



## FACT SHEET

### Commerce Finds Dumping and Countervailable Subsidization of Imports of Steel Wheels from China

- On March 22, 2019, the Department of Commerce (Commerce) announced its affirmative final determinations in the antidumping duty (AD) and countervailing duty (CVD) investigations of imports of steel wheels from China.
- The AD and CVD laws provide U.S. businesses and workers with a transparent, quasi-judicial, and internationally accepted mechanism to seek relief from the market-distorting effects caused by injurious dumping and subsidization of imports into the United States, establishing an opportunity to compete on a level playing field.
- For the purpose of an AD investigation, dumping occurs when a foreign company sells a product in the United States at less than its fair value. For the purpose of a CVD investigation, a countervailable subsidy is financial assistance from foreign governments that benefits the production of goods from foreign companies and is limited to specific enterprises or industries, or is contingent either upon export performance or upon the use of domestic goods over imported goods.
- In the AD investigation, Commerce assigned a dumping rate of 231.70 percent to the China-wide entity based entirely on adverse facts available. No companies demonstrated that they were eligible for a separate rate.
- In the CVD investigation, Commerce assigned a CVD rate of 457.10 percent to mandatory respondent Xiamen Sunrise Wheel Group Co., Ltd. (Xiamen Sunrise) and mandatory respondent Zhejiang Jingu Company Limited and Shanghai Yata Industry Company Limited (Zhejiang Jingu) based on total adverse facts available. The final subsidy rate for all other Chinese producers and exporters is 457.10 percent.
- Upon publication of the final affirmative AD determination, Commerce will instruct U.S. Customs and Border Protection (CBP) to collect AD cash deposits equal to the applicable final weighted-average dumping margin. Further, as a result of the affirmative final CVD determination, if the U.S. International Trade Commission (ITC) makes an affirmative injury determination, Commerce will instruct CBP to resume collection of CVD cash deposits equal to the applicable subsidy rates.
- In both the AD and CVD investigations, the domestic interested parties alleged critical circumstances with regard to imports of steel wheels from China. In the AD investigation, Commerce found that critical circumstances exist for the China-wide entity (including Xiamen Sunrise and Zhejiang Jingu) due to its failure to cooperate. In the CVD investigation, Commerce found that critical circumstances exist for Xiamen Sunrise and Zhejiang Jingu based on adverse facts available. Commerce found that critical circumstances did not exist for the “all others” companies. Consequently, Commerce will instruct CBP to impose provisional measures retroactively on entries of steel wheels from China, as applicable, effective 90 days prior to publication of the preliminary determination in the Federal Register.
- The petitioners are Accuride Corporation (Evansville, IN) and Maxison Wheels Akron LLC (Akron, OH).

- The scope of these investigations is certain on-the-road steel wheels, discs, and rims for tubeless tires, with a nominal rim diameter of 22.5 inches and 24.5 inches, regardless of width. Certain on-the-road steel wheels with a nominal wheel diameter of 22.5 inches and 24.5 inches are generally for Class 6, 7, and 8 commercial vehicles (as classified by the Federal Highway Administration Gross Vehicle Weight Rating system), including tractors, semi-trailers, dump trucks, garbage trucks, concrete mixers, and buses, and are the current standard wheel diameters for such applications. The standard widths of certain on-the-road steel wheels are 7.5 inches, 8.25 inches, and 9.0 inches, but all certain on-the-road steel wheels, regardless of width, are covered by the scope. While 22.5 inches and 24.5 inches are standard wheel sizes used by Class 6, 7, and 8 commercial vehicles, the scope covers sizes that may be adopted in the future for Class 6, 7, and 8 commercial vehicles.

The scope includes certain on-the-road steel wheels with either a “hub-piloted” or “stud-piloted” mounting configuration, and includes rims and discs for such wheels, whether imported as an assembly or separately. The scope includes certain on-the-road steel wheels, discs, and rims, of carbon and/or alloy steel composition, whether cladded or not cladded, whether finished or not finished, and whether coated or uncoated. All on-the-road wheels sold in the United States are subject to the requirements of the National Highway Traffic Safety Administration and bear markings, such as the “DOT” symbol, indicating compliance with applicable motor vehicle standards. *See* 49 C.F.R. § 571.120. The scope includes certain on-the-road steel wheels imported with or without the required markings. Certain on-the-road steel wheels imported as an assembly with a tire mounted on the wheel and/or with a valve stem attached are included. However, if the certain on-the-road steel wheel is imported as an assembly with a tire mounted on the wheel and/or with a valve stem attached, the certain on-the-road steel wheel is covered by the scope, but the tire and/or valve stem is not covered by the scope.

Excluded from the scope are:

- 1) steel wheels for tube-type tires that require a removable side ring;
- 2) aluminum wheels;
- 3) wheels where steel represents less than fifty percent of the product by weight; and
- 4) steel wheels that do not meet National Highway Traffic Safety Administration requirements, other than the rim marking requirements found in 49 C.F.R. § 571.120S5.2.

Imports of the subject merchandise are currently classified under the following Harmonized Tariff Schedule of the United States (HTSUS) subheadings: 8708.70.4530, 8708.70.4560, 8708.70.6030, 8708.70.6060, 8716.90.5045, and 8716.90.5059. Merchandise meeting the scope description may also enter under the following HTSUS subheadings: 4011.20.1015, 4011.20.5020, and 8708.99.4850. While HTSUS subheadings are provided for convenience and customs purposes, the written description of the subject merchandise is dispositive.

- In 2017, imports of certain steel wheels from China were valued at an estimated \$388 million.
- The Final Decision Memoranda are on file electronically *via* Enforcement and Compliance’s Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS). ACCESS is available to registered users at <https://access.trade.gov>, and to all parties in the Central Records Unit, Room B8024 of the main Department of Commerce building. Please refer to case number A-570-082 for the AD investigation and C-570-083 for the CVD investigation.

## NEXT STEPS

- The ITC is scheduled to make its final determinations on or about May 6, 2019.
- If the ITC makes affirmative final determinations that imports of steel wheels from China materially injure, or threaten material injury to, the domestic industry, Commerce will issue AD and CVD orders. If the ITC makes negative determinations of injury, the investigations will be terminated.

## FINAL DUMPING RATES:

COUNTRY	EXPORTER/PRODUCER	DUMPING RATE	DUMPING RATE ADJUSTED FOR EXPORT
China	China-Wide Entity (based on AFA)	231.70%	231.08%

## FINAL SUBSIDY RATES:

COUNTRY	EXPORTER/PRODUCER	SUBSIDY RATE
China	Xiamen Sunrise Wheel Group Co., Ltd. (based on AFA)	457.10%
	Zhejiang Jingu Company Limited and Shanghai Yata Industry Company Limited (based on AFA)	457.10%
	All Others	457.10%

## CASE CALENDAR:

EVENT	CVD	AD
Petitions Filed	March 27, 2018	March 27, 2018
DOC Initiation Date	April 16, 2018	April 16, 2018
ITC Preliminary Determinations	May 17, 2018	May 17, 2018
DOC Preliminary Determinations	August 24, 2018	October 23, 2018
DOC Final Determinations	March 21, 2019	March 21, 2019
ITC Final Determinations	May 6, 2019	May 6, 2019
Issuance of Orders*	May 13, 2019	May 13, 2019

NOTE: Commerce preliminary and final determination deadlines are governed by statute. For AD investigations, the deadlines are set forth in sections 733(b) and 735(a)(1) of the Tariff Act of 1930, as amended (the Act). For CVD investigations, the deadlines are set forth in sections 703(b) and 705(a) of the Act. These deadlines may be extended under certain circumstances.

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

## IMPORT STATISTICS:

### HTSUS subheadings with quantity reported in number of pieces:

<b>China</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
<b>Value (USD)</b>	269,034,237	248,868,405	323,043,532
<b>Quantity (number of units)</b>	67,794,694	53,844,191	63,209,775

Source: U.S. Census Bureau, accessed through Global Trade Atlas (HTSUS 8708.70.4530, 8708.70.4560, 8708.70.6030, and 8708.70.6060). These HTSUS subheadings are basket categories that may include significant volumes of non-subject merchandise.

### HTSUS subheadings with quantity reported in kilograms:

<b>China</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
<b>Value (USD)</b>	52,436,436	58,121,752	64,915,799
<b>Quantity (kilograms)</b>	20,512,278	24,630,066	28,834,094

Source: U.S. Census Bureau, accessed through Global Trade Atlas (HTSUS 8716.90.5045 and 8716.90.5059). These HTSUS subheadings are basket categories that may include significant volumes of non-subject merchandise.