



BILLING CODE: 3510-DS-P

DEPARTMENT OF COMMERCE

International Trade Administration

[A-570-016]

Certain Passenger Vehicle and Light Truck Tires from the People's Republic of China:

Preliminary Results of Antidumping Duty Administrative Review, Preliminary

Determination of No Shipments, and Rescission, In Part; 2016-2017

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

SUMMARY: The Department of Commerce (Commerce) preliminarily determines that certain producers and exporters of passenger vehicle and light truck tires (passenger tires) from the People's Republic of China (China) made sales of subject merchandise at prices below normal value (NV) during the period of review (POR) August 1, 2016, through July 31, 2017.

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

FOR FURTHER INFORMATION CONTACT: Toni Page, AD/CVD Operations, Office VII, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-1398.

SUPPLEMENTARY INFORMATION:

[Background](#)

On August 10, 2015, Commerce issued an antidumping duty (AD) order on passenger tires from China.¹ Several interested parties requested that Commerce conduct an administrative review of the *AD Order*, and on October 16, 2017, Commerce published in the *Federal Register* a notice of initiation of an administrative review of the *AD Order* for 59 producers/exporters for the POR.² Commerce exercised its discretion to toll all deadlines affected by the closure of the Federal Government from January 20 through 22, 2018.³

Scope of the Order

The products covered by the order are certain passenger vehicle and light truck tires from China. A full description of the scope of the order is contained in the Preliminary Decision Memorandum.⁴

Methodology

Commerce is conducting this review in accordance with section 751(a)(1)(B) of the Tariff Act of 1930, as amended (the Act). Commerce preliminarily determines that Junhong's reported U.S. sales were export price (EP). We calculated EP sales in accordance with section 772 of the Act. Given that China is a non-market economy (NME) country, within the meaning of section 771(18) of the Act, Commerce calculated NV in accordance with section 773(c) of the Act.

For a full description of the methodology underlying the preliminary results of this review, *see* the Preliminary Decision Memorandum, which is hereby adopted by this notice. The

¹ *See Certain Passenger Vehicle and Light Truck Tires from the People's Republic of China: Amended Final Affirmative Antidumping Duty Determination and Antidumping Duty Order; and Amended Final Affirmative Countervailing Duty Determination and Countervailing Duty Order*, 80 FR 47902 (August 10, 2015) (*AD Order*).

² *See Initiation of Antidumping and Countervailing Duty Administrative Reviews*, 82 FR 48051 (October 16, 2017) (*Initiation Notice*). The *Initiation Notice* inadvertently misspelled the names of two producer/exporters, which were corrected in a subsequent publication. *See Initiation of Antidumping and Countervailing Duty Administrative Reviews*, 82 FR 57705 (December 7, 2017).

³ *See* Memorandum, "Deadlines Affected by the Shutdown of the Federal Government" (Tolling Memorandum), (January 23, 2018). All deadlines in this segment of the proceeding have been extended by three days.

⁴ *See* "Decision Memorandum for the Preliminary Results of the Antidumping Duty Administrative Review of Certain Passenger Vehicle and Light Truck Tires from the People's Republic of China, Preliminary Determination of No Shipments; and Rescission, in part; 2016-2017," (September 4, 2018) (Preliminary Decision Memorandum).

Preliminary Decision Memorandum is a public document and is made available to the public *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 found at <http://enforcement.trade.gov/frn/>. The signed and the electronic versions of the Preliminary Decision Memorandum are identical in content. A list of topics included in the Preliminary Decision Memorandum is provided in Appendix 1 to this notice.

Partial Rescission of Administrative Review

Pursuant to 19 CFR 351.213(d)(1), Commerce will rescind an administrative review, in whole or in part, if the party or parties that requested a review withdraws the request within 90 days of the publication date of the notice of initiation of the requested review. Actyon Tyre Resources Co., Limited; Cooper (Kunshan) Tire Co., Ltd.; Hangzhou Yokohama Tire Co., Ltd.; Hongtyre Goup Co.; ITG Voma Corporation; Koryo International Industrial Limited; Kumho Tire Co., Inc.; Crown International Corporation (Crown); Shandong Wanda Boto Tyre Co., Ltd. (Boto Tyre); Qingdao Nama Industrial Co., Ltd.; Shandong Changfeng Tyres Co., Ltd.; Shandong Guofeng Rubber Plastics; Shandong Guofeng Rubber Plastics Co., Ltd.; Shandong Zhongyi Rubber Co., Ltd.; Shengtai Group Co., Ltd.; The Yokohama Rubber Company, Ltd.; Tyrechamp Group Co., Limited; and the Sailun Group Co., Ltd. (*i.e.*, Sailun Jinyu Group Co., Ltd.)/Sailun Tire International Corp./Shandong Jinyu Industrial Co., Ltd./Sailun Jinyu Group (Hong Kong) Co., Limited/Dynamic Tire Corp./Husky Tire Corp./Seatex International Inc./Seatex PTE. Ltd.) withdrew their respective requests for an administrative review within 90 days of the publication date of the notice of initiation.

When Commerce initiated the instant administrative review, we inadvertently did not include ITG Voma Corporation in the list of companies for which an administrative review was requested or initiated.⁵ As noted above, ITG Voma Corporation did timely file a withdrawal request. Therefore, we will accept its request and rescind this administrative review with respect to ITG Voma Corporation.

No other parties requested an administrative review of the order with respect to the aforementioned companies, except for Crown and Boto Tyre. Therefore, in accordance with 19 CFR 351.213(d)(1), Commerce is rescinding this review of the AD order on passenger tires from China with respect to the listed companies, except for Crown and Boto Tyre.

As noted above, Crown and Boto Tyre timely filed withdrawal requests for their respective administrative reviews. However, the petitioner filed administrative review requests for these companies, but did not file any subsequent withdrawal requests. Therefore, both Crown and Boto Tyre are still subject to the instant administrative review. Boto Tyre timely filed a separate rate certification prior to its withdrawal request. We reviewed Boto Tyre's separate rate certification request and preliminarily find that it qualifies for separate rate status in this administrative review. Crown did not file a separate application or certificate and, thus, is preliminarily considered to be part of the China-wide entity.

Preliminary Determination of No Shipments

Based on an analysis of U.S. Customs and Border Protection (CBP) information, and comments provided by interested parties, Commerce preliminarily determines that two companies under review, Federal Tire (Jiangxi), Ltd. and Highpoint Trading, Ltd. each had no

⁵ ITG Voma Corporation timely filed a request for an administrative review. *See* ITG Voma Corporation's letter, "Passenger Vehicle and Light Tires from the People's Republic of China: Request for Review – 2016-2017 Review Period," (August 31, 2017).

shipments during the POR. For additional information regarding this determination, *see* the Preliminary Decision Memorandum.

Consistent with an announced refinement to its assessment practice in NME cases, Commerce is not rescinding this review, in part, but intends to complete the review with respect to the companies for which it has preliminarily found no shipments and issue appropriate instructions to CBP based on the final results of the review.⁶

In addition, six companies: Fleming Limited; Haohua Orient International Trade Ltd.; Qingdao Lakesea Tyre Co., Ltd.; Riversun Industry Limited; Safe & Well (HK) International Trading Limited; and Windforce Tyre Co., Limited filed no shipment certifications, even though an administrative review was not requested for or initiated on their behalf. Because these companies are not subject to this review, Commerce will not inquire further regarding their no shipment status.

Also, Best Choice International Trade Co., Limited (Best Choice) filed a no shipment certification; however, we previously collapsed Best Choice and BC Tyre into a single entity in the prior review.⁷ Because there is no evidence on the record that contradicts our prior collapsing determination or the evidence on this record, we preliminarily continue to find that BC Tyre and Best Choice is a single entity in this administrative review.⁸ Therefore, we preliminarily find that Best Choice does not qualify for no-shipment status and will be part of the China-wide entity. However, we intend to seek additional information from this entity following these preliminary results.

⁶ *See Non-Market Economy Antidumping Proceedings: Assessment of Antidumping Duties*, 76 FR 65694, 65694-95 (October 24, 2011) and the “Assessment Rates” section, below.

⁷ *See* the Preliminary Determination Memorandum at “Discussion of Methodology.”

⁸ *Id.* In addition, as explained in the Preliminary Decision Memorandum, there is evidence on the record of this review that Best Choice and BC Tyre Group Limited continue to have intertwined operations in this review. For a business proprietary discussion of the Best Choice and BC Tyre Group Limited relationship, please see Commerce Memorandum, “Antidumping Duty Administrative Review of Certain Passenger Vehicle and Light Truck Tires from the People’s Republic of China: Preliminary Separate Rate Status,” (September 4, 2018) (Preliminary Separate Rate Memorandum).

Separate Rates

Commerce preliminarily determines that the information placed on the record by Junhong, as well as by the other companies listed in the rate table in the “Preliminary Results of Review” section below, demonstrates that these companies are entitled to separate rate status. Neither the Act nor Commerce’s regulations address the establishment of the rate applied to individual companies not selected for examination where Commerce limited its examination in an administrative review pursuant to section 777A(c)(2) of the Act. Commerce’s practice in cases involving limited selection based on exporters accounting for the largest volume of imports has been to look to section 735(c)(5) of the Act for guidance, which provides instructions for calculating the all-others rate in an investigation. Section 735(c)(5)(A) of the Act instructs Commerce to use rates established for individually investigated producers and exporters, excluding any rates that are zero, *de minimis*, or based entirely on facts available in investigations. In the instant administrative review, Junhong is the only reviewed respondent that received a calculated weighted-average margin. Therefore, for the preliminary results, Commerce has preliminarily determined to assign Junhong’s margin to the non-selected separate-rate companies.

In addition, Commerce preliminarily determines that certain companies have not demonstrated their entitlement to separate rate status because: (1) they withdrew their participation from the administrative review; or (2) they did not rebut the presumption of *de jure* or *de facto* government control of their operations.⁹ See Appendix 2 of this *Federal Register* notice for a complete list of companies not receiving a separate rate.

⁹ See Preliminary Denial of Separate Rate Status Memorandum for a complete discussion regarding the companies preliminarily not granted separate rate status.

Commerce is treating the companies for which it did not grant separate rate status as part of the China-wide entity. Because no party requested a review of the China-wide entity, the entity is not under review, and the entity's rate (*i.e.*, 87.99 percent)¹⁰ is not subject to change.¹¹

Adjustments for Countervailable Subsidies

Commerce has preliminarily adjusted Junhong's U.S. price for export subsidies, pursuant to 772(c)(1)(C) of the Act, and domestic subsidies passed-through, pursuant to section 777A(f) of the Act.

Preliminary Results of Review

As a result of this review, we preliminarily determine the weighted-average dumping margins rates to be:

Exporter	Weighted-Average Dumping Margin (Percent)
Zhaoqing Junhong Co., Ltd	73.63
Jiangsu Hankook Tire Co., Ltd.	73.63
Kenda Rubber (China) Co., Ltd.	73.63
Mayrun Tyre (Hong Kong) Limited	73.63
Qingdao Odyking Tyre Co., Ltd.	73.63
Qingdao Sentury Tire Co., Ltd./Sentury Tire USA Inc./Sentury (Hong Kong) Trading Co., Limited	73.63
Shandong Anchi Tyres Co., Ltd.	73.63
Shandong Hengyu Science & Technology Co., Ltd.	73.63
Shandong Linglong Tyre Co., Ltd.	73.63
Shandong Longyue Rubber Co., Ltd.	73.63
Shandong New Continent Tire Co., Ltd.	73.63
Shandong Province Sanli Tire Manufactured Co., Ltd.	73.63
Shandong Shuangwang Rubber Co., Ltd.	73.63
Shandong Wanda Boto Tyre Co., Ltd.	73.63
Shandong Yongsheng Rubber Group Co., Ltd.	73.63

¹⁰ See *Certain Passenger Vehicle and Light Truck Tires from the People's Republic of China: Amended Final Affirmative Antidumping Duty Determination and Antidumping Duty Order; and Amended Final Affirmative Countervailing Duty Determination and Countervailing Duty Order*, 80 FR 47902, 47906 (August 10, 2015) (*Order*).

¹¹ For additional information regarding Commerce's separate rate determinations, see the Preliminary Decision Memorandum.

Shouguang Firemax Tyre Co., Ltd.	73.63
Winrun Tyre Co., Ltd.	73.63

Disclosure and Public Comment

Commerce intends to disclose to parties the calculations performed for these preliminary results of review within five days of the date of publication of this notice in the *Federal Register* in accordance with 19 CFR 351.224(b). Interested parties may submit case briefs no later than 30 days after the date of publication of these preliminary results of review.¹² Rebuttal briefs may be filed no later than five days after case briefs are due, and may respond only to arguments raised in the case briefs.¹³ A table of contents, list of authorities used, and an executive summary of issues should accompany any briefs submitted to Commerce. The summary should be limited to five pages total, including footnotes.¹⁴

Interested parties who wish to request a hearing must submit a written request to the Assistant Secretary for Enforcement and Compliance, U.S. Department of Commerce, within 30 days after the date of publication of this notice.¹⁵ Requests should contain the party's name, address, and telephone number, the number of participants in, and a list of the issues to be discussed at, the hearing. Oral arguments at the hearing will be limited to issues raised in the briefs. If a request for a hearing is made, Commerce intends to hold the hearing at the U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230, at a date and time to be determined.¹⁶ Parties should confirm by telephone the date, time, and location of the hearing two days before the scheduled date of the hearing.

¹² See 19 CFR 351.309(c)(ii).

¹³ See 19 CFR 351.309(d).

¹⁴ See 19 CFR 351.309(c)(2), (d)(2).

¹⁵ See 19 CFR 351.310(c).

¹⁶ See 19 CFR 351.310(d).

All submissions, with limited exceptions, must be filed electronically using ACCESS.¹⁷ An electronically filed document must be received successfully in its entirety by Commerce's electronic records system, ACCESS, by 5 p.m. Eastern Time (ET) on the due date. Documents excepted from the electronic submission requirements must be filed manually (*i.e.*, in paper form) with the APO/Dockets Unit in Room 18022 and stamped with the date and time of receipt by 5 p.m. ET on the due date.¹⁸

Unless otherwise extended, Commerce intends to issue the final results of this administrative review, which will include the results of its analysis of issues raised in any briefs, within 120 days of publication of these preliminary results of review, pursuant to section 751(a)(3)(A) of the Act.

Assessment Rates

Upon issuance of the final results of this review, Commerce will determine, and CBP shall assess, antidumping duties on all appropriate entries covered by this review.¹⁹ Commerce intends to issue assessment instructions to CBP 15 days after the publication date of the final results of this review. For each individually examined respondent in this review whose weighted-average dumping margin in the final results of review is not zero or *de minimis* (*i.e.*, less than 0.5 percent), Commerce intends to calculate importer-specific assessment rates, in accordance with 19 CFR 351.212(b)(1).²⁰ Where the respondent reported reliable entered values, Commerce intends to calculate importer-specific *ad valorem* assessment rates by aggregating the amount of dumping calculated for all U.S. sales to the importer, and dividing this

¹⁷ See generally 19 CFR 351.303.

¹⁸ See 19 CFR 351.303 (for general filing requirements); *Antidumping and Countervailing Duty Proceedings: Electronic Filing Procedures; Administrative Protective Order Procedures*, 76 FR 39263 (July 6, 2011).

¹⁹ See 19 CFR 351.212(b)(1).

²⁰ 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) (*Final Modification*).

amount by the total entered value of the sales to the importer.²¹ Where the importer did not report entered values, Commerce intends to calculate an importer-specific assessment rate by dividing the amount of dumping for reviewed sales to the importer by the total sales quantity associated with those transactions. Where an importer-specific *ad valorem* assessment rate is not zero or *de minimis*, Commerce will instruct CBP to collect the appropriate duties at the time of liquidation. Where either the respondent's weighted average dumping margin is zero or *de minimis*, or an importer-specific *ad valorem* assessment rate is zero or *de minimis*, Commerce will instruct CBP to liquidate appropriate entries without regard to antidumping duties.²²

Pursuant to Commerce practice, for entries that were not reported in the U.S. sales database submitted by an exporter individually examined during this review, Commerce will instruct CBP to liquidate such entries at the rate for the China-wide entity.²³ Additionally, if Commerce determines that an exporter under review had no shipments of the subject merchandise, any suspended entries that entered under that exporter's CBP case number will be liquidated at the rate for the China-wide entity.

For the companies for which this review is rescinded, antidumping duties will be assessed at rates equal to the cash deposit of estimated antidumping duties required at the time of entry, or withdrawal from warehouse, for consumption, in accordance with 19 CFR 351.212(c)(1)(i). Commerce intends to issue appropriate assessment instructions with respect to the companies for which this review is rescinded to CBP 15 days after the publication of this notice.

In accordance with section 751(a)(2)(C) of the Act, the final results of this review shall be the basis for the assessment of antidumping duties on POR entries, and for future deposits of estimated antidumping duties, where applicable.

²¹ See 19 CFR 351.212(b)(1).

²² See *Final Modification*, 77 FR at 8103.

²³ See *Non-Market Economy Antidumping Proceedings: Assessment of Antidumping Duties*, 76 FR 65694 (October 24, 2011), for a full discussion of this practice.

Cash Deposit Requirements

Commerce will instruct CBP to require a cash deposit for antidumping duties equal to the weighted-average amount by which NV exceeds U.S. price. The following cash deposit requirements will be effective upon publication of the final results of this administrative review for shipments of the subject merchandise from China entered, or withdrawn from warehouse, for consumption on or after the publication date of this notice, as provided by section 751(a)(2)(C) of the Act: (1) for the exporters listed above, the cash deposit rate will be equal to the weighted-average dumping margin established in the final results of this review (except, if the rate is *de minimis* (*i.e.*, less than 0.5 percent), then the cash deposit rate will be zero for that exporter); (2) for previously investigated or reviewed China and non-China exporters not listed above that have separate rates, the cash deposit rate will continue to be the exporter-specific rate published for the most recently completed segment of this proceeding; (3) for all China exporters of subject merchandise which have not been found to be entitled to a separate rate, the cash deposit rate will be the rate for the China-wide entity (*i.e.*, 76.46 percent)²⁴ and (4) for all non-China exporters of subject merchandise that have not received their own rate, the cash deposit rate will be the rate applicable to the China exporter that supplied that non- China 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 duties and/or countervailing duties prior to liquidation of the relevant entries during this POR. Failure to comply with this requirement could result in Commerce's presumption that reimbursement of antidumping duties and/or countervailing duties has occurred, and the

²⁴ See Order, 80 FR 47904.

subsequent assessment of double antidumping duties and/or an increase in the amount of antidumping duties by the amount of the countervailing duties.

These preliminary results are issued and published in accordance with sections 751(a)(1) and 777(i)(1) of the Act and 19 CFR 351.213 and 351.221(b)(4).

Dated: September 4, 2018.

Gary Taverman,

Deputy Assistant Secretary

for Antidumping and Countervailing Duty Operations

performing the non-exclusive functions and duties of the

Assistant Secretary for Enforcement and Compliance.

Appendix 1

List of Topics Discussed in the Preliminary Decision Memorandum

- I. Summary
- II. Background
- III. Partial Rescission of Administrative Review
- IV. Scope of the Order
- V. Discussion of the Methodology
- VI. Recommendation

Appendix 2

List of Companies Not Receiving Separate Rate Status

1. BC Tyre Group Limited
2. Best Choice International Trade Co., Limited
3. Chen Shin Tire & Rubber (China) Co., Ltd.
4. Crown International Corporation
5. Hankook Tire China Co., Ltd.
6. Hebei Tianrui Rubber Co., Ltd.
7. Hong Kong Tiancheng Investment & Trading Co., Limited
8. Hong Kong Tri-Ace Tire Co., Limited
9. Hwa Fong Rubber (Hong Kong) Ltd.
10. Hwa Fong Rubber (Suzhou) Ltd.
11. Qingdao Fullrun Tyre Corp. Ltd.
12. Qingdao Fullrun Tyre Tech Corp. Ltd.
13. Qingdao Nexen Tire Corporation
14. Qingdao Qianzhen Tyre Co., Ltd.
15. Qingdao Qihang Tyre Co., Ltd.
16. Qingdao Qizhou Rubber Co., Ltd.
17. Shandong Duratti Rubber Corporation Co. Ltd.
18. Shandong Haohua Tire Co., Ltd.
19. Shandong Haolong Rubber Tire Co., Ltd.
20. Shandong Haolong Rubber Co., Ltd.
21. Shandong Hongsheng Rubber Co. Ltd.
22. Shandong Province Sanli Tire

23. Shifeng Juxing Tire Co., Ltd.

24. Southeast Mariner International Co., Ltd.

25. Toyo Tire (Zhangjiagang) Co., Ltd.

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