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DEPARTMENT OF COMMERCE

International Trade Administration

[A-570-912]

Certain New Pneumatic Off-the-Road Tires from the People's Republic of China: Preliminary Results of Antidumping Duty Administrative Review; 2013-2014

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

SUMMARY: The Department of Commerce ("Department") is conducting an administrative review of the antidumping duty order on certain new pneumatic off-the-road tires ("OTR tires") from the People's Republic of China ("PRC"). The period of review ("POR") is September 1, 2013, through August 31, 2014. The review covers twelve exporters of subject merchandise.¹ The Department preliminarily finds that two mandatory respondents, Qingdao Qihang Tyre Co., Ltd. ("Qihang") and Xuzhou Xugong Tyres Co., Ltd. ("Xugong")², made sales of subject merchandise at less than normal value ("NV") and an additional four companies, Qingdao Free Trade Zone Full-World International Trading Co., Ltd. ("Full-World"), Trelleborg Wheel Systems (Xingtai) China, Co. Ltd. ("TWS Xingtai") and Weihai Zhongwei Rubber Co., Ltd. ("Zhongwei"), and Tianjin Leviathan International Trade Co., Ltd. ("Leviathan"), demonstrated eligibility for separate rates status. Further, the Department preliminarily determines that two firms listed in the *Initiation Notice* had no shipments during the POR and one company failed to

¹ See *Initiation of Antidumping and Countervailing Duty Administrative Review*, 79 FR 64565 (October 30, 2014) ("*Initiation Notice*").

² As discussed below, we collapsed Xugong with Xuzhou Armour Rubber Company Ltd. ("Armour") and Xuzhou Hanbang Tyre Co., Ltd. ("Hanbang") as a single entity for the purposes of this review and refer to the collapsed entity as "Xugong", collectively, for the purposes of these preliminary results.

demonstrate eligibility for separate rate status. Finally, the remaining three firms timely withdrew their requests for review, and the Department previously rescinded the review for these companies.³ Interested parties are invited to comment on these preliminary results.

DATES: Effective Date: [INSERT DATE OF PUBLICATION IN THE FEDERAL REGISTER.]

FOR FURTHER INFORMATION CONTACT: Andrew Medley or Mandy Mallott, AD/CVD Operations, Office III, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-4987 or (202) 482-6430, respectively.

SUPPLEMENTARY INFORMATION:

Background

On October 30, 2014, the Department initiated the sixth administrative review of the antidumping duty order on OTR tires from the PRC.⁴ On April 23, 2015, we extended the time limit for the preliminary results of review by 120 days, pursuant to section 751(a)(3)(A) of the Tariff Act of 1930, as amended (“Act”), to September 30, 2015.⁵ For a complete description of the events that followed the initiation of this administrative review, see the Preliminary Decision Memorandum.⁶

³ See *Certain New Pneumatic Off-the-Road Tires from the People’s Republic of China: Partial Rescission of Antidumping Duty Administrative Review; 2013-2014*, 80 FR 9695 (February 24, 2015) (“*Notice of Partial Rescission*”).

⁴ See *Initiation Notice*.

⁵ See Memorandum to Christian Marsh entitled, “Certain New Pneumatic Off-the-Road Tires from the People’s Republic of China: Extension of Deadline for Preliminary Results of 2013-2014 Antidumping Duty Administrative Review,” dated April 23, 2015.

⁶ See Memorandum from Christian Marsh, Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations, to Ronald K. Lorentzen, Acting Assistant Secretary for Enforcement and Compliance, entitled “Decision Memorandum for Preliminary Results of Antidumping Duty Administrative Review: Certain New Pneumatic Off-the-Road Tires from the People’s Republic of China; 2013-2014” (“Preliminary Decision Memorandum”), dated concurrently with and hereby adopted by this notice.

Scope of the Order⁷

The merchandise covered by this order includes new pneumatic tires designed for off-the-road and off-highway use, subject to certain exceptions. The subject merchandise is currently classifiable under Harmonized Tariff Schedule of the United States (“HTSUS”) subheadings: 4011.20.10.25, 4011.20.10.35, 4011.20.50.30, 4011.20.50.50, 4011.61.00.00, 4011.62.00.00, 4011.63.00.00, 4011.69.00.00, 4011.92.00.00, 4011.93.40.00, 4011.93.80.00, 4011.94.40.00, and 4011.94.80.00. The HTSUS subheadings are provided for convenience and customs purposes only; the written product description of the scope of the order is dispositive.

Preliminary Determination of No Shipments

On November 20, 2014, Trelleborg Wheel Systems Hebei Co. (“TWS Hebei”) submitted a timely-filed certification indicating that it had no shipments of subject merchandise to the United States during the POR.⁸ Also, on December 26, 2014, Zhongce Rubber Group Company Limited (“Zhongce”) submitted a timely-filed certification indicating that it had no shipments of subject merchandise to the United States during the POR.⁹ Consistent with our practice, the Department asked Customs and Border Protection (“CBP”) to conduct a query on potential shipments made by TWS Hebei and Zhongce during the POR.¹⁰ Based on TWS Hebei and Zhongce’s certifications and our analysis of CBP data and rebuttal information, we preliminarily determine that TWS Hebei and Zhongce did not have any reviewable transactions during the POR. For additional information regarding this determination, *see* the Preliminary Decision Memorandum. Consistent with our assessment practice in non-market economy (“NME”) cases,

⁷ For a complete description of the scope of the order, *see* the Preliminary Decision Memorandum.

⁸ *See* Letter from TWS Hebei, entitled, “Trelleborg Wheel Systems Hebei Co. Statement of No Shipments during the POR: New Pneumatic Off-The-Road Tires from the People’s Republic of China,” dated November 20, 2014.

⁹ *See* Letter from Zhongce entitled, “New Pneumatic Off-the Road Tires from the People’s Republic of China (2013-2014): Zhongce Rubber Group Company Limited No Shipment Letter,” dated December 26, 2014.

¹⁰ *See* CBP Message Number 5141301, dated May 21, 2015.

the Department is not rescinding this review for these companies, but intends to complete the review and issue appropriate instructions to CBP based on the final results of the review.¹¹

Preliminary Determination of Affiliation and Collapsing

Based on the record evidence for these preliminary results, we find that Xugong, Armour, and Hanbang are affiliated, pursuant to sections 771(33)(E) the Act. Additionally, based on the evidence presented in the questionnaire responses and pursuant to 19 CFR 351.401(f)(1)-(2), we preliminarily find that these companies should be considered a single entity for purposes of this review.¹²

Separate Rates

The Department preliminarily determines that information placed on the record by the mandatory respondents Xugong and Qihang, as well as by the four other separate rate applicants, Full-World, TWS Xingtai, Zhongwei, and Leviathan, demonstrates that these companies are entitled to separate rate status. For additional information, *see* the Preliminary Decision Memorandum.

Rate for Non-Examined Companies Which Are Eligible for a Separate Rate

The statute and the Department's regulations do not address the establishment of a rate to be applied to respondents not selected for individual examination when the Department limits its examination of companies subject to the administrative review pursuant to section 777A(c)(2)(B) of the Act. Generally, the Department looks to section 735(c)(5) of the Act, which provides instructions for calculating the all-others rate in an investigation, for guidance when calculating

¹¹ *See Non-Market Economy Antidumping Proceedings: Assessment of Antidumping Duties*, 76 FR 65694, 65694-95 (October 24, 2011) and the "Assessment Rates" section, below.

¹² For further discussion of the Department's affiliation and collapsing decision, *see* the Preliminary Decision Memorandum and Memorandum to Erin Begnal, Director, Office III, entitled, "2013-2014 Administrative Review of the Antidumping Duty Order on Certain New Pneumatic Off-the-Road Tires from the People's Republic of China: Preliminary Affiliation and Collapsing Memorandum for Xuzhou Xugong Tyres Co., Ltd.," dated concurrently with this notice.

the rate for respondents not individually examined in an administrative review. Section 735(c)(5)(A) of the Act articulates a preference for not calculating an all-others rate using rates which are zero, *de minimis* or based entirely on facts available (“FA”). Accordingly, the Department’s usual practice has been to determine the dumping margin for companies not individually examined by averaging the weighted-average dumping margins for the individually examined respondents, excluding rates that are zero, *de minimis*, or based entirely on facts available.¹³ Consistent with this practice, in this review, we preliminarily calculated weighted-average dumping margins for Qihang and Xugong that are above *de minimis* and not based entirely on FA; therefore, the Department preliminarily assigns to Leviathan, Full-World, TWS Xingtai, and Zhongwei the average of the weighted-average margins calculated for Qihang and Xugong as the separate rate for this review.¹⁴

PRC-Wide Entity

The Department’s change in policy regarding conditional review of the PRC-wide entity applies to this administrative review.¹⁵ Under this policy, the PRC-wide entity will not be under review unless a party specifically requests, or the Department self-initiates, a review of the entity. Because no party requested a review of the PRC-wide entity in this review, the entity is not under review and the entity’s rate (*i.e.*, 105.31 percent) is not subject to change.¹⁶ Aside from the no shipments and separate rate companies discussed above and the companies for which

¹³ See *Ball Bearings and Parts Thereof From France, Germany, Italy, Japan, and the United Kingdom: Final Results of Antidumping Duty Administrative Reviews and Rescission of Reviews in Part*, 73 FR 52823, 52824 (September 11, 2008), and accompanying Issues and Decision Memorandum at Comment 16.

¹⁴ See Memorandum to the File entitled “2013-2014 Administrative Review of the Antidumping Duty Order on Certain New Pneumatic Off-the-Road Tires from the People’s Republic of China: Preliminary Results Margin Calculation for Separate Rate Companies,” dated concurrently with this notice.

¹⁵ See *Antidumping Proceedings: Announcement of Change in Department Practice for Respondent Selection in Antidumping Duty Proceedings and Conditional Review of the Nonmarket Economy Entity in NME Antidumping Duty Proceedings*, 78 FR 65963 (November 4, 2013).

¹⁶ See *Certain New Pneumatic Off-the-Road Tires From the People’s Republic of China: Final Results of Antidumping Duty Administrative Review; 2012-2013*, 80 FR 20197 (April 15, 2015); see also *Certain New Pneumatic Off-the-Road Tires From the People’s Republic of China: Amended Final Results of Antidumping Duty Administrative Review; 2012-2013*, 80 FR 26230 (May 7, 2015).

the review was previously rescinded (except where previously determined to be a part of the PRC-wide entity, in the case of Double Coin Holdings), the Department considers all other companies for which a review was requested (*i.e.*, Qingdao Haojia (Xinhai) Tyre Co.), which did not file a separate rate application) to be part of the PRC-wide entity. For additional information, *see* the Preliminary Decision Memorandum.

Application of Facts Available and Use of Adverse Inference

Section 776(a) of the Act provides that the Department shall apply facts available if (1) necessary information is not on the record, or (2) an interested party or any other person (A) withholds information that has been requested, (B) fails to provide information within the deadlines established, or in the form and manner requested by the Department, subject to subsections (c)(1) and (e) of section 782 of the Act, (C) significantly impedes a proceeding, or (D) provides information that cannot be verified as provided by section 782(i) of the Act.

Section 776(b) of the Act further provides that the Department may use an adverse inference in applying facts available when a party has failed to cooperate by not acting to the best of its ability to comply with a request for information. Such an adverse inference may include reliance on information derived from the petition, the final determination, a previous administrative review, or other information placed on the record.

Based on findings at verification, pursuant to sections 776(a) and (b) of the Act, we are applying partial adverse facts available to a portion of Xugong's U.S. sales. For details regarding this determinations, *see* the Preliminary Decision Memorandum.¹⁷

¹⁷ *See* Memorandum from the Department entitled, "2013-2014 Administrative Review of the Antidumping Duty Order on Certain New Pneumatic Off-the-Road Tires from the People's Republic of China: Verification of the Sales and Factors Response of Xuzhou Xugong Tyres Co., Ltd. And Affiliates," dated concurrently with this notice and Memorandum from the Department entitled, "2013-2014 Administrative Review of the Antidumping Duty Order on Certain New Pneumatic Off-the-Road Tires from the People's Republic of China: Analysis of the Preliminary results Margin Calculation for Xuzhou Xugong Tyres Co., Ltd.," dated concurrently with this notice.

Methodology

The Department is conducting this review in accordance with section 751(a)(1)(B) and 751(a)(2)(A) of the Act. Export and constructed export prices were calculated in accordance with sections 772(a) and (b) of the Act. Because the PRC is a nonmarket economy within the meaning of section 771(18) of the Act, NV has been calculated in accordance with section 773(c).

For a full description of the methodology underlying our conclusions, *see* the Preliminary Decision Memorandum. The Preliminary 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 <http://access.trade.gov>, and is available to all parties in the Central Records Unit, room B8024 of the main Department of Commerce building. In addition, a complete version of the Preliminary Decision Memorandum can be accessed directly on the internet at <http://enforcement.trade.gov/frn/>. The signed Preliminary Decision Memorandum and the electronic versions of the Preliminary Decision Memorandum are identical in content.

Preliminary Results of Review

The Department preliminarily determines that the following weighted-average dumping margins exist for the period September 1, 2013, through August 31, 2014:

Exporter	Weighted-Average Dumping Margin (percent)
Xuzhou Xugong Tyres Co., Ltd., Armour Rubber Company Ltd., or Xuzhou Hanbang Tyre Co., Ltd.	86.78
Qingdao Qihang Tyre Co., Ltd.	99.36
Qingdao Free Trade Zone Full-World International Trading Co., Ltd.	91.30

Tianjin Leviathan International Trade Co., Ltd.	91.30
Trelleborg Wheel Systems (Xingtai) China, Co. Ltd.	91.30
Weihai Zhongwei Rubber Co., Ltd.	91.30

Disclosure, Public Comment and Opportunity to Request a Hearing

The Department intends to disclose the calculations used in our analysis to parties in this review within five days of the date of publication of this notice in accordance with 19 CFR 351.224(b).

Interested parties may submit case briefs within 30 days after the date of publication of these preliminary results of review in the *Federal Register*.¹⁸ Rebuttals to case briefs, which must be limited to issues raised in the case briefs, must be filed within five days after the time limit for filing case briefs.¹⁹ Parties who submit arguments are requested to submit with the argument (a) a statement of the issue, (b) a brief summary of the argument, and (c) a table of authorities.²⁰ Parties submitting briefs should do so pursuant to the Department's electronic filing system, ACCESS.²¹

Any interested party may request a hearing within 30 days of publication of this notice.²² Hearing requests should contain the following information: (1) the party's name, address, and telephone number; (2) the number of participants; and (3) a list of the issues to be discussed. Oral presentations will be limited to issues raised in the briefs. If a request for a hearing is made,

¹⁸ See 19 CFR 351.309(c)(1)(ii).

¹⁹ See 19 CFR 351.309(d)(1)-(2).

²⁰ See 19 CFR 351.309(c)(2), (d)(2).

²¹ See 19 CFR 351.303 (for general filing requirements).

²² See 19 CFR 351.310(c).

parties will be notified of the time and date for the hearing to be held at the U.S. Department of Commerce, 14th Street and Constitution Avenue NW, Washington, DC 20230.²³

The Department intends to issue the final results of this administrative review, which will include the results of our analysis of all issues raised in the case briefs, within 120 days of publication of these preliminary results in the *Federal Register*, pursuant to section 751(a)(3)(A) of the Act.

Assessment Rates

Upon issuance of the final results, the Department will determine, and CBP shall assess, antidumping duties on all appropriate entries covered by this review.²⁴ The Department intends to issue assessment instructions to CBP 15 days after the publication date of the final results of this review.

For assessment purposes, the Department applied the assessment rate calculation method adopted in *Antidumping Proceedings: Calculation of the Weighted-Average Dumping Margin and Assessment Rate in Certain Antidumping Proceedings: Final Modification*.²⁵ For any individually examined respondent whose weighted average dumping margin is above *de minimis* (*i.e.*, 0.50 percent) in the final results of this review, the Department will calculate importer-specific assessment rates on the basis of the ratio of the total amount of dumping calculated for the importer's examined sales to the total entered value of sales, in accordance with 19 CFR 351.212(b)(1). Where an importer- (or customer-) specific *ad valorem* rate is greater than *de minimis*, the Department will instruct CBP to collect the appropriate duties at the time of

²³ See 19 CFR 351.310(d).

²⁴ See 19 CFR 351.212(b).

²⁵ 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) in the manner described in more detail in the Preliminary Decision Memorandum.

liquidation.²⁶ Where either a respondent's weighted average dumping margin is zero or *de minimis*, or an importer- (or customer-) specific *ad valorem* rate is zero or *de minimis*, the Department will instruct CBP to liquidate appropriate entries without regard to antidumping duties.²⁷ For the respondents that were not selected for individual examination in this administrative review and that qualified for a separate rate, the assessment rate will be based on the average of the mandatory respondents.²⁸

Pursuant to the Department's practice, for entries that were not reported in the U.S. sales databases submitted by companies individually examined during the administrative review, the Department will instruct CBP to liquidate such entries at the PRC-wide rate. Additionally, if the Department determines that an exporter had no shipments of the subject merchandise, any suspended entries that entered under that exporter's case number (*i.e.*, at that exporter's rate) will be liquidated at the PRC-wide rate.²⁹

Cash Deposit Requirements

The following cash deposit requirements will be effective upon publication of the final results of this review for shipments of the subject merchandise from the PRC entered, or withdrawn from warehouse, for consumption on or after the publication date, as provided by sections 751(a)(2)(C) of the Act: (1) for the companies listed above that have a separate rate, the cash deposit rate will be that established in the final results of this review (except, if the rate is zero or *de minimis*, then zero cash deposit will be required); (2) for previously investigated or reviewed PRC and non-PRC exporters not listed above that received a separate rate in a prior segment of this proceeding, the cash deposit rate will continue to be the existing exporter-

²⁶ See 19 CFR 351.212(b)(1).

²⁷ See 19 CFR 351.106(c)(2).

²⁸ See Preliminary Decision Memorandum.

²⁹ For a full discussion of this practice, see *Non-Market Economy Antidumping Proceedings: Assessment of Antidumping Duties*, 76 FR 65694 (October 24, 2011).

specific rate; (3) for all PRC exporters of subject merchandise that have not been found to be entitled to a separate rate, the cash deposit rate will be that for the PRC-wide entity; and (4) for all non-PRC exporters of subject merchandise which have not received their own rate, the cash deposit rate will be the rate applicable to the PRC exporter that supplied that non-PRC exporter. These deposit requirements, when imposed, shall remain in effect until further notice.

Notification to Importers

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

We are issuing and publishing these results in accordance with sections 751(a)(1) and 777(i)(1) of the Act, and 19 CFR 351.221(b)(4).

Dated: September 30, 2015.

Ronald K. Lorentzen,
Acting Assistant Secretary
for Enforcement and Compliance.

Appendix I

List of Topics Discussed in the Preliminary Decision Memorandum:

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- III. Scope of the Order
- IV. Partial Rescission of Review and Preliminary Determination of No Shipments
- V. Respondent Selection and Determination Not to Select TWS Xingtai as a Voluntary Respondent
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 - A. Non-Market Economy Country
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