



Billing Code: 3510-DS-P

DEPARTMENT OF COMMERCE

International Trade Administration

[C-570-913]

Certain New Pneumatic Off-the-Road Tires from the People's Republic of China: Final Results of Countervailing Duty Administrative Review; 2014

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce

SUMMARY: On October 14, 2016, the Department published the preliminary results of the administrative review of the countervailing duty order on certain new pneumatic off-the-road tires (OTR Tires) from People's Republic of China (PRC). This review covers 47 companies, only two of which were selected as mandatory respondents: Guizhou Tyre Co., Ltd. (Guizhou Tyre) and Xuzhou Xugong Tyres Co. Ltd. (Xuzhou Xugong). The period of review (POR) is January 1, 2014, through December 31, 2014. Based on an analysis of the comments received, the Department has made changes to the subsidy rates that were preliminary determined for Guizhou Tyre and Xuzhou Xugong. The final subsidy rates are listed in the "Final Results of Administrative Review" section below.

DATES: Effective (INSERT DATE OF PUBLICATION IN THE *FEDERAL REGISTER*.)

FOR FURTHER INFORMATION CONTACT: Chien-Min Yang or Jun Jack Zhao, AD/CVD Operations, Office VII, Enforcement and Compliance, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-5484 or (202) 482-1396.

Scope of the Order

The products covered by the scope are new pneumatic tires designed for off-the-road (OTR) and off-highway use. 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, 4011.70.0010, 4011.62.00.00, 4011.80.1020, 4011.90.10, 4011.70.0050, 4011.80.1010, 4011.80.1020, 4011.80.2010, 4011.80.2020, 4011.80.8010, and 4011.80.8020. While HTSUS subheadings are provided for convenience and customs purposes, our written description of the scope, which is contained in the accompanying Issues and Decision Memorandum, is dispositive.¹

Analysis of Comments Received

The issues raised by Guizhou Tyre, Xuzhou Xugong, Tianjin United Tire & Rubber International Co., Ltd. (TUTRIC), the Government of the People's Republic of China (GOC), and Titan Tire Corporation (Titan) and the United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union, AFL-CIO-CLC (the USW) (collectively, the petitioners) in their case and rebuttal briefs are addressed in the Issues and Decision Memorandum.² The issues are identified in the 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). ACCESS is available to registered users at <http://access.trade.gov> and in the Central Records Unit, room B8024 of the main Department of Commerce building. In addition, a complete version of the Issues and Decision Memorandum can be accessed directly

¹ For a full description of the scope of the order, *see* Memorandum from Gary Taverman, Associate Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations, to Ronald Lorentzen, Acting Assistant Secretary for Enforcement and Compliance, "Issues and Decision Memorandum for the Final Results in the Countervailing Duty Review of Certain New Pneumatic Off-the-Road Tires from the People's Republic of China; 2014," dated concurrently with this notice and herein incorporated by reference (Issues and Decision Memorandum).

² *Id.*

on the Internet at <http://trade.gov/enforcement/frn/index.html>. The signed Issues and Decision Memorandum and electronic versions of the Issues and Decision Memorandum are identical in content.

Changes Since the Preliminary Results

The Department published the preliminary results of this administrative review of OTR Tires from PRC on October 14, 2016.³ Based on the comments received from all interested parties, we made revisions to some of our benchmark and benefit calculations for both Guizhou Tyre and Xuzhou Xugong. For a discussion of these issues, *see* the Issues and Decision Memorandum.

Methodology

The Department conducted this review in accordance with section 751(a)(1)(A) of the Tariff Act of 1930, as amended (the Act). For each of the subsidy programs found countervailable, we find that there is a subsidy, *i.e.*, a government-provided financial contribution that gives rise to a benefit to the recipient, and that the subsidy is specific.⁴ For a description of the methodology underlying all of the Department's conclusions, *see* the Issues and Decision Memorandum.

Final Results of Administrative Review

In accordance with section 777A(e)(1) of the Act and 19 CFR 351.221(b)(5), we determine the total net countervailable subsidy rates for the period January 1, 2014, through December 31, 2014 for each of the mandatory respondents, Guizhou Tyre and Xuzhou Xugong. For the non-selected respondents, we followed the Department's practice, which is to base the

³ *See Certain New Pneumatic Off-the-Road Tires From the People's Republic of China: Preliminary Results of Countervailing Duty Administrative Review; 2014, 81 FR 71056 (October 14, 2016) (Preliminary Results).*

⁴ *See* sections 771(5)(B) and (D) of the Act regarding financial contribution; section 771(5)(E) of the Act regarding benefit; and, section 771(5A) of the Act regarding specificity.

subsidy rates on an average of the subsidy rates calculated for those companies selected for individual review, excluding *de minimis* rates or rates based on entirely on adverse facts available.⁵ In this case, we assigned to the non-selected respondents the simple average of the rates calculated for Guizhou Tyre and Xuzhou Xugong. We are using a simple, rather than a weighted, average due to inconsistent units of measure in the publicly ranged quantity and value data provided by Guizhou Tyre and Xuzhou Xugong. For a list of the non-selected companies, please see Appendix II.

We find the countervailable subsidy rates for the producers/exporters under review to be as follows:

Manufacturer/Exporter	Subsidy Rate (percent <u>ad valorem</u>)
Guizhou Tyre Co., Ltd.	34.46
Xuzhou Xugong Tyres Co., Ltd.	46.01
Non Selected Companies	40.24

Assessment and Cash Deposit Requirements

In accordance with 19 CFR 351.212(b)(2), the Department intends to issue appropriate instructions to U.S. Customs and Border Protection (CBP) 15 days after publication of the final results of this review. The Department will instruct CBP to liquidate shipments of subject merchandise produced and/or exported by the companies listed above, entered or withdrawn from warehouse, for consumption from January 1, 2014, through December 31, 2014, at the percent rates, as listed above for each of the respective companies, of the entered value.

⁵ See, e.g., *Certain Pasta from Italy: Preliminary Results of the 13th (2008) Countervailing Duty Administrative Review*, 75 FR 18806, 18811 (April 13, 2010) unchanged in *Certain Pasta from Italy: Final Results of the 13th (2008) Countervailing Duty Administrative Review*, 75 FR 37386 (June 29m 2010).

The Department intends also to instruct CBP to collect cash deposits of estimated countervailing duties, in the amounts shown above for each of the respective companies shown above, on shipments of subject merchandise entered, or withdrawn from warehouse, for consumption on or after the date of publication of the final results of this review. For all non-reviewed firms, we will instruct CBP to continue to collect cash deposits at the most-recent company-specific or all-others rate applicable to the company, as appropriate. Accordingly, the cash deposit requirements that will be applied to companies covered by this order, but not examined in this administrative review, are those established in the most recently completed segment of the proceeding for each company. These cash deposit requirements, when imposed, shall remain in effect until further notice.

Administrative Protective Order

This notice also serves as a final reminder to parties subject to an administrative protective order (APO) of their responsibility concerning the return or destruction of proprietary information disclosed under APO in accordance with 19 CFR 351.305(a)(3), which continues to govern business proprietary information in this segment of 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.

These final results are issued and published in accordance with sections 751(a)(1) and 777(i)(1) of the Act.

Dated: April 12, 2017

Ronald K. Lorentzen
Acting Assistant Secretary
for Enforcement and Compliance

APPENDIX I

List of Topics Discussed in the Issues and Decision Memorandum

- I. Summary
- II. Background
- III. Scope of the Investigation
- IV. Subsidies Valuation Information
 - A. Allocation Period
 - B. Attribution of Subsidies
 - C. Denominator
 - D. Creditworthiness
- V. Benchmarks and Discount Rates
- VI. Analysis of Programs
 - A. Programs Determined To Be Countervailable
 - B. Programs Determined To Be Not Used
 - C. Programs Determined to Provide No Benefit During the POR
- VII. Analysis of Comments
 - Comment 1 Whether to Make Changes in LTAR Calculations
 - Comment 2 Whether to Change the Benchmark for Synthetic Rubber
 - Comment 3 Whether Brokerage and Handling Costs Should be Included in LTAR Benchmarks for Nylon Cord and Carbon Black
 - Comment 4 Whether the Department Should Continue to Rely on a Tier 2 Benchmark for Nylon Cord
 - Comment 5 Whether the “Well-Know Brand Reward” Benefit Should be Calculated Using Xuzhou Xugong’s Total Sales or Export Sales
 - Comment 6 Whether the Department Should Make Changes to Land Purchases from Affiliates and Calculate a Benefit for Land Parcel #7 for Guizhou Tyre
 - Comment 7 Whether the VAT and Import Duty Exemptions Should be Countervailable
 - Comment 8 The Sales Denominator Used to Calculate Guizhou Tyre and Xuzhou Xugong
 - Comment 9 Whether to Countervail Additional Grants to Guizhou Tyre
 - Comment 10 Whether the Department Should Find the Export Buyer’s Credit Program Used in This Case
- VIII. Conclusion

APPENDIX II

Companies Not Selected for This Review

1. Air Sea Transport Inc.
2. Beijing Kang Jie Kong Intl Cargo Agent Co Ltd.
3. C&D Intl Freight Forward Inc.
4. Caesar Intl Logistics Co Ltd.
5. CD Intl Freight Forwarding.
6. Cheng Shin Rubber (Xiamen) Ind Ltd.
7. China Intl Freight Co Ltd.
8. Chonche Auto Double Happiness Tyre Corp Ltd.
9. City Ocean Logistics Co Ltd.
10. Consolidator Intl Co Ltd.
11. CTS Intl Logistics Corp.
12. De Well Container Shipping Inc.
13. England Logistics (Qingdao) Co Ltd.
14. Extra Type Co Ltd.
15. Fedex International Freight Forwarding Services Shanghai Co Ltd.
16. FG Intl Logistic Ltd.
17. JHJ Intl Transportation Co.
18. Kendra Rubber (China) Co Ltd.
19. Landmax Intl Co Ltd.
20. Orient Express Container Co Ltd.
21. Pudong Prime Intl Logistics Inc.
22. Qingdao Aotai Rubber Co Ltd.
23. Qingdao Chengtai Handtruck Co Ltd.
24. Qingdao Chuangtong Founding Co Ltd.
25. Qingdao Ftz Full-World Intl Trading Co Ltd.
26. Qingdao Haomai Hongyi Mold Co Ltd.
27. Qingdao Kaoyoung Intl Logistics Co Ltd.
28. Qingdao Milestone Tyres Co Ltd.
29. Qingdao Nexten Co Ltd.
30. Qingdao Wonderland.
31. Schenker China Ltd.
32. SGL Logistics South China Ltd.
33. Shanghai Grand South Intl Transportation Co Ltd.
34. Shanghai Hua Shen Imp & Exp Co Ltd.
35. Shanghai Part-Rich Auto Parts Co Ltd.
36. Thi Group (Shanghai) Ltd.
37. Tianjin United Tire & Rubber International Co., Ltd.
38. Toll Global Forwarding China Ltd.
39. Translink Shipping Inc.
40. Trelleborg Wheel Systems Hebei Co.
41. Universal Shipping Inc.
42. UTI China Ltd.

43. Weiss-Rohlig China Co Ltd.

44. World Bridge Logistics Co Ltd.

[FR Doc. 2017-07807 Filed: 4/17/2017 8:45 am; Publication Date: 4/18/2017]