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DEPARTMENT OF COMMERCE

International Trade Administration

[A-570-016]

Certain Passenger Vehicle and Light Truck Tires from the People's Republic of China: Final Results of Antidumping Duty Administrative Review; 2017-2018

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

SUMMARY: The Department of Commerce (Commerce) finds that certain producers and exporters of passenger vehicle and light truck tires (passenger tires) from the People's Republic of China (China) did not make sales of subject merchandise at prices below normal value (NV) during the period of review (POR) August 1, 2017 through July 31, 2018.

DATES: Applicable [Insert date of publication in the *Federal Register*].

FOR FURTHER INFORMATION CONTACT: Toni Page, 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) 482-1398.

SUPPLEMENTARY INFORMATION:

Background

On October 18, 2019, the Department of Commerce (Commerce) published its Preliminary Results of the administrative review of the antidumping duty order on passenger tires from the China.<sup>1</sup> The petitioners in this case are United Steel, Paper and Forestry, Rubber,

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<sup>1</sup> See *Certain Passenger Vehicle and Light Truck Tires from the People's Republic of China: Preliminary Results of Antidumping Duty Administrative Review and Rescission, in Part; 2017-2018*, 84 FR 55909 (October 18, 2019), and accompanying Preliminary Decision Memorandum (*Preliminary Results*).

Manufacturing, Energy, Allied Industrial and Service Workers International Union, AFL–CIO, CLC (collectively, the petitioners). The mandatory respondents in this administrative review are Shandong New Continent Tire Co., Ltd. (New Continent) and Qingdao Odyking Tyre Co., Ltd. (Odyking).

We invited interested parties to comment on the *Preliminary Results*. Subsequent to the *Preliminary Results*, the petitioners; New Continent (mandatory respondent); and various separate rate entities submitted case and rebuttal briefs.<sup>2</sup>

A complete summary of the events that occurred since publication of the *Preliminary Results*, as well as a full discussion of the issues raised by parties for these final results, may be found in the Issues and Decision Memorandum.<sup>3</sup> The Issues and Decision Memorandum is a public document and is available 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>. In addition, a complete version of the Issues and Decision Memorandum can be accessed at <http://enforcement.trade.gov/frn/>. The signed and electronic versions of the Issues and Decision Memorandum are identical in content.

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<sup>2</sup> See Shandong Hengyu’s Letter, “Certain Passenger Vehicle and Light Truck Tires from the People’s Republic of China - Ministerial Error,” dated October 16, 2019; Petitioners’ Case Brief, “Case Brief Submitted on Behalf of the United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union, AFL-CIO, CLC,” dated December 2, 2019); Shandong New Continent Tire Co., Ltd.’s Case Brief, “Shandong New Continent Tire Co., Ltd. Case Brief in the Third Administrative Review of Antidumping Duty Order on Passenger Vehicle and Light Truck Tires from the People’s Republic of China,” dated December 2, 2019; Pirelli Tyre Co., Ltd. and Pirelli’s Case Brief, “Pirelli’s Case Brief Certain Passenger Vehicle and Light Truck Tires from China,” dated December 3, 2019; Petitioners’ Rebuttal Brief, “Rebuttal Brief Submitted on Behalf of the United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union, AFL-CIO, CLC,” dated December 9, 2019; New Continent’s Rebuttal Brief, “Shandong New Continent Tire Co., Ltd. Rebuttal Brief in the Third Administrative Review of Antidumping Duty Order on Passenger Vehicle and Light Truck Tires from the People’s Republic of China,” dated December 9, 2019; and Haohua’s Comments in Lieu of Rebuttal Brief, “Passenger Vehicle and Light Truck Tires from China- Comments in Lieu of Rebuttal Case Brief,” dated December 9, 2019.

<sup>3</sup> See Memorandum, “Decision Memorandum for the Final Results of the Antidumping Duty Administrative Review of Certain Passenger Vehicle and Light Truck Tires from the People’s Republic of China and Rescission, in part; 2017 2018,” issued concurrently with, and hereby adopted by, this notice (Issues and Decision Memorandum).

### 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 Issues and Decision Memorandum.<sup>4</sup>

### Separate Rates

In the *Preliminary Results*, we found that evidence provided by New Continent and other separate rate candidates supported finding an absence of both *de jure* and *de facto* government control, and, therefore, we preliminarily granted a separate rate to each of these companies.<sup>5</sup> We received no information since the issuance of the *Preliminary Results* that provides a basis for reconsidering these determinations with respect to New Continent and to the other separate rate candidates.

Subsequent to the *Preliminary Results*, Shandong Hengyu Science & Technology Co., Ltd. (Shandong Hengyu), informed Commerce that it did not withdraw its request for self-examination during the instant administrative review. Therefore, for these final results, we will not rescind the administrative review with respect to Shandong Hengyu. In addition, based on our examination of Shandong Hengyu's Separate Rate Certification, we determine that it demonstrated the absence of both *de jure* and *de facto* control over its operations by the government and/or governmental agencies of China.

Therefore, for the final results, we continue to find that New Continent and the other exporters listed below under "Final Results of Review" are eligible for separate rates.

In addition, Commerce continues to find that certain companies have not demonstrated their entitlement to separate rate status because: (1) they withdrew their participation from the

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<sup>4</sup> See Issues and Decision Memorandum at "Scope of the Order."

<sup>5</sup> See *Preliminary Results* 84 FR 55909 at 55911.

administrative review; (2) they did not rebut the presumption of *de jure* or *de facto* government control of their operations; or (3) did not timely file their separate rate application and/or certification.<sup>6</sup> See Appendix II of this *Federal Register* notice for a complete list of companies not receiving a separate rate.

#### 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.

#### Adjustments for Export Subsidies

Commerce continues to adjust New Continent's U.S. price for export subsidies, pursuant to 772(c)(1)(C) of the Act for the final results.

#### Changes Since the Preliminary Results

Based on a review of the record and comments received from interested parties regarding our *Preliminary Results*, we made certain changes for these final results. Specifically, we have made adjustments to the calculation of the antidumping margin for New Continent,<sup>7</sup> and granted separate rate status to Shandong Hengyu.<sup>8</sup>

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<sup>6</sup> See Memorandum, "Antidumping Duty Administrative Review of Certain Passenger Vehicle and Light Truck Tires from the People's Republic of China: Final Separate Rate Status," dated concurrently with the instant notice.

<sup>7</sup> See Issues and Decision Memorandum at comments 1 and 5; and Memorandum, "Administrative Review of Certain Passenger Vehicle and Light Truck Tires from the People's Republic of China: Final Analysis Memorandum for Shandong New Continent Tire Co., Ltd.," dated concurrently with the instant memorandum.

<sup>8</sup> See Issues and Decision Memorandum at comment 9.

## Final Results of Review

Commerce finds that the following weighted-average dumping margins exist for the

POR:

<b>Exporter</b>	<b>Weighted-Average Dumping Margin (Percent)</b>
Shandong New Continent Tire Co., Ltd.	0.00
Anhui Jichi Tire Co., Ltd.	0.00
Crown International Corporation	0.00
Hankook Tire China Co., Ltd.	0.00
Jingsu Hankook Tire Co., Ltd.	0.00
Kenda Rubber (China) Co., Ltd.	0.00
Kinforest Tyre Co., Ltd.	0.00
Mayrun Tyre (Hong Kong) Limited	0.00
Qingdao Fullrun Tyre Corp., Ltd.	0.00
Qingdao Sunfulcess Tyre Co., Ltd.	0.00
Qingdao Transamerica Tire Industrial Co., Ltd.	0.00
Shandong Anchi Tyres Co., Ltd.	0.00
Shandong Duratti Rubber Corporation Co., Ltd.	0.00
Shandong Haohua Tire Co., Ltd.	0.00
Shandong Hengyu Science & Technology Co., Ltd.	0.00
Shandong Hongsheng Rubber Technology Co., Ltd.	0.00
Shandong Longyue Rubber Co., Ltd.	0.00
Shandong Province Sanli Tire Manufactured Co., Ltd.	0.00
Winrun Tyre Co., Ltd.	0.00

## Assessment Rates

Pursuant to section 751(a)(2)(C) of the Act, and 19 CFR 351.212(b), Commerce has determined, and U.S. Customs and Border Protection (CBP) shall assess, antidumping duties on all appropriate entries of subject merchandise in accordance with the final results of this review. Commerce intends to issue assessment instructions to CBP 15 days after the publication date of the final results of this review.

For each individually examined respondent in this review whose weighted-average dumping margin in the final results of review is not zero or *de minimis* (*i.e.*, less than 0.5 percent), Commerce intends to calculate importer-specific assessment rates, in accordance with 19 CFR 351.212(b)(1).<sup>9</sup> Where the respondent reported reliable entered values, Commerce intends to calculate importer-specific *ad valorem* assessment rates by aggregating the amount of dumping calculated for all U.S. sales to the importer, and dividing this amount by the total entered value of the sales to the importer.<sup>10</sup> Where the importer did not report entered values, Commerce intends to calculate an importer-specific assessment rate by dividing the amount of dumping for reviewed sales to the importer by the total sales quantity associated with those transactions. Where an importer-specific *ad valorem* assessment rate is not zero or *de minimis*, Commerce will instruct CBP to collect the appropriate duties at the time of liquidation. Where either the respondent's weighted average dumping margin is zero or *de minimis*, or an importer-specific *ad valorem* assessment rate is zero or *de minimis*, Commerce will instruct CBP to liquidate appropriate entries without regard to antidumping duties.<sup>11</sup>

Pursuant to Commerce practice, for entries that were not reported in the U.S. sales database submitted by an exporter individually examined during this review, Commerce will instruct CBP to liquidate such entries at the rate for the China-wide entity.<sup>12</sup> Additionally, if Commerce determines that an exporter under review had no shipments of the subject merchandise, any suspended entries that entered under that exporter's CBP case number will be liquidated at the rate for the China-wide entity.

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<sup>9</sup> See *Antidumping Proceedings: Calculation of the Weighted Average Dumping Margin and Assessment Rate in Certain Antidumping Proceedings: Final Modification*, 77 FR 8101 (February 14, 2012) (*Final Modification*).

<sup>10</sup> See 19 CFR 351.212(b)(1).

<sup>11</sup> See *Final Modification*, 77 FR at 8103.

<sup>12</sup> See *Non-Market Economy Antidumping Proceedings: Assessment of Antidumping Duties*, 76 FR 65694 (October 24, 2011), for a full discussion of this practice.

For the companies for which this review is rescinded, antidumping duties will be assessed at rates equal to the cash deposit of estimated antidumping duties required at the time of entry, or withdrawal from warehouse, for consumption, in accordance with 19 CFR 351.212(c)(1)(i). Commerce will issue appropriate assessment instructions with respect to the companies for which this review is rescinded to CBP 15 days after the publication of this notice.

In accordance with section 751(a)(2)(C) of the Act, the final results of this review shall be the basis for the assessment of antidumping duties on POR entries, and for future deposits of estimated antidumping duties, where applicable.

#### Cash Deposit Requirements

Commerce will instruct CBP to require a cash deposit for antidumping duties equal to the weighted-average amount by which NV exceeds U.S. price. The following cash deposit requirements will be effective upon publication of the final results of this administrative review for shipments of the subject merchandise from China entered, or withdrawn from warehouse, for consumption on or after the publication date of this notice, 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 established in the final results of this review (except that, if the rate is *de minimis* (*i.e.*, less than 0.5 percent), then the cash deposit rate will be zero for that exporter); (2) for previously investigated or reviewed China and non-China exporters not listed above that have separate rates, the cash deposit rate will continue to be the exporter-specific rate published for the most recently completed segment of this proceeding; (3) for all China exporters of subject merchandise which have not been found to be entitled to a separate rate, the cash deposit rate will be the rate for the China-wide entity (*i.e.*, 76.46 percent);<sup>13</sup> and (4) for all non-China

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<sup>13</sup> See *AD Order*, 80 FR at 47904.

exporters of subject merchandise that have not received their own rate, the cash deposit rate will be the rate applicable to the China exporter that supplied that non-China exporter. These deposit requirements, when imposed, shall remain in effect until further notice.

#### Notification to Importers

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

#### Notification to Interested Parties

This notice serves as the only reminder to parties subject to administrative protective order (APO) of their responsibility concerning the disposition of proprietary information disclosed under APO in accordance with 19 CFR 351.305(a)(3). Timely written notification of return or destruction of APO materials, or conversion to judicial protective order, is hereby requested. Failure to comply with the regulations and the 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: April 15, 2020.

Jeffrey I. Kessler,  
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 Order
- IV. Discussion of the Issues

Comment 1: Whether Russia Should be the Primary Surrogate Country

Comment 2: Whether to Grant a Separate Rate to Haohua

Comment 3: Whether to Grant Pirelli China a Separate Rate

Comment 4: Whether Commerce has the Authority to Establish a China-Wide Entity Rate

Comment 5: Whether to Correct Alleged Errors in New Continent's Margin Calculations

Comment 6: Whether to Correct Certain "Importer or Customer" names in New Continent's Draft Liquidation Instructions

Comment 7: Whether to Continue to Deduct Irrecoverable VAT from New Continent's Gross Unit Price

Comment 8: Whether to Grant a Double Remedy Adjustment to New Continent

Comment 9: Whether to Rescind the Administrative Review of Shandong Hengyu Science & Technology Co., Ltd.

- V. Recommendation

## **Appendix II**

### **List of Companies Not Receiving Separate Rate Status**

1. Pirelli Tyre Co., Ltd.
2. Qingdao Odyking Tyre Co., Ltd.
3. Tianjin Wanda Tyre Group Co., Ltd.

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