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# Hughes Hubbard & Reed

## New Antidumping and Countervailing Duty Petitions on Passenger Vehicle and Light Truck Tires from South Korea, Taiwan, Thailand, and Vietnam

### Client Advisories

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**May 14, 2020** - On May 13, 2020, the United Steel, Paper, Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union, AFL-CIO, CLC ("USW") filed petitions with the U.S. Department of Commerce ("DOC") and the U.S. International Trade Commission ("ITC"). Petitioner seeks antidumping ("AD") duties on imports of passenger vehicle and light truck ("PVL") tires from South Korea, Taiwan, Thailand, and Vietnam, and countervailing ("CVD") duties on imports of PVL tires from Vietnam. In 2015, the same petitioner succeeded in securing AD and CVD duties on PVL tires from China.

Under U.S. law, a domestic industry can petition the government to initiate an AD investigation into the pricing of an imported product to determine whether it is sold in the United States at less than fair value (i.e., "dumped"). A domestic industry can also petition the initiation of a CVD investigation of alleged subsidization of foreign producers by a foreign government. Additional duties can be imposed if DOC determines that imported goods are "dumped" and/or subsidized and if the ITC also determines that the domestic industry is materially injured or threatened with such injury by reason of subject imports.

If the ITC and DOC make preliminary affirmative determinations, U.S. importers will be required to post cash deposits in the amount of the AD and/or CVD duties for all entries on or after the date DOC's preliminary determination is published in the Federal Register. The preliminary AD/CVD rates can change in the final DOC determination, especially if foreign producers and their governments participate fully in the investigations.

### Scope

The petitions cover PVLТ tires, which are defined by USW as new pneumatic tires, of rubber, with a passenger vehicle or light truck size designation. The petition includes tires that are tube-type, tubeless, radial, or non-radial, and they may be intended for sale to original equipment manufacturers or the replacement market. All PVLТ tires are marked with the symbol "DOT" on the sidewall, which signifies that the tires conform to U.S. motor vehicle safety standards. To be included in the scope of the petition, tires do not have to have a "P" (signifying "passenger") or "LT" (signifying "light truck") prefix or suffix on their sidewall markings. Instead, if the tire is of a size that would fit passenger cars or light trucks, it is included in the scope of the investigation. PVLТ tires that are imported attached to a wheel or rim are included in the scope as well, but only the tire is covered in those circumstances.

The petitions exclude certain tires from the scope, including racing car tires, used tires, non-pneumatic tires, tires designed and marketed exclusively as temporary spare tires, tires designed and marketed exclusively for specialty tire "ST" use (e.g., trailer tires), and tires designed and marketed exclusively for off-road use.

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. The scope could also include tires entering under HTSUS subheadings 4011.90.10.10, 4011.90.10.50, 4011.90.20.10, 4011.90.20.50, 4011.90.80.10, 4011.90.80.50, 8708.70.45.30, 8708.70.45.46, 8708.70.45.48, 8708.70.45.80, 8708.70.60.30, 8708.70.60.45, and 8708.70.60.60.

### **Foreign Producers and Exporters of Subject Merchandise**

A list of foreign producers and exports, as identified by the petitioner, is provided in [Attachment 1](#).

### **U.S. Importers of Subject Merchandise**

A list of U.S. importers, as identified by the petitioner, is provided in [Attachment 2](#).

### **Alleged Margins of Dumping/Subsidization**

Petitioner alleges the following dumping margins:

- Thailand: 106.4% to 217.5%
- South Korea: 45.95% to 195.20%
- Vietnam: 14.73% to 33.06%
- Taiwan: 21% to 102%

DOC generally assigns duties at these alleged dumping rates to exporters that fail to cooperate with the investigation.

No specific subsidy margins are included in the petition.

### **Potential Trade Impact**

According to official U.S. import statistics, 85,305,670 subject tires, valued at \$4.39 billion, entered the United States in 2019. The country breakdown reported by petitioner is as follows:

<b>Country</b>	<b>2019 Value (USD)</b>
Thailand	\$2,177,046,358

South Korea	\$1,278,041,280
Vietnam	\$525,186,964
Taiwan	\$410,788,862

### **Estimated Schedule of Investigations**

- 5/13/2020 – Petition filed
- 6/27/2020 – ITC preliminary injury determination
- 8/6/2020 – DOC preliminary CVD determination, if not postponed
- 10/10/2020 – DOC preliminary CVD determination, if fully postponed
- 10/20/2020 – DOC preliminary AD determination, if not postponed
- 12/9/2020 – DOC preliminary AD determination, if fully postponed
- 4/30/2021 – DOC final AD and CVD determinations, if both preliminary and final determinations are fully postponed
- 6/21/2021 – ITC final injury determination, if DOC’s determinations are fully postponed
- 6/28/2021 – AD/CVD orders published

If you have any questions about the petitions, please contact the experienced attorneys in HHR’s international trade group.

### **Related People**



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