



DEPARTMENT OF COMMERCE

International Trade Administration

[A-570-174]

Certain Brake Drums from 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 U.S. Department of Commerce (Commerce) determines that certain brake drums (brake drums) 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 October 1, 2023, through March 31, 2024.

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

FOR FURTHER INFORMATION CONTACT: Samuel Frost, AD/CVD Operations, Office V, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-8180.

SUPPLEMENTARY INFORMATION:

Background

On January 29, 2025, Commerce published the *Preliminary Determination* in the *Federal Register* and invited parties to comment.¹ For a full discussion of the issues raised by parties for this final determination, see the Issues and Decision Memorandum.²

The Issues and Decision Memorandum is a public document and is made available to the public via Enforcement and Compliance's Antidumping and Countervailing Duty Centralized

¹ See *Certain Brake Drums from the People's Republic of China: Preliminary Affirmative Determination of Sales at Less Than Fair Value, Postponement of Final Determination, and Extension of Provisional Measures*, 90 FR 8383 (January 29, 2025) (*Preliminary Determination*), and accompanying Preliminary Decision Memorandum (PDM).

² See Memorandum, "Issues and Decision Memorandum for the Final Affirmative Determination in the Less-Than-Fair-Value Investigation of Certain Brake Drums from the People's Republic of China," dated concurrently with, and hereby adopted by, this notice (Issues and Decision Memorandum).

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

Scope of the Investigation

The products covered by this investigation are brake drums from China. For a complete description of the scope of this investigation, *see* Appendix I.

Scope Comments

During the course of this investigation, Commerce received scope comments from parties. Commerce issued a Preliminary Scope Decision Memorandum to address these comments and set aside a period of time for parties to address scope issues in scope-specific case and rebuttal briefs.³ We received comments from parties on the Preliminary Scope Decision Memorandum, which we address in the Final Scope Decision Memorandum.⁴ We have included additional Harmonized Tariff Schedule of the United States (HTSUS) subheadings in the scope of the investigation as compared with the scope published in the *Preliminary Determination*, as shown in Appendix I.

Verification

As provided in section 782(i) of the Tariff Act of 1930, as amended (the Act), in February and March 2025, Commerce verified the sales and factors of production information submitted by Shandong ConMet Mechanical Co., Ltd. (Shandong ConMet), for use in our final determination. We used standard verification procedures, including an examination of relevant sales and accounting records, and original source documents provided by Shandong ConMet.⁵

³ See Memorandum, “Less-Than-Fair-Value Investigations and Countervailing Duty Investigations of Certain Brake Drums from the People’s Republic of China and the Republic of Türkiye: Preliminary Scope Decision Memorandum,” dated January 23, 2025.

⁴ See Memorandum, “Less-Than-Fair-Value Investigations and Countervailing Duty Investigations of Certain Brake Drums from the People’s Republic of China and the Republic of Türkiye: Final Scope Decision Memorandum,” dated concurrently with this notice.

⁵ See Memoranda, “Verification of the Questionnaire Responses of Consolidated Metco, Inc. in the Less-Than-Fair-

Analysis of Comments Received

All issues raised in the case and rebuttal briefs submitted by interested parties in this investigation are addressed in the Issues and Decision Memorandum. For a list of the issues raised by interested parties and addressed in the Issues and Decision Memorandum, *see* Appendix II to this notice.

Changes Since the *Preliminary Determination*

We made certain changes to the margin calculations for Shandong ConMet since the *Preliminary Determination*. For a discussion of these changes, *see* the Issues and Decision Memorandum.

China-Wide Entity and Use of Adverse Facts Available (AFA)

As discussed in the *Preliminary Determination*, Commerce assigned an estimated weighted-average dumping margin to the China-wide entity on the basis of AFA, pursuant to sections 776(a) and (b) of the Act.⁶ No party commented on our findings with respect to the China-wide entity and the use of the highest dumping margin alleged in the petition as the appropriate rate assigned to the China-wide entity. Therefore, Commerce continues to find, pursuant to sections 776(a) and (b) of the Act, that AFA is warranted in determining the estimated weighted-average dumping margin for the China-wide entity, and we continue to assign the highest dumping margin alleged in the petition, (*i.e.*, 160.79 percent) as the applicable AFA rate, which continues to be corroborated by the highest transaction-specific dumping margin calculated for the mandatory respondent.⁷

Separate Rates

We received comments on our preliminary separate rate determinations.⁸ Based on our

Value Investigation of Certain Brake Drums from the People's Republic of China," dated May 6, 2025; *see also* "Verification of the Questionnaire Responses of Shandong ConMet Mechanical Co., Ltd. in the Less-Than-Fair-Value Investigation of Certain Brake Drums from the People's Republic of China," dated May 6, 2025.

⁶ *See Preliminary Determination* PDM at 15-17.

⁷ *See* Memorandum, "Corroboration of Margin Based on Adverse Facts Available," dated concurrently with this notice.

⁸ *See* Issues and Decision Memorandum at Comment 1.

analysis of the comments received, our preliminary determinations with respect to separate rate eligibility remain unchanged in the final determination.⁹

Combination Rates

Consistent with the *Preliminary Determination*, and Policy Bulletin 05.1,¹⁰ Commerce calculated producer/exporter combination rates for Shandong ConMet. Further, Commerce has assigned this rate to the producer/exporter combinations that are also eligible for a separate rate.¹¹

Final Determination

Commerce determines that the following estimated weighted-average dumping margins exist:

⁹ See *Preliminary Determination* PDM at 9-14.

¹⁰ See Enforcement and Compliance's Policy Bulletin No. 05.01, regarding, "Separate-Rates Practice and Application of Combination Rates in Antidumping Investigation involving Non-Market Economy Companies," (April 5, 2025) (Policy Bulletin 05.1), available on Commerce website at <https://access.trade.gov/Resources/policy/bull05-1.pdf>.

¹¹ See *Preliminary Determination* PDM at 14.

Producer	Exporter	Weighted-Average Dumping Margin (percent)	Cash Deposit Rate (Adjusted for Subsidy Offsets) (percent)
Shandong ConMet Mechanical Co., Ltd.	Shandong ConMet Mechanical Co., Ltd.	77.14	77.14
Liaoning Hechuang CV Parts MFG Co.	Liaoning Hechuang CV Parts MFG Co.	77.14	77.14
Hebei OE Auto Spare Parts Co., Ltd	Ningbo Qingchen International Trade Co., Ltd.	77.14	77.14
Longyao County Yiheng Auto Parts Co., Ltd	Qingdao Jasmine International Trade Co., Ltd	77.14	77.14
Shandong Lingang Nonferrous Metals Co., Ltd	Qingdao Tordon Brake Co., Ltd.	77.14	77.14
Qiqihar Beimo Auto Parts Manufacturing Co., Ltd	Qiqihar Beimo Auto Parts Manufacturing Co., Ltd	77.14	77.14
Shandong Lingang Nonferrous Metals Co., Ltd	Shandong Haoxin Co., Ltd.	77.14	77.14
Shandong Hongma Engineering Machinery Co., Ltd	Shandong Hongma Engineering Machinery Co., Ltd	77.14	77.14
Longyao Gucheng Automobile Parts Factory	Shandong North Autotech Co., Ltd	77.14	77.14
Shandong Longji Machinery Co., Ltd	Shanghai Winsun Auto Parts Co., Ltd.	77.14	77.14
China-Wide Entity		160.79*	150.25

* Rate based on facts available with adverse inferences

Disclosure

We intend to disclose the calculations performed in this final determination to interested parties within five days of any public announcement or, if there is no public announcement, within five days of the date of publication of this notice in the *Federal Register* in accordance with 19 CFR 351.224(b).

Continuation of Suspension of Liquidation

In accordance with section 735(c)(1)(B) of the Act, we will instruct U.S. Customs and Border Protection (CBP) to continue to suspend liquidation of all appropriate entries of subject merchandise, as described in Appendix I of this notice, which are entered, or withdrawn from warehouse, for consumption on or after January 29, 2025, the date of publication of the *Preliminary Determination* in the *Federal Register*.

Pursuant to section 735(c)(1)(B)(ii) of the Act and 19 CFR 351.210(d), Commerce will instruct CBP to require the following cash deposits of estimated antidumping duties for all appropriate entries: (1) for the producer/exporter combinations listed in the table above, the applicable cash deposit rate will be equal to the estimated weighted-average dumping margin listed in the table for that combination, adjusted for subsidy offsets, if appropriate; (2) for all combinations of Chinese producers/exporters of the merchandise under consideration that have not established eligibility for separate rates, the cash deposit rate will be equal to the estimated weighted-average dumping margin established for the China-wide entity, adjusted for subsidy offsets if appropriate; and (3) for all third-country exporters of merchandise under consideration 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 or, if the producer/exporter combination does not have its own rate, the cash deposit will be the cash deposit rate for the China-wide entity.

These suspension of liquidation instructions and cash deposit requirements 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 pass-through and export subsidies countervailed in a companion countervailing duty (CVD) proceeding, when CVD provisional measures are in effect. Accordingly, where Commerce has made a final affirmative determination for domestic pass-through or export subsidies, Commerce offsets the estimated

weighted-average dumping margin by the appropriate CVD rate. Commerce has continued to adjust the cash deposit rate for export subsidies found in the companion CVD investigation by the appropriate export subsidy rate; however, the suspension of liquidation of provisional measures in the companion CVD case has been discontinued.¹² Therefore, we are not instructing CBP to collect cash deposits based on the adjusted estimated weighted-average dumping margin for export subsidies at this time.¹³ If the U.S. International Trade Commission (ITC) makes a final affirmative determination of injury due to both dumping and subsidies, then the cash deposit rate will be revised effective on the date of publication of the ITC's final affirmative determination in the *Federal Register* to be the company-specific estimated weighted-average dumping margin adjusted for export subsidies.

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. As Commerce's final determination is affirmative, in accordance with section 735(b)(2) of the Act, the ITC will determine, within 45 days, whether the domestic industry in the United States is materially injured, or threatened with material injury, by reason of imports of brake drums from China. If the ITC determines that material injury or threat of material injury does not exist, the proceeding will be terminated and all cash deposits will be refunded or canceled, and suspension of liquidation will be lifted. If the ITC determines that such injury does exist, Commerce will issue an antidumping duty order directing CBP to assess, upon further instruction by Commerce, antidumping duties on all imports of the subject merchandise that are entered, or withdrawn from warehouse, for consumption on or after the effective date of the suspension of liquidation, as discussed above in the section,

¹² See section 703(d) of the Act, which states that the provisional measures may not be in effect for more than four months, which in the companion CVD case is 120 days after the publication of the preliminary determination, or April 1, 2025 (*i.e.*, the last day provisional measures are in effect).

¹³ *Certain Brake Drums from the People's Republic of China: Preliminary Affirmative Countervailing Duty Determination and Alignment of Final Determination with Final Antidumping Duty Determination*, 89 FR 95744 (December 3, 2024); see also section 703(d) of the Act, which states that the provisional measures may not be in effect for more than four months, which in the companion CVD case is 120 days after the publication of the preliminary determination, or April 2, 2025.

“Continuation of Suspension of Liquidation.” In addition, we are making available to the ITC all non-privileged and non-proprietary information in our files, provided the ITC confirms that it will not disclose such information, either publicly or under administrative protective order (APO), without the written consent of the Assistant Secretary for Enforcement and Compliance.

Administrative Protective Order

This notice will serve as the 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 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 violation which is subject to sanction.

Notification to Interested Parties

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

Dated: June 13, 2025.

Steven Presing,
Acting Deputy Assistant Secretary
for Policy and Negotiations.

Appendix I

Scope of the Investigation

The merchandise covered by this investigation is certain brake drums made of gray cast iron, whether finished or unfinished, with an actual or nominal inside diameter of 14.75 inches or more but not over 16.6 inches, weighing more than 50 pounds. Unfinished brake drums are those which have undergone some turning or machining but are not ready for installation. Subject brake drums are included within the scope whether imported individually or with non-subject merchandise (for example, a hub), whether assembled or unassembled, or if joined with non-subject merchandise. When a subject drum is imported together with non-subject merchandise, such as, but not limited to, a drum-hub assembly, only the subject drum is covered by the scope.

Subject merchandise also includes finished and unfinished brake drums that are further processed in a third country or in the United States, including, but not limited to, assembly or any other processing that would not otherwise remove the merchandise from the scope of this investigation if performed in the country of manufacture of the subject brake drums. The inclusion, attachment, joining, or assembly of non-subject merchandise with subject drums either in the country of manufacture of the subject drum or in a third country does not remove the subject drum from the scope. Specifically excluded is merchandise covered by the scope of the antidumping and countervailing duty orders on certain chassis and subassemblies thereof from the People's Republic of China. *See Certain Chassis and Subassemblies Thereof from the People's Republic of China: Antidumping Duty Order*, 86 FR 36093 (July 8, 2021) and *Certain Chassis and Subassemblies Thereof from the People's Republic of China: Countervailing Duty Order and Amended Final Affirmative Countervailing Duty Determination*, 86 FR 24844 (May 10, 2021).

The scope also excludes composite brake drums that contain more than 38 percent steel by weight.

The merchandise covered by this investigation is classifiable under Harmonized Tariff Schedule of the United States (HTSUS) subheading 8708.30.5020. The merchandise covered by this investigation may be classifiable under HTSUS subheading 8708.30.5090 when entered as part of an assembly. Subject merchandise may also enter under HTSUS subheading 8716.90.5060. Although the HTSUS subheadings are provided for convenience and customs purposes, the written description of the merchandise covered by this investigation is dispositive.

Appendix II

List of Topics Discussed in the Issues and Decision Memorandum

- I. Summary
- II. Background
- III. Changes Since the *Preliminary Determination*
- IV. Discussion of the Issues
 - Comment 1: Whether Hubei Xinxing Quanli Machinery Co., Ltd. (Hubei Xinxing Quanli) and Shanxi Tangrong Machinery Manufacturing Co., Ltd. (Shanxi Tangrong) Are Eligible for a Separate Rate
 - Comment 2: Whether to Revise the Domestic Inland Freight and Brokerage and Handling Surrogate Values (SVs)
 - Comment 3: Whether Commerce Should Revise the SV for Recarburizing Agent
 - Comment 4: Whether Commerce Should Revise the SV for Wooden Packing Board
 - Comment 5: Whether Commerce Should Revise the SV for Electricity
 - Comment 6: Whether Commerce Should Revise the Surrogate Financial Ratios
 - Comment 7: Whether Commerce Should Grant a Domestic Subsidy Offset to Shandong ConMet
 - Comment 8: Whether Commerce Should Use the Cohen's *d* Test in its Calculation of Shandong ConMet's Dumping Margin
 - Comment 9: Whether Commerce Should Recalculate Shandong ConMet's Indirect Selling Expenses
 - Comment 10: Whether Commerce Should Revise the Drum Ratio Used to Calculate Gross Unit Price
 - Comment 11: Whether Commerce Should Rely on Departure Date or Arrival Date for Certain Movement Expenses
 - Comment 12: Whether Commerce Should Revise its Calculation of Shandong ConMet's Insurance Expenses
 - Comment 13: Whether Commerce Should Revise Shandong ConMet's Inland Freight Distance
 - Comment 14: Whether Commerce Should Revise Shandong ConMet's Reported U.S. Rebates
 - Comment 15: Whether Commerce Should Revise its Treatment of Shandong ConMet's Scrap
 - Comment 16: Whether Commerce Should Incorporate the Minor Corrections Found at Verification
- V. Recommendation