

[11] *Cleo*, 501 F.3d at 1298 n.1 ("Commerce's {scope} finding does not control the Commission's {like product} determination."); *Hosiden Corp. v. Advanced Display Mfrs.,* 85 F.3d 1561, 1568 (Fed. Cir. 1996) (the Commission may find a single like product corresponding to several different classes or kinds defined by Commerce); *Torrington Co. v. United States*, 747 F. Supp. 744, 748-52 (Ct. Int'l Trade 1990), *aff'd*, 938 F.2d 1278 (Fed. Cir. 1991) (affirming the Commission's determination defining six like products in investigations where Commerce found five classes or kinds).

[12] *See, e.g.*, *Cleo Inc. v. United States*, 501 F.3d 1291, 1299 (Fed. Cir. 2007); NEC Corp. v. Department of Commerce, 36 F. Supp. 2d 380, 383 (Ct. Int'l Trade 1998); *Nippon Steel Corp. v. United States*, 19 CIT 450, 455 (1995); *Torrington Co. v. United States*, 747 F. Supp. 744, 749 n.3 (Ct. Int'l Trade 1990), aff'd, 938 F.2d 1278 (Fed. Cir. 1991) ("every like product determination 'must be made on the particular record at issue' and the 'unique facts of each case'"). The Commission generally considers a number of factors including the following: (1) physical characteristics and uses; (2) interchangeability; (3) channels of distribution; (4) customer and producer perceptions of the products; (5) common manufacturing facilities, production processes, and production employees; and, where appropriate, (6) price. *See Nippon*, 19 CIT at 455 n.4; *Timken Co. v. United States*, 913 F. Supp. 580, 584 (Ct. Int'l Trade 1996).

[13] *See*, *e.g.*, S. Rep. No. 96-249 at 90-91 (1979).

[14] *See*, *e.g.*, *Nippon*, 19 CIT at 455; *Torrington*, 747 F. Supp. at 748-49*; see also* S. Rep. No. 96-249 at 90-91 (Congress has indicated that the like product standard should not be interpreted in "such a narrow fashion as to permit minor differences in physical characteristics or uses to lead to the conclusion that the product and article are not 'like' each other, nor should the definition of 'like (Continued…)

appropriate, include domestic articles in the domestic like product in addition to those described in the scope.[15]

A. Scope Definition

In its notices of initiation, Commerce defined the imported merchandise within the scope of these investigations as:

> . . . gas-powered, walk-behind snow throwers (also known as snow blowers), which are snow moving machines that are powered by internal combustion engines and primarily pedestrian-controlled. The scope of the investigation covers certain snow throwers (also known as snow blowers), whether self-propelled or non-self-propelled, whether finished or unfinished, whether assembled or unassembled, and whether containing any additional features that provide for functions in addition to snow throwing. Subject merchandise also includes finished and unfinished snow throwers that are further processed in a third country or in the United States, including, but not limited to, assembly or any other processing that would not otherwise remove the merchandise from the scope of this investigation if performed in the country of manufacture of the in-scope snow throwers.
>
> Walk-behind snow throwers subject to the scope of this investigation are powered by internal combustion engines which are typically spark ignition, single or multiple cylinder, and air-cooled with power take off shafts.
>
> For the purposes of this investigation, an unfinished and/or unassembled snow thrower means at a minimum, a sub-assembly comprised of an engine, auger housing (i.e., intake frame), and an auger (or "auger paddle") packaged or imported together. An intake frame is the portion of the snow thrower—

(…Continued)
product' be interpreted in such a fashion as to prevent consideration of an industry adversely affected by the imports under consideration.").

[15] *See*, *e.g.*, *Pure Magnesium from China and Israel*, Inv. Nos. 701-TA-403 and 731-TA-895-96 (Final), USITC Pub. 3467 at 8 n.34 (Nov. 2001); *Torrington,* 747 F. Supp. at 748-49 (holding that the Commission is not legally required to limit the domestic like product to the product advocated by the petitioner, co-extensive with the scope).

typically of aluminum or steel—that houses and protects an operator from a rotating auger and is the intake point for the snow. Importation of the subassembly whether or not accompanied by, or attached to, additional components including, but not limited to, handle(s), impeller(s), chute(s), track tread(s), or wheel(s) constitutes an unfinished snow thrower for purposes of this investigation. The inclusion in a third country of any components other than the snow thrower sub-assembly does not remove the snow thrower from the scope. A snow thrower is within the scope of this investigation regardless of the origin of its engine.

Specifically excluded is merchandise covered by the scope of the antidumping and countervailing duty orders on certain vertical shaft engines between 225cc and 999cc, and parts thereof from the People's Republic of China. See Certain Vertical Shaft Engines Between 225cc and 999cc, and Parts Thereof, from the People's Republic of China: Amended Final Antidumping Duty Determination and Antidumping Duty Order, 86 FR 12623 (March 4, 2021) and Certain Vertical Shaft Engines Between 225cc and 999cc, and Parts Thereof From the People's Republic of China: Countervailing Duty Order and Amended Final Affirmative Countervailing Duty Determination, 86 FR 12619 (March 4, 2021).[16]

Snow throwers are rotary-powered snow throwing machines that can be either self-propelled or non-self-propelled (pushed).[17] Snow throwers as defined in Commerce's scope are controlled by an operator walking behind the snow thrower and typically have a clearing width of ***.[18] Commerce's scope includes both finished and unfinished gas-powered snow throwers, which are generally considered more powerful and faster than electric (corded) or battery-powered snow throwers.[19] Unfinished snow throwers consist of a sub-assembly typically comprised of an engine, an auger housing, and an auger (or auger paddle).[20]

[16] Certain Walk-Behind Snow Throwers and Parts Thereof from the People's Republic of China: Initiation of Less-Than-Fair-Value Investigation, 86 Fed. Reg. 22026, 22031 (Apr. 26, 2021); Certain Walk-Behind Snow Throwers and Parts Thereof from the People's Republic of China: Initiation of Countervailing Duty Investigation, 86 Fed. Reg. 22022, 22026 (Apr. 26, 2021).

[17] CR/PR at I-9.

[18] CR/PR at I-9.

[19] CR/PR at I-9.

[20] CR/PR at I-9. Augers are rotating paddles or serrated blades made out of metal or plastic. CR/PR at I-9 n.24.

U.S. producers manufacture in-scope gas-powered snow throwers in single-stage, dual-stage, and three-stage models with increasing clearing widths.[21] Single-stage gas-powered snow throwers use the rotating auger to collect and throw snow in one motion.[22] Dual-stage gas-powered snow throwers have an auger that can cut through deeper snow to feed an impeller for ejection.[23] Three-stage gas-powered snow throwers use an auger for collection and an accelerator that allows snow to be more rapidly ejected by the impeller.[24] Additional add-on components for gas-powered snow throwers include heated grips, headlights, and snow chains.[25]

B. Petitioner's Arguments

Petitioner argues that the Commission should define a single domestic like product consisting of all gas-powered snow throwers, coextensive with Commerce's scope in these preliminary phase investigations.[26] It contends that all domestically produced gas-powered snow throwers within the scope have similar physical characteristics and uses; channels of distribution; manufacturing facilities, production processes, and employees; and customer and producer perceptions; and are generally interchangeable and sold within a reasonable range of similar prices.[27] It maintains that clear lines divide in-scope gas powered snow throwers from out-of-scope battery-powered snow throwers and electric (corded) snow throwers.[28] Employing the Commission's semi-finished analysis for domestic like product, Petitioner also contends that in-scope domestically produced gas-powered snow thrower subassemblies are not a separate domestic like product from in-scope domestically produced finished gas-powered snow throwers.[29]

[21] CR/PR at I-10.
[22] CR/PR at I-10.
[23] CR/PR at I-10.
[24] CR/PR at I-10.
[25] CR/PR at I-10; Conf. Tr. at 89 (Stenroos).
[26] Petitioner's Postconf. Br. at 1-10.
[27] Petitioner's Postconf. Br. at 1-8.
[28] Petitioner's Postconf. Br. at 1-8.
[29] Petitioner's Postconf. Br. at 8-10.

C. Analysis

1. Snow Throwers

Based on the current record, we define a single domestic like product consisting of all domestically produced gas-powered snow throwers coextensive with the scope for purposes of these preliminary phase investigations.

Physical Characteristics and Uses. All domestically produced gas-powered snow throwers within the scope are mobile structures that are made primarily from metal, typically cast aluminum or steel.[30] While there are differences in size and design among in-scope gas-powered snow throwers, all domestically produced gas-powered snow throwers within the scope generally share certain common physical characteristics, including a spark ignition, gas-powered engine, auger, rotating impeller blade, snow intake deck (or impeller housing), shields, control devices, safety devices, chute, handles, and tires.[31] All domestically produced gas-powered snow throwers within the scope are used to remove snow, most frequently in residential or commercial areas.[32]

As for out-of-scope snow thrower products, Petitioner maintains that battery-powered and electric snow throwers are typically smaller in size and have less powerful engines than in-scope gas-powered snow throwers.[33] According to Petitioner, out-of-scope snow thrower products generally are used for lighter duty snow removal involving lower snow accumulations and smaller clearance areas compared to in-scope gas-powered snow throwers. Specifically, battery-powered and electric snow throwers have shorter runtimes compared to gas-powered snow throwers, and electric snow throwers also require a nearby plug-in source of power to operate.[34]

Manufacturing Facilities, Production Processes, and Employees. All domestically produced gas-powered snow throwers within the scope are manufactured using the same general production process, which includes forming sheet metal and tubing, injection molding using plastic resin and colorants, cutting, shaping, painting, and assembly.[35] Petitioner reports that it produces all in-scope gas-powered snow throwers at the same facilities, using the same

[30] CR/PR at I-9-10, V-1, and Figure I-1.
[31] CR/PR at I-11; Petitioner's Postconf. Br. at 4.
[32] Conf. Tr. at 38-40 (Musacchia).
[33] Petitioner's Postconf. Br. at 4-5.
[34] Petitioner's Postconf. Br. at 4-5.
[35] CR/PR at I-11-13.

production processes and equipment, and the same employees.[36] According to Petitioner, out-of-scope electric- and battery-powered snow throwers are produced using different manufacturing processes and different employees than in-scope gas-powered snow throwers.[37] At the conference, however, an industry witness appearing on behalf of Petitioner testified that out-of-scope electric and battery-powered snow throwers can be produced at the same facilities as in-scope gas-powered snow throwers.[38]

Channels of Distribution. During the period of investigation, domestically produced gas-powered snow throwers of all types were sold overwhelmingly to retailers (ranging from *** percent to *** percent) with only very small amounts sold to distributors (ranging from *** percent to *** percent) and end-users (*** percent).[39]

Interchangeability. According to Petitioner, all domestically produced gas-powered snow throwers within the scope are generally interchangeable.[40] Petitioner maintains that domestically produced in-scope gas-powered snow throwers and out-of-scope electric and battery-powered snow throwers are not interchangeable since the out-of-scope snow thrower products typically have less powerful engines, shorter runtimes, and smaller clearance area capabilities.[41]

Producer and Customer Perceptions. The record in these preliminary phase investigations contains very limited information concerning this factor. According to Petitioner, customers and producers perceive domestically produced gas-powered snow throwers as comprising a separate and distinct product category compared to out-of-scope electric and battery-powered snow throwers.[42]

Price. The pricing data indicate that there were appreciable variations in quarterly prices among the various pricing products for gas-powered snow throwers during the POI.[43]

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[36] Petitioner's Postconf. Br. at 7.

[37] Petitioner's Postconf. Br. at 7-8.

[38] Conf. Tr. at 33 (McConoughey).

[39] CR/PR at Table II-2.

[40] Petition at 20; Petitioner's Postconf. Br. at 6; Conf. Tr. at 34-35 (Schaeffer) & 35-36 (Musacchia).

[41] Petitioner's Postconf. Br. at 6; Petition at 20; Conf. Tr. at 35-36 (Mussachia).

[42] Petitioner's Postconf. Br. at 7.

[43] CR/PR at Tables V-3 to V-5.

According to Petitioner, out-of-scope battery-powered and electric snow throwers are generally much less expensive that domestically produced in-scope gas-powered snow throwers.[44]

Conclusion. Evidence on the record of these preliminary phase investigations indicates that all domestically produced gas-powered snow throwers within the scope are made primarily of the same raw materials. Although there are differences in size, design, and snow removal capacity among in-scope products, all domestically produced gas-powered snow throwers are mobile devices that share certain physical characteristics, including a gas-powered engine, a spark ignition, and various operational and safety features. These snow throwers generally are produced through the same production process, are generally interchangeable and used to remove snow, are sold overwhelmingly through the same channels of distribution albeit at appreciably varying prices, and are perceived to be a single product category by market participants. There appear to be some notable differences between in-scope and out-of-scope snow throwers, particularly with respect to physical characteristics and uses, interchangeability, perceptions, and price. In light of the above, and the lack of any contrary argument at this preliminary phase, we define a single domestic like product consisting of all domestically produced gas-powered snow throwers, coextensive with the scope.

2. Subassemblies

As discussed above, the scope of these investigations includes both subassemblies and finished gas-powered snow throwers. We apply the semifinished products analysis to consider whether the upstream product – gas-powered snow thrower subassemblies – and the downstream product – finished gas-powered snow throwers – are part of a single domestic like product.[45]

[44] Petitioner's Postconf. Br. at 8. In these preliminary phase investigations, the record does not include pricing data for out-of-scope snow thrower products.

[45] In a semi-finished products analysis, the Commission examines the following: (1) the significance and extent of the processes used to transform the upstream into the downstream articles; (2) whether the upstream article is dedicated to the production of the downstream article or has independent uses; (3) differences in the physical characteristics and functions of the upstream and downstream articles; (4) whether there are perceived to be separate markets for the upstream and downstream articles; and (5) differences in the costs or value of the vertically differentiated articles. *See*, *e.g.*, *Glycine from India*, *Japan*, *and Korea*, Inv. Nos. 731-TA-1111-1113 (Preliminary), USITC Pub. No. 3921 at 7 (May 2007); *Artists' Canvas from China*, Inv. No. 731-TA-1091 (Final), USITC Pub. No. 3853 at 6 (May 2006); *Live Swine from Canada*, Inv. No. 731-TA-1076 (Final), USITC Pub. 3766 at 8 n.40 (Apr. (Continued…)

Dedication for Use. Petitioner maintains that that gas-powered snow thrower subassemblies are dedicated entirely to the production of in-scope finished gas-powered snow throwers.[46]

Separate Markets. According to Petitioner, since subassemblies are only further processed by U.S. producers to become finished gas-powered snow throwers, there is no separate market for subassemblies that is distinct from the market for finished gas-powered snow throwers.[47] Petitioner states that subassemblies are not sold in any other market besides the market for finished gas-powered snow throwers.[48]

Differences in Physical Characteristics and Functions of the Upstream and Downstream Articles. According to Petitioner, there are virtually no differences in physical characteristics and functions between gas-powered snow thrower subassemblies and finished gas-powered snow throwers, particularly since subassemblies are used to form finished gas-powered snow throwers.[49] A subassembly typically consists of an engine, auger, and auger housing.[50] A finished gas-powered snow thrower contains the subassembly as well as the components added to the subassembly to make the finished product including handles, impellers, chutes, track treads, and wheels.[51] Accordingly, Petitioner maintains that a subassembly has no function separate from that of a finished gas-powered snow thrower since a subassembly only becomes a finished gas-powered snow thrower.[52]

Differences in the Costs or Value. According to the Petitioner, subassemblies comprise the most substantial portion of the cost of finished gas-powered snow throwers.[53] At the conference, counsel for Petitioner estimated that subassemblies accounted for almost *** percent of the cost of finished gas-powered snow throwers.[54]

(…Continued)
2005); *Certain Frozen Fish Fillets from Vietnam*, Inv. No. 731-TA-1012 (Preliminary), USITC Pub. No. 3533 at 7 (Aug. 2002).

[46] Petitioner's Postconf. Br. at 9.
[47] Petitioner's Postconf. Br. at 9.
[48] Petitioner's Postconf. Br. at 9.
[49] Petitioner's Postconf. Br. at 9.
[50] CR/PR at III-9 n.7 & IV-5 n.3.
[51] CR/PR at III-9 n.7 & IV-5 n.3.
[52] Petitioner's Postconf. Br. at 9.
[53] Petitioner's Postconf. Br. at 10.
[54] Conf. Tr. at 43 (Schaefer).

Significance and Extent of Processes Used to Transform Upstream Product into Downstream Product. Petitioner contends that the process for transforming subassemblies into finished gas-powered snow throwers is relatively minor, largely involving connecting subassemblies to one another.[55]

Conclusion. The available information indicates that all gas-powered snow thrower subassemblies are dedicated for use in the production of finished gas-powered snow throwers, and that there is no separate market for subassemblies other than to be used in finished gas-powered snow throwers. While in-scope subassemblies have different physical characteristics and need additional parts and further processing to be transformed into finished gas-powered snow throwers, the only function of the subassemblies are to be used in finished gas-powered snow throwers. Moreover, according to Petitioner, the subassemblies account for a substantial portion of the cost of the finished product. In light of the information available in the current record and the absence of any contrary argument, we include both subassemblies and finished gas-powered snow throwers in the same domestic like product.

Accordingly, we define a single domestic like product consisting of all domestically produced gas-powered snow throwers, coextensive with the scope of the investigations, for purposes of the preliminary phase of the investigations.

IV. Domestic Industry and Related Parties

The domestic industry is defined 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."[56] 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.

We consider whether any producer of the domestic like product should be excluded from the domestic industry pursuant to Section 771(4)(B) of the Tariff Act. This provision allows the Commission, if appropriate circumstances exist, to exclude from the domestic industry producers that are related to an exporter or importer of subject merchandise or which are

[55] Petitioner's Postconf. Br. at 10.
[56] 19 U.S.C. § 1677(4)(A).

themselves importers.[57] Exclusion of such a producer is within the Commission's discretion based upon the facts presented in each investigation.[58]

The record indicates that three domestic producers are subject to the related parties provision since they each imported subject merchandise during the POI: ***.[59]

Petitioner maintains that appropriate circumstances do not exist to exclude any domestic producer from the domestic industry pursuant to the related parties provision.[60]

We discuss below whether appropriate circumstances exist to exclude any related party from the domestic industry.

***.[61] *** concerning the petitions.[62] *** imports of subject merchandise were *** units in 2018, *** units in 2019, and *** units in 2020.[63] The ratio of its subject imports to U.S. production was *** percent in 2018 and 2019, and *** percent in 2020.[64] *** indicated that ***.[65]

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[57] *See Torrington Co. v. United States*, 790 F. Supp. 1161, 1168 (Ct. Int'l Trade 1992), *aff'd mem.*, 991 F.2d 809 (Fed. Cir. 1993); *Sandvik AB v. United States*, 721 F. Supp. 1322, 1331-32 (Ct. Int'l Trade 1989), *aff'd mem.,* 904 F.2d 46 (Fed. Cir. 1990); *Empire Plow Co. v. United States*, 675 F. Supp. 1348, 1352 (Ct. Int'l Trade 1987).

[58] 19 U.S.C. § 1677(4)(B). The primary factors the Commission has examined in deciding whether appropriate circumstances exist to exclude a related party include the following:

(1) the percentage of domestic production attributable to the importing producer;

(2) the reason the U.S. producer has decided to import the product subject to investigation (whether the firm benefits from the LTFV sales or subsidies or whether the firm must import in order to enable it to continue production and compete in the U.S. market);

(3) whether inclusion or exclusion of the related party will skew the data for the rest of the industry;

(4) the ratio of import shipments to U.S. production for the imported product; and

(5) whether the primary interest of the importing producer lies in domestic production or importation. *Changzhou Trina Solar Energy Co. v. USITC*, 100 F. Supp.3d 1314, 1326-31 (Ct. Int'l. Trade 2015); *see also Torrington Co. v. United States*, 790 F. Supp. at 1168.

[59] CR/PR at Table III-8.

[60] Petitioner's Postconf. Br., Answers to Staff Questions, Exh. 1 at 2; Conf. Tr. at 44 (Schaefer).

[61] *** accounted for *** percent of U.S. production in 2020, and was the *** largest domestic producer of gas-powered snow throwers. CR/PR at Table III-1.

[62] CR/PR at Table III-1.

[63] CR/PR at Table III-8.

[64] CR/PR at Table III-8.

[65] CR/PR at Table III-8. As a ratio to net sales, *** operating income was *** percent in 2018, *** percent in 2019, and *** percent in 2020. CR/PR at Table VI-3.

During the POI, *** primary interest was in domestic production given its limited volume of subject imports in a single year of the POI and no imports in the other two years. Accordingly, we find that appropriate circumstances do not exist to exclude *** from the domestic industry as a related party.

***.[66] *** concerning the petitions.[67] *** imports of subject merchandise were *** units in 2018, *** units in 2019, and *** units in 2020.[68] The ratio of its subject imports to U.S. production was *** percent in 2018, *** percent in 2019, and *** percent in 2020.[69] Moreover, *** accounted for approximately *** percent of total subject imports from China in 2020.[70] *** indicated that ***.[71]

During the POI, *** primary interest was in the importation of subject merchandise, given that its ratio of subject imports to domestic production was *** high throughout the POI, its subject imports increased and its domestic production decreased, and its stated reason for importing subject merchandise ***.[72] We therefore find that appropriate circumstances exist to exclude *** from the domestic industry as a related party.

***.[73] In its U.S. producer questionnaire, *** did not report its position concerning the petitions in these investigations.[74] *** imports of subject merchandise were *** units in 2018, *** units in 2019, and *** units in 2020.[75] The ratio of its subject imports to U.S. production

[66] *** accounted for *** percent of U.S. production in 2020, and was the *** domestic producer of gas-powered snow throwers. CR/PR at Table III-1.

[67] CR/PR at Table III-1.

[68] CR/PR at Table III-8.

[69] CR/PR at Table III-8. Its domestic production fell from *** units in 2018 to *** units in 2019 and *** units in 2020. *Id*.

[70] CR/PR at Table IV-1.

[71] CR/PR at Table III-8. As a ratio to net sales, *** operating income was *** percent in 2018, *** percent in 2019, and *** percent in 2020. CR/PR at Table VI-3.

[72] *** capital expenditures or research and development expenses during the POI. CR/PR at Table VI-5.

[73] CR/PR at Table III-1.

[74] CR/PR at Table III-1.

[75] *** accounted for *** percent of U.S. production in 2020, and was the *** domestic producer of gas-powered snow throwers. CR/PR at Table III-8.

was *** percent in 2018, *** percent in 2019, and *** percent in 2020.[76] *** did not report its reasons for importing subject merchandise in its U.S. producer questionnaire.[77]

During the POI, *** primary interest was in domestic production, given its relatively limited albeit increasing volume of subject imports. Accordingly, we find that for purposes of these preliminary investigations, appropriate circumstances do not exist to exclude *** from the domestic industry as a related party.

For the foregoing reasons, and in light of our domestic like product definition, we define a single domestic industry consisting of all U.S. producers of gas-powered snow throwers, with the exception of ***.[78]

V. Reasonable Indication of Material Injury by Reason of Subject Imports[79]

A. Legal Standard

In the preliminary phase of antidumping and countervailing duty investigations, the Commission determines whether there is a reasonable indication that an industry in the United States is materially injured or threatened with material injury by reason of the imports under investigation.[80] In making this determination, the Commission must consider the volume of subject imports, their effect on prices for the domestic like product, and their impact on domestic producers of the domestic like product, but only in the context of U.S. production operations.[81] The statute defines "material injury" as "harm which is not inconsequential,

[76] CR/PR at Table III-8.

[77] CR/PR at Table III-8. *** did not provide useable financial data in its U.S. producer questionnaire. CR at VI-1 n.1.

[78] As a result of this definition, the relevant summary table is Table C-2.

[79] Pursuant to Section 771(24) of the Tariff Act, imports from a subject country of merchandise corresponding to a domestic like product that account for less than 3 percent of all such merchandise imported into the United States during the most recent 12 months for which data are available preceding the filing of the petition shall be deemed negligible. 19 U.S.C. §§ 1671b(a), 1673b(a), 1677(24)(A)(i), 1677(24)(B).

Negligibility is not an issue in these investigations. Subject imports from China accounted for *** percent of total U.S. imports of gas-powered snow throwers in the 12-month period (March 2020 to February 2021) preceding the filing of the petitions. CR/PR at Table IV-3.

[80] 19 U.S.C. §§ 1671b(a), 1673b(a).

[81] 19 U.S.C. § 1677(7)(B). The Commission "may consider such other economic factors as are relevant to the determination" but shall "identify each {such} factor ... and explain in full its relevance to the determination." 19 U.S.C. § 1677(7)(B).

immaterial, or unimportant."[82] In assessing whether there is a reasonable indication that the domestic industry is materially injured by reason of subject imports, we consider all relevant economic factors that bear on the state of the industry in the United States.[83] No single factor is dispositive, and all relevant factors are considered "within the context of the business cycle and conditions of competition that are distinctive to the affected industry."[84]

Although the statute requires the Commission to determine whether there is a reasonable indication that the domestic industry is "materially injured or threatened with material injury by reason of" unfairly traded imports,[85] it does not define the phrase "by reason of," indicating that this aspect of the injury analysis is left to the Commission's reasonable exercise of its discretion.[86] In identifying a causal link, if any, between subject imports and material injury to the domestic industry, the Commission examines the facts of record that relate to the significance of the volume and price effects of the subject imports and any impact of those imports on the condition of the domestic industry. This evaluation under the "by reason of" standard must ensure that subject imports are more than a minimal or tangential cause of injury and that there is a sufficient causal, not merely a temporal, nexus between subject imports and material injury.[87]

In many investigations, there are other economic factors at work, some or all of which may also be having adverse effects on the domestic industry. Such economic factors might include nonsubject imports; changes in technology, demand, or consumer tastes; competition among domestic producers; or management decisions by domestic producers. The legislative history explains that the Commission must examine factors other than subject imports to

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[82] 19 U.S.C. § 1677(7)(A).

[83] 19 U.S.C. § 1677(7)(C)(iii).

[84] 19 U.S.C. § 1677(7)(C)(iii).

[85] 19 U.S.C. §§ 1671b(a), 1673b(a).

[86] *Angus Chemical Co. v. United States*, 140 F.3d 1478, 1484-85 (Fed. Cir. 1998) ("{T}he statute does not 'compel the commissioners' to employ {a particular methodology}."), *aff'g,* 944 F. Supp. 943, 951 (Ct. Int'l Trade 1996).

[87] The Federal Circuit, in addressing the causation standard of the statute, observed that "{a}s long as its effects are not merely incidental, tangential, or trivial, the foreign product sold at less than fair value meets the causation requirement." *Nippon Steel Corp. v. USITC*, 345 F.3d 1379, 1384 (Fed. Cir. 2003). This was further ratified in *Mittal Steel Point Lisas Ltd. v. United States*, 542 F.3d 867, 873 (Fed. Cir. 2008), where the Federal Circuit, quoting *Gerald Metals, Inc. v. United States*, 132 F.3d 716, 722 (Fed. Cir. 1997), stated that "this court requires evidence in the record 'to show that the harm occurred "by reason of" the LTFV imports, not by reason of a minimal or tangential contribution to material harm caused by LTFV goods.'" *See also Nippon Steel Corp. v. United States*, 458 F.3d 1345, 1357 (Fed. Cir. 2006); *Taiwan Semiconductor Industry Ass'n v. USITC*, 266 F.3d 1339, 1345 (Fed. Cir. 2001).

ensure that it is not attributing injury from other factors to the subject imports, thereby inflating an otherwise tangential cause of injury into one that satisfies the statutory material injury threshold.[88] In performing its examination, however, the Commission need not isolate the injury caused by other factors from injury caused by unfairly traded imports.[89] Nor does the "by reason of" standard require that unfairly traded imports be the "principal" cause of injury or contemplate that injury from unfairly traded imports be weighed against other factors, such as nonsubject imports, which may be contributing to overall injury to an industry.[90] It is clear that the existence of injury caused by other factors does not compel a negative determination.[91]

Assessment of whether material injury to the domestic industry is "by reason of" subject imports "does not require the Commission to address the causation issue in any particular way"

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[88] SAA at 851-52 ("{T}he Commission must examine other factors to ensure that it is not attributing injury from other sources to the subject imports."); S. Rep. 96-249 at 75 (1979) (the Commission "will consider information which indicates that harm is caused by factors other than less-than-fair-value imports."); H.R. Rep. 96-317 at 47 (1979) ("in examining the overall injury being experienced by a domestic industry, the ITC will take into account evidence presented to it which demonstrates that the harm attributed by the petitioner to the subsidized or dumped imports is attributable to such other factors;" those factors include "the volume and prices of nonsubsidized imports or imports sold at fair value, contraction in demand or changes in patterns of consumption, trade restrictive practices of and competition between the foreign and domestic producers, developments in technology and the export performance and productivity of the domestic industry"); *accord Mittal Steel*, 542 F.3d at 877.

[89] SAA at 851-52 ("{T}he Commission need not isolate the injury caused by other factors from injury caused by unfair imports."); *Taiwan Semiconductor Industry Ass'n,* 266 F.3d at 1345 ("{T}he Commission need not isolate the injury caused by other factors from injury caused by unfair imports ... . Rather, the Commission must examine other factors to ensure that it is not attributing injury from other sources to the subject imports." (emphasis in original)); *Asociacion de Productores de Salmon y Trucha de Chile AG v. United States*, 180 F. Supp. 2d 1360, 1375 (Ct. Int'l Trade 2002) ("{t}he Commission is not required to isolate the effects of subject imports from other factors contributing to injury" or make "bright-line distinctions" between the effects of subject imports and other causes.); *see also Softwood Lumber from Canada*, Inv. Nos. 701-TA-414 and 731-TA-928 (Remand), USITC Pub. 3658 at 100-01 (Dec. 2003) (Commission recognized that "{i}f an alleged other factor is found not to have or threaten to have injurious effects to the domestic industry, *i.e*., it is not an 'other causal factor,' then there is nothing to further examine regarding attribution to injury"), *citing Gerald Metals,* 132 F.3d at 722 (the statute "does not suggest that an importer of LTFV goods can escape countervailing duties by finding some tangential or minor cause unrelated to the LTFV goods that contributed to the harmful effects on domestic market prices.").

[90] S. Rep. 96-249 at 74-75; H.R. Rep. 96-317 at 47.

[91] *See Nippon Steel Corp*., 345 F.3d at 1381 ("an affirmative material-injury determination under the statute requires no more than a substantial-factor showing. That is, the 'dumping' need not be the sole or principal cause of injury.").

as long as "the injury to the domestic industry can reasonably be attributed to the subject imports."[92] The Commission ensures that it has "evidence in the record" to "show that the harm occurred 'by reason of' the LTFV imports," and that it is "not attributing injury from other sources to the subject imports." [93] The Federal Circuit has examined and affirmed various Commission methodologies and has disavowed "rigid adherence to a specific formula."[94]

The question of whether the material injury threshold for subject imports is satisfied notwithstanding any injury from other factors is factual, subject to review under the substantial evidence standard.[95] Congress has delegated this factual finding to the Commission because of the agency's institutional expertise in resolving injury issues.[96]

B. Conditions of Competition and the Business Cycle

The following conditions of competition inform our analysis of whether there is a reasonable indication of material injury by reason of subject imports.

[92] *Mittal Steel*, 542 F.3d at 876 &78; *see also id.* at 873 ("While the Commission may not enter an affirmative determination unless it finds that a domestic industry is materially injured 'by reason of' subject imports, the Commission is not required to follow a single methodology for making that determination ... {and has} broad discretion with respect to its choice of methodology.") *citing United States Steel Group v. United States*, 96 F.3d 1352, 1362 (Fed. Cir. 1996) and S. Rep. 96-249 at 75. In its decision in *Swiff-Train v. United States*, 793 F.3d 1355 (Fed. Cir. 2015), the Federal Circuit affirmed the Commission's causation analysis as comporting with the Court's guidance in *Mittal*.

[93] *Mittal Steel*, 542 F.3d at 873 (quoting from *Gerald Metals*, 132 F.3d at 722), 877-79. We note that one relevant "other factor" may involve the presence of significant volumes of price-competitive nonsubject imports in the U.S. market, particularly when a commodity product is at issue. In appropriate cases, the Commission collects information regarding nonsubject imports and producers in nonsubject countries in order to conduct its analysis.

[94] *Nucor Corp. v. United States*, 414 F.3d 1331, 1336, 1341 (Fed. Cir. 2005); *see also Mittal Steel*, 542 F.3d at 879 ("*Bratsk* did not read into the antidumping statute a Procrustean formula for determining whether a domestic injury was 'by reason' of subject imports.").

[95] We provide in our discussion below a full analysis of other factors alleged to have caused any material injury experienced by the domestic industry.

[96] *Mittal Steel*, 542 F.3d at 873; *Nippon Steel Corp*., 458 F.3d at 1350, *citing U.S. Steel Group*, 96 F.3d at 1357; S. Rep. 96-249 at 75 ("The determination of the ITC with respect to causation is ... complex and difficult, and is a matter for the judgment of the ITC.").

1. Demand Conditions

Demand for gas-powered snow throwers is largely driven by snowfall and expectations for snowfall, with snow early in the season affecting demand more than snow occurring later in the season.[97]

The majority of market participants reported that U.S. demand for gas-powered snow throwers fluctuated since January 1, 2018.[98] Apparent U.S. consumption of gas-powered snow throwers increased from *** units in 2018 to *** units in 2019, but then declined to *** units in 2020, a level *** percent lower than in 2018.[99]

2. Supply Conditions

The domestic industry consists of six firms: two large producers — MTD and Ariens — accounting for approximately *** of domestic production of gas-powered snow throwers in 2020, and four much smaller producers.[100] During the POI, the domestic industry experienced various plant closings, relocations, and other structural changes.[101] The domestic industry was the largest supplier of gas-powered snow throwers to the U.S. market throughout the POI: its market share declined from *** percent in 2018 to *** percent in 2019 and *** percent in 2020.[102]

Subject imports were the third-largest source of supply to the U.S. market throughout the POI.[103] Subject imports' market share increased from *** percent in 2018 to *** percent in 2019 and *** percent in 2020.[104]

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[97] CR/PR at II-5. Snowfall that occurs later in the season may positively affect the demand for snow throwers for the following winter. *Id*.

[98] CR/PR at Table II-5.

[99] CR/PR at Table C-1.

[100] CR/PR at Table III-1. As discussed above, we have excluded a seventh producer, ***, from the domestic industry as a related party.

[101] CR/PR at III-3-4 & Table III-3. *** U.S. producers, ***, closed manufacturing plants during 2018-20. *** closed its manufacturing facility for components and aftermarket parts in ***. *** closed its manufacturing facility that produced gas-powered walk-behind snow throwers, lawnmowers, and tillers in *** and moved its snow thrower production to its ***. *** other U.S. producers relocated some aspects of their operations, including ***, ***, and ***. CR/PR at III-3 & Table III-3.

[102] CR/PR at Table C-2.

[103] CR/PR at Tables IV-4 & C-2.

[104] CR/PR at Tables IV-4 & C-2.

Nonsubject imports were the second largest source of supply to the U.S. market throughout the POI.[105] Nonsubject imports' market share increased from *** percent in 2018 to *** percent in 2019 and *** percent in 2020.[106] The largest source of nonsubject imports during 2018-2020 was Mexico.[107]

3. Substitutability and Other Conditions

We find that there is a moderate-to-high degree of substitutability between domestically produced gas-powered snow throwers and subject imports from China.[108] Three of four responding domestic producers and six of seven responding importers reported that the domestic like product and subject imports were always or frequently interchangeable.[109]

The record further indicates that price is one of several important factors in purchasing decisions for gas-powered snow throwers. Purchasers responding to the lost sales and lost revenue survey reported brand, quality, and price, as the three most important factors in purchasing decisions for gas-powered snow throwers.[110] In comparing the domestic like product and subject imports, the responses of market participants were mixed. Three of four responding U.S. producers reported that differences other than price were only sometimes significant in purchasing decisions for gas-powered snow throwers.[111] However, six of eight

[105] CR/PR at Tables IV-4 & C-2.

[106] CR/PR at Tables IV-4 & C-2.

[107] CR/PR at II-5. Domestic producer *** accounted for all nonsubject imports from Mexico. CR/PR at II-5, IV-2, & Table III-8.

[108] CR/PR at II-8 & Table II-7. The degree of substitution between domestic and imported gas-powered snow throwers depends upon such factors as relative prices, quality (*e.g.*, grade standards, defect rates, etc.), and conditions of sale (*e.g.*, price discounts/rebates, lead times between order and delivery dates, reliability of supply, product services, etc.). CR/PR at II-8.

[109] CR/PR at Table II-7.

[110] CR/PR at Table II-6. Brand was ranked as the first most important factor in purchasing decisions by three purchasers, the second most important factor by zero purchasers, and the third most important factor by one purchaser. *Id*. Quality was ranked as the first most important factor in purchasing decisions by one purchaser, the second most important factor by one purchaser, and the third most important factor by two purchasers. *Id*. Price was ranked as the second most important factor by one purchaser, and the third most important factor by one purchaser. *Id*. Other factors reported by purchasers include specifications, margin rates, capacity, and timeliness. *Id*.

[111] CR/PR at Table II-6.

responding U.S. importers reported that differences other than price were always or frequently significant in purchasing decisions.[112]

All five responding U.S. producers and 7 of 10 responding U.S. importers reported that the U.S. market for gas-powered snow throwers was subject to distinct business cycles with sales of gas-powered snow throwers generally peaking in the fall and winter months.[113]

MTD's gas-powered snow throwers are reportedly subject to safety standards set by the American National Standards Institute ("ANSI").[114]

During the POI, both the domestic like product and subject merchandise were sold overwhelmingly to retailers, but in 2020 subject imports from China also were sold in appreciable quantities to distributors.[115] Both the domestic like product and subject merchandise were sold only in small quantities to end users.[116]

During the POI, U.S. producers overwhelmingly sold gas-powered snow throwers using annual contracts, with limited quantities using long-term contracts.[117] Importers mostly sold subject merchandise using annual contracts, but substantial quantities were also sold using short-term contracts, with more limited quantities using spot sales and long-term contracts.[118]

U.S. producers reported that their annual contracts generally fix prices, but not quantities, and that these prices are not indexed to raw material costs.[119] Similarly, most

[112] CR/PR at Table II-6. While we find that price is an important factor in purchasing decisions, in any final phase of these investigations we intend to further examine the extent to which factors other than price affect purchasing decisions.

[113] CR/PR at II-6.

[114] Conf. Tr. at 14 (Stenroos).

[115] CR/PR at Table II-2.

[116] CR/PR at Table II-2.

[117] CR/PR at Table V-2.

[118] CR/PR at Table V-2.

[119] CR/PR at V-3. MTD generally negotiates contracts beginning in January and contracts are finalized by mid-April. It builds snow throwers during the summer for shipments to retailers in late July, and retailers begin selling snow throwers in late summer. While the contracts are negotiated on an annual basis, most of the sales occur between August and February. CR/PR at V-4; Conf. Tr. at 20 & 74 (Mattern).

importers reported that their short-term, annual, and long-term contracts fix prices, but not quantities, and that prices are not indexed to raw material costs.[120]

During the POI, domestically produced gas-powered snow throwers overwhelmingly were sold from inventory, with appreciable quantities produced to order.[121] Subject imports from China were sold exclusively from inventory.[122]

Raw materials accounted for *** percent of the cost of goods sold ("COGS") for gas-powered snow throwers in 2018, *** percent in 2019, and *** percent in 2020.[123] Gas-powered snow throwers are primarily made of metal, typically cast aluminum or steel.[124] From 2018 to 2020, prices of aluminum sheet fluctuated but increased overall by *** percent and prices of steel sheet also fluctuated but increased overall by *** percent.[125]

Since September 2019, subject merchandise from China has been subject to additional tariffs under Section 301 of the Trade Act of 1974[126] ("section 301 tariffs"), which were initially 15 percent and subsequently 7.5 percent *ad valorem*.[127] [128]

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[120] CR/PR at V-3. However, some importers also reported that their short-term, annual, and long-term contracts fix quantities. *Id*.

[121] CR/PR at II-8.

[122] CR/PR at II-8.

[123] CR/PR at Table C-2.

[124] CR/PR at V-1. Main components accounted for the following shares of total raw materials (by value) for U.S. producers' gas-powered snow throwers in 2020: engine (33.7 percent), other material inputs (32.4 percent), auger (9.2 percent), impeller housing (7.5 percent), chute (4.4 percent), handles (4.3 percent), and impeller (2.5 percent). CR/PR at Table VI-4. As noted below, certain steel and aluminum inputs which are used in the production of snow throwers are subject to additional duties under Section 232 of the Trade Expansion Act of 1962, as amended (19 U.S.C. 1862). CR/PR at I-9.

[125] CR/PR at V-1 & Figure V-1.

[126] 19 U.S.C. § 2411.

[127] CR/PR at I-8 & Table I-1. Snow thrower parts classified under HTS subheading 8431.49.90 became subject to additional section 301 tariffs of 25 percent *ad valorem* effective July 6, 2018. *Id*. Some exclusions were granted effective October 2, 2019 for some components that may be used in snow throwers. CR/PR at I-8. These exclusions, however, expired as of October 2, 2020. *Id*. While subject merchandise is not subject to additional duties pursuant to Section 232 of the Trade Expansion Act of 1962, 19 U.S.C § 1862 ("section 232 tariffs"), certain steel and aluminum inputs that are used in the production of snow throwers may be subject to additional section 232 tariffs. CR/PR at I-9.

[128] Three of five responding U.S. producers and two of four responding importers reported that section 301 tariffs had an impact on the snow thrower market. CR/PR at II-1 & Table II-1. Firms' responses were mixed regarding the impact of section 301 tariffs on U.S. supply and regarding whether Chinese supply increased or was unchanged. *Id*. Two of three responding U.S. producers reported that (Continued…)

C. Volume of Subject Imports

Section 771(7)(C)(i) of the Tariff Act provides that the "Commission shall consider whether the volume of imports of the merchandise, or any increase in that volume, either in absolute terms or relative to production or consumption in the United States, is significant."[129]

Subject imports had a substantial and increasing presence in the U.S. market during the POI. The volume of subject imports increased overall by *** percent from 2018 to 2020, increasing from *** units in 2018 to *** units in 2019 and *** units in 2020.[130] The market share of subject import shipments increased by *** percentage points from 2018 to 2020, increasing from *** percent in 2018 to *** percent in 2019 and *** percent in 2020.[131]

For purposes of these preliminary determinations, we find that the volume of subject imports and the increase in that volume are significant in absolute terms and relative to consumption in the United States.

D. Price Effects of the Subject Imports

Section 771(7)(C)(ii) of the Tariff Act provides that, in evaluating the price effects of subject imports, the Commission shall consider whether –

> (I) there has been significant price underselling by the imported merchandise as compared with the price of domestic like products of the United States, and

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(…Continued)
U.S. demand fluctuated as a result of section 301 tariffs, and the remaining U.S. producer and three of five responding importers reported that there was no change in demand for snow throwers. *Id*. Regarding the impact of section 301 tariffs on raw material and component costs, most responding firms reported that prices for snow throwers had increased and a plurality of responding firms reported that raw material costs also had increased. CR/PR at V-1 & Table II-1.

[129] 19 U.S.C. § 1677(7)(C)(i).

[130] CR/PR at Table IV-2. The volume of subject import shipments increased from *** units in 2018 to *** units in 2019 and *** units in 2020. CR/PR at Tables IV-4 & C-2.

[131] CR/PR at Tables IV-4 & C-2. The ratio of cumulated subject imports to domestic production increased from *** percent in 2018 to *** percent in 2019 and *** percent in 2020. CR/PR at Table IV-2.

(II) the effect of imports of such merchandise otherwise depresses prices to a significant degree or prevents price increases, which otherwise would have occurred, to a significant degree.[132]

As addressed in section IV.B.4. above, the record indicates that there is a moderate-to-high degree of substitutability between domestically produced gas-powered snow throwers and subject imports and that price is an important consideration in purchasing decisions.

We have examined several sources of data in our underselling analysis, including price data, import purchase cost data, data derived from lost sales/lost revenue survey responses, and other data on the record. The Commission collected quarterly price data for the total quantity and f.o.b. value of four gas-powered snow thrower products shipped by U.S. producers and importers to unrelated customers between January 2018 and December 2020.[133] Five U.S. producers and five U.S. importers provided usable quarterly f.o.b. pricing data for three pricing products,[134] although not all firms reported pricing for all products for all quarters.[135] Price data reported by these firms accounted for approximately *** percent of U.S. producer's commercial U.S. shipments of gas-powered snow throwers and *** percent of subject imports in 2020.[136] The price comparison data show subject imports underselling the domestic like product in 29 of 31 (or 93.5 percent) of quarterly comparisons, at margins ranging between 2.1 and 49.5 percent, and an average underselling margin of 27.0 percent.[137] Subject imports oversold the domestic like product in only 2 of 31 quarterly comparisons (or 6.5 percent) at margins ranging between 1.1 and 16.9 percent, and an average overselling margin of 9.0 percent.[138] The available data also reflect predominant underselling by volume, with *** units of subject imports associated with quarters of underselling, as compared to *** units of subject

[132] 19 U.S.C. § 1677(7)(C)(ii).

[133] The four pricing products are as follows: Product 1.-- Single-stage walk-behind snow thrower with between 18" and 22" clearing width; Product 2.-- Single-stage walk-behind snow thrower with between 23" and 26" clearing width; Product 3.-- Dual-stage walk-behind snow thrower with between 22" and 26" clearing width; and Product 4.-- Dual-stage walk-behind snow thrower with between 27" and 32" clearing width. CR/PR at V-5.

[134] CR/PR at V-5. Price data was not reported for Product 2. *Id*.

[135] CR/PR at V-5.

[136] CR/PR at V-5.

[137] CR/PR at Table V-7.

[138] CR/PR at Table V-7.

imports associated with quarters of overselling.[139] Thus, *** percent of the quantity of subject imports covered by the Commission's pricing data was sold in quarters with underselling.[140]

The Commission also collected import purchase cost data for the same four pricing products from firms that imported gas-powered snow throwers from China for sales in that firm's (or a related firm's) retail locations (hereafter, "importers for their own retail sales").[141] Three importers, ***, reported usable import purchase cost data for three pricing products,[142] although not all firms reported data for all products for all quarters (the record allows purchase cost data comparisons for 15 quarters).[143] Purchase cost data reported by these firms accounted for *** percent of subject imports from China in 2020.[144]

The record shows that the purchase costs of subject imports were lower than the prices for the domestic like product in all 15 available comparisons, with price/cost differentials ranging from *** percent to *** percent.[145] On a volume basis, there were *** units of subject imports in quarters in which their purchase costs were lower than the prices for the domestic like product.[146] The average differential between import purchase costs and prices for the domestic like product was *** percent.[147]

We recognize that the import purchase cost data may not reflect the total cost of importing. Therefore, we requested that importers for their own retail sales provide additional information regarding the costs and benefits of directly importing gas-powered snow throwers. Two of three responding importers for their own retail sales reported that they incurred additional costs beyond landed duty-paid costs associated with importing gas-powered snow throwers.[148] These costs ranged from *** percent compared to landed duty-paid value, with the largest responding purchaser, (***), reporting the 20 percent figure.[149] These additional

[139] CR/PR at Table V-7.
[140] Derived from CR/PR at Table V-7.
[141] CR/PR at V-5.
[142] Purchase cost data was not reported for Product 2. CR/PR at V-5.
[143] CR/PR at V-5 & Table V-8.
[144] CR/PR at V-5.
[145] CR/PR at Table V-8.
[146] CR/PR at Table V-8.
[147] CR/PR at Table V-8.
[148] CR/PR at V-12.
[149] CR/PR at V-12 & I-3; *** U.S. Importer Questionnaire at III-3b; *** U.S. Importer Questionnaire at III-3b. In determining whether to directly import gas-powered snow throwers, two of the three responding importers reported that they compare costs of importing directly to the cost of (Continued…)

costs were significantly less than the average price-cost differential of *** percent between landed duty-paid costs for the subject imports and prices for the domestic like product.

U.S. importers for their own retail sales were also asked whether the cost of gas-powered snow throwers that they imported was lower than the price of purchasing gas-powered snow throwers from a U.S. producer or importer. Four of five responding importers reported that imports were priced lower when not including the additional costs, and three of five responding importers reported that imports were priced lower when including additional costs.[150] Three responding importers reported estimated savings ranging from 15 to 35 percent by importing directly rather than purchasing from a U.S. producer while three responding importers reported estimated savings ranging from 10 to 20 percent by importing directly rather than purchasing from a U.S. importer.[151]

We have also considered purchaser lost sales/lost revenue responses. Two of four purchasers (***) that responded to the Commission's lost sales/lost revenue survey reported that, since 2018, they had purchased subject imports instead of the domestic like product.[152] *** purchasers reported that subject import prices were lower than the domestically produced product, and *** purchasers reported that price was the primary reason for purchasing subject imports.[153]

The foregoing indicate that subject imports were frequently available at lower prices than domestically produced gas-powered snow throwers. Given the substitutability of the products and the importance of price in purchasing decisions, we find, for purposes of these preliminary determinations, that there has been significant underselling by subject imports. This significant underselling caused domestic producers to lose U.S. market share to subject

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(…Continued)
purchasing from a U.S. producer and from a U.S. importer, and one importer reported that it does not compare costs. CR/PR at V-12.

[150] CR/PR at V-12-13.

[151] CR/PR at V-13.

[152] CR/PR at Table V-10. These two purchasers reported purchasing a total of *** units of subject imports. *Id*.

[153] CR/PR at V-19 & Table V-10. *** reported that domestic producer MTD would not offer the brands that it offered to other big box retailers as a non-price reason for *** purchasing subject imports instead of the domestic like product. *See* CR/PR at V-19 & Table V-10.

imports during 2018-2020.[154] Specifically, the domestic industry lost *** percentage points of market share, while subject imports gained *** percentage points, from 2018 to 2020.[155]

We have also examined available data on price trends. The domestic industry's prices fluctuated but increased overall for two of the three pricing products from 2018 to 2020. U.S. producer prices for products 1 and 3 increased by *** percent and *** percent, respectively, over the POI; U.S. producer prices for product 4 declined by *** percent.[156] U.S. importer subject import prices for product 1 increased by *** percent over the POI; U.S. importer subject import prices for products 3 and 4 decreased by *** percent and *** percent, respectively, during 2018-2020.[157] Subject import purchase costs for product 1 declined by *** percent, subject import purchase costs for product 3 increased by *** percent, and subject import purchase costs for product 4 were unchanged overall.[158]

We also have considered whether the domestic industry's prices were suppressed during the POI. The industry's ratio of COGS to net sales fluctuated but increased overall during the POI; it was *** percent in 2018, *** percent in 2019, and *** percent in 2020.[159] Petitioner contends that the industry was constrained from raising prices further by the subject imports.[160] In any final phase investigations, the Commission will more closely analyze whether subject imports had significant depressing or suppressing effects on domestic prices, and the effects that factors such as declining demand may have had on prices.[161]

In sum, the available information on the record in the preliminary phase of these investigations indicates that subject imports significantly undersold domestically produced gas-

[154] CR/PR at Table C-2.

[155] CR/PR at Table C-2. The market share of nonsubject imports increased by *** percentage points from 2018 to 2020, rising from *** percent in 2018 to *** percent in 2020. *Id*.

[156] CR/PR at Tables V-3-6. There were no U.S. producer domestic prices for product 2.

[157] CR/PR at Tables V-3-6. There were no U.S. importer subject import prices for product 2.

[158] CR/PR at Tables V-3-6. Subject import purchase costs for products 1, 3, and 4 were reported for October 2018-December 2020. CR/PR at Tables V-3-5. No purchase cost data was reported for product 2.

[159] CR/PR at Table C-2. Thus, the domestic industry's ratio of COGS to net sales increased by *** percentage points over the POI.

[160] Petitioner's Postconf. Br. at 23-24.

[161] Apparent U.S. consumption fluctuated during the POI but decreased overall by *** percent from 2018 to 2020. CR/PR at Table C-2. Apparent U.S. consumption increased from *** units in 2018 to *** units in 2019, but then declined to *** units in 2020. *Id*. Thus, *** of the decline in apparent U.S. consumption occurred in the last year of the POI.

powered snow throwers. We further find that the significant underselling led subject imports to capture approximately *** percentage points of market share from the domestic industry over the course of the POI. Accordingly, we find for purposes of these preliminary determinations that subject imports had significant price effects.

E. Impact of the Subject Imports[162]

Section 771(7)(C)(iii) of the Tariff Act provides that the Commission, in examining the impact of the subject imports on the domestic industry, "shall evaluate all relevant economic factors which have a bearing on the state of the industry." These factors include output, sales, inventories, capacity utilization, market share, employment, wages, productivity, gross profits, net profits, operating profits, cash flow, return on investment, return on capital, ability to raise capital, ability to service debt, research and development, and factors affecting domestic prices. No single factor is dispositive and all relevant factors are considered "within the context of the business cycle and conditions of competition that are distinctive to the affected industry."[163]

Most of the domestic industry's output indicia declined during the POI. From 2018 to 2020, the domestic's industry's production and U.S. shipments declined by *** percent and *** percent, respectively.[164] The industry's market share declined by *** percentage points, from *** percent in 2018 to *** percent in 2019 and *** percent in 2020.[165] The domestic industry's capacity declined by *** percent from 2018 to 2020, while the domestic industry's capacity

[162] Commerce initiated its antidumping duty investigation based on an estimated dumping margin of 89.96 percent for subject imports. *Certain Walk-Behind Snow Throwers and Parts Thereof from the People's Republic of China: Initiation of Less-Than-Fair-Value Investigation*, 86 Fed. Reg. 22026, 22029 (Apr. 26, 2021).

[163] 19 U.S.C. § 1677(7)(C)(iii). This provision was amended by the Trade Preferences Extension Act of 2015, Pub. L. 114-27.

[164] The domestic industry's production declined from *** units in 2018 to *** units in 2019 and *** units in 2020. CR/PR at Table C-2. U.S. producers' U.S. shipments increased from *** units in 2018 to *** units in 2019, but then declined to *** units in 2020. *Id*.

[165] CR/PR at Table C-2.

utilization increased by *** percentage points over the same period.[166] End-of-period inventories declined by *** percent from 2018 to 2020.[167]

The domestic industry's employment indicia were mixed. The number of production-related workers,[168] hours worked,[169] and productivity[170] declined overall from 2018 to 2020. Wages paid[171] and hourly wages[172] increased overall from 2018 to 2020.

Most of the domestic industry's financial performance indicia declined over the course of the POI. From 2018 to 2020, the domestic industry's net sales (by value) declined irregularly by *** percent.[173] The domestic industry's gross profit fluctuated but declined overall by *** percent over this same period.[174] Operating income declined irregularly by *** percent from 2018 to 2020,[175] and operating income as a share of net sales declined irregularly by *** percentage points.[176] Net income fluctuated but declined overall by *** percent from 2018 to 2020,[177] and net income as a share of net sales declined irregularly by *** percentage points

[166] The domestic industry's capacity declined from *** units in 2018 to *** units in 2019, but then increased to *** units in 2020. CR/PR at Table C-2. The domestic industry's capacity utilization increased from *** percent in 2018 to *** percent in 2019, but then declined to *** percent in 2020. *Id*.

[167] The domestic industry's end-of-period inventories declined from *** units in 2018 to *** units in 2019, but then increased to *** units in 2020. CR/PR at Table C-2.

[168] PRWs declined by *** percent from 2018 to 2020, declining from *** in 2018 to *** in 2019 and *** in 2020. CR/PR at Table C-2.

[169] Total hours worked declined by *** percent from 2018 to 2020, declining from *** hours in 2018 to *** hours in 2019, but then increasing to *** hours in 2020. CR/PR at Table C-2.

[170] Productivity declined from *** units per 1,000 hours in 2018 to *** units per 1,000 hours in 2019 and *** units per 1,000 hours in 2020. CR/PR at Table C-2.

[171] Wages paid increased by *** percent from 2018 to 2020, declining from $*** in 2018 to $*** in 2019, but then increased to $*** in 2020. CR/PR at Table C-2.

[172] Hourly wages paid to PRWs increased from $*** per hour in 2018 to $*** per hour in 2019 and $*** per hour in 2020. CR/PR at Table C-2.

[173] By value, the domestic industry's net sales increased from $*** in 2018 to $*** in 2019, but then declined to $*** in 2020. CR/PR at Table C-2.

[174] The domestic industry's gross profit increased from$*** in 2018 to $*** in 2019, but then declined to $*** in 2020. CR at Table C-2.

[175] The domestic industry's operating income increased from $*** in 2018 to $*** in 2019, but then declined to $*** in 2020. CR/PR at Table C-2.

[176] The domestic industry's operating income as a share of net sales increased from *** percent in 2018 to *** percent in 2019, but then declined to *** percent in 2020. CR/PR at Table C-2.

[177] The domestic industry's net income increased from $*** in 2018 to $*** in 2019, but then declined to $*** in 2020. CR/PR at Table C-2.

from 2018 to 2020.[178]

The domestic industry's capital expenditures and research and development declined overall by *** percent and *** percent, respectively, from 2018 to 2020.[179] Two of five responding domestic producers reported negative effects on investment and on growth and development due to subject imports.[180]

For purposes of the preliminary phase of these investigations, we find that subject imports had a significant impact on the domestic industry. Low-priced subject imports that were moderately to highly substitutable with the domestic like product increased significantly in absolute terms and relative to consumption during the POI and significantly undersold the domestic like product, leading subject imports to gain *** percentage points of market share at the direct expense of the domestic industry. As the domestic industry lost market share, its production and shipments decreased more than apparent U.S. consumption over the POI and its financial performance declined overall by most measures from 2018 to 2020, including double-digit declines in operating and net income.[181] In light of these considerations, we find that subject imports had a significant impact on the domestic industry.

We also have considered whether there are other factors that may have had an impact on the domestic industry to ensure that we are not attributing injury from such other factors to subject merchandise. While apparent U.S. consumption decreased from 2018 to 2020, the domestic industry's declines in capacity, production, and shipments substantially exceeded the declines in apparent U.S. consumption over the same period.[182] We recognize that demand declines due to the COVID-19 pandemic may have adversely affected domestic industry output and performance in 2020; however, declining demand cannot fully explain the adverse changes experienced by the domestic industry during 2018-2020. As noted above, subject imports gained *** percentage points of market share at the expense of the domestic industry during

[178] The domestic industry's net income as a share of net sales increased from *** percent in 2018 to *** percent in 2019, but then declined to *** percent in 2020. CR/PR at Table C-2.

[179] The domestic industry's capital expenditures declined from $*** in 2018 to $*** in 2019 and $*** in 2020. CR/PR at Table C-2. Its research and development expenses declined from $*** in 2018 to $*** in 2019, but then increased to $*** in 2020. *Id*.

[180] CR/PR at Tables VI-9 & VI-10.

[181] CR/PR at Table C-2.

[182] CR/PR at Table C-2.

the POI. Thus, based on the record in these preliminary phase investigations, we cannot conclude that demand trends explain all the declines in the domestic industry's condition.

In addition, as discussed above, nonsubject imports were generally the second largest source of supply to the U.S. market during the POI.[183] Information available in the current record indicates that AUVs for nonsubject imports were lower than AUVs for subject imports throughout the POI.[184] Although the market share of nonsubject imports increased by *** percentage points from 2018 to 2020, subject imports' market share increased by *** percentage points over the same period as subject imports captured the vast majority of the market share lost by the domestic industry during the POI.[185] We therefore find, for purposes of these preliminary determinations, that nonsubject imports do not fully explain the domestic industry's declines in market share and performance during the POI.[186]

VI. Conclusion

For the reasons stated above, we determine that there is a reasonable indication that an industry in the United States is materially injured by reason of subject imports of gas-powered snow throwers from China that are allegedly sold in the United States at less than fair value and allegedly subsidized by the government of China.

[183] CR/PR at Tables IV-4 & C-2.

[184] CR/PR at Table C-2.

[185] CR/PR at Table C-2. The market share of nonsubject imports increased overall by *** percentage points from 2018 to 2020, increasing from *** percent in 2018 to *** percent in 2019 and *** percent in 2020. *Id*. The market share of subject imports increased overall by *** percentage points from 2018 to 2020, increasing from *** percent in 2018 to *** percent in 2019 and *** percent in 2020. *Id*. The domestic industry's market share declined by *** percentage points from 2018 to 2020, declining from *** percent in 2018 to *** percent in 2019 and *** percent in 2020. *Id*.

[186] In any final phase investigations, we will further examine whether factors other than subject imports had a significant impact on the domestic industry in order to ensure that we are not attributing injury from other sources to subject imports.

Part I: Introduction

Background

These investigations result from petitions filed with the U.S. Department of Commerce ("Commerce") and the U.S. International Trade Commission ("USITC" or "Commission") by MTD Products Inc. ("MTD"), Valley City, Ohio, on March 30, 2021, alleging that an industry in the United States is materially injured and threatened with material injury by reason of subsidized and less-than-fair-value ("LTFV") imports of walk-behind snow throwers ("snow throwers")[1] from China. The following tabulation provides information relating to the background of these investigations.[2] [3]

Effective date	Action
March 30, 2021	Petition filed with Commerce and the Commission; institution of Commission investigations (April 6, 2021)
April 20, 2021	Commission's conference
April 19, 2021	Commerce's notice of initiation AD (86 FR 22026, April 26, 2021)
April 19, 2021	Commerce's notice of initiation CVD (86 FR 22022, April 26, 2021)
May 13, 2021	Commission's vote
May 14, 2021	Commission's determinations
May 21, 2021	Commission's views

Statutory criteria

Section 771(7)(B) of the Tariff Act of 1930 (the "Act") (19 U.S.C. § 1677(7)(B)) provides that in making its determinations of injury to an industry in the United States, the Commission--

> *shall consider (I) the volume of imports of the subject merchandise, (II) the effect of imports of that merchandise on prices in the United States for domestic like products, and (III) the impact of imports of such merchandise on domestic producers of domestic like products, but only in*

[1] See the section entitled "The subject merchandise" in Part I of this report for a complete description of the merchandise subject in this proceeding.

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

[3] A list of witnesses appearing in the conference is presented in appendix B of this report.

the context of production operations within the United States; and. . . may consider such other economic factors as are relevant to the determination regarding whether there is material injury by reason of imports.

Section 771(7)(C) of the Act (19 U.S.C. § 1677(7)(C)) further provides that--[4]

In evaluating the volume of imports of merchandise, the Commission shall consider whether the volume of imports of the merchandise, or any increase in that volume, either in absolute terms or relative to production or consumption in the United States is significant.. . .In evaluating the effect of imports of such merchandise on prices, the Commission shall consider whether. . .(I) there has been significant price underselling by the imported merchandise as compared with the price of domestic like products of the United States, and (II) the effect of imports of such merchandise otherwise depresses prices to a significant degree or prevents price increases, which otherwise would have occurred, to a significant degree.. . . In examining the impact required to be considered under subparagraph (B)(i)(III), the Commission shall evaluate (within the context of the business cycle and conditions of competition that are distinctive to the affected industry) all relevant economic factors which have a bearing on the state of the industry in the United States, including, but not limited to. . . (I) actual and potential decline in output, sales, market share, gross profits, operating profits, net profits, ability to service debt, productivity, return on investments, return on assets, and utilization of capacity, (II) factors affecting domestic prices, (III) actual and potential negative effects on cash flow, inventories, employment, wages, growth, ability to raise capital, and investment, (IV) actual and potential negative effects on the existing development and production efforts of the domestic industry, including efforts to develop a derivative or more advanced version of the domestic like product, and (V) in {an antidumping investigation}, the magnitude of the margin of dumping.

In addition, Section 771(7)(J) of the Act (19 U.S.C. § 1677(7)(J)) provides that—[5]

(J) EFFECT OF PROFITABILITY.—The Commission may not determine that there is no material injury or threat of material injury to an industry in the United States merely because that industry is profitable or because the performance of that industry has recently improved.

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[4] Amended by PL 114-27 (as signed, June 29, 2015), Trade Preferences Extension Act of 2015.
[5] Amended by PL 114-27 (as signed, June 29, 2015), Trade Preferences Extension Act of 2015.

Organization of report

Part I of this report presents information on the subject merchandise, alleged subsidy and dumping margins, and domestic like product. Part II of this report presents information on conditions of competition and other relevant economic factors. Part III presents information on the condition of the U.S. industry, including data on capacity, production, shipments, inventories, and employment. Parts IV and V present the volume of subject imports and pricing of domestic and imported products, respectively. Part VI presents information on the financial experience of U.S. producers. Part VII presents the statutory requirements and information obtained for use in the Commission's consideration of the question of threat of material injury as well as information regarding nonsubject countries.

Market summary

Snow throwers are generally used to clear snow, primarily in residential and smaller commercial settings. They are intended for consumer household use but may also be used for commercial uses by professional landscapers and snow removal companies. The leading U.S. producers of snow throwers are *** and ***, while leading producers of snow throwers outside the United States include *** of Mexico. The leading U.S. importer of snow throwers from China is ***, while the leading importer of snow throwers from nonsubject countries (primarily Mexico) is ***. U.S. purchasers of snow throwers include national retail stores and locally-owned independent dealers that sell to homeowners and other end users; the largest responding purchaser was ***.

Apparent U.S. consumption of snow throwers totaled approximately *** units ($***) in 2020. Currently, six firms are known to produce snow throwers in the United States. U.S. producers' U.S. shipments of snow throwers totaled *** units ($***) in 2020 and accounted for *** percent of apparent U.S. consumption by quantity and *** percent by value. U.S. shipments of imports from China totaled *** units ($***) in 2020 and accounted for *** percent of apparent U.S. consumption by quantity and *** percent by value. U.S. shipments of imports from nonsubject sources totaled *** units ($***) in 2020 and accounted for *** percent of apparent U.S. consumption by quantity and *** percent by value.

Summary data and data sources

A summary of data collected in these investigations is presented in appendix C. Except as noted, U.S. industry data are based on questionnaire responses of six firms that accounted for virtually all of U.S. production of snow throwers during 2020. U.S. imports are based on responses to the Commission's questionnaires and are somewhat understated. The Commission did not receive any questionnaire responses from any of the Chinese producers that the Commission solicited responses from. Global Trade Atlas data is used in Part VII of this report for Chinese exports of a broad category of snow throwers, including products outside of the scope of these investigations.

Previous and related investigations

Snow throwers have not been the subject of any prior countervailing and/or antidumping duty investigations in the United States. However, products related to snow throwers, such as small and large vertical shaft engines, and walk-behind lawnmowers, have been or currently are subject to countervailing and/or antidumping duty investigations in the United States.

In 2021, the Commission conducted final phase antidumping and countervailing duty investigations on large vertical shaft engines from China. Large vertical shaft engines are spark ignition, single or multiple cylinder, air cooled, internal combustion engines with vertical power take off shafts with a minimum displacement of 225 cubic centimeters (cc) and a maximum displacement of 999cc. The Commission determined that an industry in the United States was materially injured by reason of imports of large vertical shaft engines from China that Commerce determined to be subsidized and sold in the United States at less than fair value.[6] In January 2021, Commerce issued antidumping and countervailing duty orders on large vertical shaft engines from China.[7]

In 2021, the Commission also conducted final phase antidumping duty and countervailing duty investigations on small vertical shaft engines from China. Small vertical shaft engines are spark ignition, single-cylinder, air cooled, internal combustion engines with vertical power take off shafts with a minimum displacement of 99 cubic centimeters (cc) and a maximum displacement of up to, but not including, 225cc. The Commission determined that an industry in the United States was materially injured by reason of imports of small large vertical

[6] USITC Publication 5162, February 2021, p. 1.
[7] 86 FR 1936, January 11, 2021 and 86 FR 1933, January 11, 2021.

shaft engines from China that Commerce determined to be subsidized and sold in the United States at less than fair value.[8] In May 2021, Commerce issued antidumping and countervailing duty orders on small vertical shaft engines from China.[9]

The Commission also has completed the preliminary phase of investigations concerning walk-behind lawn-mowers from China and Vietnam. On May 26, 2020, MTD, the petitioner in the subject proceedings, filed petitions with the Commission and Commerce, alleging that an industry in the United States is materially injured or threatened with material injury by reason of subsidized imports of walk-behind lawn-mowers from China and LTFV imports of walk-behind lawn-mowers from China and Vietnam. Walk-behind lawn mowers within the scope of these investigations are only those powered by an internal combustion engine with a power rating of less than 3.7 kilowatts (kw). These internal combustion engines are typically spark ignition, single or multiple cylinder, air cooled, internal combustion engines with vertical power take off shafts with a maximum displacement of 196cc. The Commission determined that there is a reasonable indication that an industry in the United States is materially injured by reason of imports of walk-behind lawn mowers from China and Vietnam that are alleged to be sold in the United States at LTFV and to be subsidized by the government of China. The Commission completed and filed its preliminary phase determinations on July 10, 2020.[10] Commerce published its preliminary affirmative CVD determination on October 30, 2020 and its preliminary affirmative AD determinations on December 30, 2020.[11] The Commission published the scheduling notice for the final phase of the proceedings on January 29, 2021.[12]

As discussed further below, in 2018, Section 232 tariffs on aluminum and steel and Section 301 tariffs on goods from China took effect.

[8] USITC Publication 5185, May 2021, p. 1.

[9] 86 FR 23675, May 4, 2021.

[10] 85 FR 43257, July 16, 2020.

[11] 85 FR 68848, October 30, 2020, 85 FR 86529, December 30, 2020 and 85 FR 86534, December 30, 2020.

[12] 86 FR 7565, January 29, 2020.

Nature and extent of alleged subsidies and sales at LTFV

Alleged subsidies

On April 26, 2021, Commerce published a notice in the *Federal Register* of the initiation of its countervailing duty investigation on snow throwers from China.[13]

Alleged sales at LTFV

On April 26, 2021, Commerce published a notice in the Federal Register of the initiation of its antidumping duty investigation on snow throwers from China.[14] Commerce has initiated antidumping duty investigations based on estimated dumping margins of 89.96 percent for snow throwers from China.

The subject merchandise

Commerce's scope

In the current proceeding, Commerce has defined the scope as follows:[15]

> *The merchandise covered by this investigation consists of gas-powered, walk-behind snow throwers (also known as snow blowers), which are snow moving machines that are powered by internal combustion engines and primarily pedestrian-controlled. The scope of the investigation covers certain snow throwers (also known as snow blowers), whether self-propelled or non-self-propelled, whether finished or unfinished, whether assembled or unassembled, and whether containing any additional features that provide for functions in addition to snow throwing. Subject merchandise also includes finished and unfinished snow throwers that are further processed in a third country or in the United States, including, but not limited to, assembly or any other processing that would not otherwise remove the merchandise from the scope of this investigation if performed in the country of manufacture of the in-scope snow throwers.*
>
> *Walk-behind snow throwers subject to the scope of this investigation are powered by internal combustion engines which are typically spark*

[13] For further information on the alleged subsidy programs, see notice of institution and related CVD Initiation Checklist. 86 FR 22022, April 26, 2021.

[14] 86 FR 22026, April 26, 2021.

[15] 86 FR 22022, April 26, 2021; 86 FR 22026, April 26, 2021.

ignition, single or multiple cylinder, and air-cooled with power take off shafts.

For the purposes of this investigation, an unfinished and/or unassembled snow thrower means at a minimum, a sub-assembly comprised of an engine, auger housing (i.e., intake frame), and an auger (or "auger paddle") packaged or imported together. An intake frame is the portion of the snow thrower—typically of aluminum or steel—that houses and protects an operator from a rotating auger and is the intake point for the snow. Importation of the subassembly whether or not accompanied by, or attached to, additional components including, but not limited to, handle(s), impeller(s), chute(s), track tread(s), or wheel(s) constitutes an unfinished snow thrower for purposes of this investigation. The inclusion in a third country of any components other than the snow thrower sub-assembly does not remove the snow thrower from the scope. A snow thrower is within the scope of this investigation regardless of the origin of its engine.

Specifically excluded is merchandise covered by the scope of the antidumping and countervailing duty orders on certain vertical shaft engines between 225cc and 999cc, and parts thereof from the People's Republic of China. See Certain Vertical Shaft Engines Between 225cc and 999cc, and Parts Thereof, from the People's Republic of China: Amended Final Antidumping Duty Determination and Antidumping Duty Order, 86 FR 12623 (March 4, 2021) and Certain Vertical Shaft Engines Between 225cc and 999cc, and Parts Thereof From the People's Republic of China: Countervailing Duty Order and Amended Final Affirmative Countervailing Duty Determination, 86 FR 12619 (March 4, 2021).

Tariff treatment

Based upon the scope set forth by Commerce, information available to the Commission indicates that the merchandise subject to these investigations is primarily imported under HTS statistical reporting number 8430.20.0060. The certain parts of snow throwers subject to these investigations may also be imported under HTS statistical reporting number 8431.49.9095. The 2021 general rate of duty is free for both HTS subheadings, 8430.20.00 and 8431.49.90. Decisions on the tariff classification and treatment of imported goods are within the authority of U.S. Customs and Border Protection.

Section 301 Tariff Treatment

Chinese products subject to these investigations are also subject to additional duties under Section 301 of the Trade Act of 1974. Subheading 8430.20.00 (which includes the primary statistical reporting number, 8430.20.0060, under which the subject merchandise is imported) was part of the fourth tranche with additional duties initially at 15 percent and currently at 7.5 percent ad valorem (Table I-1). These duties went into effect on September 1, 2019.[16] Snow thrower parts classified under HTS subheading 8431.49.90 are subject to additional 25 percent ad valorem import duties under Section 301.[17] [18]

Exclusions were granted based on descriptions at the statistical reporting number level and were granted to products imported under HTS statistical reporting 8431.49.9095 on October 2, 2019,[19] and on out-of-scope products (electric snow blowers) imported under HTS statistical reporting number 8430.20.0060 on July 23, 2020.[20] These exclusions were valid for one year after the publication of the notice, October 2, 2019.[21]

[16] The originally announced duty rate of 10 percent ad valorem was amended to 15 percent ad valorem prior to going into effect. A subsequent notice of modification reduced the rate of additional duty to 7.5 percent, effective February 14, 2020. Notice of Modification of Section 301 Action: China's Acts, Policies, and Practices Related to Technology Transfer, Intellectual Property, and Innovation, 85 FR 3741 (U.S. Trade Rep., Jan 22, 2020).

[17] See U.S. note 20(f), subchapter III of HTS chapter 99. Subheading 8431.49.90 was in the first tranche, which went into effect July 6, 2018. For more information see https://ustr.gov/issue-areas/enforcement/section-301-investigations/tariff-actions.

[18] Petitioner faced increased costs on the three of the primary inputs and components (aluminum, steel, and horizontal shaft engines) due to Section 232 and 301 tariffs. ***.

[19] Notice of Product Exclusions: China's Acts, Policies, and Practices Related to Technology Transfer, Intellectual Property, and Innovation, 84 FR 52572 (U.S. Trade Rep., October 2, 2019).

[20] This exclusion was for "Electric snowblowers, corded or cordless, each weighing not more than 46 kg, with a motor not more than 15 A wheeled (described in statistical reporting number 8430.20.0060)." These snowblowers are not within the scope of this investigation. Notice of Product Exclusions: China's Acts, Policies, and Practices Related to Technology Transfer, Intellectual Property, and Innovation, 84 FR 44568 (U.S. Trade Rep., July 23, 2019).

[21] Notice of Product Exclusions: China's Acts, Policies, and Practices Related to Technology Transfer, Intellectual Property, and Innovation, 84 FR 52572 (U.S. Trade Rep., October 2, 2019).

Table I-1: Relevant HTS Subheadings, Additional Tariffs and Exclusions

Subheading	Relevance	Additional Tariff	Exclusion
8430.20.00	Includes primary statistical code 8430.20.0060	7.5 percent	Only for out of scope electrical snow blowers under 8430.20.0060
8431.48.90	Includes additional subject product under 8431.49.9095	25 percent	Exclusion for 8431.49.9095

Source: Compiled by staff from https://ustr.gov/issue-areas/enforcement/section-301-investigations/tariff-actions.

Section 232 Tariff Treatment

HTS subheadings 8430.20 and 8431.49 were not included in the enumeration of steel mill and aluminum article products that are subject to the additional Section 232 national-security duties, effective March 23, 2018. [22] However, certain steel and aluminum inputs which are used in the production of snow throwers are included, and thus may be subject to the additional section 232 duties.

The product

Description and applications

Snow throwers (also referred to as "snow blowers") are rotary-powered snow throwing machines that can be either self-propelled or non-self-propelled (pushed).[23] Snow throwers as defined in Commerce's scope are controlled by an operator walking behind the snow thrower and typically have a clearing width of ***.[24] Commerce's scope included finished and unfinished gas-powered snow throwers, which are generally considered more powerful and faster than electric or battery-powered snow throwers. Unfinished snow throwers consist of a sub-assembly comprised of an engine, auger housing, and an auger[25] (or auger paddle) at the minimum.[26]

[22] Section 232 of the Trade Expansion Act of 1962, as amended (19 U.S.C. 1862) authorizes the President, on advice of the Secretary of Commerce, to adjust the imports of an article and its derivative that are being imported into the United States in such quantities or under such circumstances as to threaten to impair the national security.

[23] Petition, pp. I-7.

[24] Petition, pp. I-7.

[25] Augers are rotating paddles or serrated blades made out of metal or plastic.

[26] Petition, pp. I-15.

U.S. producers manufacture snow throwers in single-stage, dual-stage, and three-stage models with increasing clearing widths (figure I-1). Single-stage snow throwers use the rotating auger to collect and throw snow in one motion.[27] Dual-stage snow throwers have an auger that can cut through deeper snow to feed the impeller for ejection.[28] Three-stage snow throwers include the auger for collection and an accelerator which allows snow to be more rapidly ejected by the impeller.[29] Additional add-on components that add functionality to the snow thrower include heated grips, headlights, and snow chains.[30]

Figure I-1: Single-stage, two-stage, and three-stage snow throwers

Source: Cub Cadet, "How to choose between a single stage, 2 stage and 3 stage Cub Cadet snow blower," undated, https://www.cubcadet.com/en_US/knowledge-center/knowledge-how-to-choose-the-right-snow-blower.html, retrieved on April 24, 2021.

[27] Petition, pp. I-11.

[28] MTD, "Choosing the Snow Thrower that is Right for You," undated, https://www.mtdparts.com/en_US/knowledge-choosing-right-snow-thrower.html, retrieved on April 23, 2021.

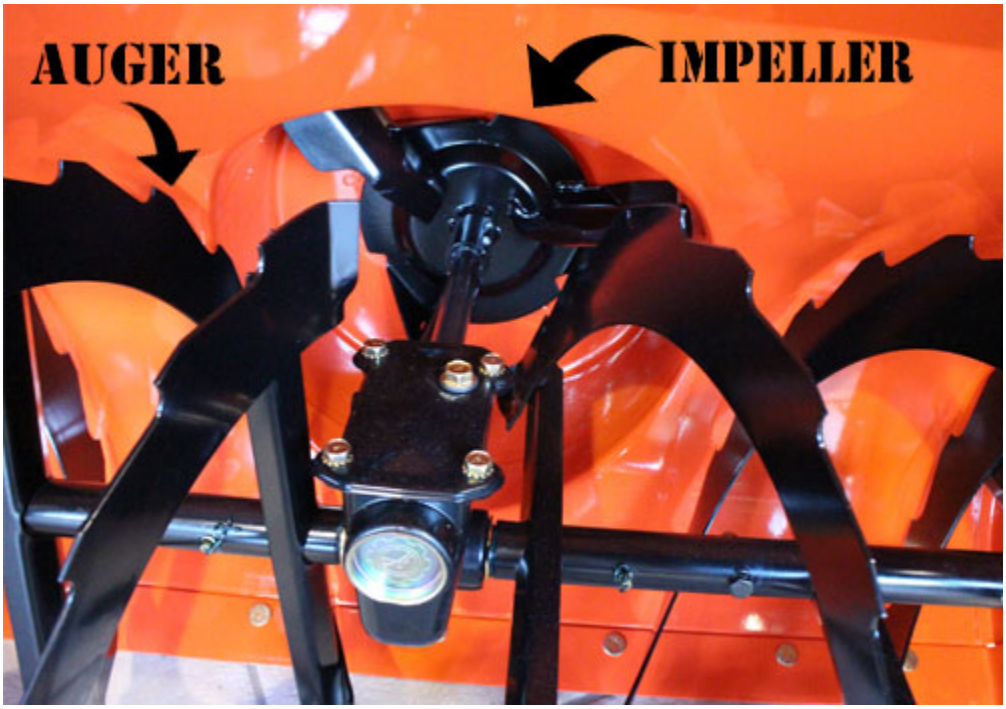
[29] Petition, pp. I-11.

[30] Conference Transcript, pp. 89 (Stenroos).

Manufacturing processes

The manufacturing process of snow throwers consists of an assembly of sourced components into finished snow throwers that may require some minor assembly by the ultimate purchaser. Snow throwers are assembled from various components that differ by particular snow thrower design and stage. They are powered by a spark-ignition, single or multiple cylinder, air-cooled, internal combustion engine with gas-powered engines and utilize an auger, rotating impeller blade (figure I-2), the snow intake deck (or impeller housing), shields, control devices, safety devices, the chute,[31] handles, and tires.[32] Some snow throwers include lights, power steering, multi-directional chute control, push-button start, treads (instead of tires), and heated grips.[33]

Figure I-2: Two-stage snow thrower displaying rotating augers and impeller



Source: Jacks Small Engines, "How Snow Blowers Work," October 15, 2015, https://www.jackssmallengines.com/diy/how-snow-blowers-work/.

[31] The chute is located on the upper-middle section of a snow thrower and is used to throw snow away from driveways, walkways, and roads – depending on the user's preferences.

[32] Petition, pp. I-14.

[33] Petition, pp. I-15.

Once a snow thrower has been conceptualized and designed, prototypes are built and tested for durability and safety. Tests also include verifying speeds, checking safety shutdowns, and verifying there are no leaks or abnormal operations.[34]

Manufacturing parts

Manufacturers tend to produce the impeller, the auger, the snow intake deck, and the chute.[35] They generally purchase fasteners, wiring harnesses, cables, and the snow thrower engine for further assembly.[36] Major structural components of snow throwers, including the auger, the rotating impeller, and the snow intake deck, are molded from plastic resin or formed using sheet metal and tubing.[37] Metal tubing is bent to form the handles which house the snow thrower controls that, in some models, include the starting mechanism. Plastic resin and colorants are used in injection molding operations to form the front and rear clips that attach to the snow intake deck, shields, discharge chutes, wheels, wheel treads, and hub caps.[38] During the plastic injection molding process, identifying information such as safety labels and model plates are permanently imprinted.

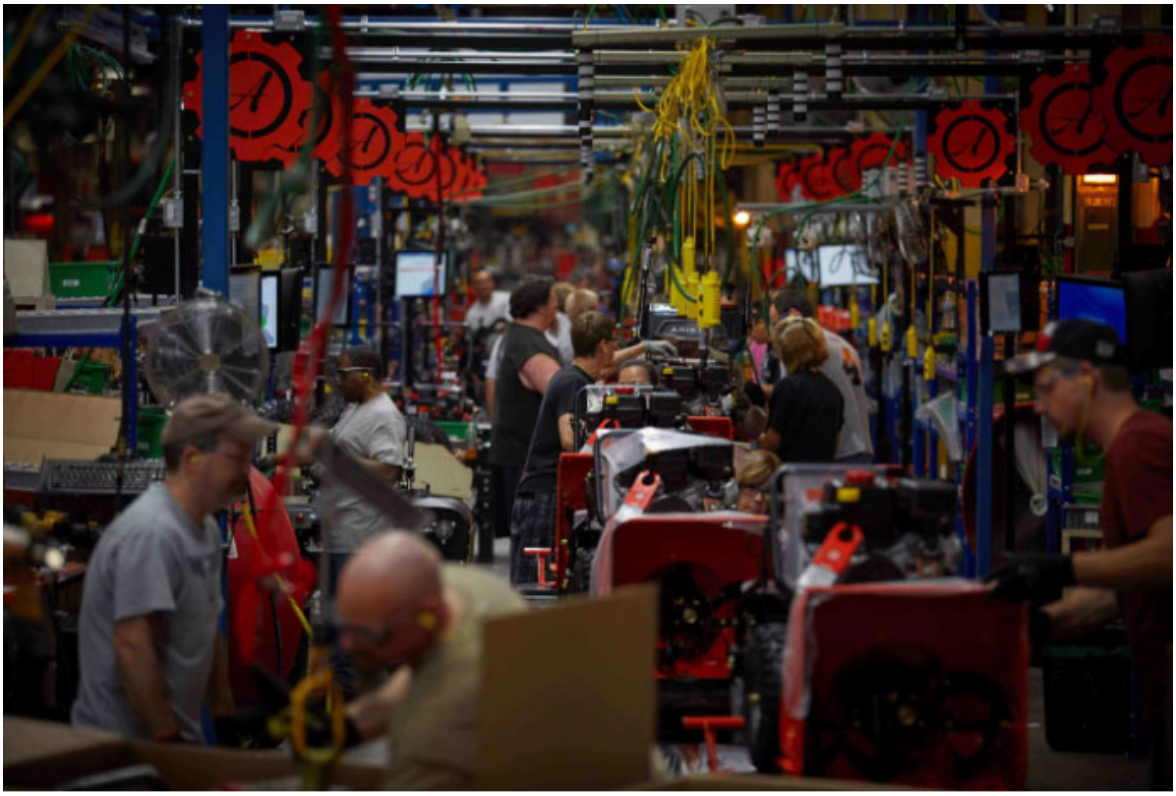
After forming, parts, including the auger, the handles, the chute, and the snow intake deck, are put through tool and die operations (including cutting, shaping, and further forming of metals and other materials) and painting. Components are manufactured using the following processes: stamping and metal forming, welding, and plastic injection molding of components. Prior to painting, the parts are hung on racks attached to overhead conveyers and washed in alkaline and phosphate solutions.[39] Sheet metal is die-cut and stamped to shape, and exposed parts (like the snow intake deck) are painted using fine paint partials sprayed from a gun that imbues them with an electrostatic charge that causes paint to spread evenly.[40]

[34] Petition, pp. I-12.
[35] Petition, pp. I-12.
[36] Petition, pp. I-13.
[37] Petition, pp. I-13.
[38] Petition, pp. I-13.
[39] Petition, pp. I-13.
[40] Petition. pp. I-13.

Assembly

After the components are manufactured, snow throwers are assembled on a continuously moving assembly line which includes both robotic and human assembly (figure I-3). The first step is to attach the snow intake deck to the rear and front clips. Then the wheels and wheel treads are attached to the axle using the front and rear clips. Then the snow thrower is inverted and the axle (with wheels attached) is connected. Afterwards, the snow thrower is placed right side up and the engine is mounted to the deck. Next, the engine, the auger, and the impeller are mounted to the deck, and the handles are attached while the controls are assembled in place.[41] During the assembly process, snow throwers are pulled from the line for safety, compliance, and quality checks.

Figure I-3: Ariens' snow thrower assembly line in Brillion, Wisconsin



Source: Ariens, "A peek inside Ariens' manufacturing plant in Brillion, Wisconsin," https://www.totallandscapecare.com/business/article/15041032/take-a-look-inside-ariens-brand-new-manufacturing-plant, August 29, 2017.

[41] Petition, pp. I-14.

After assembly, snow throwers are packaged in boxes and shipped to retailers and distribution centers. Snow throwers may take some assembly by the purchaser using a Philips head screwdriver.[42]

Domestic like product issues

No issues with respect to domestic like product have been raised in these investigations. The petitioner proposes that the that there is a single domestic like product that is co-extensive with the scope of the investigations.[43] It contends that all domestically produced walk-behind gas-powered snow throwers within the scope have similar physical characteristics and uses, channels of distribution, common manufacturing facilities, production processes, and employees, customer and producer perceptions, are generally interchangeable, and are sold within a reasonable range of similar prices.[44] It maintains that clear lines divide in-scope walk-behind gas powered snow throwers from out-of-scope battery-powered snow throwers and electric snow throwers.[45] Employing the Commission's semi-finished analysis for domestic like product, Petitioner also contends that in-scope domestically snow thrower subassemblies are not a separate domestic like product from in-scope domestically produced finished walk-behind gas-powered snow throwers.[46]

No respondents have contested the domestic like product definition for the preliminary phase of these investigations.

[42] Conference transcript, pp. 43-44 (Schaefer).
[43] Petition, p.18; Petitioner's postconference brief, p.4.
[44] Petitioner's postconference brief, pp. 1-8.
[45] Petitioner's postconference brief, pp. 1-8.
[46] Petitioner's postconference brief, pp. 8-10.

Part II: Conditions of competition in the U.S. market

U.S. market characteristics

Snow throwers are intended primarily for use by consumer households and are sold through national retail stores such as Lowe's, Home Depot, Menard, the Tractor Supply Company, and Ace Hardware, and locally-owned independent dealers.[1] As described in Part I, snow throwers can be categorized as single stage, two stage, or three stage depending on the features and capabilities of the snow thrower.[2]

Apparent U.S. consumption of snow throwers fluctuated during 2018-20, increasing from 2018 to 2019 and decreasing in 2020. Overall, apparent U.S. consumption in 2020 was *** percent lower than in 2018.

Impact of section 301 tariffs

Snow throwers subject to these investigations are also subject to section 301 tariffs. Three of five responding U.S. producers reported that section 301 tariffs had an impact on the snow thrower market, and the remaining two reported that they did not know. Two importers reported that section 301 tariffs had an impact on the snow thrower market, one reported that they did not have an impact, and one importer reported that it did not know.

Firms that reported that the section 301 tariffs had an impact were asked whether the section 301 tariffs had an impact on U.S. or foreign supply, prices, U.S. demand, and raw material costs; their responses are presented in table II-1. In general, firms' responses were mixed regarding the impact of section 301 tariffs on U.S. supply. Two U.S. producers reported that Chinese supply increased, whereas two importers reported the Chinese supply was unchanged. Two of three responding U.S. producers reported that U.S. demand fluctuated as a result of section 301 tariffs, and the remaining U.S. producer and three of five responding importers reported that there was no change in demand for snow throwers. Reported impacts on price and raw materials are discussed in Part V.

[1] Petition, p. 11; Conference transcript, p. 11 (Stenroos); Petitioner's postconference brief, p. 6.
[2] Petition, p. 11.

Table II-1
Snow throwers: Impact of 301 investigation, 2018-20

Item	U.S. producers				U.S. importers			
	Increased	No change	Decreased	Fluctuated	Increased	No change	Decreased	Fluctuated
U.S. supply	0	1	1	0	1	1	0	0
China supply	2	0	0	0	0	2	0	0
Other country supply	0	1	0	0	0	1	0	1
Prices	3	0	0	0	2	1	1	0
U.S. demand	0	1	0	2	1	3	1	0
Raw material costs	2	0	0	1	1	1	2	0

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

Channels of distribution

U.S. producers and importers sold mainly to retailers, as shown in table II-2.[3] ***. According to petitioner, snow throwers are typically sold to consumers through large home improvement retailers.[4] Petitioner stated, "From the factory warehouse, snow throwers are shipped in cartons, by truck, to retailers, either to the retailer's distribution centers or directly to their stores."[5]

[3] ***.
[4] Petition, p. 20.
[5] Petition, p. 14.

Table II-2
Snow throwers: U.S. producers' and importers' U.S. shipments, by sources and channels of distribution, 2018-20

Item	Calendar year		
	2018	2019	2020
	Share of U.S. shipments (percent)		
U.S. producers: to Retailers/Dealers	***	***	***
to Distributors	***	***	***
to End users	***	***	***
U.S. importers: China to Retailers/Dealers	***	***	***
to Distributors	***	***	***
to End users	***	***	***
U.S. importers: Nonsubject to Retailers/Dealers	***	***	***
to Distributors	***	***	***
to End users	***	***	***
U.S. importers: All sources: to Retailers/Dealers	***	***	***
to Distributors	***	***	***
to End users	***	***	***

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

Geographic distribution

U.S. producers and importers reported selling snow throwers to all U.S. regions. (table II-3). For U.S. producers, *** percent of sales were within 100 miles of their production facility, *** percent were between 101 and 1,000 miles, and *** percent were over 1,000 miles. Importers sold *** percent within 100 miles of their U.S. point of shipment, *** percent between 101 and 1,000 miles, and *** percent over 1,000 miles.

Table II-3
Snow throwers: Geographic market areas in the United States served by U.S. producers and importers

Region	U.S. producers	Subject U.S. importers
Northeast	5	6
Midwest	5	8
Southeast	4	5
Central Southwest	3	3
Mountains	5	5
Pacific Coast	4	5
Other	3	3
All regions (except Other)	3	3
Reporting firms	5	8

Note: All other U.S. markets, including AK, HI, PR, and VI.

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

Supply and demand considerations

U.S. supply

Table II-4 provides a summary of the supply factors regarding snow throwers from U.S. producers and from China.

Table II-4
Snow throwers: Supply factors that affect the ability to increase shipments to the U.S. market

	Capacity (1,000 units)		Capacity utilization (percent)		Inventories as a ratio to total shipments (percent)		Shipments by market in 2020 (percent)		Able to shift to alternate products
	2018	2020	2018	2020	2018	2020	Home market shipments	Exports to non-U.S. markets	No. of firms reporting "yes"
United States	***	***	***	***	***	***	***	***	4 of 5
China	***	***	***	***	***	***	***	***	0 of 0

Note: Responding U.S. producers accounted for virtually all of U.S. production of snow throwers in 2020. No Chinese producers submitted questionnaire responses. For additional data on the number of responding firms and their share of U.S. production and of U.S. imports from China, please refer to Part I, "Summary Data and Data Sources."

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

Domestic production

Based on available information, U.S. producers of snow throwers have the ability to respond to changes in demand with large changes in the quantity of shipments of U.S.-produced snow throwers to the U.S. market. The main contributing factors to this degree of responsiveness of supply are the availability of unused capacity, the ability to shift shipments from alternate markets, and the ability to shift production to or from alternate products.

U.S. producers' capacity decreased between 2018 and 2020, as did production. Other products that producers reportedly can produce on the same equipment as snow throwers include riding mowers, walk-behind mowers, wheeled string trimmers, tillers, edgers, pressure washers, and snow thrower attachments.[6] Factors affecting U.S. producers' ability to shift production include seasonal constraints on production equipment and the complexity of the

[6] Petitioner considers snow thrower production to be counter-seasonal in that snow thrower production replaces lawn mower production in the off-season. Conference transcript, p. 58 (McConoughey).

product. U.S. producer *** reported that the "design and complexity of the product *** will determine the degree of tooling and set-up changes needed to shift production and that different products will run at varying output levels." Additionally, *** reported that the availability of unique components and raw materials required to produce different products impacts the ability to shift production.

Subject imports from China

No Chinese producers responded to the Commission's foreign producer questionnaire. As discussed in Part VII, Global Trade Atlas data indicate that China is the leading exporter of snow throwers, accounting for more than half of global exports of a broad category of snow throwers (which includes products out of the scope of this investigation, including electric-powered snow throwers) (see Part VII).

Imports from nonsubject sources

Nonsubject imports accounted for *** percent of total U.S. imports in 2020. The largest source of nonsubject imports during 2018-20 was Mexico. ***.

Supply constraints

Three of five responding U.S. producers (***) reported that they had declined or been unable to supply their customers since 2018, as did importer ***. These firms cited temporary limitations due to shutdowns related to COVID-19 and supply chain delays.

U.S. demand

U.S. demand for snow throwers depends on expectations for snowfall during the winter, with snow early in the season affecting demand more than snow occurring later in the season. Based on available information, the overall demand for snow throwers is likely to experience small-to-moderate changes in response to changes in price. The main contributing factor is the somewhat limited range of substitutes depending on the amount and type of snowfall and size of the area to be cleared.

Business cycles

All five U.S. producers and 7 of 10 importers[7] indicated that the market was subject to business cycles. Specifically, firms noted that demand for snow throwers is higher during the fall and winter months and that the market for snow throwers also varies by region and the amount of snowfall during the winter months.[8] Petitioner stated that demand for snow throwers is largely driven by the amount and timing of snowfall. Early heavy winter snowfalls generally result in increased sales during that season, while later snowfalls have a positive impact on the next year's pre-season sales.[9]

Importer *** reported that the largest changes to the snow thrower market have been driven by the introduction of battery-powered snow throwers and a consolidation of suppliers in the gas-powered snow thrower market.[10]

Demand trends

Most firms reported fluctuating U.S. demand for snow throwers since January 1, 2018 (table II-5). Petitioner states that the past few years have had less snowfall than average, but that the 2020/21 winter's snowfall showed an increase over the past few years.[11] Petitioner stated that snowfall in winter (October-March) 2018-19 was *** above average, that snowfall in winter 2019-20 was *** below average, and that snowfall in 2020-21 was *** below average.[12]

[7] ***.

[8] Conference transcript, p. 20 (Mattern).

[9] Conference transcript, p. 21 (Mattern).

[10] The firm stated that Husqvarna exited the consumer walk-behind snow thrower market in 2019 and that Ariens has ***. ***.

[11] Conference transcript, p. 67 (Mattern). In addition to the amount of snow, the timing of these snowfalls occurred earlier in the season, thereby positively affecting the 2020/21 winter sales.

[12] Petitioner's postconference brief, exhibit 1, p. 7, and exhibit 21, "Snow Cap Reports."

Table II-5
Snow throwers: Firms' responses regarding U.S. demand and demand outside the United States

Item	Number of firms reporting			
	Increase	No change	Decrease	Fluctuate
Demand inside the United States:				
U.S. producers	0	1	0	4
Importers	1	2	0	6
Demand outside the United States:				
U.S. producers	0	1	0	3
Importers	1	2	0	3

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

Substitute products

Substitutes for snow throwers include shovels, battery-powered or corded electric snow throwers, and snowplows. The feasibility of these different substitutes varies by the amount and weight of the snowfall and the size of the area to be cleared of snow. Gas-powered snow throwers may be sold in the same stores as battery-powered or corded electric snow throwers, but the retailer pre-determines how many placements of each type it will carry for the season.[13]

Petitioner stated that battery-powered snow throwers are typically smaller and less powerful than gas-powered snow throwers, that they have a shorter usage life, and that they require recharging sooner than a gas-powered snow thrower would require refueling.[14] Corded snow throwers tend to be used for much smaller areas because they are limited to the range of the cord, and require a nearby electrical outlet, making them more suited to light snow throwing needs and smaller areas. In contrast, gas-powered snow throwers have an extended range, can be used to throw snow over larger areas, and can be used for both commercial and residential consumers.[15] According to the petitioner, gas-powered snow throwers tend to be less expensive than battery-powered snow throwers by about $300 and are viewed as less premium than other snow removal tools, such as plows, which are mounted on trucks and used in more commercial settings.[16]

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[13] Conference transcript, pp. 19-20 (Mattern).

[14] Petition, p. 19; Petitioner's postconference brief, p. 4. Battery-powered snow throwers must typically be recharged after approximately 30 to 60 minutes of usage, depending upon snow depth, while a full tank of gas can power a gas-powered snow thrower for approximately two hours, or twice as long. Conference transcript, pp. 16-17 (Stenroos) and p. 35 (Masacchia).

[15] Petition, p. 19. Conference transcript, pp. 16-17 (Stenroos); Petitioner's postconference brief, p. 5.

[16] Petition, p. 21; Conference transcript, p. 69 (Stenroos). U.S. producer *** reported that these possible substitutes put downward pressure on prices for snow throwers.

Substitutability issues

The degree of substitution between domestic and imported snow throwers depends upon such factors as relative prices, quality (e.g., grade standards, defect rates, etc.), and conditions of sale (e.g., price discounts/rebates, lead times between order and delivery dates, reliability of supply, product services, etc.). Based on available data, staff believes that there is a moderate-to-high degree of substitutability between domestically produced snow throwers and snow throwers imported from China.

Lead times

Snow throwers are primarily sold from inventory. U.S. producers reported that *** percent of their commercial shipments were sold from inventory, with lead times averaging *** days. The remaining *** percent of their commercial shipments were produced-to-order, with lead times averaging *** days. Importers reported that *** percent of their shipments were sold from U.S. inventories with lead times of *** days. The remaining *** percent of their shipments were sold from foreign inventories with average lead times of nearly *** months.

Factors affecting purchasing decisions

Purchasers responding to lost sales lost revenue allegations[17] were asked to identify the main purchasing factors their firm considered in their purchasing decisions for snow throwers. The major purchasing factors identified by firms include brand, quality, and price (table II-6).

Table II-6
Snow throwers: Ranking of factors used in purchasing decisions as reported by U.S. purchasers, by factor

Item	1st	2nd	3rd	Total
	Number of firms			
Brand	3	0	1	4
Quality	1	1	2	4
Price / Cost	0	1	1	2
All other factors	1	2	1	NA

Note: Some firms reported multiple factors as the most important factors and each factor has been counted. Other factors reported by purchasers include specifications, margin rates, capacity, and timeliness.

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

[17] This information is compiled from responses by purchasers identified by Petitioners or other U.S. producers to the lost sales lost revenue allegations. See Part V for additional information.

Comparison of U.S.-produced and imported snow throwers

In order to determine whether U.S.-produced snow throwers can generally be used in the same applications as imports from China, U.S. producers and importers were asked whether the products can always, frequently, sometimes, or never be used interchangeably. As shown in table II-7, most U.S. producers and importers reported that snow throwers produced in the United States and in China are always or frequently interchangeable.

Table II-7
Snow throwers: Interchangeability between snow throwers produced in the United States and in other countries, by country pair

Country pair	U.S. producers				U.S. importers			
	A	F	S	N	A	F	S	N
United States vs. China	1	2	1	0	1	5	1	0
United States vs. Other	1	1	1	0	0	2	1	0
China vs. Other	1	1	0	0	0	2	0	0

Note: A=Always, F=Frequently, S=Sometimes, N=Never.

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

In addition, U.S. producers and importers were asked to assess how often differences other than price were significant in sales of snow throwers from the United States, subject, or nonsubject countries. As seen in table II-8, most U.S. producers reported that differences other than price are only sometimes significant when comparing U.S.-produced snow throwers with snow throwers imported from China and from other countries. Most importers, however, reported that differences other than price between U.S.-produced snow throwers and snow throwers imported from China are always or frequently significant, citing factors including brand ratings, product performance and quality, ability for dealer to provide transportation and service, specifications, product ranges, and availability.

Table II-8
Snow throwers: Significance of differences other than price between snow throwers produced in the United States and in other countries, by country pair

Country pair	U.S. producers				U.S. importers			
	A	F	S	N	A	F	S	N
United States vs. China	0	1	3	0	3	3	2	0
United States vs. Other	0	1	2	0	0	1	2	0
China vs. Other	0	0	2	0	0	0	2	0

Note: A = Always, F = Frequently, S = Sometimes, N = Never.

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

Part III: U.S. producers' production, shipments, and employment

The Commission analyzes a number of factors in making injury determinations (see 19 U.S.C. §§ 1677(7)(B) and 1677(7)(C)). Information on the subsidies and dumping margins was presented in *Part I* of this report and information on the volume and pricing of imports of the subject merchandise is presented in *Part IV* and *Part V*. Information on the other factors specified is presented in this section and/or *Part VI* and (except as noted) is based on the questionnaire responses of six firms that accounted for virtually all of U.S. production of snow throwers during 2020.

U.S. producers

The Commission issued a U.S. producer questionnaire to seven firms based on information contained in the petition, and industry sources. Six firms provided usable data on their operations.[1] Staff believes that these responses represent virtually all of U.S. production of snow throwers.

Table III-1 lists U.S. producers of snow throwers, their production locations, positions on the petition, and shares of total production.

[1] Data for *** are limited. The firm ***. Another U.S. producer identified in the petition, Snapper Inc., is a brand licensed by U.S. producer Briggs & Stratton. Two entities, *** provided a single U.S. producer questionnaire response, with ***.

Table III-l
Snow throwers: U.S. producers, their position on the petition, location of production, and share of reported production, 2020

Firm	Position on petition	Production location(s)	Share of production (percent)
Ariens	***	Brillion, WI	***
Briggs & Stratton	***	Wauwatosa, WI	***
Honda	***	Swepsonville, NC	***
Husqvarna	***	Orangeburg, SC	***
MTD	Petitioner	Valley City, OH Willard, OH Martin, TN Tupelo, MS	***
Toro	***	Windom, Minnesota Shakopee, Minnesota	***
Total			100.0

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

Table III-2 presents information on U.S. producers' ownership, related and/or affiliated firms.

Table III-2
Snow throwers: U.S. producers' ownership, related and/or affiliated firms

Item / Firm	Firm Name	Affiliated/Ownership
Ownership:		
***	***	***
***	***	***
***	***	***
Related producers:		
***	***	***

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

As indicated in table III-2, no U.S. producers are related to Chinese producers or to U.S. importers of snow throwers from China. One U.S. producer, ***, is related to a U.S. importer *** of snow throwers from Japan. In addition, as discussed in greater detail below, three U.S. producers directly import snow throwers from China, and two U.S. producers import snow throwers from nonsubject sources.

Table III-3 presents U.S. producers' reported changes in operations since January 1, 2018. Two U.S. producers, MTD and Husqvarna, closed manufacturing plants during 2018-20. MTD closed its manufacturing facility for components and aftermarket parts in Leitchfield, Kentucky, in June 2020.[2] Husqvarna closed its manufacturing facility that produced gas-powered, walk-behind lawnmowers, tillers and snow throwers in McRae, Georgia in 2019 and moved its snow thrower production to its Orangeburg, South Carolina.[3] *** U.S. producers relocated some aspect of their operations, ranging from ***, to ***, to ***. In 2020, Briggs & Stratton completed a sale to KPS Capital Partners, LP and successfully exited from a Chapter 11 Bankruptcy proceeding.[4]

[2] *MTD webpage*, https://www.mtdproducts.com/en_US/MTD-Closed-Leitchfield-Kentucky-Facility.html, retrieved May 6, 2021. *2020: The Year in Review*, https://www.messenger-inquirer.com/grayson_county/news/2020-the-year-in-review/article_87d45f20-987b-5f5c-a9e6-6b69126e867b.html, retrieved May 6, 2021.

[3] Petition, Exhibit I-18. *Husqvarna to sell or close McRae facility*, https://www.savannahnow.com/business/20180918/husqvarna-to-sell-or-close-mcrae-facility, retrieved May 6, 2021.

[4] *Briggs & Stratton webpage*, https://www.briggsandstratton.com/na/en_us/news-room/briggs-and-stratton-announces-sale-to-kps-capital-partners.html, retrieved May 6, 2021.

Table III-3
Snow throwers: U.S. producers' reported changes in operations, since January 1, 2018

Item / Firm	Reported changed in operations
Plant closings:	
***	***
***	***
Relocations:	
***	***
***	***
***	***
Consolidations:	
***	***
Revised labor agreements:	
***	***
Other:	
***	***

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

U.S. production, capacity, and capacity utilization

Table III-4 and figure III-1 present U.S. producers' production, capacity, and capacity utilization. U.S. producers' capacity decreased from *** units in 2018 to *** units in 2019 before increasing to *** units in 2020, a *** percent decrease from 2018 to 2020. The closure of Husqvarna's manufacturing plant in McRae, Georgia in 2019 had a large impact on U.S. producers' capacity during 2019. U.S. producers' production decreased by *** percent from 2018 to 2020, with *** accounting for more than *** of the decrease.[5] Capacity utilization increased from 2018 to 2019 (***) before decreasing from *** percent to *** percent from 2019 to 2020. The decrease in U.S. producers' capacity utilization from 2019 to 2020 is consistent with lower levels of production by *** of the six U.S. producers, including a reduction of more than *** units by ***.

[5] ***.

Table III-4
Snow throwers: U.S. producers' capacity, production, and capacity utilization, 2018-20

Item	Calendar year		
	2018	2019	2020
	Capacity (units)		
Ariens	***	***	***
Briggs & Stratton	***	***	***
Honda	***	***	***
Husqvarna	***	***	***
MTD	***	***	***
Toro	***	***	***
All firms	***	***	***
	Production (units)		
Ariens	***	***	***
Briggs & Stratton	***	***	***
Honda	***	***	***
Husqvarna	***	***	***
MTD	***	***	***
Toro	***	***	***
All firms	***	***	***
	Capacity utilization (percent)		
Ariens	***	***	***
Briggs & Stratton	***	***	***
Honda	***	***	***
Husqvarna	***	***	***
MTD	***	***	***
Toro	***	***	***
All firms	***	***	***
	Share of production (percent)		
Ariens	***	***	***
Briggs & Stratton	***	***	***
Honda	***	***	***
Husqvarna	***	***	***
MTD	***	***	***
Toro	***	***	***
All firms	100.0	100.0	100.0

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

Figure III-1
Snow throwers: U.S. producers' capacity, production, and capacity utilization, 2018-20

* * * * * * *

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

Alternative products

As shown in table III-5, snow throwers accounted for a relatively small share of overall production by U.S. producers on shared equipment. *** firms (*** reported producing other products using the same equipment, machinery, or employees as used to produce snow throwers. These products included ***. Overall capacity declined by *** percent from 2018 to 2019 and by *** percent from 2019 to 2020. The decline in overall capacity reflected Husqvarna's plant closure in 2019 and ***.[6]

Table III-5
Snow throwers: U.S. producers' overall capacity and production on the same equipment as subject production, 2018-20

Item	Calendar year		
	2018	2019	2020
	Quantity (units)		
Overall capacity	***	***	***
Production:			
Snow throwers	***	***	***
Other production	***	***	***
Total production on same machinery	***	***	***
	Ratios and shares (percent)		
Overall capacity utilization	***	***	***
Share of production:			
Snow throwers	***	***	***
Other production	***	***	***
Total production on same machinery	100.0	100.0	100.0

Note.—Data do not include out-of-scope production figures for ***.

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

[6] ***'s producer questionnaire response, sections II-2a and II-3a.

U.S. producers' U.S. shipments and exports

Table III-6 presents U.S. producers' U.S. shipments, export shipments, and total shipments. Internal consumption and transfers to related parties jointly accounted for less than two percent of total shipments in each year between 2018 and 2020. ***, reported transfers to related firms, accounting for *** percent of U.S. producers' U.S. shipments, by quantity, during 2018-20. One firm, ***, reported limited internal consumption reflecting ***. U.S. producers' U.S. shipments increased by quantity and by value in 2019, before declining by both measures in 2020. Every U.S. producer except *** reported export shipments, primarily to ***, which ranged from *** to *** percent of total U.S. producers' total shipments during 2018-20. Average unit values of both U.S. shipments and export shipments increased in both 2019 and 2020.

The Commission also asked U.S. producers to differentiate their U.S. shipments of snow throwers between fully assembled and unfinished/unassembled.[7] During 2018-20, U.S. producers reported that the vast majority of their U.S. shipments of snow throwers were unassembled. The petitioner has stated that, to their knowledge, there are no intermediate assemblers of snow throwers in the United States[8] and that virtually all snow throwers are sold unassembled in kits for final assembly by a retailer/distributor or end-user. Snow throwers are sold as finished products that require minimal assembly by end users (retail customers). This final assembly can be performed with a basic toolkit and can include installing the chute, putting the handlebars in the proper position, bolting screws, and adding oil and gasoline.[9]

The Commission also asked questionnaire recipients whether they produce snow throwers with certain characteristics. U.S. producers' responses indicated that their production consists of snow throwers with all of the characteristics identified in the Commission's questionnaire: 1) self-propelled and push only propellant technologies; 2) pull and auto start technologies; 3) one, two (dual), and three stage snow throwers; and 4) snow throwers with clearing widths of less than 18'', 18"-- 26", and greater than 26".

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[7] An unfinished and/or unassembled snow thrower includes at minimum a subassembly comprised of an engine, auger housing (i.e., intake frame), and an auger (or "auger paddle") packaged or imported together. Shipment of the subassembly whether or not accompanied by, or attached to, additional components including, but not limited to, handle(s), impeller(s), chute(s), track tread(s), or wheel(s) constitutes an unfinished snow thrower.

[8] Petitioner's postconference brief, Responses to Staff Hearing Questions, p.3.

[9] Conference transcript, pp. 47-79 (Schaefer, Musacchia).

Table III-6
Snow throwers: U.S. producers' U.S. shipments, export shipments, and total shipments, 2018-20

Item	Calendar year		
	2018	2019	2020
	Quantity (units)		
U.S. shipments	***	***	***
Export shipments	***	***	***
Total shipments	***	***	***
	Value (1,000 dollars)		
U.S. shipments	***	***	***
Export shipments	***	***	***
Total shipments	***	***	***
	Unit value (dollars per unit)		
U.S. shipments	***	***	***
Export shipments	***	***	***
Total shipments	***	***	***
	Share of quantity (percent)		
U.S. shipments	***	***	***
Export shipments	***	***	***
Total shipments	100.0	100.0	100.0
	Share of value (percent)		
U.S. shipments	***	***	***
Export shipments	***	***	***
Total shipments	100.0	100.0	100.0

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

U.S. producers' inventories

Table III-7 presents U.S. producers' end-of-period inventories and the ratio of these inventories to U.S. producers' production, U.S. shipments, and total shipments**.** U.S. producers' end-of-period inventories decreased in 2019 before increasing in 2020, by quantity. Similarly, the ratio of inventories to U.S. production, U.S. shipments, and total shipments decreased in 2019 before increasing in 2020. *** accounted for between *** percent of U.S. producers' end-of-period inventories during 2018-20 and accounted for a majority of the decrease in 2019 and subsequent increase in 2020.[10]

Table III-7
Snow throwers: U.S. producers' inventories, 2018-20

Item	Calendar year		
	2018	2019	2020
	Quantity (units)		
U.S. producers' end-of-period inventories	***	***	***
	Ratio (percent)		
Ratio of inventories to.--			
U.S. production	***	***	***
U.S. shipments	***	***	***
Total shipments	***	***	***

Note.—*** provided an incomplete questionnaire that did not include the data presented above.

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

[10] Total snowfall in the winter of 2018-2019 was *** and total snowfall in the winter of 2019-2020 was ***. Petitioner's postconference brief, Responses to Staff Hearing Questions, p.7.

U.S. producers' imports

U.S. producers' imports of snow throwers are presented in table III-8. Every U.S. producer except *** reported importing some quantity of snow throwers from either China or ***.[11] Imports of snow throwers by *** from *** and ***, respectively, *** exceeded production of snow throwers by those firms in the United States.

Table III-8
Snow throwers: U.S. producers' imports, 2018-20

Item	Calendar year		
	2018	2019	2020
	Quantity (units)		
***	***	***	***
***	***	***	***
***	Ratio (percent)		
***	***	***	***
***	Narrative		
***	***		
	Quantity (units)		
***	***	***	***
***	***	***	***
	Ratio (percent)		
***	***	***	***
	Narrative		
***	***		

Table continued on the next page.

[11] ***'s reported imports of snow throwers from China ***.

Table III-8--Continued
Snow throwers: U.S. producers' imports, 2018-20

Item	Calendar year		
	2018	2019	2020
***	***	***	***
***	***	***	***
***	Ratio (percent)		
***	***	***	***
	Narrative		
***	***		
	Quantity (units)		
***	***	***	***
***	***	***	***
	Ratio (percent)		
***	***	***	***
	Narrative		
***	***		
	Quantity (units)		
***	***	***	***
***	***	***	***
	Ratio (percent)		
***	***	***	***
	Narrative		
***	***		

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

U.S. employment, wages, and productivity

Table III-9 shows U.S. producers' employment-related data. The number of production and related workers ("PRWs") decreased by *** percent between 2018 and 2020, with a net decline of *** from *** to ***. This reflects ***'s decrease of *** PRWs during this period. During the same period, total hours worked declined, although hours worked per PRW increased. Hourly wages for PRWs increased by *** percent from 2018 to 2020, while productivity decreased by *** percent during the same period. Consistent with the growth in wage rates and decline in productivity, unit labor costs increased by *** percent, from $*** per unit in 2018 to $*** per unit in 2020.

Table III-9
Snow throwers: U.S. producers' employment related data, 2018-20

Item	Calendar year		
	2018	2019	2020
Production and related workers (PRWs) (number)	***	***	***
Total hours worked (1,000 hours)	***	***	***
Hours worked per PRW (hours)	***	***	***
Wages paid ($1,000)	***	***	***
Hourly wages (dollars per hour)	***	***	***
Productivity (units per 1,000 hours)	***	***	***
Unit labor costs (dollars per unit)	***	***	***

Note.--*** provided an incomplete questionnaire that did not include the data presented above.

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

Part IV: U.S. imports, apparent U.S. consumption, and market shares

U.S. importers

The Commission issued importer questionnaires to 32 firms believed to be importers of subject snow throwers, as well as to all U.S. producers of snow throwers.[1] Usable questionnaire responses were received from 11 companies,[2] representing *** percent of U.S. imports from China in 2020 under HTS subheading 8430.20.0060, a statistical reporting number that also includes electric snow blowers.

Thirteen firms reported that they did not import snow throwers into the United States, including firms that staff believes are major importers under HTS statistical reporting number 8430.20.0060. As such, staff believes that official import statistics for HTS statistical reporting number 8430.20.0060 are overstated with respect to in-scope snow throwers. Staff estimates that reported import volumes account for the majority of U.S. imports of in-scope snow throwers. Accordingly, import quantities and values presented in this report are derived from questionnaire responses. Such data may be understated due to the firms that did not return questionnaires.

Table IV-1 lists all responding U.S. importers of snow throwers from China and other sources, their locations, and their shares of U.S. imports, in 2020.

[1] The Commission issued questionnaires to those firms identified in the petition and other sources ***.

[2] *** was not able to provide a completed U.S. importer questionnaire but provided a partial response including ***. Thirteen firms reported that they did not import snow throwers into the United States: ***.

Table IV-1
Snow throwers: U.S. importers, their headquarters, and share of total imports by source, 2020

Firm	Headquarters	Share of imports by source (percent)		
		China	Nonsubject sources	All import sources
Amazon	Seattle, WA	***	***	***
Ariens	Brillion, WI	***	***	***
Briggs & Stratton	Wauwatosa, WI	***	***	***
Generac	Waukesha, WI	***	***	***
Home Depot	Atlanta, GA	***	***	***
Honda	Torrance, CA	***	***	***
Husqvarna	Charlotte, NC	***	***	***
Massimo	Garland, TX	***	***	***
Pulsar Products	Ontario, CA	***	***	***
Scojet	Brunswick, GA	***	***	***
Toro	Bloomington, MN	***	***	***
Total		100.0	100.0	100.0

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

U.S. imports

Table IV-2 and figure IV-1 present data for U.S. imports of snow throwers from China and all other sources. U.S. imports of snow throwers from China approximately tripled from 2018 to 2020, increasing *** percent by quantity, and *** percent by value. During the same period, U.S. imports of snow throwers from nonsubject sources increased by *** percent by quantity and *** percent by value. Only two firms, ***, reported imports of snow throwers from nonsubject sources during 2018-20 with *** accounting for *** such imports of snow throwers from nonsubject sources with their reported imports from ***. Overall, U.S. imports of snow throwers from all sources increased by *** percent by quantity, and *** percent by value, between 2018 and 2020.

Average unit values of U.S. imports from China decreased by *** percent, while average unit values in U.S. imports from nonsubject sources increased by *** percent from 2018 to 2020. Overall, the increase in average unit values from all import sources was *** percent during 2018-20. U.S. imports of snow throwers from China increased as a share of total imports of snow throwers by quantity from *** percent in 2018 to *** percent in 2020. During 2018-20, U.S. imports of snow throwers as a ratio to U.S. production increased by *** percentage points for subject imports from China and by *** percentage points for imports from nonsubject sources for an overall increase of *** percentage points.

Table IV-2
Snow throwers: U.S. imports, by source, 2018-20

Item	Calendar year		
	2018	2019	2020
	Quantity (units)		
U.S. imports from.--			
China	***	***	***
Nonsubject sources	***	***	***
All import sources	***	***	***
	Value (1,000 dollars)		
U.S. imports from.--			
China	***	***	***
Nonsubject sources	***	***	***
All import sources	***	***	***
	Unit value (dollars per unit)		
U.S. imports from.--			
China	***	***	***
Nonsubject sources	***	***	***
All import sources	***	***	***
	Share of quantity (percent)		
U.S. imports from.--			
China	***	***	***
Nonsubject sources	***	***	***
All import sources	100.0	100.0	100.0
	Share of value (percent)		
U.S. imports from.--			
China	***	***	***
Nonsubject sources	***	***	***
All import sources	100.0	100.0	100.0
	Ratio to U.S. production		
U.S. imports from.--			
China	***	***	***
Nonsubject sources	***	***	***
All import sources	***	***	***

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

Figure IV-1
Snow throwers: U.S. import quantities and average unit values, 2018-20

* * * * * * *

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

Because of the possibility of changes to the scope of the investigations after the issuance and receipt of its questionnaires, the Commission collected additional data regarding imports of snow throwers containing Chinese small vertical shaft engines with a minimum displacement of 99 cubic centimeters (cc) and a maximum displacement of up to, but not including, 225cc ("SVSEs"). The Commission also asked questionnaire recipients to report imports of snow throwers containing Chinese large vertical shaft engines with displacement between 225cc and 999cc ("LVSEs"). *** firms *** reported imports of snow throwers containing SVSEs from China in 2020, up from *** in 2019 and *** in 2018. No questionnaire recipients reported such imports from nonsubject sources. The share of imports of snow throwers from China containing SVSEs were relatively small, although they did increase from *** percent in 2018 and *** percent in 2019 to *** percent in 2020. Responding U.S. importers did not report any imports, from any sources, of snow throwers containing Chinese LVSEs.

The Commission also asked questionnaire recipients whether they import snow throwers with certain characteristics. U.S. importers' responses indicated that subject imports of snow throwers consist of merchandise with: 1) self-propelled and push only propellant technologies; 2) pull and auto start technologies; 3) one and two (dual) stage snow throwers; and 4) snow throwers with clearing width of 18"-- 26" and greater than 26" (no questionnaire recipients reported subject imports with clearing width of less than 18'').

The Commission also asked responding firms to differentiate their U.S. imports of snow throwers between fully assembled and unfinished/unassembled.[3] The vast majority of U.S. shipments of subject imports were reported to be unassembled. As discussed earlier in Part III, virtually all snow throwers are sold unassembled in kits as finished products for final minimal assembly by a retailer/distributor or end-user.

[3] An unfinished and/or unassembled snow thrower includes at minimum a subassembly comprised of an engine, auger housing (i.e., intake frame), and an auger (or "auger paddle") packaged or imported together. Shipment of the subassembly whether or not accompanied by, or attached to, additional components including, but not limited to, handle(s), impeller(s), chute(s), track tread(s), or wheel(s) constitutes an unfinished snow thrower.

Negligibility

The statute requires that an investigation be terminated without an injury determination if imports of the subject merchandise are found to be negligible.[4] Negligible imports are generally defined in the Act, as amended, as imports from a country of merchandise corresponding to a domestic like product where such imports account for less than 3 percent of the volume of all such merchandise imported into the United States in the most recent 12-month period for which data are available that precedes the filing of the petition or the initiation of the investigation. However, if there are imports of such merchandise from a number of countries subject to investigations initiated on the same day that individually account for less than 3 percent of the total volume of the subject merchandise, and if the imports from those countries collectively account for more than 7 percent of the volume of all such merchandise imported into the United States during the applicable 12-month period, then imports from such countries are deemed not to be negligible.[5] Imports from China accounted for *** percent of total imports of snow throwers by quantity during March 2020 through February 2021 , as presented in table IV-3.

Table IV-3
Snow throwers: U.S. imports in the twelve-month period preceding the filing of the petition, March 2020 through February 2021

Item	March 2020 through February 2021	
	Quantity (units)	Share quantity (percent)
U.S. imports from.--		
China	***	***
Nonsubject sources	***	***
All import sources	***	100.0

Note.—*** provided an incomplete questionnaire that did not include the data presented above.

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

[4] Sections 703(a)(1), 705(b)(1), 733(a)(1), and 735(b)(1) of the Act (19 U.S.C. §§ 1671b(a)(1), 1671d(b)(1), 1673b(a)(1), and 1673d(b)(1)).

[5] Section 771 (24) of the Act (19 U.S.C § 1677(24)).

Apparent U.S. consumption and market shares

Table IV-4 and figure IV-2 present data on apparent U.S. consumption and U.S. market shares for snow throwers. Apparent U.S. consumption increased by *** percent by quantity, and by *** percent, by value, from 2018 to 2019 before declining by *** percent by quantity, and by *** percent by value, from 2019 to 2020. Overall, from 2018 to 2020, apparent U.S. consumption declined by *** percent by quantity, from *** units to *** units and by *** percent by value, from *** dollars to *** dollars.

U.S. producers' share of apparent U.S. consumption decreased from *** percent to *** percent, by quantity, and from *** percent to *** percent, by value, from 2018 to 2020. Subject imports' share of the U.S. market increased from *** percent to *** percent, by quantity, and from *** percent to *** percent, by value, from 2018 to 2020. The share of nonsubject imports (***) increased from *** percent to *** percent, by quantity, and from *** percent to *** percent, by value, during the same period.

Table IV-4
Snow throwers: Apparent U.S. consumption and market shares, 2018-20

Item	Calendar year		
	2018	2019	2020
	Quantity (units)		
U.S. producers' U.S. shipments	***	***	***
U.S. importers' U.S. shipments of imports from.--China	***	***	***
Nonsubject sources	***	***	***
All import sources	***	***	***
Apparent U.S. consumption	***	***	***
	Value (1,000 dollars)		
U.S. producers' U.S. shipments	***	***	***
U.S. importers' U.S. shipments of imports from.--China	***	***	***
Nonsubject sources	***	***	***
All import sources	***	***	***
Apparent U.S. consumption	***	***	***
	Share of quantity (percent)		
U.S. producers' U.S. shipments	***	***	***
U.S. importers' U.S. shipments of imports from.--China	***	***	***
Nonsubject sources	***	***	***
All import sources	***	***	***
	Share of value (percent)		
U.S. producers' U.S. shipments	***	***	***
U.S. importers' U.S. shipments of imports from.--China	***	***	***
Nonsubject sources	***	***	***
All import sources	***	***	***

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

Figure IV-2
Snow throwers: Apparent U.S. consumption, 2018-20

* * * * * * *

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

The Commission asked U.S. producers and importers to report their monthly production and importation of snow throwers from January 2018 to February 2021. The U.S. market for snow blowers typically follows a seasonal pattern where a majority of sales occur during the winter months[6] and production takes place predominantly during the summer months.[7] These data are presented in table IV-5 and figure IV-3.

The data reported by U.S. producers show that U.S. snow thrower production tends to increase from May to August/September and decrease from September/October to March/April, peaking around August/September. The vast majority of U.S. imports of snow throwers occurs during the six-month period from July to December.

[6] Petition, Exhibit I-1.
[7] ***. Petitioner's postconference brief, Responses to Staff Hearing Questions, p.5.

Table IV-5
Snow throwers: U.S. producers' production and U.S. importers' imports, by month, January 2018 - February 2021

Period	U.S. producers' production	U.S. importers' imports from.--			U.S. producers and U.S. importers combined
		China	Nonsubject sources	All import sources	
	Quantity (units)				
2018:					
January	***	***	***	***	***
February	***	***	***	***	***
March	***	***	***	***	***
April	***	***	***	***	***
May	***	***	***	***	***
June	***	***	***	***	***
July	***	***	***	***	***
August	***	***	***	***	***
September	***	***	***	***	***
October	***	***	***	***	***
November	***	***	***	***	***
December	***	***	***	***	***
2019:					
January	***	***	***	***	***
February	***	***	***	***	***
March	***	***	***	***	***
April	***	***	***	***	***
May	***	***	***	***	***
June	***	***	***	***	***
July	***	***	***	***	***
August	***	***	***	***	***
September	***	***	***	***	***
October	***	***	***	***	***
November	***	***	***	***	***
December	***	***	***	***	***

Table continued on next page.

Table IV-5--Continued
Snow throwers: U.S. producers' production and U.S. importers' imports, by month, January 2018 - February 2021

Period	U.S. producers' production	U.S. importers' imports from.--			U.S. producers and U.S. importers combined
		China	Nonsubject sources	All import sources	
	Quantity (units)				
2020:					
January	***	***	***	***	***
February	***	***	***	***	***
March	***	***	***	***	***
April	***	***	***	***	***
May	***	***	***	***	***
June	***	***	***	***	***
July	***	***	***	***	***
August	***	***	***	***	***
September	***	***	***	***	***
October	***	***	***	***	***
November	***	***	***	***	***
December	***	***	***	***	***
2021:					
January	***	***	***	***	***
February	***	***	***	***	***

Table continued on next page.

Table IV-5--Continued
Snow throwers: U.S. producers' production and U.S. importers' imports, by month, January 2018 - February 2021

Period	U.S. producers' production	U.S. importers' imports from.--			U.S. producers and U.S. importers combined
		China	Nonsubject sources	All import sources	
	Share across (percent)				
2018:					
January	***	***	***	***	100.0
February	***	***	***	***	100.0
March	***	***	***	***	100.0
April	***	***	***	***	100.0
May	***	***	***	***	100.0
June	***	***	***	***	100.0
July	***	***	***	***	100.0
August	***	***	***	***	100.0
September	***	***	***	***	100.0
October	***	***	***	***	100.0
November	***	***	***	***	100.0
December	***	***	***	***	100.0
2019:					
January	***	***	***	***	100.0
February	***	***	***	***	100.0
March	***	***	***	***	100.0
April	***	***	***	***	100.0
May	***	***	***	***	100.0
June	***	***	***	***	100.0
July	***	***	***	***	100.0
August	***	***	***	***	100.0
September	***	***	***	***	100.0
October	***	***	***	***	100.0
November	***	***	***	***	100.0
December	***	***	***	***	100.0

Table continued on next page.

Table IV-5--Continued
Snow throwers: U.S. producers' production and U.S. importers' imports, by month, January 2018 - February 2021

Period	U.S. producers' production	U.S. importers' imports from.--			U.S. producers and U.S. importers combined
		China	Nonsubject sources	All import sources	
	Share across (percent)				
2020:					
January	***	***	***	***	100.0
February	***	***	***	***	100.0
March	***	***	***	***	100.0
April	***	***	***	***	100.0
May	***	***	***	***	100.0
June	***	***	***	***	100.0
July	***	***	***	***	100.0
August	***	***	***	***	100.0
September	***	***	***	***	100.0
October	***	***	***	***	100.0
November	***	***	***	***	100.0
December	***	***	***	***	100.0
2021:					
January	***	***	***	***	100.0
February	***	***	***	***	100.0

Note.--Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent.

Note.—*** provided an incomplete questionnaire that did not include U.S. importers' imports, by month, data presented above.

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

Figure IV-3
Snow throwers: U.S. producers' production and U.S. importers' imports, by month, January 2018 - February 2021, January 2018 through December 2020

* * * * * * *

Note.—*** provided an incomplete questionnaire that did not include U.S. importers' imports, by month, data presented above.

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

Part V: Pricing data

Factors affecting prices

Raw material costs

Snow thrower bodies and augers are made from metal, typically cast aluminum or steel. Snow throwers are made up of hundreds of parts and components, including the engine, impeller, auger, snow intake deck, chute, handle, and tires.[1] MTD stated that horizontal shaft engines are not available from the U.S. market, so it must import these components.[2]

U.S. producers' unit raw material costs fluctuated over the period but showed an overall increase from *** in 2018 to *** in 2020. Raw materials as a share of U.S. producers' cost of goods sold decreased during 2018-20 from *** percent in 2018 to *** percent in 2020.

The prices of aluminum sheet fluctuated between January 2018 and December 2020, and ultimately increased by *** percent. Steel sheet prices fluctuated similarly, but ultimately increased by *** percent (figure V-1).[3]

Two of four responding U.S. producers reported that raw material prices increased since January 1, 2018 and two reported that raw material prices had fluctuated. Among importers, four firms reported that raw material prices increased, four reported that raw material prices fluctuated, and one reported that they have remain stable. Importers cited component costs and commodity prices affecting raw material costs.

As shown in Part II, regarding the impact of section 301 tariffs on raw material and component costs, most responding firms reported that prices for snow throwers had increased and a plurality of responding firms reported that raw material costs had also increased as well (table II-1). MTD reported that the section 232 tariffs also increased the costs of snow thrower production.[4]

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[1] Petition, p. 12.

[2] Conference transcript, p. 72 (Schaefer); Petitioner's postconference brief, pp. 23-24.

[3] Following petitions filed on imports from 18 countries in March 2020 and subsequent investigations by Commerce and the Commission, Commerce issued a combination of antidumping and countervailing duty orders covering common alloy aluminum sheet from 16 countries in April 2021. See generally 86 FR 22139-22144, April 27, 2021.

[4] Conference transcript, pp. 30, 70 (McConoughey, Schaefer); Petitioner's postconference brief, pp. 23-24.

Figure V-1
Raw materials: Aluminum and steel sheet prices, monthly, January 2018-December 2020

* * * * * * *

Transportation costs to the U.S. market

Transportation costs for snow throwers shipped from China to the United States averaged *** percent during 2020. These estimates were derived from official import data and represent the transportation and other charges on imports.[5]

U.S. inland transportation costs

Most responding U.S. producers (3 of 5) reported that they typically arrange transportation to their customers, while most importers (5 of 9) reported that purchasers typically arrange transportation. Most U.S. producers reported that their U.S. inland transportation costs ranged from 0.5 percent to 4.5 percent while importers reported costs of 3.0 percent to 15.0 percent.

[5] The estimated transportation costs were obtained by subtracting the customs value from the c.i.f. value of the imports for 2020 and then dividing by the customs value based on the HTS statistical reporting number 8430.20.0060.

Pricing practices

Pricing methods

U.S. producers and importers generally reported setting prices using contracts and set price lists (table V-1).

Table V-1
Snow throwers: U.S. producers' and importers' reported price setting methods, by number of responding firms

Method	U.S. producers	U.S. importers
Transaction-by-transaction	0	1
Contract	3	3
Set price list	4	6
Other	0	0
Responding firms	5	8

Note: The sum of responses down may not add up to the total number of responding firms as each firm was instructed to check all applicable price setting methods employed.

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

U.S. producers and importers reported selling most of their snow throwers under annual contracts (table V-2).[6]

Table V-2
Snow throwers: U.S. producers' and importers' shares of U.S. commercial shipments by type of sale, 2020

Item	U.S. producers	Subject U.S. importers
	Share (percent)	
Long-term contracts	***	***
Annual contracts	***	***
Short-term contracts	***	***
Spot sales	***	***

Note: Because of rounding, figures may not add to the totals shown.

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

U.S. producers reported that their annual contracts generally fix prices, but not quantities, and that these prices are not indexed to raw material costs. Similarly, most importers reported that their short-term, annual, and long-term contracts fix prices (some fix quantity as well) and are not indexed to raw material costs. Petitioner stated that because of

[6] Importers *** reported selling mainly via annual or longer-term contracts and importers *** reported selling via short-term contracts.

the volatility of sales volumes season to season, contracts set price but not volumes and also establish the number of stores in which the product will be sold.[7] For smaller customers, MTD may work from a price list rather than enter into negotiations, and these price lists are published annually.[8]

MTD generally negotiates contracts beginning in January and contracts are finalized by mid-April. It builds snow throwers during the summer for shipments to retailers in late July, and retailers begin selling snow throwers in late summer.[9] While the contracts are negotiated on an annual basis, most of the sales occur between August and February.[10]

Sales terms and discounts

U.S. producers and importers typically quote prices on an f.o.b. basis. U.S. producers reported offering quantity discounts and total volume discounts. U.S. producer *** reported that it offers annual rebates and U.S. producer *** reported that some sales agreements offer annual growth discounts.

Price and purchase cost data

The Commission requested U.S. producers and importers to provide quarterly data for the total quantity and f.o.b. value of the following snow throwers products shipped to unrelated U.S. retailers during 2018-20. In addition, firms that imported these products from China for retail sale were requested to provide import purchase cost data for these products.

Product 1.-- Single-stage walk-behind snow thrower with between 18” and 22” clearing width.

Product 2.-- Single-stage walk-behind snow thrower with between 23” and 26” clearing width.

Product 3.-- Dual-stage walk-behind snow thrower with between 22” and 26” clearing width.

Product 4.-- Dual-stage walk-behind snow thrower with between 27” and 32” clearing width.

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[7] Conference transcript, p. 74 (Mattern).
[8] Conference transcript, p. 75 (Mattern).
[9] Conference transcript, p. 20 (Mattern).
[10] Conference transcript, p. 74 (Mattern).

Five U.S. producers[11] and five importers (***) provided usable pricing data for sales of the requested products, and three importers (***) provided usable purchase cost data, although not all firms reported pricing for all products for all quarters.[12] Pricing data reported by these firms accounted for approximately *** percent of U.S. producers' commercial U.S. shipments of snow throwers and *** percent of subject imports from China in 2020.[13] Purchase cost data reported by these firms accounted for *** percent of subject imports from China in 2020. Price data and landed duty paid purchase cost data for products 1, 3, and 4 are presented in tables V-3 to V-5 and figures V-2 to V-4.[14] No price or purchase cost data were reported for pricing product 2.

[11] U.S. price data include data reported by ***.

[12] Per-unit pricing data are calculated from total quantity and total value data provided by U.S. producers and importers. The precision and variation of these figures may be affected by rounding, limited quantities, and producer or importer estimates.

[13] Pricing coverage is based on commercial U.S. shipments and imports reported in questionnaires.

[14] LDP import value does not include any potential additional costs that a purchaser may incur by importing rather than purchasing from another importer or U.S. producer. Price-cost differentials are based on LDP import values whereas margins of underselling/overselling are based on importer sales prices.

Table V-3
Snow throwers: Weighted-average f.o.b. prices and quantities of domestic and imported product 1, margins of underselling/(overselling), and price-cost differentials, by quarter, 2018-20

Period	United States		China price			China cost		
	Price (dollars per unit)	Quantity (units)	Price (dollars per unit)	Quantity (units)	Margin (percent)	Unit LDP value (dollars per unit)	Quantity (units)	Price-cost differential (percent)
2018:								
Jan.-Mar.	***	***	***	***	***	***	***	***
Apr.-Jun.	***	***	***	***	***	***	***	***
Jul.-Sep.	***	***	***	***	***	***	***	***
Oct.-Dec.	***	***	***	***	***	***	***	***
2019:								
Jan.-Mar.	***	***	***	***	***	***	***	***
Apr.-Jun.	***	***	***	***	***	***	***	***
Jul.-Sep.	***	***	***	***	***	***	***	***
Oct.-Dec.	***	***	***	***	***	***	***	***
2020:								
Jan.-Mar.	***	***	***	***	***	***	***	***
Apr.-Jun.	***	***	***	***	***	***	***	***
Jul.-Sep.	***	***	***	***	***	***	***	***
Oct.-Dec.	***	***	***	***	***	***	***	***

Note: Product 1: Single-stage walk-behind snow thrower with between 18” and 22” clearing width.

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

Table V-4
Snow throwers: Weighted-average f.o.b. prices and quantities of domestic and imported product 3, margins of underselling/(overselling), and price-cost differentials, by quarter, 2018-20

Period	United States		China price			China cost		
	Price (dollars per unit)	Quantity (units)	Price (dollars per unit)	Quantity (units)	Margin (percent)	Unit LDP value (dollars per unit)	Quantity (units)	Price-cost differential (percent)
2018:								
Jan.-Mar.	***	***	***	***	***	***	***	***
Apr.-Jun.	***	***	***	***	***	***	***	***
Jul.-Sep.	***	***	***	***	***	***	***	***
Oct.-Dec.	***	***	***	***	***	***	***	***
2019:								
Jan.-Mar.	***	***	***	***	***	***	***	***
Apr.-Jun.	***	***	***	***	***	***	***	***
Jul.-Sep.	***	***	***	***	***	***	***	***
Oct.-Dec.	***	***	***	***	***	***	***	***
2020:								
Jan.-Mar.	***	***	***	***	***	***	***	***
Apr.-Jun.	***	***	***	***	***	***	***	***
Jul.-Sep.	***	***	***	***	***	***	***	***
Oct.-Dec.	***	***	***	***	***	***	***	***

Note: Product 3: Dual-stage walk-behind snow thrower with between 22” and 26” clearing width.

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

Table V-5
Snow throwers: Weighted-average f.o.b. prices and quantities of domestic and imported product 4, margins of underselling/(overselling), and price-cost differentials, by quarter, 2018-20

	United States		China price			China cost		
Period	Price (dollars per unit)	Quantity (units)	Price (dollars per unit)	Quantity (units)	Margin (percent)	Unit LDP value (dollars per unit)	Quantity (units)	Price-cost differential (percent)
2018:								
Jan.-Mar.	***	***	***	***	***	***	***	***
Apr.-Jun.	***	***	***	***	***	***	***	***
Jul.-Sep.	***	***	***	***	***	***	***	***
Oct.-Dec.	***	***	***	***	***	***	***	***
2019:								
Jan.-Mar.	***	***	***	***	***	***	***	***
Apr.-Jun.	***	***	***	***	***	***	***	***
Jul.-Sep.	***	***	***	***	***	***	***	***
Oct.-Dec.	***	***	***	***	***	***	***	***
2020:								
Jan.-Mar.	***	***	***	***	***	***	***	***
Apr.-Jun.	***	***	***	***	***	***	***	***
Jul.-Sep.	***	***	***	***	***	***	***	***
Oct.-Dec.	***	***	***	***	***	***	***	***

Note: Product 4: Dual-stage walk-behind snow thrower with between 27” and 32” clearing width.

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

Figure V-2
Snow throwers: Weighted-average prices and quantities of domestic and imported product 1, by quarter, 2018-20

* * * * * * *

Figure V-3
Snow throwers: Weighted-average prices and quantities of domestic and imported product 3, by quarter, 2018-20

* * * * * * *

Figure V-4
Snow throwers: Weighted-average prices and quantities of domestic and imported product 4, by quarter, 2018-20

* * * * * * *

Import purchase costs

Importers reporting import purchase cost data were asked to provide additional information regarding the costs and benefits of directly importing snow throwers. Two of the three importers providing useable cost data reported that they incurred additional costs beyond landed duty-paid costs by importing snow throwers directly rather than purchasing from a U.S. producer or U.S. importer.[15]

Firms were also asked to describe how these additional costs incurred by importing snow throwers compare with additional costs incurred when purchasing from a U.S. producer or U.S. importer. *** reported that its additional cost to import, such as ***.

Two of the three importers (***) reporting useable import cost data indicated that they compare costs of importing to both the costs of purchasing from a U.S. producer and from a U.S. importer in determining whether to import snow throwers. The other importer (***) reported that it does not compare the cost of importing to the costs of purchasing from either U.S. producers or importers.

Five importers identified benefits from importing snow throwers directly instead of purchasing from U.S. producers or importers. Benefits included the ability to develop brand strategy, available product variety, availability of specialized parts, better quality, more transparency, supply chain savings and more control over supply chain process and shipping times, and speed to market. Importer *** reported that it considers selection of a variety of quality products with price points ranging from premium to more practical products, the availability of such products, and optimized production and logistics. *** added that when it imports products, it is "commonly because the domestic supplier {has been} unable to compete in product range, availability, or logistics."

[15] *** reported incurring additional costs. *** reported that it did not incur additional costs.

Firms were asked whether the cost (both excluding and including additional costs) of snow throwers they imported are lower than the price of purchasing snow throwers from a U.S. producer or importer. Four of five responding importers reported that the costs were lower not including additional costs and three of five responding importers reported that the costs were lower including the additional costs to import.[16]

Responding importers estimated that they saved between 15 percent and 35 percent of LDP value by importing snow throwers rather than purchasing from a U.S. producer and between 10 percent and 20 percent compared to purchasing from a U.S. importer.[17]

Purchaser *** reported that with most outdoor power equipment, the margin rate (or percentage mark-up) for product from *** ranges from 15-20 percent, while it can earn 25-35 percent if it imports snow throwers directly.[18] Purchaser *** also stated that freight costs from China have more than doubled in two years, so that these transport costs outweigh any advantage of importing directly.[19]

Price and import purchase cost trends

Price trends varied by product during 2018-20. Table V-6 summarizes the price trends, by country and by product.[20] As shown in the table, domestic price increases ranged from *** percent (product ***) to *** percent (product ***) during 2018-20, and the import price increase for product *** was *** percent. Prices for U.S.-produced product *** decreased by *** percent and price decreases for imported snow throwers from China ranged from *** percent (product ***) to *** percent (product ***).[21] Indexed price data for products 1, 3, and 4 are shown in figure V-6.

[16] *** reported that the costs were lower both excluding and including additional costs. *** reported that the costs were lower excluding additional costs but not when including additional costs. *** reported that the costs were not lower. The remaining importers did not respond to this question.

[17] *** based their estimates on previous company transactions; *** based their estimates on market research; *** based its estimates on bidding information, and *** based its estimates on an ***.

[18] Email from ***, April 27, 2021.

[19] Email from ***, April 27, 2021.

[20] If reported U.S. prices from *** would be *** percent for product 1, *** percent; for product 3, and *** percent for product 4.

[21] Insufficient purchase cost data were submitted to provide changes over time.

Table V-6
Snow throwers: Summary of weighted-average f.o.b. prices and LDP purchase costs

Item	Number of quarters	Low price (dollars per unit)	High price (dollars per unit)	Change in price over period (percent)
Product 1:				
United States	***	***	***	***
China price	***	***	***	***
China cost	***	***	***	***
Product 3:				
United States	***	***	***	***
China price	***	***	***	***
China cost	***	***	***	***
Product 4:				
United States	***	***	***	***
China price	***	***	***	***
China cost	***	***	***	***

Note: Change in price is percentage change from the first quarter in which data were available to the last quarter in which price data were available.

Note: No data were reported for pricing product 2.

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

Figure V-5
Snow throwers: Indexed prices, 2018-20

* * * * * * *

Price and purchase cost comparisons

Price comparisons

As shown in table V-7, prices for product imported from China were below those for U.S.-produced product in 29 of 31 instances (*** units); margins of underselling ranged from 2.1 to 49.5 percent.[22] In the remaining 2 instances (*** units), prices for product from China were between *** and *** percent above prices for the domestic product.

Table V-7
Snow throwers: Instances of underselling/overselling and the range and average of margins, 2018-20

Source	Underselling				
	Number of quarters	Quantity (units)	Average margin (percent)	Margin range (percent)	
				Min	Max
Product 1	***	***	***	***	***
Product 3	***	***	***	***	***
Product 4	***	***	***	***	***
Total, underselling	29	***	27.0	2.1	49.5
Source	**(Overselling)**				
	Number of quarters	Quantity (units)	Average margin (percent)	Margin range (percent)	
				Min	Max
Product 1	***	***	***	***	***
Product 3	***	***	***	***	***
Product 4	***	***	***	***	***
Total, overselling	2	***	(9.0)	(1.1)	(16.9)

Note: These data include only quarters in which there is a comparison between the U.S. and subject product.

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

[22] If reported U.S. prices from ***. The average margin of underselling would be *** percent and the average margin of overselling would be *** percent.

Price-cost comparisons

As shown in table V-8, landed duty-paid costs for snow throwers imported from China were below the sales price for U.S.-produced product in all 15 instances (*** units); price-cost differentials ranged from *** percent to *** percent.[23]

Table V-8
Snow throwers: Comparisons of import purchase costs and U.S.-producer sales prices, 2018-20

Source	Unit purchase cost data lower than U.S. prices				
	Number of quarters	Quantity (units)	Average price / cost differential (percent)	Price / cost differential range (percent)	
				Min	Max
Product 1	***	***	***	***	***
Product 3	***	***	***	***	***
Product 4	***	***	***	***	***
Total, lower	15	***	37.5	16.7	60.1

Note: These data include only quarters in which there is a comparison between the U.S. and subject product. There were no quarters in which the import purchase cost was higher than the U.S. sales price.

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

[23] If reported U.S. prices from ***.

Lost sales and lost revenue

Of the five responding U.S. producers, one U.S. producer (***) reported that it had to reduce prices and roll back announced price increases, and two firms (***) reported that they had lost sales. *** submitted lost sales and lost revenue allegations. The two responding U.S. producers identified five firms with which they lost sales or revenue (four consisting of lost sales allegations and one consisting of both types of allegations).[24] Petitioner reported that the lost sales and lost revenues occurred in ***.[25] ***.[26]

Staff contacted five purchasers and received responses from four firms. Responding purchasers reported purchasing and/or importing *** snow throwers during 2018-20 (table V-9).

[24] ***. Additional details regarding these allegations are shown in the petition, exhibit I-11.
[25] Petitioner reported the following allegations:
***.
***.
***.
***.
***.
[26] ***.

Table V-9
Snow throwers: Purchasers' reported purchases and imports, 2018-20

Purchaser	Purchases and imports in 2018-20 (units)			Change in domestic share (pp, 2018-20)	Change in subject country share (pp, 2018-20)
	Domestic	Subject	All other		
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
Total	***	***	***	***	***

Note: All other includes all other sources and unknown sources.
Note: Percentage points (pp) change: Change in the share of the firm's total purchases of domestic and/or subject country imports between first and last years.

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

During 2020, responding purchasers purchased *** percent from U.S. producers, *** percent from China, and *** percent from nonsubject countries. No purchaser reported purchasing from "unknown source" countries. Also, purchasers were asked about changes in their purchasing patterns from different sources since 2018. Of the responding purchasers, two reported increasing purchases from domestic producers, one reported decreasing purchases from domestic producers, and one reported no change. Explanations for increasing purchases of domestic product included increased overall U.S. demand (***). Explanations for decreasing purchases of domestic product included that *** (***). Two purchasers reported increased purchases of Chinese snow throwers: ***.

Of the four responding purchasers, two reported that, since 2018, they had purchased imported snow throwers from China instead of U.S.-produced product (table V-10). Both of these purchasers reported that subject import prices were lower than U.S.-produced product, and one of these purchasers reported that price was a primary reason for the decision to purchase imported product rather than U.S.-produced product. Purchaser *** estimated the quantity of snow throwers from China purchased instead of domestic product was *** units. The other purchaser, ***.

Table V-10
Snow throwers: Purchasers' responses to purchasing subject imports instead of domestic product

Purchaser	Subject imports purchased instead of domestic (Y/N)	Imports priced lower (Y/N)	If purchased subject imports instead of domestic, was price a primary reason		
			Y/N	If Yes, quantity (units)	If No, non-price reason
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
Total	Yes--2; No--2	Yes--2; No--0	Yes--1; No--1	***	

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

Of the four responding purchasers, all four reported that U.S. producers had not reduced prices in order to compete with lower-priced imports from China. In responding to the lost sales lost revenue survey, some purchasers provided additional information on purchases and market dynamics. Purchaser *** stated that "U.S. manufacturing and U.S. importers have increased costs significantly over the past few years. The retail costs have increased about $200 on a standard snow blower since 2008 due to costs imposed by manufacturers. The market will not be able to withstand additional increases and may result in decrease in sales particularly for value retailers." Purchaser *** stated that "***."

Part VI: Financial experience of U.S. producers

Background

Ariens, Briggs & Stratton, Honda, MTD, and Toro provided usable financial results on their snow thrower operations. Each reported financial data on a calendar year basics.*** provided their financial data on the basis of generally accepted accounting principles ("GAAP") while*** reported on the basis of International Financial Reporting Standards ("IFRS").[1]

Operations on snow throwers

Figure VI-1 presents each responding firm's share of the total net sales quantity in 2020. Table VI-1 presents aggregated data on U.S. producers' operations in relation to snow throwers during 2018-20. Table VI-2 presents changes in the average unit value ("AUV") data for the data presented in table VI-1, while table VI-3 presents selected company-specific financial data.

[1] A sixth firm, Husqvarna, produces snow throwers in the United States but did not provide usable financial results on its snow thrower operations.

Figure VI-1
Snow throwers: Share of net sales quantity, by firm, 2020

* * * * * * *

Source: Compiled from data submitted in response to Commission questionnaires

Table VI-1
Snow throwers: Results of operations of U.S. producers, 2018-20

Item	Calendar year		
	2018	2019	2020
	Quantity (units)		
Total net sales	***	***	***
	Value (1,000 dollars)		
Total net sales	***	***	***
Cost of goods sold.-- Raw materials	***	***	***
Direct labor	***	***	***
Other factory costs	***	***	***
Total COGS	***	***	***
Gross profit	***	***	***
SG&A expense	***	***	***
Operating income or (loss)	***	***	***
Interest expense	***	***	***
All other expenses	***	***	***
All other income	***	***	***
Net income or (loss)	***	***	***
Depreciation/amortization	***	***	***
Cash flow	***	***	***
	Ratio to net sales (percent)		
Cost of goods sold.-- Raw materials	***	***	***
Direct labor	***	***	***
Other factory costs	***	***	***
Average COGS	***	***	***
Gross profit	***	***	***
SG&A expense	***	***	***
Operating income or (loss)	***	***	***
Net income or (loss)	***	***	***

Table continued on next page.

Table VI-1—Continued
Snow throwers: Results of operations of U.S. producers, 2018-20

Item	Calendar year		
	2018	2019	2020
	Ratio to total COGS (percent)		
Cost of goods sold.-- Raw materials	***	***	***
Direct labor	***	***	***
Other factory costs	***	***	***
Average COGS	***	***	***
	Unit value (dollars per unit)		
Total net sales	***	***	***
Cost of goods sold.-- Raw materials	***	***	***
Direct labor	***	***	***
Other factory costs	***	***	***
Average COGS	***	***	***
Gross profit	***	***	***
SG&A expense	***	***	***
Operating income or (loss)	***	***	***
Net income or (loss)	***	***	***
	Number of firms reporting		
Operating losses	***	***	***
Net losses	***	***	***
Data	***	***	***

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

Table VI-2
Snow throwers: Changes in AUVs between calendar years

Item	Between calendar years		
	2018-20	2018-19	2019-20
	Change in AUVs (percent)		
Total net sales	▲***	▲***	▲***
Cost of goods sold.-- Raw materials	▲***	▼***	▲***
Direct labor	▲***	▲***	▲***
Other factory costs	▲***	▲***	▲***
Average COGS	▲***	▼***	▲***
	Change in AUVs (dollars per unit)		
Total net sales	▲***	▲***	▲***
Cost of goods sold.-- Raw materials	▲***	▼***	▲***
Direct labor	▲***	▲***	▲***
Other factory costs	▲***	▲***	▲***
Average COGS	▲***	▼***	▲***
Gross profit	▲***	▲***	▼***
SG&A expense	▲***	▲***	▲***
Operating income or (loss)	▼***	▲***	▼***
Net income or (loss)	▼***	▲***	▼***

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

Table VI-3
Snow throwers: Results of operations of U.S. producers, by firm, 2018-20

Item	Calendar year		
	2018	2019	2020
	Total net sales (units)		
Ariens	***	***	***
Briggs & Stratton	***	***	***
Honda	***	***	***
MTD	***	***	***
Toro	***	***	***
All firms	***	***	***
	Total net sales (1,000 dollars)		
Ariens	***	***	***
Briggs & Stratton	***	***	***
Honda	***	***	***
MTD	***	***	***
Toro	***	***	***
All firms	***	***	***
	Cost of goods sold (1,000 dollars)		
Ariens	***	***	***
Briggs & Stratton	***	***	***
Honda	***	***	***
MTD	***	***	***
Toro	***	***	***
All firms	***	***	***
	Gross profit or (loss) (1,000 dollars)		
Ariens	***	***	***
Briggs & Stratton	***	***	***
Honda	***	***	***
MTD	***	***	***
Toro	***	***	***
All firms	***	***	***
	SG&A expenses (1,000 dollars)		
Ariens	***	***	***
Briggs & Stratton	***	***	***
Honda	***	***	***
MTD	***	***	***
Toro	***	***	***
All firms	***	***	***

Table continued on next page.

Table VI-3—Continued
Snow throwers: Results of operations of U.S. producers, by firm, 2018-20

Item	Calendar year		
	2018	2019	2020
	Operating income or (loss) (1,000 dollars)		
Ariens	***	***	***
Briggs & Stratton	***	***	***
Honda	***	***	***
MTD	***	***	***
Toro	***	***	***
All firms	***	***	***
	Net income or (loss) (1,000 dollars)		
Ariens	***	***	***
Briggs & Stratton	***	***	***
Honda	***	***	***
MTD	***	***	***
Toro	***	***	***
All firms	***	***	***
	COGS to net sales ratio (percent)		
Ariens	***	***	***
Briggs & Stratton	***	***	***
Honda	***	***	***
MTD	***	***	***
Toro	***	***	***
All firms	***	***	***
	Gross profit or (loss) to net sales ratio (percent)		
Ariens	***	***	***
Briggs & Stratton	***	***	***
Honda	***	***	***
MTD	***	***	***
Toro	***	***	***
All firms	***	***	***
	SG&A expense to net sales ratio (percent)		
Ariens	***	***	***
Briggs & Stratton	***	***	***
Honda	***	***	***
MTD	***	***	***
Toro	***	***	***
All firms	***	***	***

Table continued on next page.

Table VI-3—Continued
Snow throwers: Results of operations of U.S. producers, by firm, 2018-20

Item	Calendar year		
	2018	2019	2020
	Operating income or (loss) to net sales ratio (percent)		
Ariens	***	***	***
Briggs & Stratton	***	***	***
Honda	***	***	***
MTD	***	***	***
Toro	***	***	***
All firms	***	***	***
	Net income or (loss) to net sales ratio (percent)		
Ariens	***	***	***
Briggs & Stratton	***	***	***
Honda	***	***	***
MTD	***	***	***
Toro	***	***	***
All firms	***	***	***
	Unit net sales value (dollars per unit)		
Ariens	***	***	***
Briggs & Stratton	***	***	***
Honda	***	***	***
MTD	***	***	***
Toro	***	***	***
All firms	***	***	***
	Unit raw materials (dollars per unit)		
Ariens	***	***	***
Briggs & Stratton	***	***	***
Honda	***	***	***
MTD	***	***	***
Toro	***	***	***
All firms	***	***	***
	Unit direct labor (dollars per unit)		
Ariens	***	***	***
Briggs & Stratton	***	***	***
Honda	***	***	***
MTD	***	***	***
Toro	***	***	***
All firms	***	***	***

Table continued on next page.

Table VI-3—Continued
Snow throwers: Results of operations of U.S. producers, by firm, 2018-20

Item	Calendar year		
	2018	2019	2020
	Unit other factory costs (dollars per unit)		
Ariens	***	***	***
Briggs & Stratton	***	***	***
Honda	***	***	***
MTD	***	***	***
Toro	***	***	***
All firms	***	***	***
	Unit COGS (dollars per unit)		
Ariens	***	***	***
Briggs & Stratton	***	***	***
Honda	***	***	***
MTD	***	***	***
Toro	***	***	***
All firms	***	***	***
	Unit gross profit or (loss) (dollars per unit)		
Ariens	***	***	***
Briggs & Stratton	***	***	***
Honda	***	***	***
MTD	***	***	***
Toro	***	***	***
All firms	***	***	***
	Unit SG&A expenses (dollars per unit)		
Ariens	***	***	***
Briggs & Stratton	***	***	***
Honda	***	***	***
MTD	***	***	***
Toro	***	***	***
All firms	***	***	***
	Unit operating income or (loss) (dollars per unit)		
Ariens	***	***	***
Briggs & Stratton	***	***	***
Honda	***	***	***
MTD	***	***	***
Toro	***	***	***
All firms	***	***	***

Table continued on next page.

Table VI-3—Continued
Snow throwers: Results of operations of U.S. producers, by firm, 2018-20

Item	Calendar year		
	2018	2019	2020
	Unit net income or (loss) (dollars per unit)		
Ariens	***	***	***
Briggs & Stratton	***	***	***
Honda	***	***	***
MTD	***	***	***
Toro	***	***	***
All firms	***	***	***

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

Net sales

Total revenue primarily reflects commercial sales, but also includes a small amount of internal consumption and transfers to related firms. In 2020 internal consumption accounted for less than*** percent of the number of units sold, while transfers to related firms accounted for*** percent. [2] As shown in figure VI-1,***.

As shown in table VI-1, total net sales quantity increased by*** percent from 2018 to 2019 but decreased by*** percent from 2019 to 2020. Total net sales value also increased by*** percent from 2018 to 2019 before decreasing by*** percent from 2019 to 2020. As shown in table VI-3,*** was the*** U.S. producer to report an overall increase in sales quantity and value during 2018-20.*** reported a decrease in net sales, by quantity, between 2018 and 2020, with most of the decrease occurring in 2020. Increased sales, by value, of*** accounted for the overall increase in net sales in 2019 from 2018 (***), while

[2]*** was the*** U.S. producer to report internal consumption, which represented***.***'s postconference brief, answers to questions by staff, p. 12,***'s U.S. producers' questionnaire, section II-7, and Email from***, April 26, 2021.***.

*** accounted for the decrease in sales value in 2020.[3] [4] On an average per unit basis, net sales value increased from $*** in 2018 to $*** and $*** in 2019 and 2020.[5] However, unit sales values also varied widely between U.S. producers due the differences in product mix (single-, two- or three-stage snow throwers, with or without self-propulsion, and with the capacity for a relatively narrow or wide collection of snow).[6] Unit values of*** while changes in unit values of other firms were mixed.[7] [8] [9]

Cost of goods sold and gross profit or loss

Raw material costs, direct labor and other factory costs accounted for***,*** and*** percent of total COGS, respectively, in 2020.

Raw material costs, the*** component of COGS, decreased by*** percent during 2018-20. On an average per unit basis, raw material costs decreased from $*** in 2018 to $*** in 2019, and then increased to $*** in 2020. Similar to net sales value, the average unit value of raw material costs varied between U.S. producers (table VI-3) due to the

[3]***. Email from*** April 26, 2021.

[4]***.***'s U.S. producers' questionnaire, section II-12.

[5] Based on the limited data provided by***, if the firm were included in the data during 2018-20, total U.S. producers' sales would be*** units in 2018,*** units in 2019, and*** units in 2020 with total sales values of $*** , $*** and $*** in 2018, 2019, and 2020, respectively. The average unit value of total net sales would be $*** in 2018 to $*** in 2019, and to $*** in 2020.

[6] See, U.S. producers' questionnaire, section II-11.

[7]***. Email from***, April 28, 2021.

[8]***. Email from***, May 4, 2021.

[9]***.***'s postconference brief, answers to questions by staff, p. 13

difference in products mix and in methods of procurement of raw materials.[10] As a ratio to net sales, raw material costs decreased from*** percent in 2018 to*** percent in 2019 and then increased to*** percent in 2020 reflecting the pattern of sales values and quantities during 2018-20.*** was the*** U.S. producer to report an*** in its total raw material costs throughout 2018-20 given its sales*** that resulted from the*** in 2019. Table VI-4 shows the value, unit value, and share of value of raw materials, by type, for 2020.

Table VI-4
Snow throwers: Raw materials by type, 2020

Raw materials	Calendar 2020		
	Value (1,000 dollars)	Unit value (dollars per unit)	Share of value (percent)
Engine	***	***	***
Impeller	***	***	***
Impeller housing	***	***	***
Auger	***	***	***
Chute	***	***	***
Handles	***	***	***
Other material inputs	***	***	***
Total raw materials	***	***	***

Note: Other material inputs include: Transmission, labels, packaging, harnesses, impeller shafts and gears.

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

Other factory costs, which represented the*** share of COGS, increased by*** percent from 2018 to 2019 before decreasing by*** percent from 2019 to 2020. The increase in other factory costs between 2018 and 2019 reflected the data of***, while*** accounted for the decrease in 2020.[11] [12] On an average per unit basis, other factory costs increased from $*** in 2018 to $*** in 2020. As a

[10] For example,***. U.S. producers' questionnaire response, section III-9c.

[11]***'s other factory costs increased by*** percent from 2018 to 2019, which the firm attributed to the***. Email from***, April 26, 2021.

[12]*** reported a shift in***.***'s U.S. producers' questionnaire, section II-12.

ratio to net sales, other factory costs increased from*** percent in 2018 to*** percent in 2020.

Direct labor costs, which represented the*** share of COGS, increased by*** percent from 2018 to 2019 and decreased by*** percent between 2019 and 2020. On an average per unit basis, direct labor costs increased from $*** in 2018 to $*** in 2020.[13] As a ratio to net sales, direct labor costs also increased continuously increased during 2018-20 from*** percent to*** percent.

Total COGS increased by*** percent between 2018 and 2019 before declining by*** percent between 2019 and 2020 reflecting the sales trends. On an average per unit basis, COGS increased from $*** to $*** during 2018-20. As a ratio to net sales, COGS irregularly increased from*** percent in 2018 to*** percent in 2020.

As seen in table VI-1, gross profit increased from $*** in 2018 to $*** in 2019 before decreasing to $*** in 2020. As seen in table VI-3,*** U.S. producers reported an increase in their gross profits from 2018 to 2019 while*** but*** reported a decline in their gross profit in 2020.

SG&A expenses and operating income or loss

U.S. producers' selling, general, and administrative ("SG&A") expenses increased by*** percent from 2018 to 2019 and decreased by*** percent from 2019 to 2020, and overall declined by*** percent during 2018-20.*** U.S. producers reported an increase in their SG&A expenses from 2018 to 2019. In 2020, however,*** was the only U.S. producer to report an increase in its SG&A expenses. The corresponding SG&A expense ratio (total SG&A expenses divided by total sales value) increased from*** percent in 2018 to*** percent in 2019 and declined to*** percent in 2020.

Similar to the trend in gross profit, U.S. producers' operating income increased from $*** in 2018 to $*** in 2019 before declining to $*** in 2020. The increase in U.S. producers' operating income in 2019 primarily reflects the results of*** as well as the data of***. In 2020*** of the U.S. producers reported decreased operating income*** with the***.

[13] ***.***'s U.S. producer questionnaire, section II-2b.

*** operating income in both 2019 and 2020, with a net increase of*** percent from 2018 to 2020.[14]

All other expenses and net income or loss

U.S. producers' total interest expense increased from $*** in 2018 to $*** in 2019 and declined to $*** in 2020. All other expenses also increased from $*** in 2018 to $*** in 2019 before declining to $*** in 2020.*** and*** accounted for the totality of other expenses reported.*** was the*** U.S. producer to report other income, which increased irregularly by*** percent during 2018-20.[15]

Net income increased from $*** in 2018 to $*** in 2019 and decreased to $*** in 2020.*** reported a substantial decrease in net income in 2020 (after reporting an***).*** reported a substantial decrease in 2020 (after reporting a***.***'s reported net income*** and it was the*** U.S. producer to report an increase in net income in 2020.

Variance analysis

A variance analysis is not shown due to differences in product mix and cost structures among the reporting firms.

Capital expenditures and research and development expenses

Table VI-5 presents capital expenditures and research and development ("R&D") expenses by firm. Table VI-6 provides U.S. producers' narrative responses regarding the nature and focus of their capital expenditures and R&D expenses. Total capital expenditures decreased

[14]***. Email from***, May 5, 2021.

[15] Other expenses and income reported by*** are attributable to***. Email from***, May 4, 2021. Other expenses reported by*** are attributable to***. Email from*** April 26, 2021.

by*** percent during 2018-20.[16] R&D expenses increased by*** percent from 2019 to 2020, but decreased overall by*** percent during 2018-20.[17]

Table VI-5
Snow throwers: Capital expenditures and R&D expenses of U.S. producers, by firm, 2018-20

Item	Calendar year		
	2018	2019	2020
	Capital expenditures (1,000 dollars)		
Ariens	***	***	***
Briggs & Stratton	***	***	***
Honda	***	***	***
MTD	***	***	***
Toro	***	***	***
All firms	***	***	***
	R&D expenses (1,000 dollars)		
Ariens	***	***	***
Briggs & Stratton	***	***	***
Honda	***	***	***
MTD	***	***	***
Toro	***	***	***
All firms	***	***	***

Note.—***.

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

[16]***. Email from*** April 26, 2021.
[17]***. Email from***, April 26, 2021.

Table VI-6
Snow throwers: Nature and focus of U.S. producers' capital expenditures and R&D expenses since January 1, 2018

Capital expenditures:	
Firm	**Narrative**
***	***
***	***
***	***
***	***
***	***
R&D expenses:	
Firm	**Narrative**
***	***
***	***
***	***
***	***
***	***

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

Assets and return on assets

Table VI-7 presents data on the U.S. producers' total assets and their return on assets ("ROA").[18] Table VI-8 presents the firms' narrative responses on the nature of assets reported. The U.S. producers' total net assets decreased by*** percent from 2018 to 2019 before increasing by*** percent from 2019 to 2020.[19] The calculated ROA increased from*** percent in 2018 to*** percent in 2019 and declined to*** percent in 2020.

[18] ROA Is calculated as operating income divided by total assets. With respect to a firm's overall operations, the total asset value reflects an aggregation of a number of assets which are generally not product specific. Thus, high-level allocations are generally required in order to report a total asset value for the subject product.

[19] ***.***'s U.S. producers' questionnaire, section III-12b.

Table VI-7
Snow throwers: U.S. producers' total assets and ROA, 2018-20

Firm	Calendar years		
	2018	2019	2020
	Total net assets (1,000 dollars)		
Ariens	***	***	***
Briggs & Stratton	***	***	***
Honda	***	***	***
MTD	***	***	***
Toro	***	***	***
All firms	***	***	***
	Operating ROA (percent)		
Ariens	***	***	***
Briggs & Stratton	***	***	***
Honda	***	***	***
MTD	***	***	***
Toro	***	***	***
All firms	***	***	***

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

Table VI-8
Snow throwers: Narrative descriptions of U.S. producers' assets, since January 2018

Assets description:	
Firm	**Narrative**
***	***
***	***
***	***
***	***
***	***

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

Capital and investment

The Commission requested U.S. producers of snow throwers to describe any actual or potential negative effects of imports of snow throwers from China on their firms' growth, investment, ability to raise capital, development and production efforts, or the scale of capital investments. Table VI-9 presents the number of firms reporting an impact in each category and table VI-10 provides the U.S. producers' narrative responses.

Table VI-9
Snow throwers: Actual and anticipated negative effects of imports on investment, growth, and development, since January 1, 2018

Item	No	Yes
Negative effects on investment	3	2
Cancellation, postponement, or rejection of expansion projects		1
Denial or rejection of investment proposal		0
Reduction in the size of capital investments		1
Return on specific investments negatively impacted		1
Other		2
Negative effects on growth and development	4	1
Rejection of bank loans		0
Lowering of credit rating		0
Problem related to the issue of stocks or bonds		0
Ability to service debt		0
Other		1
Anticipated negative effects of imports	2	3

Note.—***.

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

Table VI-10
Snow throwers: Narratives relating to actual and anticipated negative effects of imports on investment, growth, and development, since January 1, 2018

Item / Firm	Narrative
Cancellation, postponement, or rejection of expansion projects:	
***	***
Reduction in the size of capital investments:	
***	***
Return on specific investments negatively impacted:	
***	***
Other negative effects on investments:	
***	***
***	***
Other effects on growth and development:	
***	***
Anticipated effects of imports:	
***	***
***	***
***	***

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

Part VII: Threat considerations and information on nonsubject countries

Section 771(7)(F)(i) of the Act (19 U.S.C. § 1677(7)(F)(i)) provides that—

> *In determining whether an industry in the United States is threatened with material injury by reason of imports (or sales for importation) of the subject merchandise, the Commission shall consider, among other relevant economic factors*[1]*--*
>
> *(I) if a countervailable subsidy is involved, such information as may be presented to it by the administering authority as to the nature of the subsidy (particularly as to whether the countervailable subsidy is a subsidy described in Article 3 or 6.1 of the Subsidies Agreement), and whether imports of the subject merchandise are likely to increase,*
>
> *(II) any existing unused production capacity or imminent, substantial increase in production capacity in the exporting country indicating the likelihood of substantially increased imports of the subject merchandise into the United States, taking into account the availability of other export markets to absorb any additional exports,*
>
> *(III) a significant rate of increase of the volume or market penetration of imports of the subject merchandise indicating the likelihood of substantially increased imports,*
>
> *(IV) whether imports of the subject merchandise are entering at prices that are likely to have a significant depressing or suppressing effect on domestic prices, and are likely to increase demand for further imports,*
>
> *(V) inventories of the subject merchandise,*

---

[1] Section 771(7)(F)(ii) of the Act (19 U.S.C. § 1677(7)(F)(ii)) provides that "The Commission shall consider {these factors} . . . as a whole in making a determination of whether further dumped or subsidized imports are imminent and whether material injury by reason of imports would occur unless an order is issued or a suspension agreement is accepted under this title. The presence or absence of any factor which the Commission is required to consider . . . shall not necessarily give decisive guidance with respect to the determination. Such a determination may not be made on the basis of mere conjecture or supposition."

(VI) 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,

(VII) in any investigation under this title which involves imports of both a raw agricultural product (within the meaning of paragraph (4)(E)(iv)) and any product processed from such raw agricultural product, the likelihood that there will be increased imports, by reason of product shifting, if there is an affirmative determination by the Commission under section 705(b)(1) or 735(b)(1) with respect to either the raw agricultural product or the processed agricultural product (but not both),

(VIII) the actual and potential negative effects on the existing development and production efforts of the domestic industry, including efforts to develop a derivative or more advanced version of the domestic like product, and

(IX) any other demonstrable adverse trends that indicate the probability that there is likely to be material injury by reason of imports (or sale for importation) of the subject merchandise (whether or not it is actually being imported at the time).[2]

Information on the nature of the alleged subsidies was presented earlier in this report; information on the volume and pricing of imports of the subject merchandise is presented in *Parts IV* and *V*; and information on the effects of imports of the subject merchandise on U.S. producers' existing development and production efforts is presented in *Part VI*. Information on inventories of the subject merchandise; foreign producers' operations, including the potential for "product-shifting;" any other threat indicators, if applicable; and any dumping in third-country markets, follows. Also presented in this section of the report is information obtained for consideration by the Commission on nonsubject countries.

[2] Section 771(7)(F)(iii) of the Act (19 U.S.C. § 1677(7)(F)(iii)) further provides that, in antidumping investigations, ". . . the Commission shall consider whether dumping in the markets of foreign countries (as evidenced by dumping findings or antidumping remedies in other WTO member markets against the same class or kind of merchandise manufactured or exported by the same party as under investigation) suggests a threat of material injury to the domestic industry."

The industry in China

According to the Global Trade Atlas ("GTA") HS subheading 8430.20 (a broad category that in addition to snow throwers includes snow plows and out-of-scope snowblowers), China leads the world in such exports of snow plow and snowblowers, accounting for 64.1 percent of exports in 2020 – up from 46.4 percent in 2018.[3]

The Commission issued foreign producers' or exporters' questionnaires to 29 firms believed to produce and/or export snow throwers from China.[4] No usable responses to the Commission's questionnaire were received from any of the firms that the Commission solicited responses from. The Commission received responses from six firms, ***, certifying that they had not produced or exported snow throwers to the U.S. since January 2018.

Exports

According to GTA, the leading export markets for snowplows and snow blowers from China are the United States, Canada, and Russia (table VII-1). During 2020, the United States was the top export market for snowplows and snow blowers from China, accounting for 61.5 percent, followed by Canada, accounting for 20.5 percent, and Russia, accounting for 10.2 percent.

[3] Official export statistics under HS subheading 8430.20 as reported in the Global Trade Atlas database, accessed April 22, 2020. HS subheading 8430.20 includes snowplows, in-scope snow throwers, and out-of-scope snow throwers, such as electric-powered snow throwers.

[4] These firms were identified through a review of information submitted in the petition and presented in third-party sources.

Table VII-1
Snowplows and snowblowers: China exports by destination market, 2018-20

Destination market	Calendar year		
	2018	2019	2020
	Quantity (units)		
United States	331,454	708,779	594,720
Canada	86,494	112,561	197,780
Russia	110,938	125,721	98,205
Sweden	25,960	42,873	17,308
Germany	10,527	14,780	8,837
Denmark	4,604	5,151	7,070
Italy	4,172	4,551	6,116
Czech Republic	4,508	4,175	3,734
Japan	6,774	2,102	2,707
All other destination markets	35,818	42,999	30,380
All destination markets	621,249	1,063,692	966,857
	Value (1,000 dollars)		
United States	47,731	87,400	105,017
Canada	20,713	22,726	32,684
Russia	22,849	24,347	19,887
Sweden	6,113	9,228	4,198
Germany	2,902	3,103	2,152
Denmark	1,205	1,304	1,656
Italy	1,816	1,900	2,593
Czech Republic	1,201	1,238	1,460
Japan	4,527	1,247	1,021
All other destination markets	7,459	8,448	6,813
All destination markets	116,516	160,942	177,481

Table continued on the next page.

Table VII-1--Continued
Snowplows and snowblowers: China exports by destination market, 2018-20

Destination market	Calendar year		
	2018	2019	2020
	Unit value (dollars per unit)		
United States	144	123	177
Canada	239	202	165
Russia	206	194	203
Sweden	235	215	243
Germany	276	210	244
Denmark	262	253	234
Italy	435	418	424
Czech Republic	266	297	391
Japan	668	593	377
All other destination markets	208	196	224
All destination markets	188	151	184
	Share of quantity (percent)		
United States	53.4	66.6	61.5
Canada	13.9	10.6	20.5
Russia	17.9	11.8	10.2
Sweden	4.2	4.0	1.8
Germany	1.7	1.4	0.9
Denmark	0.7	0.5	0.7
Italy	0.7	0.4	0.6
Czech Republic	0.7	0.4	0.4
Japan	1.1	0.2	0.3
All other destination markets	5.8	4.0	3.1
All destination markets	100.0	100.0	100.0

Note.--Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent. United States is shown at the top, all remaining top export destinations shown in descending order of 2018 data.

Source: Official exports statistics under HS subheading 8430.20 as reported in the Global Trade Atlas database, accessed April 8, 2021.

U.S. inventories of imported merchandise

Table VII-2 presents data on U.S. importers' reported inventories of snow throwers. Inventories of snow throwers imports from China increased by *** percent from 2018 to 2020[5], while inventories of snow throwers imports from nonsubject sources increased by *** percent. The ratio of importers' inventories to U.S. shipments of imports of snow throwers from China varied during 2018-20 but increased overall from *** percent to *** percent.[6]

Table VII-2
Snow throwers: U.S. importers' end-of-period inventories of imports by source, 2018-20

Item	Calendar year		
	2018	2019	2020
	Inventories (units); Ratios (percent)		
Imports from China:			
Inventories	***	***	***
Ratio to U.S. imports	***	***	***
Ratio to U.S. shipments of imports	***	***	***
Ratio to total shipments of imports	***	***	***
Imports from nonsubject sources:			
Inventories	***	***	***
Ratio to U.S. imports	***	***	***
Ratio to U.S. shipments of imports	***	***	***
Ratio to total shipments of imports	***	***	***
Imports from all import sources:			
Inventories	***	***	***
Ratio to U.S. imports	***	***	***
Ratio to U.S. shipments of imports	***	***	***
Ratio to total shipments of imports	***	***	***

Note.—*** provided an incomplete questionnaire that did not include the data presented above.

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

[5] *** U.S. importers, *** accounted for the vast majority of increased inventory of snow throwers from China in 2020.

[6] As mentioned earlier in Part III, total snowfall in the winter of 2018-2019 was *** and total snowfall in the winter of 2019-2020 was ***.

U.S. importers' outstanding orders

The Commission requested importers to indicate whether they imported or arranged for the importation of snow throwers from China after January 1, 2021. Two of 10 responding firms indicated they had arranged subject imports. These data are presented in table VII-3.

Table VII-3
Snow throwers: Arranged imports, January 2021 through December 2021

Item	Period				
	Jan-Mar 2021	Apr-Jun 2021	Jul-Sept 2021	Oct-Dec 2021	Total
	Quantity (units)				
Arranged U.S. imports from.--					
China	***	***	***	***	***
All other sources	***	***	***	***	***
All import sources	***	***	***	***	***

Note.—*** provided an incomplete questionnaire that did not include the data presented above.

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

Antidumping or countervailing duty orders in third-country markets

There are no known antidumping or countervailing duty order in third-country markets on snow throwers.[7]

Information on nonsubject countries

Table VII-4 presents data on global exports, by country, of snowplows and snowblowers (which include nonsubject snow throwers). Mexico is the leading source of exports of nonsubject snowplows and snow blowers, followed by Canada as the second leading source of such exports. Mexico accounted for 13.1 percent and Canada accounted for 1.3 percent of such global exports in 2020.[8] All of Mexico's exports from 2018 to 2020 were to the United States, ***, and 79.4 percent of Canada's exports were to the United States.[9]

[7] Global Trade Alert, "Affected product," https://www.globaltradealert.org/sector/444/period-from_20090101/period-to_20210419/product_8430, retrieved April 19, 2021.

[8] Official export statistics under HS subheading 8430.20 as reported by National Institute of Statistics and Geography in the Global Trade Atlas database, accessed April 22, 2020.

[9] Official export statistics under HS subheading 8430.20 as reported by Statistics Canada in the Global Trade Atlas database, accessed April 22, 2020; Official export statistics under HS subheading 8430.20 as reported by National Institute of Statistics and Geography in the Global Trade Atlas database, accessed April 22, 2020; Petitioner's post conference brief, exhibit 1, pp.4-5.

Table VII-4
Snowplows and snowblowers: Global exports by exporter, 2018-20

Exporter	Calendar year		
	2018	2019	2020
	Quantity (units)		
United States	213,242	187,089	210,710
China	621,249	1,063,692	966,857
Mexico	144,032	193,023	196,865
Canada	20,123	33,705	19,586
Sweden	16,338	21,014	11,482
Germany	14,303	12,392	8,904
Belgium	7,189	12,488	8,686
France	5,374	13,153	5,940
Czech Republic	6,632	15,334	4,676
Japan	4,210	6,540	10,208
Poland	8,184	9,474	9,554
Finland	8,881	9,918	7,345
All other exporters	268,207	54,454	46,875
All reporting exporters	1,337,964	1,632,276	1,507,688
	Value (1,000 dollars)		
United States	165,774	149,369	176,274
China	116,516	160,942	177,481
Mexico	41,564	51,993	62,975
Canada	61,060	61,645	56,239
Sweden	10,010	15,013	10,491
Germany	30,080	27,938	23,371
Belgium	11,579	21,100	20,385
France	6,044	12,574	6,685
Czech Republic	3,433	6,220	3,376
Japan	11,297	14,422	26,349
Poland	20,045	27,446	23,667
Finland	12,194	15,609	10,446
All other exporters	73,782	76,095	61,535
All reporting exporters	563,379	640,366	659,274

Table continued on the next page.

Table VII-4--Continued
Snowplows and snowblowers: Global exports by exporter, 2018-20

Exporter	Calendar year		
	2018	2019	2020
	Unit value (dollars per unit)		
United States	777	798	837
China	188	151	184
Mexico	289	269	320
Canada	3,034	1,829	2,871
Sweden	613	714	914
Germany	2,103	2,255	2,625
Belgium	1,611	1,690	2,347
France	1,125	956	1,126
Czech Republic	518	406	722
Japan	2,683	2,205	2,581
Poland	2,449	2,897	2,477
Finland	1,373	1,574	1,422
All other exporters	275	1,397	1,313
All reporting exporters	421	392	437
	Share of quantity (percent)		
United States	15.9	11.5	14.0
China	46.4	65.2	64.1
Mexico	10.8	11.8	13.1
Canada	1.5	2.1	1.3
Sweden	1.2	1.3	0.8
Germany	1.1	0.8	0.6
Belgium	0.5	0.8	0.6
France	0.4	0.8	0.4
Czech Republic	0.5	0.9	0.3
Japan	0.3	0.4	0.7
Poland	0.6	0.6	0.6
Finland	0.7	0.6	0.5
All other exporters	20.0	3.3	3.1
All reporting exporters	100.0	100.0	100.0

Note.--Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent.

Note:--Several countries reported quantities in kilograms rather than units/pieces and are not included in this table, nor are the values. The UAE reported exports of 68,585 kg in 2018 and 11,086 in 2019. Exports from the UAE, Thailand, Namibia, and Iceland totaled 68,666 kg in 2018, 11,179 kg in 2019, and 1,765 kg in 2020.

Source: Official exports statistics under HS subheading 8430.20 reported by various national statistical authorities in the Global Trade Atlas database, accessed April 8, 2021.

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
86 FR 17852, March 30, 2021	*Walk-Behind Snow Throwers From China; Institution of Antidumping and Countervailing Duty Investigations and Scheduling of Preliminary Phase Investigations*	https://www.govinfo.gov/content/pkg/FR-2021-04-06/pdf/2021-07012.pdf
86 FR 22026, April 19, 2021	*Certain Walk-Behind Snow Throwers and Parts Thereof From the People's Republic of China: Initiation of Less-Than-Fair-Value Investigation*	https://www.govinfo.gov/content/pkg/FR-2021-04-26/pdf/2021-08629.pdf
86 FR 22022, April 19, 2021	*Certain Walk-Behind Snow Throwers and Parts Thereof From the People's Republic of China: Initiation of Countervailing Duty Investigation*	https://www.govinfo.gov/content/pkg/FR-2021-04-26/pdf/2021-08633.pdf

APPENDIX B

LIST OF STAFF CONFERENCE WITNESSES

CALENDAR OF PUBLIC PRELIMINARY CONFERENCE

Those listed below appeared in the United States International Trade Commission's preliminary conference via videoconference:

Subject: Walk-Behind Snow Throwers from China

Inv. Nos.: 701-TA-666 and 731-TA-1558 (Preliminary)

Date and Time: April 20, 2021 - 9:30 a.m.

OPENING REMARKS:

In Support of Imposition (**Alexander Schaefer**, Crowell & Moring LLP)

In Support of the Imposition of
Antidumping and Countervailing Duty Orders:

Crowell & Moring LLP
Washington, DC
on behalf of

MTD Products Inc ("MTD")

Geoff Stenroos, Product Manager, Snow Blowers, MTD

Jason Mattern, Vice President, Sales, MTD

Jeremy McConoughey, Vice President, Manufacturing Operations in North America, MTD

Mike Musacchia, Operations Strategy Advisor, MTD

Alexander Schaefer)
Simeon Yerokun) – OF COUNSEL
Michael Bowen)

CLOSING REMARKS:

In Support of Imposition (**Alexander Schaefer**, Crowell & Moring LLP)

-END-

APPENDIX C

SUMMARY DATA

All U.S. producers

Table C-1
Snow throwers: Summary data concerning the U.S. market, 2018-20
(Quantity=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		
	Calendar year			Comparison years		
	2018	2019	2020	2018-20	2018-19	2019-20
U.S. consumption quantity:						
Amount	***	***	***	▼***	▲***	▼***
Producers' share (fn1)	***	***	***	▼***	▼***	▼***
Importers' share (fn1):						
China	***	***	***	▲***	▲***	▲***
Nonsubject sources	***	***	***	▲***	▲***	▲***
All import sources	***	***	***	▲***	▲***	▲***
U.S. consumption value:						
Amount	***	***	***	▼***	▲***	▼***
Producers' share (fn1)	***	***	***	▼***	▼***	▼***
Importers' share (fn1):						
China	***	***	***	▲***	▲***	▲***
Nonsubject sources	***	***	***	▲***	▲***	▼***
All import sources	***	***	***	▲***	▲***	▲***
U.S. importers' U.S. shipments of imports from:						
China:						
Quantity	***	***	***	▲***	▲***	▲***
Value	***	***	***	▲***	▲***	▲***
Unit value	***	***	***	▼***	▼***	▼***
Ending inventory quantity	***	***	***	▲***	▼***	▲***
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	***	***	***	▲***	▲***	▲***
Channel: Retailer/Dealer (fn1)	***	***	***	▼***	▼***	▲***
Channel: Distributor (fn1)	***	***	***	▲***	▲***	▼***
Channel: End user (fn1)	***	***	***	▲***	▼***	▲***

Table continued on next page.

Table C-1--Continued
Snow throwers: Summary data concerning the U.S. market, 2018-20
(Quantity=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		
	Calendar year			Comparison years		
	2018	2019	2020	2018-20	2018-19	2019-20
U.S. producers'--Continued:						
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 per hour)	***	***	***	▲***	▲***	▲***
Productivity (units per 1,000 hours)	***	***	***	▼***	▼***	▼***
Unit labor costs	***	***	***	▲***	▲***	▲***
Net sales:						
Quantity	***	***	***	▼***	▲***	▼***
Value	***	***	***	▼***	▲***	▼***
Unit value	***	***	***	▲***	▲***	▲***
Cost of goods sold (COGS)	***	***	***	▼***	▲***	▼***
Gross profit or (loss) (fn2)	***	***	***	▼***	▲***	▼***
SG&A expenses	***	***	***	▼***	▲***	▼***
Operating income or (loss) (fn2)	***	***	***	▼***	▲***	▼***
Net income or (loss) (fn2)	***	***	***	▼***	▲***	▼***
Unit COGS	***	***	***	▲***	▼***	▲***
Unit SG&A expenses	***	***	***	▲***	▲***	▲***
Unit operating income or (loss) (fn2)	***	***	***	▼***	▲***	▼***
Unit net income or (loss) (fn2)	***	***	***	▼***	▲***	▼***
Raw materials/COGS (fn1)	***	***	***	▼***	▼***	▼***
COGS/sales (fn1)	***	***	***	▲***	▼***	▲***
Gross profit or (loss)/sales (fn1)	***	***	***	▼***	▲***	▼***
Operating income or (loss)/sales (fn1)	***	***	***	▼***	▲***	▼***
Net income or (loss)/sales (fn1)	***	***	***	▼***	▲***	▼***
Capital expenditures	***	***	***	▼***	▼***	▼***
Research and development expenses	***	***	***	▼***	▼***	▲***
Net assets	***	***	***	▼***	▼***	▲***

Note.--Shares and ratios shown as "0.0" percent represent non-zero values less than "0.05" percent (if positive) and greater than "(0.05)" percent (if negative). Zeroes, null values, and undefined calculations are suppressed and shown as "---". Period changes preceded by a "▲" represent an increase, while period changes preceded by a "▼" represent a decrease.

fn1.--Reported data are in percent and period changes are in percentage points.
fn2.--Percent changes only calculated when both comparison values represent profits; The directional change in profitability provided when one or both comparison values represent a loss.

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

Related party exclusion

Table C-2

Snow throwers: Summary data concerning the U.S. market excluding one U.S. producer *, 2018-20**

(Quantity=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		
	Calendar year			Comparison years		
	2018	2019	2020	2018-20	2018-19	2019-20
U.S. consumption quantity:						
Amount	***	***	***	▼***	▲***	▼***
Producers' share (fn1)						
Included producers	***	***	***	▼***	▼***	▼***
Excluded producers	***	***	***	▼***	▼***	▼***
All producers	***	***	***	▼***	▼***	▼***
Importers' share (fn1):						
China	***	***	***	▲***	▲***	▲***
Nonsubject sources	***	***	***	▲***	▲***	▲***
All import sources	***	***	***	▲***	▲***	▲***
U.S. consumption value:						
Amount	***	***	***	▼***	▲***	▼***
Producers' share (fn1)						
Included producers	***	***	***	▼***	▼***	▼***
Excluded producers	***	***	***	▼***	▼***	▼***
All producers	***	***	***	▼***	▼***	▼***
Importers' share (fn1):						
China	***	***	***	▲***	▲***	▲***
Nonsubject sources	***	***	***	▲***	▲***	▼***
All import sources	***	***	***	▲***	▲***	▲***
U.S. importers' U.S. shipments of imports from:						
China:						
Quantity	***	***	***	▲***	▲***	▲***
Value	***	***	***	▲***	▲***	▲***
Unit value	***	***	***	▼***	▼***	▼***
Ending inventory quantity	***	***	***	▲***	▼***	▲***
Nonsubject sources:						
Quantity	***	***	***	▼***	▲***	▼***
Value	***	***	***	▲***	▲***	▼***
Unit value	***	***	***	▲***	▲***	▼***
Ending inventory quantity	***	***	***	▲***	▲***	▲***
All import sources:						
Quantity	***	***	***	▲***	▲***	▼***
Value	***	***	***	▲***	▲***	▼***
Unit value	***	***	***	▲***	▲***	▼***
Ending inventory quantity	***	***	***	▲***	▲***	▲***
Included U.S. producers':						
Average capacity quantity	***	***	***	▼***	▼***	▲***
Production quantity	***	***	***	▼***	▼***	▼***
Capacity utilization (fn1)	***	***	***	▲***	▲***	▼***
U.S. shipments:						
Quantity	***	***	***	▼***	▲***	▼***
Value	***	***	***	▼***	▲***	▼***
Unit value	***	***	***	▲***	▲***	▲***

Table continued on next page.

Table C-2--Continued
Snow throwers: Summary data concerning the U.S. market excluding one U.S. producer *, 2018-20**
(Quantity=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		
	Calendar year			Comparison years		
	2018	2019	2020	2018-20	2018-19	2019-20
Included U.S. producers'--Continued:						
U.S. shipments:						
Channel: Retailer/Dealer (fn1)	***	***	***	▼***	▼***	▲***
Channel: Distributor (fn1)	***	***	***	▲***	▲***	▼***
Channel: End user (fn1)	***	***	***	▼***	▼***	▲***
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 per hour)	***	***	***	▲***	▲***	▲***
Productivity (units per 1,000 hours)	***	***	***	▼***	▼***	▼***
Unit labor costs	***	***	***	▲***	▲***	▲***
Net sales:						
Quantity	***	***	***	▼***	▲***	▼***
Value	***	***	***	▼***	▲***	▼***
Unit value	***	***	***	▲***	▲***	▲***
Cost of goods sold (COGS)	***	***	***	▼***	▲***	▼***
Gross profit or (loss) (fn2)	***	***	***	▼***	▲***	▼***
SG&A expenses	***	***	***	▼***	▲***	▼***
Operating income or (loss) (fn2)	***	***	***	▼***	▲***	▼***
Net income or (loss) (fn2)	***	***	***	▼***	▲***	▼***
Unit COGS	***	***	***	▲***	▼***	▲***
Unit SG&A expenses	***	***	***	▲***	▲***	▼***
Unit operating income or (loss) (fn2)	***	***	***	▼***	▲***	▼***
Unit net income or (loss) (fn2)	***	***	***	▼***	▲***	▼***
Raw materials/COGS (fn1)	***	***	***	▼***	▼***	▼***
COGS/sales (fn1)	***	***	***	▲***	▼***	▲***
Gross profit or (loss)/sales (fn1)	***	***	***	▼***	▲***	▼***
Operating income or (loss)/sales (fn1)	***	***	***	▼***	▲***	▼***
Net income or (loss)/sales (fn1)	***	***	***	▼***	▲***	▼***
Capital expenditures	***	***	***	▼***	▼***	▼***
Research and development expenses	***	***	***	▼***	▼***	▲***
Net assets	***	***	***	▼***	▼***	▲***

Note.--Shares and ratios shown as "0.0" percent represent non-zero values less than "0.05" percent (if positive) and greater than "(0.05)" percent (if negative). Zeroes, null values, and undefined calculations are suppressed and shown as "---". Period changes preceded by a "▲" represent an increase, while period changes preceded by a "▼" represent a decrease.

fn1.--Reported data are in percent and period changes are in percentage points.
fn2.--Percent changes only calculated when both comparison values represent profits; The directional change in profitability provided when one or both comparison values represent a loss.

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

APPENDIX D

IMPORTS AND APPARENT CONSUMPTION EXCLUDING IMPORTS OF SNOW THROWERS WITH CHINESE SMALL VERTICAL SHAFT ENGINES

Table D-1
Snow throwers: U.S. imports, by source, excluding imports of snow throwers with Chinese SVSEs

Item	Calendar year		
	2018	2019	2020
	Quantity (units)		
U.S. imports from.--			
China	***	***	***
Nonsubject sources	***	***	***
All import sources	***	***	***
	Value (1,000 dollars)		
U.S. imports from.--			
China	***	***	***
Nonsubject sources	***	***	***
All import sources	***	***	***
	Unit value (dollars per unit)		
U.S. imports from.--			
China	***	***	***
Nonsubject sources	***	***	***
All import sources	***	***	***
	Share of quantity (percent)		
U.S. imports from.--			
China	***	***	***
Nonsubject sources	***	***	***
All import sources	100.0	100.0	100.0
	Share of value (percent)		
U.S. imports from.--			
China	***	***	***
Nonsubject sources	***	***	***
All import sources	100.0	100.0	100.0
	Ratio to U.S. production		
U.S. imports from.--			
China	***	***	***
Nonsubject sources	***	***	***
All import sources	***	***	***

Note.--Data presented exclude information reported by three importers *** and retain information from another importer, ***, whose reported U.S. imports are largely snow throwers with horizontal shaft engines.

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

Table D-2
Snow throwers: U.S. imports in the twelve-month period preceding the filing of the petition excluding imports of snow throwers with Chinese SVSEs, March 2020 through February 2021

Item	March 2020 through February 2021	
	Quantity (units)	Share quantity (percent)
U.S. imports from.--		
China	***	***
Nonsubject sources	***	***
All import sources	***	100.0

Note.--Data presented exclude information reported by three importers *** and retain information from another importer, ***, whose reported U.S. imports are largely snow throwers with horizontal shaft engines.

Note.—*** provided an incomplete questionnaire that did not include the data presented above.

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

Table D-3
Snow throwers: Apparent U.S. consumption, excluding imports of snow throwers with Chinese SVSEs, 2018-20

Item	Calendar year		
	2018	2019	2020
	Quantity (units)		
U.S. producers' U.S. shipments	***	***	***
U.S. importers' U.S. shipments from.-- China	***	***	***
Nonsubject sources	***	***	***
All import sources	***	***	***
Apparent U.S. consumption	***	***	***
	Value (1,000 dollars)		
U.S. producers' U.S. shipments	***	***	***
U.S. importers' U.S. shipments from.-- China	***	***	***
Nonsubject sources	***	***	***
All import sources	***	***	***
Apparent U.S. consumption	***	***	***

Note.--Data presented exclude information reported by three importers *** and retain information from another importer, ***, whose reported U.S. imports are largely snow throwers with horizontal shaft engines.

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

Table D-4
Snow throwers: Market shares, excluding imports of snow throwers with Chinese SVSEs, 2018-20

Item	Calendar year		
	2018	2019	2020
	Quantity (units)		
Apparent U.S. consumption	***	***	***
	Share of quantity (percent)		
U.S. producers' U.S. shipments	***	***	***
U.S. importers' U.S. shipments from.--			
China	***	***	***
Nonsubject sources	***	***	***
All import sources	***	***	***
	Value (1,000 dollars)		
Apparent U.S. consumption	***	***	***
	Share of value (percent)		
U.S. producers' U.S. shipments	***	***	***
U.S. importers' U.S. shipments from.--			
China	***	***	***
Nonsubject sources	***	***	***
All import sources	***	***	***

Note.--Data presented exclude information reported by three importers *** and retain information from another importer, ***, whose reported U.S. imports are largely snow throwers with horizontal shaft engines.

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