



FACT SHEET

Commerce Initiates Antidumping Duty and Countervailing Duty Investigations of Imports of Certain Passenger Vehicle and Light Truck Tires from China

- On July 15, 2014, the Department of Commerce (Commerce) announced the initiation of antidumping duty (AD) and countervailing duty (CVD) investigations of imports of certain passenger vehicle and light truck tires from the People's Republic of China (China).
- The AD and CVD laws provide U.S. businesses and workers with a transparent and internationally accepted mechanism to seek relief from the market-distorting effects caused by injurious dumping and unfair subsidization 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 a product in the United States at less than its fair value. For the purpose of CVD investigations, countervailable subsidies are financial assistance from foreign governments that benefit the production of goods from foreign companies and are limited to specific enterprises or industries, or are contingent either upon export performance or upon the use of domestic goods over imported goods.
- The petitioner for these investigations is the United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union, AFL-CIO-CLC (PA).
- The products covered by these investigations are passenger vehicle and light truck tires. Passenger vehicle and light truck tires are new pneumatic tires, of rubber, with a passenger vehicle or light truck size designation. Tires covered by these investigations may be tube-type, tubeless, radial, or non-radial, and they may be intended for sale to original equipment manufacturers or the replacement market.
- Subject tires have, at the time of importation, the symbol "DOT" on the sidewall, certifying that the tire conforms to applicable motor vehicle safety standards. Subject tires may also have the following prefixes or suffix in their tire size designation, which also appears on the sidewall of the tire:

Prefix designations:

P – Identifies a tire intended primarily for service on passenger cars

LT – Identifies a tire intended primarily for service on light trucks

Suffix letter designations:

LT – Identifies light truck tires for service on trucks, buses, trailers, and multipurpose passenger vehicles used in a nominal highway service.

- All tires with a "P" or "LT" prefix, and all tires with an "LT" suffix in their sidewall markings are covered by these investigations regardless of their intended use.
- In addition, all tires that lack a "P" or "LT" prefix or suffix in their sidewall markings, as well as all tires that include any other prefix or suffix in their sidewall markings, are included in the scope,

regardless of their intended use, as long as the tire is of a size that is among the numerical size designations listed in the passenger car section or light truck section of the Tire and Rim Association Year Book, as updated annually.

- Passenger vehicle and light truck tires, whether or not attached to wheels or rims, are included in the scope. However, if a subject tire is imported attached to a wheel or rim, only the tire is covered by the scope.
- Specifically excluded from the scope of these investigations are the following types of tires: (1) racing car tires, defined as tires for use exclusively on a race track; such tires do not bear the symbol “DOT” on the sidewall; (2) new pneumatic tires, of rubber, of a size that is not listed in the passenger car section or light truck section of the Tire and Rim Association Year Book; (3) pneumatic tires, of rubber, that are not new, including recycled and retreaded tires; and (4) non-pneumatic tires, such as solid rubber tires.
- The products covered by the investigations are currently classified under the following Harmonized Tariff Schedule of the United States (HTSUS) subheadings 4011.10.10.10, 4011.10.10.20, 4011.10.10.30, 4011.10.10.40, 4011.10.10.50, 4011.10.10.60, 4011.10.10.70, 4011.10.50.00, 4011.20.10.05, and 4011.20.50.10. Tires meeting the scope description may also enter under the following HTSUS subheadings: 4011.99.45.00, 4011.99.85.00, 8708.70.45.45, 8708.70.45.60, 8708.70.60.30, 8708.70.60.45, and 8708.70.60.60. While HTSUS subheadings are provided for convenience and for customs purposes, the written description of the subject merchandise is dispositive.
- In 2013, imports of certain passenger vehicle and light truck tires from China were valued at an estimated \$2.1 billion.

NEXT STEPS

- Under the applicable statute, the U.S. International Trade Commission’s (ITC) preliminary determination will be within 25 days after the date on which the ITC receives notification from Commerce of the initiation of the investigations. At this time, the ITC is scheduled to make its preliminary injury determinations on August 1, 2014, but it is permitted additional time under the statute.
- If the ITC determines that there is a reasonable indication that imports of certain passenger vehicle and light truck tires from China materially injure, or threaten material injury to, the domestic industry, the investigations will continue and Commerce will be scheduled to make its preliminary CVD determination in September 2014 and its preliminary AD determination in December 2014, unless the statutory deadlines are extended. If the ITC’s preliminary determinations are negative, the investigations will be terminated.

ALLEGED DUMPING MARGIN:

COUNTRY	DUMPING MARGIN
China	45.80 to 87.99 percent

ESTIMATED SUBSIDY RATE:

COUNTRY	SUBSIDY RATE
China	Above <i>de minimis</i> *

* *de minimis* = less than 1% for developed countries, less than 2% for developing countries.

CASE CALENDAR:

EVENT	AD INVESTIGATION	CVD INVESTIGATION
Petitions Filed	June 3, 2014	June 3, 2014
DOC Initiation Date [^]	July 14, 2014 [†]	July 14, 2014 [†]
ITC Preliminary Determinations*	August 1, 2014 ^{^^}	August 1, 2014 ^{^^}
DOC Preliminary Determinations	December 1, 2014	September 17, 2014
DOC Final Determinations	February 17, 2015 [†]	December 1, 2014
ITC Final Determinations**	March 31, 2015	January 15, 2015
Issuance of Orders***	April 7, 2015	January 22, 2015

NOTE: Commerce's 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). For AD investigations, the deadlines are set forth in sections 733(b) and 735(a) of the Act. These deadlines may be extended under certain circumstances.

[^]The petitions were filed on June 3, 2014. Under the Act, in any case in which Commerce is required to poll the industry or otherwise determine industry support for the petition, Commerce may extend the deadline for deciding whether to initiate an antidumping and/or countervailing duty investigation for a period not to exceed 40 days after the petitions are officially filed.

^{^^} When Commerce extends the initiation deadlines, the ITC preliminary determinations will be made within 25 days after the date on which the ITC receives notification from Commerce of the initiation of the investigations, in accordance with the applicable section of the statute. At this time, the ITC indicates its preliminary determinations will take place on August 1, 2014.

[†]Where the deadline falls on a weekend/holiday, the appropriate date is the next business day.

* If the ITC makes negative preliminary determinations of injury, the investigations are terminated.

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

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

IMPORT STATISTICS:

China	2011	2012	2013
Volume (number of tires)	24,565,000	31,479,000	50,847,000
Value (USD)	968,184,000	1,265,918,000	2,078,271,000

Source: U.S. Census Bureau, accessed through Global Trade Atlas. (HTSUS 4011.10.1010, 4011.10.1020, 4011.10.1030, 4011.10.1040, 4011.10.1050, 4011.10.1060, 4011.10.1070, 4011.10.5000, 4011.20.1005, and 4011.20.5010.)

Imports of certain passenger vehicle and light truck tires may also enter under HTSUS subheadings 4011.99.4500, 4011.99.8500, 8708.70.4545, 8708.70.4560, 8708.70.6030, 8708.70.6045, and 8708.70.6060, which may cover significant amounts of non-subject merchandise. Therefore, these additional HTSUS subheadings have not been used for purposes of reporting import statistics.