



DEPARTMENT OF COMMERCE

International Trade Administration

[A-570-135]

Certain Chassis and Subassemblies Thereof from the People's Republic of China: Final Affirmative Determination of Sales at Less Than Fair Value

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

SUMMARY: The Department of Commerce (Commerce) determines that certain chassis and subassemblies thereof (chassis) from the People's Republic of China (China) are being, or are likely to be, sold in the United States at less than fair value (LTFV). The period of investigation (POI) is January 1, 2020, through June 30, 2020.

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

FOR FURTHER INFORMATION CONTACT: Hermes Pinilla or Mary Kolberg, AD/CVD Operations, Office I, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-3477 or (202) 482-1785, respectively.

SUPPLEMENTARY INFORMATION:

Background

On March 4, 2021, Commerce published its *Preliminary Determination* in the antidumping duty investigation of chassis from China.<sup>1</sup> A summary of the events that occurred since Commerce published the *Preliminary Determination*, as well as a full discussion of the issues raised by parties for this final determination, may be found in the Issues and Decision Memorandum.<sup>2</sup>

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<sup>1</sup> See *Certain Chassis and Subassemblies Thereof from the People's Republic of China: Preliminary Affirmative Determination of Sales at Less Than Fair Value*, 86 FR 12616 (March 4, 2021) (*Preliminary Determination*), and accompanying Preliminary Decision Memorandum (PDM).

<sup>2</sup> See Memorandum, "Certain Chassis and Subassemblies Thereof from the People's Republic of China: Decision Memorandum for the Final Affirmative Determination of Sales at Less-Than-Fair-Value," dated concurrently with, and hereby adopted by, this notice (Issues and Decision Memorandum).

## Period of Investigation

The POI is January 1, 2020, through June 30, 2020.

## Scope of the Investigation

The products covered by this investigation are certain chassis and subassemblies thereof from China. For a full description of the scope of this investigation, *see* Appendix I.

## Scope Comments

In accordance with the preamble to Commerce's regulations,<sup>3</sup> the *Initiation Notice* set aside a period of time for parties to raise issues regarding product coverage (*i.e.*, scope).<sup>4</sup> Certain interested parties commented on the scope of the investigations as they appeared in the *Initiation Notice* and we addressed these comments in the Preliminary Scope Decision Memorandum,<sup>5</sup> modifying the scope of this and the companion countervailing duty (CVD) investigation. Specifically, we removed individual components from the definition of in-scope subassemblies and added language to clarify that the individual components that enter separately are not covered by the scope of these investigations. We established a period for parties to address issues in scope case and rebuttal briefs.<sup>6</sup> We received scope comments and addressed them in the Final Scope Decision Memorandum.<sup>7</sup>

## Analysis of Comments Received

All issues raised in the case briefs and rebuttal briefs submitted by interested parties in this proceeding are discussed in the Issues and Decision Memorandum. A list of the issues raised by parties and responded to by Commerce is attached to this notice as Appendix II. The Issues and Decision Memorandum is a public document and is available electronically via

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<sup>3</sup> *See Antidumping Duties; Countervailing Duties, Final Rule*, 62 FR 27296, 27323 (May 19, 1997).

<sup>4</sup> *See Certain Chassis and Subassemblies Thereof from the People's Republic of China: Initiation of Less-Than-Fair-Value Investigation*, 85 FR 52552 (August 26, 2020) (*Initiation Notice*).

<sup>5</sup> *See* Memorandum, "Certain Chassis and Subassemblies Thereof from the People's Republic of China: Scope Comments Preliminary Decision Memorandum," dated February 9, 2021 (Preliminary Scope Decision Memorandum).

<sup>6</sup> *See* Preliminary Scope Decision Memorandum.

<sup>7</sup> *See* Memorandum, "Antidumping and Countervailing Duty Investigations of Certain Chassis and Subassemblies Thereof from the People's Republic of China: Scope Comments Decision Memorandum for the Final Determinations," dated March 15, 2021 (Final Scope Decision Memorandum).

Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS). ACCESS is available to registered users at <https://access.trade.gov>. In addition, a complete version of the Issues and Decision Memorandum can be accessed directly at <http://enforcement.trade.gov/frn/>.

#### Changes Since the Preliminary Determination

Pursuant to section 772(c)(1)(C) of the Act, Commerce normally adjusts the dumping margin for countervailable export subsidies. In the *Preliminary Determination*, we determined a countervailable export subsidy rate of 5.77 percent *ad valorem* based on the export buyer's credit. However, for the final determination of the concurrent CVD investigation, Commerce adjusted its calculation of the export subsidy rate because we determined that CIMC benefitted from several subsidy programs contingent on exports totaling 11.00 percent *ad valorem* for the China-wide entity. Accordingly, Commerce adjusted the calculated estimated weighted-average dumping margin for this investigation by the offset.<sup>8</sup>

#### China-Wide Entity and Use of Adverse Facts Available

We continue to find that the use of facts available is warranted in determining the rate of the China-wide entity pursuant to sections 776(a)(1) and (a)(2)(A)-(C) of the Act. Further, use of adverse facts available (AFA) is warranted because the China-wide entity did not cooperate to the best of its ability to comply with our request for information and, accordingly, we applied adverse inferences in selecting from the facts available, pursuant to section 776(b) of the Act and 19 CFR 351.308(a).

The China-wide entity includes mandatory respondents Dongguan CIMC Vehicle Co., Ltd. and Qingdao CIMC Special Vehicles Co., Ltd. (collectively, CIMC) and Guangdong Fuwa Heavy Industries Co., Ltd. (Fuwa), as well as the companies that received, but did not complete,

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<sup>8</sup> The export subsidy rate determined in the final determination of the companion CVD investigation is 11.00 percent. See *Chassis and Subassemblies Thereof from the People's Republic of China: Final Affirmative Countervailing Duty Determination*, 86 FR 15186 (March 22, 2021) (*Chassis CVD Final Determination*), and accompanying Issues and Decision Memorandum (IDM) at 8.

Commerce’s quantity and value questionnaire. Because CIMC submitted its supplemental questionnaire responses in an untimely manner, necessary information regarding our separate rate inquiries is not available on the record. Further, Fuwa did not provide information on all shareholders and ultimate shareholders. Therefore, we continue to find that CIMC and Fuwa have not demonstrated eligibility for a separate rate. Because none of the companies responded to the best of their ability to Commerce’s questionnaires, we assigned the highest margin alleged in the petition, 188.05 percent, to the China-wide entity.

Combination Rates

Because no companies qualified for a separate rate, producer/exporter combination rates were not calculated.

Final Determination

Commerce determines that the estimated weighted-average dumping margin is as follows:

<b>Producer/exporter</b>	<b>Estimated weighted-average dumping margin (percent)</b>	<b>Estimated weighted-average dumping margin adjusted for export subsidy offset(s) (percent)</b>
China-Wide Entity	188.05	177.05

Disclosure

The dumping margin calculations in the *Preliminary Determination* were based on AFA.<sup>9</sup> As noted above, there are no changes to the calculations for the *Final Determination*. Thus, no additional disclosure is necessary for this final determination.

Continuation of Suspension of Liquidation

As a result of our *Preliminary Determination* and pursuant to section 735(c)(1)(B) of the Act, Commerce will instruct U.S. Customs and Border Protection (CBP) to continue to suspend liquidation of entries of subject merchandise as described in the “Scope of the Investigation”

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<sup>9</sup> See *Preliminary Determination*.

section entered, or withdrawn from warehouse, for consumption, on or after March 4, 2021, which is the date of publication of the *Preliminary Determination* in the *Federal Register*.

Pursuant to section 735(c)(1)(B)(ii) of the Act, upon the publication of this notice, Commerce will instruct CBP to require a cash deposit equal to the weighted-average amount by which the normal value exceeds U.S. price as follows: (1) for all combinations of Chinese producers/exporters of subject merchandise that have not established eligibility for their own separate rates, the cash deposit rate will be equal to the estimated weighted-average dumping margin established for the China-wide entity; and (2) for all third-country exporters of subject merchandise not listed in the table above, the cash deposit rate is the cash deposit rate applicable to the Chinese producer/exporter combination (or China-wide entity) that supplied that third-country exporter. These suspension of liquidation instructions will remain in effect until further notice.

To determine the cash deposit rate, Commerce normally adjusts the estimated weighted-average dumping margin by the amount of domestic subsidy pass-through and export subsidies determined in a companion CVD proceeding when CVD provisional measures are in effect. Accordingly, where Commerce makes an affirmative determination for domestic subsidy pass-through or export subsidies, Commerce offsets the calculated estimated weighted-average dumping margin by the appropriate rate(s). In this case, there was no demonstration on the record that an adjustment for domestic subsidies was warranted in the *Preliminary Determination*, which remains unchanged for the final determination.<sup>10</sup> However, with respect to export subsidies for all respondents, Commerce issued the final determination of the concurrent CVD investigation of chassis from China, in which it found export-contingent subsidies of 11.00 percent for CIMC.<sup>11</sup> Therefore, we have deducted export subsidies from the final margin and adjusted the cash deposit rate in the chart above. However, suspension of

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<sup>10</sup> See section VII. Adjustment under Section 777A(f) of the Act in the *Preliminary Determination* PDM.

<sup>11</sup> See *Chassis CVD Final Determination* IDM at 8.

liquidation for provisional measures in the companion CVD case has been discontinued; therefore, we are not instructing CBP to collect cash deposits based upon the adjusted estimated weighted-average dumping margin for those subsidies at this time.

#### International Trade Commission (ITC) Notification

In accordance with section 735(d) of the Act, we will notify the ITC of our final affirmative determination of sales at LTFV. Commerce will allow the ITC access to all privileged and business proprietary information in our files, provided the ITC confirms that it will not disclose such information, either publicly or under an administrative protective order, without the written consent of the Assistant Secretary for Enforcement and Compliance. Because Commerce's final determination is affirmative, in accordance with section 735(b)(2) of the Act, the ITC will make its final determination as to whether the domestic industry in the United States is materially injured, or threatened with material injury, by reason of imports or sales (or the likelihood of sales) for importation of chassis from China no later than 45 days after this final determination. If the ITC determines that such injury does exist, Commerce will issue an AD order directing CBP to assess, upon further instructions by Commerce, antidumping duties on all imports of the subject merchandise entered, or withdrawn from warehouse, for consumption on or after the effective date of the suspension of liquidation, as discussed above in the "Continuation of Suspension of Liquidation" section of this notice.

#### Notification Regarding Administrative Protective Order (APO)

This notice will serve as a final reminder to parties subject to an 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/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

This determination is issued and published pursuant to sections 735(d) and 777(i)(1) of the Act and 19 CFR 351.210(c).

Dated: May 11, 2021.

Christian Marsh,  
Acting Assistant Secretary  
for Enforcement and Compliance.

## Appendix I

### Scope of the Investigation

The merchandise covered by this investigation consists of chassis and subassemblies thereof, whether finished or unfinished, whether assembled or unassembled, whether coated or uncoated, regardless of the number of axles, for carriage of containers, or other payloads (including self-supporting payloads) for road, marine roll-on/roll-off (RORO) and/or rail transport. Chassis are typically, but are not limited to, rectangular framed trailers with a suspension and axle system, wheels and tires, brakes, a lighting and electrical system, a coupling for towing behind a truck tractor, and a locking system or systems to secure the shipping container or containers to the chassis using twistlocks, slide pins or similar attachment devices to engage the corner fittings on the container or other payload.

Subject merchandise includes, but is not limited to, the following subassemblies:

- Chassis frames, or sections of chassis frames, including kingpin assemblies, bolsters consisting of transverse beams with locking or support mechanisms, goosenecks, drop assemblies, extension mechanisms and/or rear impact guards;
- Running gear assemblies or axle assemblies for connection to the chassis frame, whether fixed in nature or capable of sliding fore and aft or lifting up and lowering down, which may or may not include suspension(s) (mechanical or pneumatic), wheel end components, slack adjusters, axles, brake chambers, locking pins, and tires and wheels;
- Landing gear assemblies, for connection to the chassis frame, capable of supporting the chassis when it is not engaged to a tractor; and
- Assemblies that connect to the chassis frame or a section of the chassis frame, such as, but not limited to, pintle hooks or B-trains (which include a fifth wheel), which are capable of connecting a chassis to a converter dolly or another chassis.

Importation of any of these subassemblies, whether assembled or unassembled, constitutes an unfinished chassis for purposes of this investigation.

Subject merchandise also includes chassis, whether finished or unfinished, entered with or for further assembly with components such as, but not limited to: hub and drum assemblies, brake assemblies (either drum or disc), axles, brake chambers, suspensions and suspension components, wheel end components, landing gear legs, spoke or disc wheels, tires, brake control systems, electrical harnesses and lighting systems.

Processing of finished and unfinished chassis and components such as trimming, cutting, grinding, notching, punching, drilling, painting, coating, staining, finishing, assembly, or any other processing either in the country of manufacture of the in-scope product or in a third country does not remove the product from the scope. Inclusion of other components not identified as comprising the finished or unfinished chassis does not remove the product from the scope.

Individual components entered and sold by themselves are not subject to the investigation, but components entered with or for further assembly with a finished or unfinished chassis are subject merchandise. A finished chassis is ultimately comprised of several different types of



subassemblies. Within each subassembly there are numerous components that comprise a given subassembly.

This scope excludes dry van trailers, refrigerated van trailers and flatbed trailers. Dry van trailers are trailers with a wholly enclosed cargo space comprised of fixed sides, nose, floor and roof, with articulated panels (doors) across the rear and occasionally at selected places on the sides, with the cargo space being permanently incorporated in the trailer itself. Refrigerated van trailers are trailers with a wholly enclosed cargo space comprised of fixed sides, nose, floor and roof, with articulated panels (doors) across the rear and occasionally at selected places on the sides, with the cargo space being permanently incorporated in the trailer and being insulated, possessing specific thermal properties intended for use with self-contained refrigeration systems. Flatbed (or platform) trailers consist of load-carrying main frames and a solid, flat or stepped loading deck or floor permanently incorporated with and supported by frame rails and cross members.

The finished and unfinished chassis subject to this investigation are typically classified in the Harmonized Tariff Schedule of the United States (HTSUS) at subheadings: 8716.39.0090 and 8716.90.5060. Imports of finished and unfinished chassis may also enter under HTSUS subheading 8716.90.5010. While the HTSUS subheadings are provided for convenience and customs purposes, the written description of the merchandise under investigation is dispositive.

## Appendix II

### List of Topics Discussed in the Final Decision Memorandum

- I. Summary
- II. Background
- III. Period of Investigation
- IV. Scope of Investigation
- V. Adjustment under Section 777A(f) of the Act
- VI. Adjustment to Cash Deposit Rate for Export Subsidies
- VII. Use of Facts Otherwise Available and Adverse Inferences
- VIII. Discussion of the Issues
  - Comment 1: Whether Total AFA is Warranted for CIMC
  - Comment 2: Whether CIMC is Eligible for a Separate Rate
- IX. Recommendation

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