



FACT SHEET

Commerce Finds Dumping and Countervailable Subsidization of Imports of Certain Passenger Vehicle and Light Truck Tires from the People's Republic of China

- On June 12, 2015, the Department of Commerce (Commerce) announced its affirmative final determinations in the antidumping duty (AD) and countervailing duty (CVD) investigations of imports of certain passenger vehicle and light truck tires from the People's Republic of China (China).
- The AD and CVD laws provide U.S. businesses and workers with a transparent and internationally accepted mechanism to seek relief from the market-distorting effects caused by injurious dumping and unfair subsidization of imports into the United States, establishing an opportunity to compete on a level playing field.
- For the purpose of AD investigations, dumping occurs when a foreign company sells a product in the United States at less than its fair value. For the purpose of CVD investigations, countervailable subsidies are financial assistance from foreign governments that benefit the production of goods from foreign companies and are limited to specific enterprises or industries, or are contingent either upon export performance or upon the use of domestic goods over imported goods.
- Commerce determined that imports of certain passenger vehicle and light truck tires from China have been sold in the United States at dumping margins ranging from 14.35 to 87.99 percent (the 87.99 percent rate is based upon adverse facts available).
- Commerce also determined that imports of certain passenger vehicle and light truck tires from China have received countervailable subsidies ranging from 20.73 to 100.77 percent (the 100.77 percent rate is based upon adverse facts available).
- In the AD investigation, mandatory respondents Giti Tire Global Trading Pte. Ltd. and Sailun Group Co., Ltd. received final dumping margins of 29.97 percent and 14.35 percent, respectively, while the separate rate companies received a final dumping margin of 25.30 percent. All other producers/exporters in China received a final dumping margin of 87.99 percent (based on adverse facts available).
- In the CVD investigation, Commerce calculated a final subsidy rate of 37.20 percent for GITI Tire (Fujian) Co., Ltd., 20.73 percent for Cooper Kunshan Tire Co., Ltd., and 100.77 percent for Shandong Yongsheng Rubber Group Co., Ltd. (Yongsheng). The rate for Yongsheng was based on adverse facts available, because the company failed to respond to the Department's requests for information or otherwise participate in the investigation. All other producers/exporters in China have been assigned a final subsidy rate of 30.87 percent.
- The petitioner for the investigations is the United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union, AFL-CIO-CLC (PA).

- Commerce determined that critical circumstances exist for the GITI companies, Yongsheng, and all other producers and exporters in the CVD investigation. In the AD investigation, Commerce determined that critical circumstances did not exist with respect to imports of passenger tires from GITI, Sailun or the separate rate companies, but did with respect to imports of certain passenger vehicle and light truck tires from all other exporters. “Critical circumstances” are found if Commerce determines that (1) there has been a surge in imports over a relatively short period of time subsequent to the filing of the petition and (2) importers knew, or should have known, that subsidization and/or dumping and injury were occurring. Companies which Commerce determined that critical circumstances exist will be subject to a 90-day retroactive suspension of liquidation.
- As a result of the affirmative final AD determination, Commerce will instruct U.S. Customs and Border Protection (CBP) to collect cash deposits equal to the applicable weighted-average dumping margins. Further, as a result of the affirmative final CVD determination, Commerce will order the resumption of the suspension of liquidation and require a cash deposit for CVD duties equal cash deposit rates listed in the *Federal Register* notice for the mandatory respondents and all other producers and exporters not selected for investigation. If the U.S. International Trade Commission (ITC) issues a negative injury determination, both investigations will be terminated and no producers or exporters will be subject to future cash deposits for either AD or CVD duties. In such an event, all cash deposits already collected will be refunded.
- The products covered by the investigations are passenger vehicle and light truck tires. Passenger vehicle and light truck tires are new pneumatic tires, of rubber, with a passenger vehicle or light truck size designation. Tires covered by the investigations may be tube-type, tubeless, radial, or non-radial, and they may be intended for sale to original equipment manufacturers or the replacement market.
- Subject tires have, at the time of importation, the symbol “DOT” on the sidewall, certifying that the tire conforms to applicable motor vehicle safety standards. Subject tires may also have the following prefixes or suffix in their tire size designation, which also appears on the sidewall of the tire:

Prefix designations:

P – Identifies a tire intended primarily for service on passenger cars

LT – Identifies a tire intended primarily for service on light trucks

Suffix letter designations:

LT – Identifies light truck tires for service on trucks, buses, trailers, and multipurpose passenger vehicles used in a nominal highway service.

- All tires with a “P” or “LT” prefix, and all tires with an “LT” suffix in their sidewall markings are covered by the investigations regardless of their intended use.
- In addition, all tires that lack a “P” or “LT” prefix or suffix in their sidewall markings, as well as all tires that include any other prefix or suffix in their sidewall markings, are included in the scope, regardless of their intended use, as long as the tire is of a size that is among the numerical size designations listed in the passenger car section or light truck section of the Tire and Rim Association Year Book, as updated annually, unless the tire falls within one of the specific exclusions set out below.

- Passenger vehicle and light truck tires, whether or not attached to wheels or rims, are included in the scope. However, if a subject tire is imported attached to a wheel or rim, only the tire is covered by the scope.

- Specifically excluded from the scope of the investigations are the following types of tires:

- (1) racing car tires; such tires do not bear the symbol “DOT” on the sidewall and may be marked with “ZR” in size designation;
- (2) new pneumatic tires, of rubber, of a size that is not listed in the passenger car section or light truck section of the *Tire and Rim Association Year Book*;
- (3) pneumatic tires, of rubber, that are not new, including recycled and retreaded tires;
- (4) non-pneumatic tires, such as solid rubber tires;
- (5) tires designed and marketed exclusively as temporary use spare tires for passenger vehicles which, in addition, exhibit each of the following physical characteristics:
 - (a) the size designation and load index combination molded on the tire’s sidewall are listed in Table PCT-1B (“T” Type Spare Tires for Temporary Use on Passenger Vehicles) of the *Tire and Rim Association Year Book*,
 - (b) the designation “T” is molded into the tire’s sidewall as part of the size designation, and,
 - (c) the tire’s speed rating is molded on the sidewall, indicating the rated speed in MPH or a letter rating as listed by *Tire and Rim Association Year Book*, and the rated speed is 81 MPH or a “M” rating;
- (6) tires designed and marketed exclusively for specialty tire (ST) use which, in addition, exhibit each of the following conditions:
 - (a) the size designation molded on the tire’s sidewall is listed in the ST sections of the *Tire and Rim Association Year Book*,
 - (b) the designation “ST” is molded into the tire’s sidewall as part of the size designation,
 - (c) the tire incorporates a warning, prominently molded on the sidewall, that the tire is “For Trailer Service Only” or “For Trailer Use Only”,
 - (d) the load index molded on the tire’s sidewall meets or exceeds those load indexes listed in the *Tire and Rim Association Year Book* for the relevant ST tire size, and
 - (e) either
 - (i) the tire’s speed rating is molded on the sidewall, indicating the rated speed in MPH or a letter rating as listed by *Tire and Rim Association Year Book*, and the rated speed does not exceed 81 MPH or an “M” rating; or
 - (ii) the tire’s speed rating molded on the sidewall is 87 MPH or an “N” rating, and in either case the tire’s maximum pressure and maximum load limit are molded on the sidewall and either
 - (1) both exceed the maximum pressure and maximum load limit for any tire of the same size designation in either the passenger car or light truck section of the *Tire and Rim Association Year Book*; or
 - (2) if the maximum cold inflation pressure molded on the tire is less than any cold inflation pressure listed for that size designation in either the passenger car or light truck section of the *Tire and Rim Association Year Book*, the maximum load limit molded on the tire is higher than the maximum load limit listed at that cold inflation pressure for that size

designation in either the passenger car or light truck section of the *Tire and Rim Association Year Book*;

(7) tires designed and marketed exclusively for off-road use and which, in addition, exhibit each of the following physical characteristics:

(a) the size designation and load index combination molded on the tire's sidewall are listed in the off-the-road, agricultural, industrial or ATV section of the *Tire and Rim Association Year Book*,

(b) in addition to any size designation markings, the tire incorporates a warning, prominently molded on the sidewall, that the tire is "Not For Highway Service" or "Not for Highway Use",

(c) the tire's speed rating is molded on the sidewall, indicating the rated speed in MPH or a letter rating as listed by the *Tire and Rim Association Year Book*, and the rated speed does not exceed 55 MPH or a "G" rating, and

(d) the tire features a recognizable off-road tread design.

- The products covered by the investigations are currently classified under the following Harmonized Tariff Schedule of the United States (HTSUS) subheadings: 4011.10.10.10, 4011.10.10.20, 4011.10.10.30, 4011.10.10.40, 4011.10.10.50, 4011.10.10.60, 4011.10.10.70, 4011.10.50.00, 4011.20.10.05, and 4011.20.50.10. Tires meeting the scope description may also enter under the following HTSUS subheadings: 4011.99.45.10, 4011.99.45.50, 4011.99.85.10, 4011.99.85.50, 8708.70.45.45, 8708.70.45.60, 8708.70.60.30, 8708.70.60.45, and 8708.70.60.60. While HTSUS subheadings are provided for convenience and for customs purposes, the written description of the subject merchandise is dispositive.
- In 2014, imports of certain passenger vehicle and light truck tires from China were valued at an estimated \$2.3 billion.

NEXT STEPS

- The ITC is scheduled to make its final injury determination on July 27, 2015.
- If the ITC makes an affirmative final determination that imports of certain passenger vehicle and light truck tires from China materially injure, or threaten material injury to, the domestic industry, Commerce will issue AD and CVD orders. If the ITC makes a negative determination of injury, the investigations will be terminated.

FINAL DUMPING MARGINS:

COUNTRY	EXPORTER/PRODUCER	DUMPING MARGINS	CASH DEPOSIT RATE*
China	Giti Tire Global Trading Pte. Ltd., Giti Tire (USA) Ltd., Giti Radial Tire (Anhui) Company Ltd., Giti Tire (Fujian) Company Ltd., and Giti Tire (Hualin) Company Ltd./ Giti Radial Tire (Anhui) Company Ltd., Giti Tire (Fujian) Company Ltd., and Giti Tire (Hualin) Company Ltd.	29.97%	14.54%
	Sailun Group Co., Ltd., Sailun Tire International Corp., Shandong Jinyu Industrial Co., Ltd., Jinyu International Holding Co., Limited, Seatex International Inc., Dynamic Tire Corp., Husky Tire Corp., and Seatex PTE. Ltd./ Sailun Group Co., Ltd., and Shandong Jinyu Industrial Co., Ltd.	14.35%	0.00%
	Cooper Tire & Rubber Company, Cooper (Kunshan) Tire Co., Ltd., and Cooper Chengshan (Shandong) Tire Co., Ltd.	25.30%	10.58%
	Separate Rate Companies (See Attached List)	25.30%	8.18%
	China-Wide Rate	87.99%**	76.46%

*We have adjusted cash deposit rates by the amount of export subsidies and for estimated domestic subsidy pass-through, where appropriate.

** Based on adverse facts available due to the company's failure to participate in the investigation.

FINAL SUBSIDY RATES:

COUNTRY	EXPORTER/PRODUCER	SUBSIDY RATES	CASH DEPOSIT RATE
China	GITI Tire (Fujian) Co., Ltd.	37.20%	36.79%
	Cooper Kunshan Tire Co., Ltd.	20.73%	20.73%
	Shandong Yongsheng Rubber Group Co., Ltd.	100.77%**	100.37%
	All-Others	30.87%	30.61%

* *de minimis* = less than 1% for developed countries, less than 2% for developing countries.

** Based on adverse facts available due to the company's failure to participate in the investigation.

CASE CALENDAR:

EVENT	CVD INVESTIGATION	AD INVESTIGATION
Petition Filed	June 3, 2014	June 27, 2013
DOC Initiation Date	July 14, 2014†	July 17, 2013
ITC Preliminary Determination	August 1, 2014	August 27, 2014
DOC Preliminary Determination	November 21, 2014	February 10, 2015
DOC Final Determination	June 11, 2015	June 11, 2015
ITC Final Determination	July 27, 2015†	July 27, 2015†
Issuance of Order**	August 3, 2015†	August 3, 2015†

NOTE: Commerce preliminary and final determination deadlines are governed by statute. For CVD investigations, the deadlines are set forth in sections 703(b) and 705(a)(1) of the Tariff Act of 1930, as amended (the Act). For AD investigations, the deadline is set forth in section 735(a) of the Act. These deadlines may be extended under certain circumstances.

†Where the deadline falls on a weekend/holiday, the appropriate date is the next business day.

**This will take place only in the event of final affirmative determinations by Commerce and the ITC.

IMPORT STATISTICS:

CHINA	2012	2013	2014
Volume (number of tires)	31,479,000	50,847,000	58,012,000
Value (USD)	1,265,918,000	2,078,271,000	2,264,560,000

Source: U.S. Census Bureau, accessed through Global Trade Atlas. (HTSUS 4011.10.1010, 4011.10.1020, 4011.10.1030, 4011.10.1040, 4011.10.1050, 4011.10.1060, 4011.10.1070, 4011.10.5000, 4011.20.1005, and 4011.20.5010.) Imports of certain passenger vehicle and light truck tires may also enter under HTSUS subheadings 4011.99.4500, 4011.99.8500, 8708.70.4545, 8708.70.4560, 8708.70.6030, 8708.70.6045, and 8708.70.6060, which may cover significant amounts of non-subject merchandise. Therefore, these additional HTSUS subheadings have not been used for purposes of reporting import statistics.

SEPARATE RATE COMPANIES

EXPORTER	PRODUCER	MARGIN
Cooper Tire & Rubber Company	Cooper Chengshan (Shandong) Tire Co., Ltd. Cooper (Kunshan) Tire Co., Ltd.	25.30
Cooper Chengshan (Shandong) Tire Co., Ltd.	Cooper Chengshan (Shandong) Tire Co., Ltd.	25.30
Cooper (Kunshan) Tire Co., Ltd.	Cooper (Kunshan) Tire Co., Ltd.	25.30
Best Choice International Trade Co., Limited	Qingdao Sentury Tire Co., Ltd. Shandong Haohua Tire Co., Ltd. Beijing Capital Tire Co., Ltd.	25.30
Bridgestone (Wuxi) Tire Co., Ltd.	Bridgestone (Wuxi) Tire Co., Ltd.	25.30
Bridgestone Corporation	Bridgestone (Wuxi) Tire Co., Ltd.	25.30
Cheng Shin Tire & Rubber (China) Co., Ltd.	Cheng Shin Tire & Rubber (China) Co., Ltd. Cheng Shin Tire & Rubber (Chongqing) Co., Ltd.	25.30
Crown International Corporation	Shandong Guofeng Rubber Plastics Co., Ltd. Shandong Haohua Tire Co., Ltd. Shandong Jinyu Industrial Co., Ltd. Doublestar-Dongfeng Tyre Co., Ltd. Shengtai Group Co., Ltd. Qingdao Doublestar Tire Industrial Co., Ltd. Shandong Yongtai Chemical Co., Ltd.	25.30
Goodyear Dalian Tire Company Limited	Goodyear Dalian Tire Company Limited	25.30
Guangzhou Pearl River Rubber Tyre Ltd.	Guangzhou Pearl River Rubber Tyre Ltd.	25.30
Hankook Tire China Co., Ltd.	Hankook Tire China Co., Ltd.	25.30
Hebei Tianrui Rubber Co., Ltd.	Hebei Tianrui Rubber Co., Ltd.	25.30
Highpoint Trading, Ltd.	Federal Tire (Jiangxi) Ltd.	25.30

Hong Kong Tiancheng Investment & Trading Co., Limited	Shandong Linglong Tyre Co., Ltd.	25.30
Hong Kong Tri-Ace Tire Co., Limited.	Shandong Yongtai Chemical Co., Ltd. Doublestar-Dongfeng Tyre Co., Ltd.	25.30
Hwa Fong Rubber (Hong Kong) Ltd.	Hwa Fong Rubber (Suzhou) Co., Ltd.	25.30
Jiangsu Hankook Tire Co., Ltd.	Jiangsu Hankook Tire Co., Ltd.	25.30
Kenda Rubber (China) Co., Ltd.	Kenda Rubber (China) Co., Ltd.	25.30
Kumho Tire Co., Inc.	Kumho Tire (Tianjin) Co., Inc. Nanjing Kumho Tire Co., Ltd. Kumho Tire (Changchun) Co., Inc.	25.30
Mayrun Tyre (Hong Kong) Limited	South China Tire & Rubber Co., Ltd. Shandong Haohua Tire Co., Ltd.	25.30
Nankang (Zhangjiagang Free Trade Zone) Rubber Industrial Co., Ltd.	Nankang (Zhangjiagang Free Trade Zone) Rubber Industrial Co., Ltd.	25.30
Pirelli Tyre Co., Ltd.	Pirelli Tyre Co., Ltd.	25.30
Qingdao Crown Chemical Co., Ltd.	Shandong Guofeng Rubber Plastics Co., Ltd. Shandong Haohua Tire Co., Ltd. Shandong Jinyu Industrial Co., Ltd. Doublestar-Dongfeng Tyre Co., Ltd.	25.30
Qingdao Free Trade Zone Full-World International Trading Co., Ltd.	Shandong Zhentai Group Co., Ltd. Longkou Xinglong Tyre Co., Ltd. Hebei Tianrui Rubber Co., Ltd.	25.30
Qingdao Fullrun Tyre Corp. Ltd	Fullrun Tyre Tech Corp., Ltd Shengtai Group Co., Ltd Shandong Zhongyi Rubber Co., Ltd. Shandong Guofeng Rubber Plastics Co, Ltd Deruibao Tire Co., Ltd. Shandong New Continent Tire Co., Ltd Shandong Fengyuan Tyre Manufacturing Co., Ltd Sichuan Tyre&Rubber Co., Ltd Qingdao Futaian Tyre Teck. Co., Ltd. Good Friend Tyre Co., Ltd. Shandong Hengyu Science & Technonology Co., Ltd. Shandong Longyue Rubber Co., Ltd.	25.30

	Shouguang Firemax Tyre Co., Ltd Beijing Capital Tire Co., Ltd. Shandong Wanda Boto Tyre Co., Ltd Zhaoqing Junhong Co., Ltd Shandong Huasheng Rubber Co., Ltd Shandong Haohua Tire Co., Ltd. Shandong Province Sanli Tire Manufactured Co., Ltd	
Qingdao Fullrun Tyre Tech Corp., Ltd.	Qingdao Fullrun Tyre Tech Corp., Ltd.	25.30
Qingdao Honghua Tyre Factory	Qingdao Honghua Tyre Factory	25.30
Qingdao Nama Industrial Co., Ltd.	Shandong Guofeng Rubber Plastics Co., Ltd. Shandong Hengyu Science & Technology Co., Ltd. Shandong Longyue Rubber Co., Ltd. Shandong Haohua Tire Co., Ltd. Shouguang Firemax Tyre Co., Ltd. Shandong Zhongyi Rubber Co., Ltd. Shandong Yonking Rubber Co., Ltd. Shandong Hongsheng Rubber Technology Co., Ltd.	25.30
Qingdao Nexen Tire Corporation	Qingdao Nexen Tire Corporation	25.30
Qingdao Odyking Tyre Co., Ltd.	Doublestar-Dongfeng Tyre Co., Ltd. Shandong Fengyuan Tire Manufacturing Co., Ltd. Shouguang Firemax Tyre Co., Ltd.	25.30
Qingdao Qianzhen Tyre Co., Ltd.	Qingdao Qianzhen Tyre Co., Ltd.	25.30
Qingdao Qihang Tyre Co., Ltd.	Qingdao Qihang Tyre Co., Ltd.	25.30
Qingdao Qizhou Rubber Co., Ltd.	Qingdao Qizhou Rubber Co., Ltd.	25.30
Qingdao Sentury Tire Co., Ltd.	Qingdao Sentury Tire Co., Ltd.	25.30

Shandong Anchi Tyres Co., Ltd.	Shandong Anchi Tyres Co., Ltd.	25.30
Shandong Changfeng Tyres Co., Ltd.	Shandong Changfeng Tyres Co., Ltd.	25.30
Shandong Duratti Rubber Corporation Co., Ltd.	Shandong Duratti Rubber Corporation Co., Ltd.	25.30
Shandong Guofeng Rubber Plastics Co., Ltd.	Shandong Guofeng Rubber Plastics Co., Ltd.	25.30
Shandong Haohua Tire Co., Ltd.	Shandong Haohua Tire Co., Ltd.	25.30
Shandong Haolong Rubber Tire Co., Ltd.	Shandong Haolong Rubber Tire Co., Ltd.	25.30
Shandong Hawk International Rubber Industry Co., Ltd.	Shandong Hawk International Rubber Industry Co., Ltd.	25.30
Shandong Hengyu Science & Technology Co., Ltd.	Shandong Hengyu Science & Technology Co., Ltd.	25.30
Shandong Huitong Tyre Co., Ltd.	Shandong Huitong Tyre Co., Ltd. Laiwu Sunshine Tyre Co., Ltd.	25.30
Shandong Linglong Tyre Co., Ltd.	Shandong Linglong Tyre Co., Ltd.	25.30
Shandong Longyue Rubber Co., Ltd.	Shandong Longyue Rubber Co., Ltd.	25.30
Shandong New Continent Tire Co., Ltd.	Shandong New Continent Tire Co., Ltd.	25.30
Shandong Province Sanli Tire Manufactured Co., Ltd.	Shandong Province Sanli Tire Manufactured Co., Ltd.	25.30
Shandong Shuangwang Rubber Co., Ltd.	Shandong Shuangwang Rubber Co., Ltd.	25.30
Shandong Wanda Boto Tyre Co., Ltd.	Shandong Wanda Boto Tyre Co., Ltd.	25.30
Shandong Yongtai Chemical Co., Ltd.	Shandong Yongtai Chemical Co., Ltd.	25.30
Shandong Zhongyi Rubber Co., Ltd.	Shandong Zhongyi Rubber Co., Ltd.	25.30
Shengtai Group Co., Ltd.	Shengtai Group Co., Ltd. Shandong Shengshitailai Rubber Technology Co., Ltd.	25.30

Shifeng Juxing Tire Co., Ltd.	Shifeng Juxing Tire Co., Ltd.	25.30
Shouguang Firemax Tyre Co., Ltd.	Shouguang Firemax Tyre Co., Ltd.	25.30
Southeast Mariner International Co., Ltd.	Dongying Zhongyi Rubber Co., Ltd. Shandong Haohua Tire Co., Ltd.	25.30
Techking Tires Limited	Shandong Longyue Rubber Co., Ltd.	25.30
Toyo Tire (Zhangjiagang) Co., Ltd.	Toyo Tire (Zhangjiagang) Co., Ltd.	25.30
Triangle Tyre Co., Ltd.	Triangle Tyre Co., Ltd.	25.30
Tyrechamp Group Co., Limited	Shandong Haohua Tire Co., Ltd. Sichuan Tyre&Rubber Co., Ltd. Shandong Anchi Tyres Co., Ltd. Beijing Capital Tire Co. Ltd. Shandong Wanda Boto Tyre Co., Ltd. Shandong Wosen Rubber Co., Ltd. Shandong Zhentai Group Co., Ltd. Shandong Yonking Rubber Co., Ltd. Qingdao Doublestar Tire Industrial Co., Ltd. South China Tire & Rubber Co. Ltd. Anhui Heding Tire Technology Co., Ltd.	25.30
Weihai Ping'an Tyre Co., Ltd.	Weihai Ping'an Tyre Co., Ltd.	25.30
Weihai Zhongwei Rubber Co., Ltd.	Weihai Zhongwei Rubber Co., Ltd.	25.30
Wendeng Sanfeng Tyre Co., Ltd.	Wendeng Sanfeng Tyre Co., Ltd.	25.30
Winrun Tyre Co., Ltd.	Shaanxi Yanchang Petroleum Group Rubber Co. Ltd.	25.30
Zenith Holdings (HK) Limited	Shandong Linglong Tyre Co., Ltd.	25.30
Zhaoqing Junhong Co., Ltd.	Zhaoqing Junhong Co., Ltd.	25.30