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DEPARTMENT OF COMMERCE

International Trade Administration

[C-570-017]

Countervailing Duty Order on Certain Passenger Vehicle and Light Truck Tires from the People's Republic of China: Final Results of Countervailing Duty Administrative Review; 2014-2015

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

SUMMARY: The Department of Commerce (Commerce) determines that the mandatory respondents GITI Tire Global Trading Pte. Ltd./GITI Tire (USA) Ltd./GITI Radial Tire (Anhui) Company Ltd. (GITI Anhui Radial)/GITI Tire (Fujian) Company Ltd (GITI Fujian)/GITI Tire (Hualin) Company Ltd. (GITI Hualin) (collectively, GITI) and Cooper (Kunshan) Tire Co., Ltd. (Cooper), exporters of passenger vehicle and light truck tires from the People's Republic of China (China) received countervailable subsidies during the period of review (POR) December 1, 2014, through December 31, 2015. We also find that Zhongce Rubber Group Company Limited (Zhongce) received countervailable subsidies during the POR, based on adverse facts available.

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

FOR FURTHER INFORMATION CONTACT: Andrew Huston, AD/CVD Operations, Office VII, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230; telephone (202) 482-4261.

Background

Commerce published the *Preliminary Results* of this administrative review in the *Federal Register* on September 7, 2017.¹ On September 22, 2017, United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union, AFL-CIO, CLC (the petitioner) submitted comments regarding alleged deficiencies in the record. In response to the petitioner's deficiency comments letter, on September 28, 2017, Commerce issued supplemental questionnaires to GITI and Cooper. GITI and Cooper submitted timely responses to the September 28, 2017, supplemental questionnaires on October 13, 2017.

We invited interested parties to comment on the *Preliminary Results*. On November 22, 2017, we received case briefs from the following interested parties: Cooper; GITI; the petitioner; and the Government of China (GOC). On December 4, 2017, the Commerce received timely rebuttal comments from GITI, and on December 5, 2017, we received timely rebuttal comments from Cooper, the petitioner and the GOC. On December 13, 2017, Commerce rejected the case brief submitted by GITI because we determined the brief contained untimely new factual information. GITI timely resubmitted its case brief on December 15, 2017.

On December 8, 2017, in accordance with section 751(a)(3)(A) of the Act, Commerce extended the period for issuing the final results of this review by 60 days, to March 6, 2018.² Commerce exercised its discretion to toll all deadlines affected by the closure of the Federal Government from January 20 through 22, 2018. If the new deadline falls on a non-business day,

¹ See *Certain Passenger Vehicle and Light Truck Tires from the People's Republic of China: Preliminary Results of Countervailing Duty Administrative Review and Rescission, in Part; 2014-2015*, 82 FR 42287 (September 7, 2017) (*Preliminary Results*).

² See Commerce Memorandum, "Administrative Review of the Countervailing Duty Order on Passenger Vehicle and Light Truck Tires from the People's Republic of China: Extension of Deadline for Final Results," (December 8, 2017).

in accordance with Commerce's practice, the deadline will become the next business day. The revised deadline for the final results of this review is now March 9, 2018.³

Scope of the Order

The products covered by the order are certain passenger vehicle and light truck tires from the China. A full description of the scope of the order is contained in the Issues and Decision Memorandum.⁴

Analysis of Comments Received

All issues raised in interested parties' briefs are addressed in the Issues and Decision Memorandum accompanying this notice. A list of the issues raised by interested parties and to which we responded in the Issues and Decision Memorandum is provided in Appendix I 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 <https://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 access directly at <http://enforcement.trade.gov/frn/>. The signed and electronic versions of the Issues and Decision Memorandum are identical in content.

Changes Since the Preliminary Results

Based on case briefs, rebuttal briefs, and all supporting documentation, we made changes from the *Preliminary Results*. Commerce has adjusted the AFA rate applied to Zhongce,

³ See Memorandum for The Record from Christian Marsh, Deputy Assistant Secretary for Enforcement and Compliance, performing the non-exclusive functions and duties of the Assistant Secretary for Enforcement and Compliance, "Deadlines Affected by the Shutdown of the Federal Government" (Tolling Memorandum), dated January 23, 2018. All deadlines in this segment of the proceeding have been extended by 3 days.

⁴ See "Decision Memorandum for the Final Results of the Administrative Review of the Countervailing Duty Order on Certain Passenger Vehicle and Light Truck Tires from the People's Republic of China; 2014-2015," dated concurrently with this notice (Issues and Decision Memorandum) and hereby adopted by this notice.

modified its attribution of subsidies received by various Cooper affiliates to Cooper, adjusted the denominators for both respondents, adjusted the synthetic rubber and butadiene benchmarks for GITI, adjusted the inland freight rates used to construct the benchmark for carbon black for both respondents, and corrected various ministerial errors for both respondents.

Methodology

Commerce 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 to be countervailable, we find that there is a subsidy, *i.e.*, a financial contribution from a government or public entity that gives rise to a benefit to the recipient, and that the subsidy is specific.⁵ For a full description of the methodology underlying all of Commerce's conclusions, including any determination that relied upon the use of adverse facts available pursuant to sections 776(a) and (b) of the Act, *see* the Issues and Decision Memorandum.

Final Results of Administrative Review

In accordance with 19 CFR 351.221(b)(5), we calculated a countervailable subsidy rate for the mandatory respondents, Cooper and GITI, and a rate based on facts available for Zhongce. For the non-selected companies subject to this review,⁶ we followed Commerce's practice, which is to base the subsidy rates on an average of the subsidy rates calculated for those companies selected for individual review, excluding *de minimis* rates or rates based entirely on adverse facts available.⁷ In this case, for the non-selected companies, we have calculated a rate by weight-averaging the calculated subsidy rates of Cooper and GITI using their publicly-ranged

⁵ 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.

⁶ See Appendix II.

⁷ 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 29, 2010).

sales data for exports of subject merchandise to the United States during the POR. We find the countervailable subsidy rates for the producers/exporters under review to be as follows:

Company	Subsidy Rate
GITI Tire Global Trading Pte. Ltd./GITI Tire (USA) Ltd./GITI Radial Tire (Anhui) Company Ltd. (GITI Anhui Radial)/GITI Tire (Fujian) Company Ltd (GITI Fujian)/GITI Tire (Hualin) Company Ltd. (GITI Hualin) (collectively, GITI)	20.68%
Cooper (Kunshan) Tire Co., Ltd. (Cooper)	16.16%
Zhongce Rubber Group Company Limited	119.46%
Non-Selected Companies Under Review	19.13%

Disclosure

We will disclose to the parties in this proceeding the calculations performed for these final results within five days of the date of publication of this notice in the *Federal Register*.⁸

Assessment Rates

Consistent with 19 CFR 351.212(b)(2), we intend to issue assessment instructions to U.S. Customs and Border Protection (CBP) 15 days after the date of publication of these final results of review, to liquidate shipments of subject merchandise entered, or withdrawn from warehouse, for consumption, on or after December 1, 2014, through December 31, 2015, at the *ad valorem* rates listed above.

Cash Deposit Instructions

In accordance with section 751(a)(1) of the Act, we intend to instruct CBP to collect cash deposits of estimated countervailing duties in the amounts shown for each of the respective companies listed above. These cash deposit requirements, when imposed, shall remain in effect until further notice.

⁸ See 19 CFR 351.224(b).

Administrative Protective Order

This notice also serves as a reminder to parties subject to administrative protective order (APO) of their responsibility concerning the destruction of proprietary information disclosed under APO in accordance with 19 CFR 351.305(a)(3). Timely written notification of the return or 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 sanctionable violation.

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

Dated: March 9, 2018.

Gary Taverman,

Deputy Assistant Secretary

*for Antidumping and Countervailing Duty Operations,
performing the non-exclusive functions and duties of the
Assistant Secretary for Enforcement and Compliance.*

Appendix I

List of Topics Discussed in the Issues and Decision Memorandum

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Comment 2: Cooper's 2014 Subsidies and Sales

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Comment 4: GITI Companies' Sales Denominator

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- Comment 6: Provision of Inputs for LTAR
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- Comment 11: RMB Denominated Loans for GITI Chongqing
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- Comment 13: Cooper's Former Cross-Owned Affiliated Producer
- Comment 14: Alleged Error in Cooper's Margin Calculation
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- Comment 16: Commerce's Selection of Pricing Benchmarks
- Comment 17: Nylon Cord Benchmarks for GITI
- Comment 18: Ocean Freight and Import Duties Added to Tier 1 or Tier 2 Benchmarks
- Comment 19: Export Buyers Credit
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Recommendation

Appendix – Non-Selected Companies Under Review

Appendix II

Non-Selected Companies Under Review

1. American Pacific Industries, Inc.
2. BC Tyre Group Limited
3. Crown International Corporation
4. Fleming Limited
5. Guangrao Taihua International Trade Co., Ltd.
6. Haohua Orient International Trade Ltd.
7. Hong Kong Tiancheng Investment & Trading Co., Limited
8. Jilin Jixing Tire Co., Ltd.
9. Kenda Rubber (China) Co., Ltd.
10. Liaoning Permanent Tyre Co., Ltd.
11. Macho Tire Corporation Limited
12. Maxon Int'l Co., Limited
13. Qingdao Crown Chemical Co., Ltd.
14. Qingdao Goalstar Tire Co., Ltd.
15. Qingdao Keter International Co., Limited
16. Qingdao Lakesea Tyre Co., Ltd.
17. Qingdao Nama Industrial Co., Ltd.
18. Qingdao Odyking Tyre Co., Ltd.

19. Qingdao Sentury Tire Co., Ltd.
20. Qingzhou Detai International Trading Co., Ltd.
21. Riversun Industry Limited
22. Safe&Well (HK) International Trading Limited
23. Shandong Anchi Tyres Co., Ltd.
24. Shandong Changhong Rubber Technology Co., Ltd.
25. Shandong Guofeng Rubber Plastics Co., Ltd.
26. Shandong Haohua Tire Co., Ltd.
27. Shandong Hawk International Rubber Industry Co., Ltd.
28. Shandong Hengyu Science & Technology Co., Ltd.
29. Shandong Linglong Tyre Co., Ltd.
30. Shandong Longyue Rubber Co., Ltd.
31. Shandong New Continent Tire Co., Ltd.
32. Shandong Province Sanli Tire Manufactured Co., Ltd.
33. Shandong Yongtai Group Co., Ltd. (formerly known as Shandong Yongtai Chemical Co., Ltd.)
34. Shandong Zhongyi Rubber Co., Ltd.
35. Shangong Shuangwang Rubber Co., Ltd.
36. Shengtai Group Co., Ltd.
37. Shouguang Firemax Tyre Co., Ltd.
38. Southeast Mariner International Co., Ltd.
39. Tyrechamp Group Co., Limited
40. Windforce Tyre Co., Limited

41. Zhaoqing Junhong Co., Ltd.

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