



FACT SHEET

Commerce Preliminarily Finds Dumping of Imports of Steel Wheels 12 to 16.5 Inches in Diameter from the People's Republic of China

- On April 16, 2019, the Department of Commerce (Commerce) announced its affirmative preliminary determination in the antidumping duty (AD) investigation of imports of steel wheels 12 to 16.5 inches in diameter (certain steel wheels) from the People's Republic of China (China).
- The AD law provides 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 of imports into the United States, establishing an opportunity to compete on a level playing field.
- For the purpose of AD investigations, dumping occurs when a foreign company sells an imported product in the United States at less than fair value.
- Commerce determined a preliminary 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.
- As a result of the preliminary affirmative determination, Commerce will instruct U.S. Customs and Border Protection (CBP) to require cash deposits based on these preliminary margins.
- The domestic interested party alleged critical circumstances with regard to imports of certain steel wheels from China, and Commerce found that critical circumstances exist for the China-wide entity due to its failure to cooperate. Commerce also found that critical circumstances exist for Changzhou Chungang. As a result, Commerce will instruct CBP to impose provisional measures retroactively on entries of certain steel wheels from China, as applicable, effective 90 days prior to publication of the preliminary determination in the Federal Register.
- The petitioner is Dexstar Wheel, a division of Americana Development, Inc.
- The scope of this investigation 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 cladded or not cladded, 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 CFR 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 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.

The scope includes rims, discs, and wheels that have been further processed in a third country, including, but not limited to, the painting of wheels from China and the welding and painting of rims and discs from China to form a steel wheel, or any other processing that would not otherwise remove the merchandise from the scope of the investigations if performed in China.

Excluded from this scope are the following:

- (1) 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;
- (2) aluminum wheels;
- (3) certain on-the-road steel wheels that are coated entirely in chrome;
- (4) steel wheels that do not meet Standard 110 or 120 of the NHTSA’s requirements other than the rim marking requirements found in 49 CFR 571.110S4.4.2 and 571.120S5.2;
- (5) steel wheels that meet the following specifications: steel wheels with a nominal wheel diameter ranging from 15 inches to 16.5 inches, with a rim width of 8 inches or greater, and a wheel backspacing ranging from 3.75 inches to 5.5 inches; and
- (6) steel wheels with wire spokes.

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 Preliminary Decision Memorandum is 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-570-090.

NEXT STEPS

- Commerce is scheduled to announce its final determination on or July 2, 2019.
- If Commerce makes an affirmative final determination, and the U.S. International Trade Commission (ITC) makes an affirmative final determination that imports of certain steel wheels from China materially injure, or threaten material injury to, the domestic industry, Commerce will issue an AD order. If either Commerce or the ITC issue negative final determinations, no AD order will be issued. The ITC is scheduled to make its final injury determination approximately 45 days after Commerce issues its final determination, if affirmative.

PRELIMINARY DUMPING MARGINS:

COUNTRY	EXPORTER/PRODUCER	DUMPING MARGINS	CASH DEPOSIT RATES
China	Changzhou Chungang Machinery Co., Ltd./ Changzhou Chungang Machinery Co., Ltd.	38.27%	37.65%
	China-Wide	44.35%	43.73%

CASE CALENDAR:

EVENT	DATE
Petition Filed	August 8, 2018
DOC Initiation Date	August 28, 2018
ITC Preliminary Determination	September 24, 2018
DOC Preliminary Determination	April 15, 2019
DOC Final Determination	July 1, 2019
ITC Final Determination*	August 15, 2019
Issuance of Order**	August 22, 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. These deadlines may be extended under certain circumstances.

*This will take place only in the event of an affirmative final determination from Commerce.

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

IMPORT STATISTICS:

CHINA	2015	2016	2017
Quantity (metric tons)	42,195	46,264	50,656
Value (USD)	66,722,177	60,770,235	73,788,514

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.