



DEPARTMENT OF COMMERCE

International Trade Administration

[C-570-041]

Truck and Bus Tires from the People's Republic of China: Final Results and Partial Rescission of Countervailing Duty Administrative Review; 2021

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

SUMMARY: The U.S. Department of Commerce (Commerce) determines that countervailable subsidies were provided to certain exporters/producers of truck and bus tires from the People's Republic of China (China) during the period of review (POR) January 1, 2021, through December 31, 2021. Commerce is also rescinding the review with respect to one company that had no reviewable entries during the POR.

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

FOR FURTHER INFORMATION CONTACT: Ted Pearson, 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) 482-2631.

SUPPLEMENTARY INFORMATION:

Background

On December 1, 2022, Commerce published the preliminary results of this administrative review in the *Federal Register*.¹ From April 17 through 18, 2023, we conducted an onsite verification of the financing of the U.S. importers and customers of the mandatory respondent, Qingdao Ge

¹ See *Truck and Bus Tires from the People's Republic of China: Preliminary Results of Countervailing Duty Administrative Review, Rescission of Review in Part, and Intent to Rescind in Part; 2021*, 88 FR 13423 (March 3, 2023) (*Preliminary Results*), and accompanying Preliminary Decision Memorandum.

Rui Da Rubber Co., Ltd. (GRT), for the export buyer's credit program. On April 27, 2023, we released the verification report to interested parties.²

For a complete description of the events that occurred since the *Preliminary Results*, see the Issues and Decision Memorandum.³

Scope of the Order⁴

The products covered by the scope of the *Order* are truck and bus tires from China. A full description of the scope of the *Order* is contained in the Issues and Decision Memorandum.

Analysis of Comments Received

All issues raised by the interested parties in their case and rebuttal briefs are addressed in the Issues and Decision Memorandum. A list of topics discussed in the Issues and Decision Memorandum is provided in the appendix 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>. In addition, a complete

² See Memorandum, "Verification of the Export Buyer's Credit Questionnaire Responses of Qingdao Ge Rui Da Rubber Co., Ltd.," dated April 27, 2023.

³ See Memorandum, "Issues and Decision Memorandum for the Final Results of the Countervailing Duty Administrative Review of Truck and Bus Tires from the People's Republic of China; 2021," dated concurrently with, and hereby adopted by, this notice (Issues and Decision Memorandum).

⁴ See *Truck and Bus Tires from the People's Republic of China: Amended Final Determination and Countervailing Duty Order*, 84 FR 4434 (February 15, 2019) (*Order*).

version of the Issues and Decision Memorandum can be accessed directly at

<https://access.trade.gov/public/FRNoticesListLayout.aspx>.

Changes Since the *Preliminary Results*

Based on our analysis of comments from interested parties and the evidence on the record, we revised the calculation of the net countervailable subsidy rates for GRT. For a discussion of the issues, *see* the Issues and Decision Memorandum.

Methodology

Commerce conducted this administrative 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 government-provided financial contribution that gives rise to a benefit to the recipient, and that the subsidy is specific.⁵ For a complete description of the methodology underlying all of Commerce's conclusions, including our reliance, in part, on facts otherwise available, including adverse facts available, pursuant to sections 776(a) and (b) of the Act, *see* the Issues and Decision Memorandum.

Partial Rescission of Review

It is Commerce's practice to rescind an administrative review of a countervailing duty order, pursuant to 19 CFR 351.213(d)(3), when there are no reviewable entries of subject merchandise during the POR for which liquidation is suspended.⁶ Normally, upon completion of an administrative review, the suspended entries are liquidated at the countervailing duty assessment rate calculated for the review period.⁷ Therefore, for an administrative review of company to be conducted, there must be a reviewable, suspended entry that Commerce can

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, e.g., Lightweight Thermal Paper from the People's Republic of China: Notice of Rescission of Countervailing Duty Administrative Review; 2015*, 82 FR 14349 (March 20, 2017); and *Circular Welded Carbon Quality Steel Pipe from the People's Republic of China: Rescission of Countervailing Duty Administrative Review; 2017*, 84 FR 14650 (April 11, 2019).

⁷ *See* 19 CFR 351.212(b)(2).

instruct U.S. Customs and Border Protection (CBP) to liquidate at the calculated countervailing duty assessment rate calculated for the review period.⁸

We continue to find that one company subject to this review, Chongqing Hankook Tire Co., Ltd. (Chongqing Hankook), did not have reviewable entries of subject merchandise for which liquidation is suspended. Because there is no evidence on the record to indicate that Chongqing Hankook had entries, exports, or sales of subject merchandise during the POR, we are rescinding this review with respect to Chongqing Hankook consistent with 19 CFR 351.213(d)(3).

Companies Not Selected for Individual Review

The statute and Commerce's regulations do not address the establishment of a rate to be applied to companies not selected for individual examination when 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 the basis 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 the all-others rate equal to the weighted average of the countervailable subsidy rates established for exporters and producers individually investigated, excluding any zero or *de minimis* countervailable subsidy rates, and any rates determined entirely on the basis of facts available.

There are four companies for which a review was requested and not rescinded, and which were not selected as mandatory respondents or found to be cross-owned with GRT, the mandatory respondent. For these non-selected companies, because the rate calculated for the only participating mandatory respondent in this review, GRT, was above *de minimis* and not

⁸ See 19 CFR 351.213(d)(3).

based entirely on facts available, we are applying GRT's subsidy rate to the four non-selected companies.

This is the same methodology Commerce applied in the *Preliminary Results* for determining a rate for companies not selected for individual examination. However, due to changes in the calculation for GRT, we revised the non-selected rate accordingly. Consequently, for the four non-selected companies for which a review was requested and not rescinded, we are applying an *ad valorem* subsidy rate of 14.98 percent.

Final Results of Review

We determine find the net countervailable subsidy rates for the mandatory and non-selected respondents under review for the period January 1, 2021, through December 31, 2021, to be as follows:

Producer or Exporter	Subsidy Rate (percent <i>ad valorem</i>)
Qingdao Ge Rui Da Rubber Co., Ltd. ⁹	14.98
Review-Specific Average Rate Applicable to the Following Companies	
Bridgestone (Shenyang) Tire Co., Ltd.	14.98
Jiangsu Hankook Tire Co., Ltd.	14.98
Joyall (Weihai) Tire Co., Ltd.	14.98
Triangle Tyre Co., Ltd.	14.98

Disclosure

Commerce intends to disclose calculations and analysis performed for the final results of review within five days after the date of publication of this notice in the *Federal Register* in

⁹ Commerce finds the following companies to be cross-owned with Qingdao Ge Rui Da Rubber Co., Ltd.: Cooper Tire (China) Investment Co. Ltd.; Cooper (Kunshan) Tire Co., Ltd.; Qingdao Yiyuan Investment Co., Ltd.; Goodyear Dalian Tire Company Limited; and Goodyear Tire Management Company (Shanghai) Ltd. In the *Preliminary Results*, we inadvertently included Cooper Tire Asia-Pacific (Shanghai) Trading Co., Ltd. (CTAP) among the cross-owned companies. However, as discussed in the accompanying Preliminary Decision Memorandum (PDM), we found that CTAP did not satisfy our attribution criteria during the POR. See *Preliminary Results* PDM at 22. Therefore, we are not including CTAP in the list of companies found be cross-owned in this review.

accordance with 19 CFR 351.224(b).

Cash Deposit Requirements

In accordance with section 751(a)(1) of the Act, Commerce also intends to instruct CBP to collect cash deposits of estimated countervailing duties in the amounts shown above for the above-listed companies with regard to shipments of subject merchandise entered, or withdrawn from warehouse, for consumption on or after the date of publication of these final results of review. For all non-reviewed firms, we will instruct CBP to continue to collect cash deposits of estimated countervailing duties at the all-others rate or the most recent company-specific rate applicable to the company, as appropriate. These cash deposit requirements, effective upon publication of these final results, shall remain in effect until further notice.

Assessment Requirements

In accordance with section 751(a)(2)(C) of the Act and 19 CFR 351.212(b)(2), Commerce has determined, and U.S. Customs and Border Protection (CBP) shall assess, countervailing duties on all appropriate entries covered by this review, for the above-listed companies at the applicable *ad valorem* assessment rates listed. Commerce intends to issue assessment instructions to CBP no earlier than 35 days after publication of the final results of this review in the *Federal Register*. If a timely summons is filed at the U.S. Court of International Trade, the assessment instructions will direct CBP not to liquidate relevant entries until the time for parties to file a request for a statutory injunction has expired (*i.e.*, within 90 days of publication).

Administrative Protective Order

This notice also serves as a final reminder to parties subject to an 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 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

The final 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)(5).

Dated: July 6, 2023.

Lisa W. Wang,
Assistant Secretary
for Enforcement and Compliance.

Appendix

List of Topics Discussed in the Issues and Decision Memorandum

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- II. Background
- III. Scope of the *Order*
- IV. Partial Rescission of Administrative Review
- V. Non-Selected Rate
- VI. Subsidies Valuation
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- VIII. Analysis of Programs
- IX. Discussion of Issues
 - Comment 1: Whether the Provision of Inputs for Less Than Adequate Remuneration (LTAR) Constitutes a Financial Contribution
 - Comment 2: Whether Commerce Appropriately Found that the Provision of Land-Use Rights for LTAR Constitutes a Financial Contribution
 - Comment 3: Whether the Provision of Electricity for LTAR Is Countervailable
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- X. Recommendation

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