



## FACT SHEET

### Commerce Finds Preliminary Subsidization of Certain Tow-Behind Lawn Groomers and Certain Parts Thereof from the People's Republic of China

- On November 18, the Department of Commerce (Commerce) announced its affirmative preliminary determination in the countervailing duty investigation on imports of certain tow-behind lawn groomers and certain parts thereof from the People's Republic of China (China).
- Subsidies are financial assistance from foreign governments that benefit the production, manufacture, or exportation of goods.
- Commerce preliminarily determined that Chinese producers/exporters have received net countervailable subsidies ranging from 0.95 (*de minimis*) to 254.52 percent.
- Mandatory respondents, Princeway Furniture (Dong Guan) Co., Ltd./Princeway Limited (collectively Princeway) and Jiashan Superpower Tools Co., Ltd., received net subsidy rates of 0.95 (*de minimis*) and 2.77 percent, respectively.
- The following companies did not respond to the Department's request for information, Maxchief Investments Ltd., Qingdao EA Huabang Instrument Co., Ltd., Qingdao Hundai Tools Co., Ltd., Qingdao Taifa Group Co., Ltd. and World Factory, Inc., and therefore received a net subsidy rate of 254.52 percent based on adverse facts available.
- All other Chinese exporters received a net subsidy rate of 2.77 percent.
- As a result of this preliminary determination, Commerce will instruct U.S. Customs and Border Protection to collect a cash deposit or bond based on these preliminary rates, except for Princeway. Since Princeway's rate was *de minimis*, no cash deposit or bond will be required for its imports.
- The petitioner for this investigation is Agri-Fab, Inc. (IL).
- Tow-behind lawn groomers are defined as non-motorized tow-behind lawn sweepers, aerators, dethatchers, and spreaders, where such products are designed to incorporate a hitch and are intended to be towed behind a lawn tractor, all terrain vehicle, utility type vehicle, riding lawn mower, or similar vehicle. All tow behind lawn groomers are designed to be used in the care and maintenance of lawn and turf.
- Tow-behind lawn groomers are currently classifiable under the subheadings 8432.40.0000, 8432.80.0000, 8432.90.0030, 8432.90.0080, 8479.89.9897, 8479.90.9496, and 9603.50.0000 of the Harmonized Tariff Schedule of the United States (HTSUS). While HTSUS subheadings are provided for convenience and customs purposes, Commerce's written description of the scope of these investigations is final and conclusive.

- From 2005 to 2007, imports of tow behind lawn groomers from China increased 339 percent by volume. In 2007, imports were valued at an estimated \$9 million.

#### NEXT STEPS

- Commerce is currently scheduled to make its final determinations in April 2009.
- If Commerce makes affirmative final determinations, and the U.S. International Trade Commission makes an affirmative final determination that imports of tow behind lawn groomers from China materially injure, or threaten material injury to, the domestic industry, Commerce will issue a countervailing duty dumping order.

#### PRELIMINARY SUBSIDY RATES:

PRODUCER/EXPORTER	SUBSIDY RATE
Princeway Furniture (Dong Guan) Co., Ltd. and Princeway Limited	0.95% ( <i>de minimis</i> )
Jiashan Superpower Tools Co., Ltd.	2.77%
Maxchief Investments Ltd.	254.52%
Qingdao EA Huabang Instrument Co., Ltd.	254.52%
Qingdao Hundai Tools Co., Ltd.	254.52%
Qingdao Taifa Group Co., Ltd.	254.52%
World Factory, Inc.	254.52%
All Others	2.77%

#### CASE CALENDAR:

EVENT	DEADLINE
Petitions Filed	June 24, 2008
DOC Initiation Date	July 14, 2008
ITC Preliminary Determination	August 21, 2008
DOC Preliminary Determination	November 17, 2008
DOC Final Determination*	April 6, 2009
ITC Final Determination**	May 20, 2009
Issuance of Orders***	May 27, 2009

\*This deadline may be extended under the governing statute.

\*\*This will take place only in the event of a final affirmative determination by the Department of Commerce.

\*\*\*This will take place only in the event of final affirmative determinations by both Commerce and the ITC.

**IMPORT STATISTICS:**

<b>CHINA</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>
<b>Volume (pcs.)</b>	<b>25,700</b>	<b>80,250</b>	<b>112,850</b>
<b>Value (\$US)</b>	<b>2,280,100</b>	<b>4,991,100</b>	<b>8,920,100</b>

Source: Petitioner's estimates of the volume and value of U.S. imports of subject merchandise from the PRC, as noted in the petition.