



## FACT SHEET

### Commerce Finds Dumping and Countervailable Subsidization of Imports of Certain Steel Wheels 12 to 16.5 inches in diameter from China

- On July 2, 2019, the Department of Commerce (Commerce) announced its affirmative final determinations in the antidumping duty (AD) and countervailing duty (CVD) investigations of imports of certain steel wheels 12 to 16.5 inches in diameter 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.
- Commerce determined a dumping margin of 44.35 percent for the China-wide entity, based entirely on adverse facts available. Commerce also preliminarily determined a dumping margin of 38.27 percent for Changzhou Chungang Machinery Co., Ltd. (Changzhou Chungang), that Commerce found to be eligible for a separate rate.
- Commerce assigned a subsidy rate of 388.31 percent for the sole participating mandatory respondent Zhejiang Jingu Company Limited. Commerce assigned a preliminary subsidy rate of 386.45 percent, based entirely upon adverse facts available, for mandatory respondent Xingmin Intelligent Transportation Systems (Group), which withdrew its participation from this investigation. The preliminary subsidy rate for all other Chinese producers and exporters is 387.38 percent, which is based entirely on the preliminary subsidy rate assigned to Zhejiang Jingu Company Limited.
- Upon publication of the final affirmative AD determinations, Commerce will instruct U.S. Customs and Border Protection (CBP) to collect AD cash deposits equal to the applicable final weighted-average dumping rates. Further, as a result of the affirmative final CVD determinations, if the U.S. International Trade Commission (ITC) makes affirmative injury determinations, Commerce will instruct CBP to resume collection of CVD cash deposits equal to the applicable above-*de minimis* subsidy rates.
- The petitioner is Dexstar Wheel, a division of Americana Development, Inc.
- In the AD and CVD investigations, the domestic interested party alleged critical circumstances with regard to imports of certain steel wheels from China. For the CVD investigation, Commerce found that critical circumstances exist for Xingmin Intelligent Transportation Systems (Group), Zhejiang Jingu Company Limited, as well as all other Chinese exporters and producers.

- The merchandise covered by these investigations is certain on-the-road steel wheels, discs, and rims for tubeless tires with a nominal wheel diameter of 12 inches to 16.5 inches, regardless of width. Certain on-the-road steel wheels with a nominal wheel diameter of 12 inches to 16.5 inches within the scope are generally for road and highway trailers and other towable equipment, including, inter alia, utility trailers, cargo trailers, horse trailers, boat trailers, recreational trailers, and towable mobile homes. The standard widths of certain on-the-road steel wheels are 4 inches, 4.5 inches, 5 inches, 5.5 inches, 6 inches, and 6.5 inches, but all certain on-the-road steel wheels, regardless of width, are covered by the scope.

The scope includes rims and discs for certain on-the-road steel wheels, whether imported as an assembly, unassembled, or separately. The scope includes certain on-the-road steel wheels regardless of steel composition, whether clad or not clad, whether finished or not finished, and whether coated or uncoated. The scope also includes certain on-the-road steel wheels with discs in either a “hub-piloted” or “stud-piloted” mounting configuration, though the stud-piloted configuration is most common in the size range covered.

All on-the-road wheels sold in the United States must meet Standard 110 or 120 of the National Highway Traffic Safety Administration’s (NHTSA) Federal Motor Vehicle Safety Standards, which requires a rim marking, such as the “DOT” symbol, indicating compliance with applicable motor vehicle standards. See 49 C.F.R. § 571.110 and § 571.120. The scope includes certain on-the-road steel wheels imported with or without NHTSA’s 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 or rims imported as an assembly with a tire mounted on the rim and/or with a valve stem are included in the scope of this investigation. However, if the certain steel wheels or rims are imported as an assembly with a tire mounted on the wheel or rim and/or with a valve stem attached, the tire and/or valve stem is not covered by the scope.

Excluded from this scope are the following:

certain steel wheels for use with tube-type tires; such tires use multi piece rims, which are two-piece and three-piece assemblies and require the use of an inner tube;

aluminum wheels;

certain on-the-road steel wheels that are coated entirely with chrome; and

certain steel wheels that do not meet Standard 110 or 120 of the NHTSA’s requirements other than the rim marking requirements found in 49 C.F.R. § 571.110S4.4.2 and § 571.120S5.2.

Certain on-the-road steel wheels subject to this investigation are properly classifiable under the following category of the Harmonized Tariff Schedule of the United States (HTSUS): 8716.90.5035 which covers the exact product covered by the scope whether entered as an assembled wheel or in components. Certain on-the-road steel wheels entered with a tire mounted on them may be entered under HTSUS 8716.90.5059 (Trailers and semi-trailers; other vehicles, not mechanically propelled, parts, wheels, other, wheels with other tires) (a category that will be broader than what is covered by the scope). While the HTSUS subheadings are provided for convenience and customs purposes, the written description of the subject merchandise is dispositive.

- In 2017, U.S. imports of certain steel wheels 12 to 16.5 inches in diameter from China were valued at an estimated \$73.8 million.

- The Final Decision Memoranda, including the memorandum postponing the AD and CVD final determinations of certain steel wheels 12 to 16.5 inches in diameter from China, 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 numbers: C-570-090 (CVD), and A-570-091 (AD).

#### NEXT STEPS

- The ITC is scheduled to make its final determinations on or about August 15, 2019.
- If the ITC makes affirmative final determinations that imports of certain steel wheels 12 to 16.5 inches in diameter 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 MARGINS	CASH DEPOSIT RATES
China	Changzhou Chungang Machinery Co., Ltd./ Changzhou Chungang Machinery Co., Ltd.	38.27%	16.57%
	China-Wide	44.35%	22.65%

\*Separate rate company.

\*\* Rates are adjusted for export subsidies.

#### FINAL SUBSIDY RATES:

COUNTRY	EXPORTER/PRODUCER	SUBSIDY RATE
China	Zhejiang Jingu Company Limited	388.31%
	Xingmin Intelligent Transportation Systems (Group)	386.45%
	All Others	387.38%

\*\*Based entirely on adverse facts available.

#### CASE CALENDAR:

EVENT	CVD	AD
Petitions Filed	August 8, 2018	August 8, 2018
DOC Initiation Date	August 28, 2018	August 28, 2018
ITC Preliminary Determinations	September 24, 2018	September 24, 2018
DOC Preliminary Determinations	February 14, 2019	April 15, 2018

<b>DOC Final Determinations</b>	<b>July 1, 2019</b>	<b>July 1, 2019</b>
<b>ITC Final Determinations</b>	<b>August 15, 2019</b>	<b>August 15, 2019</b>
<b>Issuance of Orders*</b>	<b>August 22, 2019</b>	<b>August 22, 2019</b>

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:

<b>CHINA</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
Volume (metric tons)	2,223,135	1,613,360	4,006,413
Value (USD)	60,364,689	60,930,318	89,801,633

Source: U.S. Census Bureau, accessed through Global Trade Atlas (Harmonized Tariff Schedule of the United States (HTSUS 8716.90.5035). Imports of certain steel wheels 12 to 16.5 inches in diameter may also enter under HTSUS subheading 8716.90.5059, which is a basket category that may cover both subject and non-subject merchandise.