



Congress of the United States
House of Representatives

September 7, 2017

The Honorable Rhonda K. Schmidlein
Chairman
U.S. International Trade Commission
500 E Street, SW
Washington, D.C. 20436

RE: Investigation No. TA-201-76 (Large Residential Washers)

Dear Chairman Schmidlein:

We write to express our concerns regarding the International Trade Commission's Section 201 "global safeguards" investigation into large residential washing machines imported into the United States. While we understand the complex nature of the current proceeding, we emphasize that it is an extraordinary step to grant an industry protection from *fairly traded* imports. Before taking such a step, we urge the Commission to consider carefully the risks of significant, negative, and unintended consequences for consumers, competition, and job-producing investments in the United States that could result if the petitioner, the Whirlpool Corporation, secures the relief it seeks.

In this investigation, Whirlpool seeks protection from fairly traded imports of washers. Whirlpool is seeking this protection even though it remains profitable, and even though the U.S. residential washing machines market has grown by 35 percent over the past five years. Moreover, Whirlpool has brought a petition that seeks to restrict imports of large residential washers and select parts into the U.S. market. This appears to be a different position than Whirlpool took during the 2006 acquisition of its largest rival, Maytag Corporation, when it told federal regulators that competition from Samsung and LG was critical to preventing the expanded Whirlpool from controlling a substantial portion of the domestic washers market.

Whirlpool's 2006 justification for its Maytag acquisition turned out to be accurate in at least one respect. The U.S. residential washing machine market is now more competitive. U.S. consumers benefit from that competition with greater choice of innovative and stylish washers, thanks in large part to the emergence of producers like Samsung and LG. New innovations are rapidly coming to market, and consumers have access to a broad spectrum of products and brands at differing price points.

The thriving U.S. washers market also is spurring additional direct foreign investment in new American manufacturing capabilities, as evidenced by Samsung's recent announcement that it will open a state-of-the-art manufacturing facility in Newberry, South Carolina. Once online by 2018, Samsung's new facility will manufacture washing machines and other residential appliances for the

U.S. market. Samsung estimates that it will invest roughly \$400 million in the local economy through this facility and will create approximately 1,000 new jobs in the first two years. If Whirlpool succeeds in blocking Samsung's parts imports, this expansion could be jeopardized.

Unfortunately, the 201 petition invites undue risks in the existing residential washers market that could reduce consumer choice, curb innovation, and jeopardize the expansion of a growing domestic manufacturing workforce. If this case were to reach the President's desk, the President would be faced with deciding whether to impose potentially harmful trade remedies. The Commission should carefully consider these negative impacts as it pursues this investigation.

Sincerely,



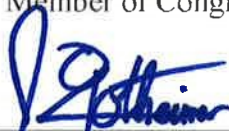
Ralph Norman
Member of Congress



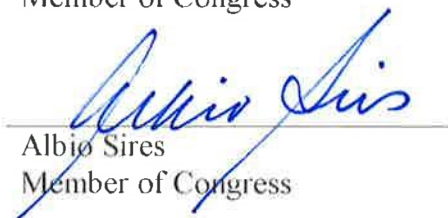
Bill Pascrell, Jr.
Member of Congress



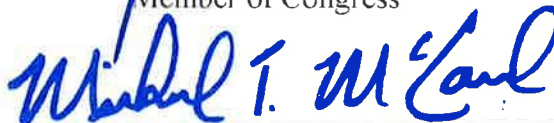
Leonard Lance
Member of Congress



Josh Gottheimer
Member of Congress



Albio Sires
Member of Congress



Michael T. McCaul
Member of Congress

Cc:

The Honorable David S. Johanson, Vice Chairman, U.S. International Trade Commission
The Honorable Irving A. Williamson, Commissioner, U.S. International Trade Commission
The Honorable Meredith M. Broadbent, Commissioner, U.S. International Trade Commission
The Honorable Robert Lighthizer, U.S. Trade Representative, Executive Office of the President
The Honorable Gary Cohn, Chairman, National Economic Council, Executive Office of the President
The Honorable Wilbur Ross, Secretary, U.S. Department of Commerce
The Honorable Kevin Brady, Chairman, House Committee on Ways and Means
The Honorable Richard Neal, Ranking Member, House Committee on Ways and Means
The Honorable Orrin Hatch, Chairman, Senate Committee on Finance
The Honorable Ron Wyden, Ranking Member, Senate Committee on Finance