



FACT SHEET

Commerce Initiates Antidumping Duty and Countervailing Duty Investigations of Imports of Truck and Bus Tires from the People's Republic of China

- On February 19, 2016, the Department of Commerce (Commerce) announced the initiation of the antidumping duty (AD) and countervailing duty (CVD) investigations of imports of truck and bus 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 (Pittsburgh, PA).
- The scope of the investigations covers truck and bus tires. Truck and bus tires are new pneumatic tires, of rubber, with a truck or bus size designation. Truck and bus tires covered by these investigations may be tube-type, tubeless, radial, or non-radial.
- 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 one of the following suffixes in their tire size designation, which also appear on the sidewall of the tire:

TR – Identifies tires for service on trucks or buses to differentiate them from similarly sized passenger car and light truck tires;

MH – Identifies tires for mobile homes; and

HC – Identifies a 17.5 inch rim diameter code for use on low platform trailers.

All tires with a "TR," "MH," or "HC" suffix in their size designations are covered by these investigations regardless of their intended use.

In addition, all tires that lack one of the above suffix 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 "Truck-Bus" section of the Tire and Rim Association Year Book, as updated annually, unless the tire falls within one of the specific exclusions set out below.

- Truck and bus tires, whether or not mounted on wheels or rims, are included in the scope. However, if a subject tire is imported mounted on a wheel or rim, only the tire is covered by the scope. Subject merchandise includes truck and bus tires produced in the subject country whether mounted on wheels or rims in the subject country or in a third country. Truck and bus tires are covered whether or not they are accompanied by other parts, *e.g.*, a wheel, rim, axle parts, bolts, nuts, etc. Truck and bus tires that enter attached to a vehicle are not covered by the scope.
- Specifically excluded from the scope of these investigations are the following types of tires: (1) pneumatic tires, of rubber, that are not new, including recycled and retreaded tires; and (2) non-pneumatic tires, such as solid rubber tires.
- The products subject to the scope are currently classified under the following HTSUS subheadings: 4011.20.1015 and 4011.20.5020. Tires meeting the scope description may also enter under the following HTSUS subheadings: 4011.99.4520, 4011.99.4590, 4011.99.8520, 4011.99.8590, 8708.70.4530, 8708.70.6030, and 8708.70.6060. While HTSUS subheadings are provided for convenience and for customs purposes, the written description of the subject merchandise is dispositive.
- In 2015, imports of truck and bus tires from China were valued at an estimated \$1.07 billion.

NEXT STEPS

- The U.S. International Trade Commission (ITC) is scheduled to make its preliminary injury determination on or before March 14, 2016.
- If the ITC determines that there is a reasonable indication that imports of truck and bus tires from China materially injure, or threaten material injury to, the domestic truck and bus tire industry, the investigations will continue and Commerce will be scheduled to make its preliminary CVD determination in April 2016 and its preliminary AD determination in July 2016, unless the statutory deadlines are extended. If the ITC's preliminary determination is negative, the investigations will be terminated.

ALLEGED DUMPING MARGINS:

COUNTRY	DUMPING MARGINS
China	19.91% and 22.57%

ESTIMATED SUBSIDY RATES:

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	January 29, 2016	January 29, 2016
DOC Initiation Date	February 18, 2016	February 18, 2016
ITC Preliminary Determination*	March 14, 2016	March 14, 2016
DOC Preliminary Determinations	July 7, 2016	April 25, 2016†
DOC Final Determinations*†	September 20, 2016	July 7, 2016
ITC Final Determination**	November 4, 2016	August 22, 2016†
Issuance of Orders***	November 14, 2016†	August 29, 2016†

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). 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.

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

* If the ITC makes a negative preliminary determination 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	2013	2014	2015
Volume (number of tires)	6,276,000	8,420,000	8,908,000
Value (USD)	885,073,000	1,080,537,000	1,070,762,000

Source: U.S. Census Bureau, accessed through Global Trade Atlas. (HTSUS 4011.20.1015 and 4011.20.5020).

Imports of truck and bus tires may also enter under HTSUS 4011.99.4520, 4011.99.4590, 4011.99.8520, 4011.99.8590, 8708.70.4530, 8708.70.6030, and 8708.70.6060. These HTSUS subheadings may cover a significant amount of non-subject merchandise and therefore have been excluded for purposes of reporting import statistics.