



BILLING CODE: 3510-DS-P

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; 2016

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

SUMMARY: The Department of Commerce (Commerce) determines that countervailable subsidies are being provided to producers/exporters of passenger vehicle and light truck tires from the People's Republic of China (China) during the period of review (POR) January 1, 2016, through December 31, 2016.

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.

SUPPLEMENTARY INFORMATION:

Background

Commerce published the *Preliminary Results* of this administrative review in the *Federal Register* on September 10, 2018.¹ We invited interested parties to comment on the *Preliminary Results*. On October 31, 2018, we received case briefs from the following interested parties: Cooper (Kunshan) Tire Co., Ltd. (Cooper); Qingdao Sentury Tire Co. Ltd. (Sentury); and the

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; 2016*, 83 FR 45611 (September 10, 2018) (*Preliminary Results*).

Government of China (GOC). No party submitted rebuttal briefs. On December 17, 2018, Commerce extended the period for issuing the final results of this review until February 7, 2019. Commerce exercised its discretion to toll all deadlines affected by the partial federal government closure from December 22, 2018, through the resumption of operations on January 29, 2019.² This extended the deadline for the final results to March 19, 2019. On March 13, 2019, Commerce extended the period for issuing the final results an additional 30 days. The revised deadline for the final results is now April 18, 2019.

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.³

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

² See Memorandum to the Record from 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, "Deadlines Affected by the Partial Shutdown of the Federal Government," dated January 28, 2019. All deadlines in this segment of the proceeding have been extended by 40 days.

³ 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; 2016," dated concurrently with this notice (Issues and Decision Memorandum) and hereby adopted by this notice.

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, and all supporting documentation, we made certain changes from the *Preliminary Results*. Commerce has adjusted the synthetic rubber and butadiene benchmarks for Cooper, adjusted the ocean freight rates used to construct the benchmark for carbon black and nylon cord for Cooper, and corrected various ministerial errors for both respondents. These changes are explained in the Issues and Decision Memorandum.

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.⁴ 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 Sentury. For the non-selected companies subject to this review,⁵ 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*

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.

⁵ *See* Appendix II.

minimis rates or rates based entirely on adverse facts available.⁶ In this case, for the non-selected companies, we have calculated a rate by weight-averaging the calculated subsidy rates of Cooper and Sentury using their publicly-ranged 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
Cooper (Kunshan) Tire Co., Ltd. (Cooper)	16.37%
Qingdao Sentury Tire Co. Ltd. (Sentury)	15.75%
Non-Selected Companies Under Review	16.17%

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*.⁷

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 January 1, 2016, through December 31, 2016, at the *ad valorem* rates listed above.

⁶ 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).

⁷ See 19 CFR 351.224(b).

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.

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.

Notification to Interested Parties

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

Dated: April 18, 2019.

Jeffrey I. Kessler,
Assistant Secretary
for Enforcement and Compliance.

Appendix I

List of Topics Discussed in the Issues and Decision Memorandum

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 - Comment 11: Alleged Errors in Grant Calculations
 - Comment 12: Grade Specific Benchmarks for Cooper's Purchases of Synthetic Rubber and Butadiene
 - Comment 13: Alleged Errors in Cooper's Government Policy Lending Calculation
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- Appendix – Non-Selected Companies Under Review

Appendix II

Non-Selected Companies Under Review

1. Best Industries Ltd.
2. BC Tyre Group Limited
3. Crown International Corporation
4. Dongying Zhongyi Rubber Co., Ltd.
5. Hankook Tire China Co., Ltd.
6. Hong Kong Tiancheng Investment & Trading Co., Limited
7. Hongtyre Group Co.
8. Jiangsu Hankook Tire Co., Ltd.
9. Jiangsu Sanhe Aluminum
10. Kenda Rubber (China) Co., Ltd.
11. Koryo International Industrial Limited
12. Mayrun Tyre (Hong Kong) Limited
13. Qingdao Jinhaoyang International Co., Ltd.
14. Qingdao Nama Industrial Co., Ltd.
15. Qingdao Odyking Tyre Co., Ltd.
16. Roadclaw Tyre (Hong Kong) Limited
17. Shandong Anchi Tyres Co., Ltd.
18. Shandong Haohua Tire Co., Ltd.
19. Shandong Haolong Rubber Co., Ltd.
20. Shandong Hengyu Science & Technology Co., Ltd.
21. Shandong Linglong Tyre Co., Ltd.
22. Shandong Longyue Rubber Co., Ltd.
23. Shandong New Continent Tire Co., Ltd.
24. Shandong Province Sanli Tire
25. Shandong Province Sanli Tire Manufactured Co., Ltd.
26. Shandong Shuangwang Rubber Co., Ltd.
27. Shandong Wanda Boto Tyre Co., Ltd.
28. Shandong Yongsheng Rubber Group Co., Ltd.
29. Shouguang Firemax Tyre Co., Ltd.
30. The Yokohama Rubber Company, Ltd.
31. Tyrechamp Group Co., Limited
32. Winrun Tyre Co., Ltd.
33. Zhaoqing Junhong Co., Ltd.

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