



FACT SHEET

Commerce Issues Affirmative Preliminary Determination in the CVD Investigation of Imports of Certain Steel Wheels from the People's Republic of China

- On August 27, 2018, the Department of Commerce (Commerce) announced the affirmative preliminary determination of the countervailing duty (CVD) investigation of imports of certain steel wheels from the People's Republic of China (China).
- The CVD 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 unfair subsidization of imports into the United States, establishing an opportunity to compete on a level playing field.
- For the purpose of CVD investigations, a countervailable subsidy is financial assistance from a foreign government that benefits the production of goods by 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 assigned a preliminary subsidy rate of 58.75 percent for mandatory respondent Xiamen Sunrise Wheel Group Co., Ltd. Commerce assigned a preliminary subsidy rate of 172.51 percent for mandatory respondent Zhejiang Jingu Company Limited and Shanghai Yata Industry Company Limited based on total adverse facts available. The preliminary subsidy rate for all other Chinese producers and exporters is 58.75 percent.
- Commerce will instruct U.S. Customs and Border Protection (CBP) to collect cash deposits from importers of certain steel wheels from China based on these preliminary rates.
- The petitioners are Accuride Corporation (Evansville, IN) and Maxion Wheels Akron LLC (Akron, OH).
- The scope of this investigation 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 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 C-570-083.

NEXT STEPS

- Commerce is scheduled to announce its final determinations on or about January 8, 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 a CVD order. If either Commerce’s or the ITC’s final determination is negative, no CVD 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 SUBSIDY RATES:

COUNTRY	EXPORTER/PRODUCER	SUBSIDY RATE
China	Xiamen Sunrise Wheel Group Co., Ltd.	58.75%
	Zhejiang Jingu Company Limited and Shanghai Yata Industry Company Limited (based on AFA)	172.51%
	All Others	58.75%

CASE CALENDAR:

EVENT	CVD INVESTIGATION
Petition Filed	March 27, 2018
DOC Initiation Date	April 16, 2018
ITC Preliminary Determination	May 17, 2018
DOC Preliminary Determination	August 24, 2018
DOC Final Determination*	January 7, 2019
ITC Final Determination**	February 21, 2019
Issuance of Order***	March 4, 2019

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

*This deadline may be extended under the governing statute.

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

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IMPORT STATISTICS:**HTSUS subheadings with quantity reported in number of pieces:**

China	2015	2016	2017
Value (USD)	269,034,237	248,868,405	323,043,532
Quantity (number of units)	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:

China	2015	2016	2017
Value (USD)	52,436,436	58,121,752	64,915,799
Quantity (kilograms)	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.