



## FACT SHEET

### **Commerce Preliminarily Finds Dumping of Imports of Truck and Bus Tires from the People's Republic of China**

- On August 29, 2016, the Department of Commerce (Commerce) announced its affirmative preliminary determination in the antidumping duty (AD) investigation of imports of truck and bus tires 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 an AD investigation dumping occurs when a foreign company sells a product in the United States at less than its fair value.
- Commerce preliminarily found that dumping has occurred by mandatory respondent Prinx Chengshan (Shandong) Tire Co., Ltd. at a preliminary dumping margin of 20.87 percent. Commerce preliminarily found that the other mandatory respondent, Double Coin Holdings Ltd. is not eligible for a separate rate and is part of the China-wide entity. Commerce assigned the preliminary margin of 20.87 percent, to the non-selected respondents eligible for a separate rate. Commerce determined a preliminary dumping margin of 22.57 percent based on adverse facts available for all other producers/exporters in China that are part of the China-wide entity due to their failure to respond to Commerce's requests for information.
- As a result of the preliminary affirmative determination, Commerce will instruct U.S. Customs and Border Protection (CBP) to collect cash deposits based on these preliminary rates.
- Commerce preliminarily found that critical circumstances exist with respect to all exporters of truck and bus tires from China. CBP will be instructed to impose retroactively provisional measures on all entries of truck and bus tires effective 90 days prior to publication of the preliminary determination in the Federal Register.
- The petitioner for this investigation is the United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union, AFL-CIO, CLC (PA).
- The scope of the investigation 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 this investigation 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 this investigation 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 this investigation 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 subject merchandise is currently classifiable under Harmonized Tariff Schedule of the United States (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. On August 26, 2016, the Department included HTSUS subheadings 4011.69.0020, 4011.69.0090, and 8716.90.5059 to the case reference files, pursuant to requests by U.S. Customs and Border Protection and the petitioner.

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**

- Commerce is scheduled to announce its final determination on or about January 17, 2017.
- If Commerce makes an affirmative final determination and the U.S. International Trade Commission (ITC) makes an affirmative final determination that imports of truck and bus tires from China materially injure, or threaten material injury to, the domestic industry, Commerce will issue an AD order. If either Commerce’s or the ITC’s final determination is negative, no AD order will be issued. The ITC is scheduled to make its final injury determination in March 2017.

## PRELIMINARY DUMPING MARGINS:

COUNTRY	EXPORTER/PRODUCER	DUMPING RATES
China	Prinx Chengshan (Shandong) Tire Co., Ltd.	20.87%
	Non-Selected Separate Rate Respondents	20.87%
	China-Wide Rate	22.57%

## CASE CALENDAR:

EVENT	DATE
Petitions Filed	January 29, 2016
DOC Initiation Date	February 18, 2016
ITC Preliminary Determination	March 18, 2016
DOC Preliminary Determination	August 26, 2016
DOC Final Determination	January 17, 2017
ITC Final Determination*	March 3, 2017
Issuance of Order**	March 10, 2017

**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) of the Tariff Act of 1930, as amended. These deadlines may be extended under certain circumstances.

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

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

\*\*This will take place only in the event of final affirmative determinations by 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, 8708.70.6060, 4011.69.0020, 4011.69.0090, and 8716.90.5059. These HTSUS subheadings may cover a significant amount of non-subject merchandise and therefore have been excluded for purposes of reporting import statistics.