



DEPARTMENT OF COMMERCE

International Trade Administration

[A-570-912]

Certain New Pneumatic Off-the-Road Tires from the People's Republic of China: Final Results of Antidumping Duty Administrative Review; 2012-2013

AGENCY: Enforcement and Compliance, International Trade Administration, Commerce.

SUMMARY: On October 10, 2014, the Department of Commerce (“Department”) published the preliminary results of the administrative review of the antidumping duty order on certain new pneumatic off-the-road tires (“OTR tires”) from the People’s Republic of China (“PRC”).¹ The period of review (“POR”) is September 1, 2012, through August 31, 2013. This review covers the following exporters of subject merchandise: mandatory respondents, Double Coin Holdings Ltd. (“Double Coin”) and Guizhou Tyre Co., Ltd. / Guizhou Tyre Import and Export Co., Ltd. (collectively, “GTC”), and non-examined respondents Zhongce Rubber Group Company Limited (“Zhongce”), Weihai Zhongwei Rubber Co., Ltd. (“Zhongwei”), and Trelleborg Wheel System (Xingtai) China, Co. Ltd. (“Trelleborg”). We continue to find that GTC made sales of subject merchandise at less than normal value; that Zhongce and Zhongwei are eligible for separate rates; that Double Coin failed to demonstrate eligibility for separate rate status and thus has been included in the PRC-wide entity, and that Trelleborg had no shipments during the POR. The final dumping margins for this review are listed in the “Final Results” section below.

DATES: *Effective:* [INSERT DATE OF PUBLICATION IN THE *FEDERAL REGISTER*].

¹ See *Certain New Pneumatic Off-the-Road Tires From the People’s Republic of China: Preliminary Results of Antidumping Duty Administrative Review; 2012–2013*, 79 FR 61291 (October 10, 2014) (“*Preliminary Results*”).

FOR FURTHER INFORMATION CONTACT: Andrew Medley or Brendan Quinn, AD/CVD Operations, Office III, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-4987 and (202) 482-5848, respectively.

SUPPLEMENTARY INFORMATION:

Background

On October 10, 2014, the Department published its *Preliminary Results* of the antidumping duty administrative review of OTR tires from the PRC and invited interested parties to comment on the preliminary results. We granted parties an extension of time to submit case and rebuttal briefs.² On December 11, 2014, we received case briefs from Petitioners,³ GTC, and Double Coin. On December 19, 2014, we received a rebuttal brief from Trelleborg. On December 23, 2014, we received rebuttal briefs from Petitioners, GTC, Double Coin, and Zhongce. On December 30, 2014, the Department extended the deadline for the final results until April 8, 2015.⁴ In accordance with timely requests from parties, on February 25, 2015, the Department held a public hearing.⁵ We conducted this administrative review in accordance with section 751 of the Tariff Act of 1930, as amended (the “Act”).

² See Letters from the Department titled “2012-2013 Administrative Review of the Antidumping Duty Order on Certain New Pneumatic Off-the-Road Tires from the People’s Republic of China: Extension of Time for Case Briefs and Rebuttal Briefs,” dated October 31, 2014, and “2012-2013 Administrative Review of the Antidumping Duty Order on Certain New Pneumatic Off-the-Road Tires from the People’s Republic of China: Second Extension of Time for Case Briefs and Rebuttal Briefs,” dated December 5, 2014. See also “2012-2013 Administrative Review of the Antidumping Duty Order on Certain New Pneumatic Off-the-Road Tires from the People’s Republic of China: Extension of Time for Rebuttal Briefs,” dated December 15, 2014.

³ Titan Tire Corporation and the United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union, AFL-CIO, CLC (collectively, “Petitioners”).

⁴ See Memorandum titled “Certain New Pneumatic Off-the-Road Tires from the People’s Republic of China: Extension of Deadline for Final Results of Antidumping Duty Administrative Review,” dated December 30, 2014.

⁵ See Hearing Transcript, filed onto the record by Lisa Dennis Court Reporting on March 25, 2015.

Scope of the Order

The merchandise covered by this order includes new pneumatic tires designed for off-the-road and off-highway use, subject to certain exceptions. The subject merchandise is currently classifiable under Harmonized Tariff Schedule of the United States (“HTSUS”) subheadings: 4011.20.10.25, 4011.20.10.35, 4011.20.50.30, 4011.20.50.50, 4011.61.00.00, 4011.62.00.00, 4011.63.00.00, 4011.69.00.00, 4011.92.00.00, 4011.93.40.00, 4011.93.80.00, 4011.94.40.00, and 4011.94.80.00. The HTSUS subheadings are provided for convenience and customs purposes only; the written product description of the scope of the order is dispositive.⁶

Analysis of Comments Received

All issues raised in the case and rebuttal briefs filed by parties in this review are addressed in the Issues and Decision Memorandum, which is hereby adopted by this notice. A list of the issues that parties raised and to which we responded in the Issues and Decision Memorandum follows as an appendix to this notice. The Issues and Decision Memorandum is a public document and is on file electronically via Enforcement and Compliance’s Antidumping and Countervailing Duty Centralized Electronic Service System (“ACCESS”).⁷ ACCESS is available to registered users at <http://access.trade.gov> and it is available to all parties in the Central Records Unit, room 7046 of the main Department of Commerce building. In addition, a complete version of the Issues and Decision Memorandum can be accessed directly on the

⁶ For a complete description of the scope of the order, see Memorandum from Christian Marsh, Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations, to Ronald K. Lorentzen, Acting Assistant Secretary for Enforcement and Compliance, titled, “Issues and Decision Memorandum for Final Results of Antidumping Duty Administrative Review: Certain New Pneumatic Off-the-Road Tires from the People’s Republic of China; 2012-2013,” dated concurrently with this notice (“Issues and Decision Memorandum”).

⁷ On November 24, 2014, Enforcement and Compliance changed the name of Enforcement and Compliance’s AD and CVD Centralized Electronic Service System (“IA ACCESS”) to AD and CVD Centralized Electronic Service System (“ACCESS”). The website location was changed from <http://iaaccess.trade.gov> to <http://access.trade.gov>. The Final Rule changing the references to the Regulations can be found at 79 FR 69046 (November 20, 2014).

Internet at <http://www.trade.gov/enforcement/>. The signed Issues and Decision Memorandum and electronic version of the Issues and Decision Memorandum are identical in content.

Final Determination of No Shipments

As noted in the *Preliminary Results*, we received a no-shipment certification from Trelleborg.⁸ Consistent with its practice, the Department asked U.S. Customs and Border Protection (“CBP”) to conduct a query on potential shipments made by Trelleborg during the POR; CBP did not provide any evidence that contradicts Trelleborg’s claim of no shipments.⁹ Based on Trelleborg’s certification, our analysis of CBP information, and analysis of interested parties’ comments, we determine that Trelleborg did not have any reviewable transactions during the POR.¹⁰

Final Determination of Affiliation and Collapsing

We continue to find that Double Coin Group Jiangsu Tyre Co., Ltd., Double Coin Group Shanghai Donghai Tyre Co., Ltd., and Double Coin Holdings, Ltd. are affiliated pursuant to section 771(33)(E) of the Act and should be collapsed together and treated as a single company (collectively, “Double Coin”), pursuant to the criteria laid out in 19 CFR 351.401(f).¹¹

Separate Rates

In the *Preliminary Results*, we determined that GTC, Zhongce, and Zhongwei are eligible for separate-rate status; we also determined that Double Coin was part of the PRC-wide Entity.¹² We made no changes to these determinations for the final results.¹³

⁸ See *Preliminary Results*, 79 FR at 61292.

⁹ See CBP Message Number 3352302, dated December 18, 2013.

¹⁰ See Issues and Decision Memorandum at Comment 2.

¹¹ See *Preliminary Results*, 79 FR at 61292. No party commented on this issue in their case briefs.

¹² *Id.*, and accompanying Preliminary Decision Memorandum at the “Separate Rates” section.

¹³ See Issues and Decision Memorandum at Comments 1 and 3.

Rate for Non-Examined Companies Which Are Eligible for a Separate Rate

Normally, the Department's practice is to look for guidance from section 735(c)(5)(A) of the Act, to assign to separate rate companies that were not individually examined a rate equal to the average of the rates calculated for the individually examined respondents, excluding any rates that are zero, *de minimis*, or based entirely on adverse facts available.¹⁴ In this case, we found one mandatory respondent, Double Coin, to be part of the PRC-wide entity. The other mandatory respondent, GTC, is receiving a separate rate calculated from its own sales and production data. To determine a rate for the unselected separate rate companies, we find it appropriate to use the margin calculated for GTC, which was also found to be separate from the PRC-wide entity with respect to its export activities, and which rate is not zero or *de minimis* nor based entirely on facts available. Therefore, we are assigning GTC's calculated margin as the rate assigned to non-examined entities which demonstrated their eligibility for a separate rate.

PRC-Wide Entity

Double Coin, one of the companies that the Department selected as a mandatory respondent in this administrative review, failed to demonstrate absence of *de facto* government control over export activities due to the fact that its controlling shareholder is wholly-owned by the State-owned Assets Supervision and Administration Commission of the State Council and the significant level of control this majority shareholder wields over the respondent's Board of Directors.¹⁵ As a result, we determine that Double Coin is part of the PRC-wide entity.

¹⁴ See, e.g., *Preliminary Determination of Sales at Less Than Fair Value and Partial Affirmative Determination of Critical Circumstances: Certain Polyester Staple Fiber from the People's Republic of China*, 71 FR 77373, 77377 (December 26, 2006), unchanged in *Final Determination of Sales at Less Than Fair Value and Partial Affirmative Determination of Critical Circumstances: Certain Polyester Staple Fiber from the People's Republic of China*, 72 FR 19690 (April 19, 2007).

¹⁵ See *Preliminary Results*, 79 FR at 61292-93 and accompanying Preliminary Decision Memorandum at the "Separate Rates" section. See also Issues and Decision Memorandum at Comment 1.

Because Double Coin provided the Department with its verified sales and production data, we are able to calculate a margin for an unspecified portion of a single PRC-wide entity, but cannot do so for the remaining unspecified portion of the entity. As the Department must calculate a single margin for the PRC-wide government controlled entity and there is insufficient information on the record with respect to the composition of the PRC-wide entity, as facts available pursuant to section 776(a)(1) of the Act, we calculated a simple average of the previously assigned PRC-wide rate (210.48 percent)¹⁶ and Double Coin's calculated margin (0.14 percent) as the rate applicable to the PRC-wide entity. Accordingly, the Department revised the PRC-wide entity rate to 105.31 percent for these final results.¹⁷

Changes Since the Preliminary Results

Based on an analysis of the comments received, we made certain calculation programming changes and revisions to the valuation of certain factors of production. For further details on the changes we made for these final results, see the Issues and Decision Memorandum. *See also* Memorandum to the File titled "Final Results of the 2012-2013 Administrative Review of the Antidumping Duty Order on Certain New Pneumatic off-The-Road Tires from the People's Republic of China: Surrogate Value Memorandum," dated April 8, 2015; Memorandum to the File titled "2012-2013 Administrative Review of the Antidumping Duty Order on Certain New Pneumatic Off-the-Road Tires from the People's Republic of China: Analysis of the Final Results Margin Calculation for Guizhou Tyre Co., Ltd.," dated April 8, 2015; and Double Coin Final Analysis Memorandum.

¹⁶ *See Certain New Pneumatic Off-The-Road Tires from the People's Republic of China: Final Affirmative Determination of Sales at Less Than Fair Value and Partial Affirmative Determination of Critical Circumstances*, 73 FR 40485, 40489 (July 15, 2008).

¹⁷ *See* Memorandum to the File titled "2012-2013 Administrative Review of the Antidumping Duty Order on Certain New Pneumatic Off-the-Road Tires from the People's Republic of China: Analysis of the Final Results Margin Calculation for Double Coin," dated April 8, 2015 ("Double Coin Final Analysis Memorandum"). *See also* Issues and Decision Memorandum at Comment 1.

Final Results

As a result of this administrative review, we determine that the following weighted-average dumping margins exist for the period September 1, 2012, through August 31, 2013:

Exporter	Weighted Average Dumping Margin
Guizhou Tyre Co., Ltd. / Guizhou Tyre Import and Export Co., Ltd.	11.34
Zhongce Rubber Group Company Limited	11.34
Weihai Zhongwei Rubber Co., Ltd.	11.34
PRC-Wide Entity ¹⁸	105.31

Assessment Rates

The Department shall determine, and CBP shall assess, antidumping duties on all appropriate entries covered by this review pursuant to section 751(a)(2)(C) of the Act and 19 CFR 351.212(b).¹⁹ The Department intends to issue assessment instructions to CBP 15 days after the date of publication of these final results of review.

For customers or importers of GTC for which we do not have entered value, we calculated importer- (or customer-) specific antidumping duty assessment amounts based on the ratio of the total amount of dumping duties calculated for the examined sales of subject merchandise to the total sales quantity of those same sales.²⁰ For customers or importers of GTC for which we received entered-value information, we have calculated importer- (or customer-) specific antidumping duty assessment rates based on importer- (or customer-) specific *ad*

¹⁸ The PRC-Wide Entity includes Double Coin.

¹⁹ See *Antidumping Proceeding: Calculation of the Weighted-Average Dumping Margin and Assessment Rate in Certain Antidumping Duty Proceedings; Final Modification*, 77 FR 8103 (February 14, 2012) (“*NME Antidumping Proceedings*”).

²⁰ See 19 CFR 351.212(b)(1).

valorem rates.²¹ For the non-examined separate rate companies, we will instruct CBP to liquidate all appropriate entries at 11.34 percent. For the PRC-wide entity, including Double Coin, we will instruct CBP to liquidate all appropriate entries at 105.31 percent.

The Department recently announced a refinement to its assessment practice in non-market economy (“NME”) cases.²² Pursuant to this refinement in practice, for entries that were not reported in the U.S. sales databases submitted by companies individually examined during this review, the Department will instruct CBP to liquidate such entries at the NME-wide rate. In addition, if the Department determines that an exporter under review had no shipments of subject merchandise, any suspended entries that entered under that exporter’s case number (*i.e.*, at that exporter’s rate) will be liquidated at the NME-wide rate.

Cash Deposit Requirements

The following cash deposit requirements will be effective for all shipments of the subject merchandise entered, or withdrawn from warehouse, for consumption on or after the publication date of the final results of this administrative review, as provided by section 751(a)(2)(C) of the Act: (1) for the exporters listed above, the cash deposit rate will be equal to the weighted-average dumping margin identified in the “Final Results” section; (2) for previously investigated or reviewed PRC and non-PRC exporters that are not under review in this segment of the proceeding but that received a separate rate in a previous segment, the cash deposit rate will continue to be the exporter-specific rate (or exporter-producer chain rate) published for the most recently completed segment of this proceeding; (3) for all PRC exporters of subject merchandise which have not been found to be entitled to a separate rate, the cash deposit rate will be the PRC-wide rate of 105.24 percent; and (4) for all non-PRC exporters of subject merchandise which

²¹ *Id.*

²² See Non-Market Economy Antidumping Proceedings: Assessment of Antidumping Duties, 76 FR 65694 (October 24, 2011).

have not received their own rate, the cash deposit rate will be the rate applicable to the PRC exporter(s) that supplied that non-PRC exporter. The cash deposit requirements, when imposed, shall remain in effect until further notice.

Notification to Importers

This notice serves as a final reminder to importers of their responsibility under 19 CFR 351.402(f)(2) to file a certificate regarding the reimbursement of antidumping and/or countervailing duties prior to liquidation of the relevant entries during this review period. Failure to comply with this requirement could result in the Secretary's presumption that reimbursement of the antidumping and/or countervailing duties occurred and the subsequent assessment of double antidumping duties.

Notification to Interested Parties

This notice also serves as a reminder to parties subject to administrative protective order ("APO") of their responsibility concerning the return or destruction of proprietary information disclosed under the APO in accordance with 19 CFR 351.305(a)(3), which continues to govern business proprietary information in this segment of the proceeding. Timely written notification of the return/destruction of APO materials or conversion to judicial protective order is hereby requested. Failure to comply with the regulations and terms of an APO is a violation which is subject to sanction.

Disclosure

We will disclose the calculations performed within five days of the date of publication of this notice to parties in this proceeding, in accordance with 19 CFR 351.224(b).

We are issuing and publishing the final results and notice in accordance with sections 751(a)(1) and 777(i)(1) of the Act.

Dated: April 8, 2015.

Ronald K. Lorentzen,
*Acting Assistant Secretary
for Enforcement and Compliance.*

APPENDIX

Issues and Decision Memorandum

Summary

Background

Scope of the Order

Discussion of the Issues

- Comment 1: Whether to Include Double Coin in the PRC-Wide Entity and Adjust the Entity Rate
- Comment 2: Whether to Assign a Margin to Trelleborg
- Comment 3: Whether to Assign a Margin to Zhongce
- Comment 4: Whether to Adjust U.S Prices for Un-refunded Value-Added Tax (“VAT”)
- Comment 5: Use of Adverse Facts Available in Calculating Double Coin’s Margin
- Comment 6: Use of PT Gajah Tunggal’s Financial Statement for the Surrogate Financial Ratio Calculation
- Comment 7: Surrogate Value (“SV”) for Coal
- Comment 8: Valuation of Labor
- Comment 9: Valuation of Domestic Truck Freight
- Comment 10: Valuation of Electricity
- Comment 11: Container Weight Used in Ocean Freight and Brokerage and Handling Surrogate Value Calculations
- Comment 12: Whether to Exclude Certain Ocean Freight Charges When Calculating a Surrogate Value for Ocean Freight
- Comment 13: Whether to Deflate the Surrogate Value for GTC’s Warehouse Costs
- Comment 14: Whether to Calculate Region-Specific U.S. Delivery Charges for GTC’s U.S. Inland Freight Surrogate Value
- Comment 15: Surrogate Values for GTC’s Tackifier Inputs
- Comment 16: Freight Distance Applied to GTC’s Inputs
- Comment 17: Calculation of Double Coin’s Truck Freight and Distance
- Comment 18: Whether Truck Freight Costs are Over-Counted
- Comment 19: Surrogate Value for Double Coin’s Polyester Cord Inputs
- Comment 20: Surrogate Values for Double Coin’s Cinder and Calcium Oxide By-products
- Comment 21: Calculation of Double Coin’s Warranty Costs
- Comment 22: Conversion of the Truck Freight Surrogate Value Applied to Double Coin’s Coal Consumption
- Comment 23: Calculation of Credit Costs for Double Coin’s Drop-Shipped Sales
- Comment 24: Calculation of Inventory Carrying Costs for Double Coin’s Warehouse Sales
- Comment 25: Differential Price Calculation

Recommendation

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