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DEPARTMENT OF COMMERCE

International Trade Administration

C-570-017

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, 2017

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

SUMMARY: The Department of Commerce (Commerce) preliminarily determines that certain producers and exporters of passenger vehicle and light truck tires (passenger tires) from the People's Republic of China (China) received countervailable subsidies during the period of review (POR) January 1, 2017 through December 31, 2017.

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

On August 10, 2015, Commerce issued a countervailing duty (CVD) order on passenger tires from China.¹ Several interested parties requested that Commerce conduct an administrative review of the *CVD Order*, and on October 4, 2018, Commerce published in the *Federal Register*

¹ See *Certain Passenger Vehicle and Light Truck Tires from the People's Republic of China: Amended Final Affirmative Antidumping Duty Determination and Antidumping Duty Order; and Amended Final Affirmative Countervailing Duty Determination and Countervailing Duty Order*, 80 FR 47902 (August 10, 2015) (*CVD Order*).

a notice of initiation of an administrative review of the *CVD Order* for 46 producers/exporters for the POR.² 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, 2019.³

Scope of the Order

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

Methodology

Commerce is conducting this CVD 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 determine that there is a subsidy, *i.e.*, a financial contribution by an “authority” that confers a benefit to the recipient, and that the subsidy is specific.⁵ For a full description of the methodology underlying our preliminary conclusions, including our reliance, in part, on adverse facts available pursuant to sections 776(a) and (b) of the Act, *see* the Preliminary Decision Memorandum.⁶

² *See Initiation of Antidumping and Countervailing Duty Administrative Reviews*, 83 FR 50077 (October 4, 2018) (*Initiation Notice*).

³ *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.

⁴ *See* “Decision Memorandum for the Preliminary 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 and Rescission, in part, 2017,” dated concurrently with this notice (Preliminary Decision Memorandum) and hereby adopted by this notice.

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 A list of topics discussed in the Preliminary Decision Memorandum can be found as an appendix to this notice.

The Preliminary 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 is available to all parties in the Central Records Unit, room B8024 of the main Commerce building. In addition, a complete version of the Preliminary Decision Memorandum can be accessed directly on the Internet at <http://enforcement.trade.gov/frn/index.html>. The signed Preliminary Decision Memorandum and the electronic versions of the Preliminary Decision Memorandum are identical in content.

Partial Rescission of Administrative Review

Pursuant to 19 CFR 351.213(d)(1), Commerce will rescind an administrative review, in whole or in part, if the parties that requested a review withdraw the request within 90 days of the date of publication of the notice of initiation. We received timely withdrawals of the requests for review, for which no other parties requested a review, for the following companies: Guangrao Taihua International Trade Co., Ltd., Qingdao Keter International Co., Limited, Qingdao Odyking Tyre Co., Ltd., Qinzhou Detai International Trading Co., Ltd., Shengtai Group Co., Ltd., Shouguang Firemax Tyre Co., Ltd., Pirelli Tyre Co., Ltd., Shandong New Continent Tire Co., Ltd., Shandong Guofeng Rubber Plastics Co., Ltd., Qingdao Jinhaoyang International Co., Ltd., and Maxon Int'l Co., Limited.⁷ Therefore, in accordance with 19 CFR 351.213(d)(1),

⁷ See Letters from Guangrao Taihua International Trade Co., Ltd., Qingdao Keter International Co., Limited, Qingdao Odyking Tyre Co., Ltd., Qinzhou Detai International Trading Co., Ltd., Shengtai Group Co., Ltd., and Shouguang Firemax Tyre Co., "Certain Passenger Vehicle and Light Truck Tires from the People's Republic of China-Withdrawal of Request for Administrative Review," dated December 30, 2018; Pirelli Tyre Co., Ltd.'s Letter, "Pirelli's Withdrawal of Request for Administrative Review," dated December 28, 2018; Shandong New Continent Tire Co., Ltd.'s Letter, "New Continent Withdrawal of Review Request for POR 3 of the Countervailing Duty Order on Passenger Vehicle and Light Truck Tires (PVLT) from the People's Republic of China (C-570-017)," dated December 26, 2018; Shandong Guofeng Rubber Plastics Co., Ltd.'s Letter, "Passenger Vehicle and Light Truck Tires from the People's Republic of China: Withdrawal of Request for Administrative Review," dated December

Commerce is rescinding this review of the CVD order on passenger tires from China with respect to these companies.

Preliminary Results of Review

As a result of this review, we preliminarily determine the countervailable subsidy rates to be:

Company	Subsidy Rate (percent <i>ad valorem</i>)
Cooper (Kunshan) Tire Co., Ltd.	51.09
Shandong Longyue Rubber Co., Ltd.	71.13
Non-Selected Companies Under Review	56.99

Preliminary Rate for the Non-Selected Companies Under Review

The statute and the Commerce’s regulations do not directly address the establishment of rates to be applied to companies not selected for individual examination where Commerce limits its examination in an administrative review pursuant to section 777A(e)(2) of the Act. However, Commerce normally determines the rates for non-selected companies in reviews in a manner that is consistent with section 705(c)(5) of the Act, which provides instructions for calculating the all-others rate in an investigation.

Section 705(c)(5)(A)(i) of the Act instructs Commerce as a general rule to calculate an all others rate using the weighted average of the subsidy rates established for the

21, 2018; Qingdao Jinhaoyang’s Letter, “Jinhaoyang’s Withdrawal of Request for Administrative Review,” dated December 18, 2018; Maxon Int’l Co., Limited’s Letter, “Certain Passenger Vehicle and Light Truck Tires from the People’s Republic of China-Withdrawal of Request for Administrative Review,” dated December 7, 2018; American Pacific Industries, Inc.’s Letter, “Passenger Vehicle and Light Truck Tires from the People’s Republic of China: Withdrawal of Request for Administrative Review,” dated December 28, 2019; American Pacific Industries, Inc.’s Letter, “Passenger Vehicle and Light Truck Tires from the People’s Republic of China: Withdrawal of Request for Administrative Review,” dated December 19, 2019; and ITG Voma Corporation’s Letter, “Passenger Vehicle and Light Truck Tires from the People’s Republic of China: Withdrawal of Request for Administrative Review,” dated December 21, 2018.

producers/exporters individually examined, excluding any zero, *de minimis*, or rates based entirely on facts available. In this review, the preliminary subsidy rates calculated for Cooper and Longyue and their cross-owned affiliates are above *de minimis* and are not based entirely on facts available. Therefore, for the companies for which a review was requested that were not selected as mandatory company respondents and for which we did not receive a timely request for withdrawal of review, and which we are not finding to be cross-owned with the mandatory company respondents, we are preliminarily basing the subsidy rate on the weighted-average subsidy rates derived from Cooper and Longyue's publicly available information. For a list of these non-selected companies, please see Appendix II to this notice.

Disclosure and Public Comment

Commerce intends to disclose to interested parties the calculations performed in connection with this preliminary determination within five days of publication of this notice in the *Federal Register*.⁸ Interested parties may submit case and rebuttal briefs, as well as request a hearing.⁹ Interested parties may submit written comments (case briefs) within 30 days of publication of the preliminary results and rebuttal comments (rebuttal briefs) within five days after the time limit for filing case briefs.¹⁰ Rebuttal briefs must be limited to issues raised in the case briefs.¹¹ Parties who submit case or rebuttal briefs are requested to submit with the argument: (1) a statement of the issue; (2) a brief summary of the argument; and (3) a table of authorities.¹²

⁸ See 19 CFR 351.224(b).

⁹ See 19 CFR 351.309(c)-(d), 19 CFR 351.310(c).

¹⁰ See 19 CFR 351.309(c)(1)(ii) and 351.309(d)(1).

¹¹ See 19 CFR 351.309(d)(2).

¹² See 19 CFR 351.309(c)(2) and (d)(2).

Interested parties who wish to request a hearing must do so within 30 days of publication of these preliminary results by submitting a written request to the Assistant Secretary for Enforcement and Compliance, U.S. Department of Commerce, using Enforcement and Compliance's ACCESS system.¹³ Requests should contain the party's name, address, and telephone number, the number of participants, and a list of the issues to be discussed. If a request for a hearing is made, we will inform parties of the scheduled date for the hearing which will be held at the U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230, at a time and location to be determined.¹⁴ Parties should confirm by telephone the date, time, and location of the hearing. Issues addressed at the hearing will be limited to those raised in the briefs.¹⁵ All briefs and hearing requests must be filed electronically and received successfully in their entirety through ACCESS by 5:00 p.m. Eastern Time on the due date.

Unless the deadline is extended, pursuant to section 751(a)(3)(A) of the Act, we intend to issue the final results of this administrative review, including the results of our analysis of the issues raised by the parties in their comments, within 120 days after issuance of these preliminary results.

Assessment Rates and Cash Deposit Requirement

In accordance with 19 CFR 351.221(b)(4)(i), we preliminarily assigned subsidy rates in the amounts shown above for the producers/exporters shown above. Upon issuance of the final results, Commerce shall determine, and U.S. Customs and Border Protection (CBP) shall assess, CVDs on all appropriate entries covered by this review. We intend to issue instructions to CBP 15 days after publication of the final results of review. For companies for which this review is

¹³ See 19 CFR 351.310(c).

¹⁴ See 19 CFR 351.310.

¹⁵ See 19 CFR 351.310(c).

rescinded, Commerce will instruct CBP to assess countervailing duties on all appropriate entries at a rate equal to the cash deposit of estimated countervailing duties required at the time of entry, or withdrawal from warehouse, for consumption, during the period January 1, 2017 through December 31, 2017, in accordance with 19 CFR 351.212(c)(1)(i). Commerce intends to issue appropriate assessment instructions directly to CBP 15 days after publication of this notice.

Pursuant to section 751(a)(2)(C) of the Act, Commerce also intends to instruct CBP to collect cash deposits of estimated CVDs, 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. These cash deposit requirements, when imposed, shall remain in effect until further notice.

These preliminary results are issued and published in accordance with sections 751(a)(1) and 777(i)(1) of the Act, and 19 CFR 351.221(b)(4).

Dated: October 10, 2019

Jeffrey I. Kessler
Assistant Secretary
for Enforcement and Compliance

Appendix I

List of Topics Discussed in the Preliminary Decision Memorandum

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- IX. Use of Facts Otherwise Available and Application of Adverse Inferences
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Appendix II

Non-Selected Companies Under Review

1. Anhui Jichi Tire Co., Ltd.
2. Bridgestone (Tianjin) Tire Co., Ltd.
3. Bridgestone Corporation
4. Dynamic Tire Corp.
5. Fleming Limited
6. Hankook Tire China Co., Ltd.
7. Haohua Orient International Trade Ltd.
8. Husky Tire Corp.
9. Jiangsu Hankook Tire Co., Ltd.
10. Macho Tire Corporation Limited
11. Mayrun Tyre (Hong Kong) Limited
12. Qingdao Fullrun Tyre Corp., Ltd.
13. Qingdao Lakesea Tyre Co., Ltd.
14. Qingdao Sunfulcess Trye Co., Ltd.
15. Riversun Industry Limited
16. Safe & Well (HK) International Trading Limited
17. Sailun Jinyu Group Co., Ltd.
18. Sailun Jinyu Group (Hong Kong) Co., Limited
19. Sailun Tire International Corp.
20. Seatex International Inc.
21. Seatex PTE. Ltd.
22. Shandong Achi Tyres Co., Ltd.
23. Shandong Anchi Tyres Co., Ltd.
24. Shandong Duratti Rubber Corporation Co., Ltd.
25. Shandong Haohua Tire Co., Ltd.
26. Shandong Hengyu Science & Technology Co., Ltd.
27. Shandong Jinyu Industrial Co., Ltd.
28. Shandong Province Sanli Tire Manufactured Co., Ltd.
29. Shandong Wanda Boto Tyre Co., Ltd.
30. Triangle Tyre Co., Ltd.
31. Tyrechamp Group Co., Limited
32. Windforce Tyre Co., Limited
33. Winrun Tyre Co., Ltd.

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