

retroactively to the effective date of the first entry by HEES.<sup>5</sup>

On July 6, 2018, Hyundai submitted comments regarding the *Preliminary Results*.<sup>6</sup> On July 13, 2018, ABB submitted its rebuttal brief.<sup>7</sup>

### Scope of the Order

The scope of this *Order* covers large liquid dielectric power transformers having a top power handling capacity greater than or equal to 60,000 kilovolt amperes (60 megavolt amperes), whether assembled or unassembled, complete or incomplete.

Incomplete LPTs are subassemblies consisting of the active part and any other parts attached to, imported with or invoiced with the active parts of LPTs. The “active part” of the transformer consists of one or more of the following when attached to or otherwise assembled with one another: The steel core or shell, the windings, electrical insulation between the windings, the mechanical frame for an LPT.

The product definition encompasses all such LPTs regardless of name designation, including but not limited to step-up transformers, step-down transformers, autotransformers, interconnection transformers, voltage regulator transformers, rectifier transformers, and power rectifier transformers.

The LPTs subject to this *Order* are currently classifiable under subheadings 8504.23.0040, 8504.23.0080, and 8504.90.9540 of the Harmonized Tariff Schedule of the United States (HTSUS). Although the HTSUS subheadings are provided for convenience and customs purposes, the written description of the scope of this *Order* is dispositive.

### Analysis of Comments Received

The issue raised in the case and rebuttal briefs by parties to this CCR is addressed in the Issues and Decision Memorandum, which is hereby adopted by this notice.<sup>8</sup> A list of the topics

<sup>5</sup> See *Large Power Transformers from the Republic of Korea: Notice of Preliminary Results of Antidumping Duty Changed Circumstances Review*, 83 FR 24973 (May 31, 2018) (*Preliminary Results*) and the accompanying Preliminary Decision Memorandum.

<sup>6</sup> HHI and HEES are collectively referred to as Hyundai. See Letter from Hyundai to Commerce, “Large Power Transformers from Korea: Hyundai’s Case Brief,” dated July 6, 2018.

<sup>7</sup> See Letter from the petitioner to Commerce, “Large Power Transformers from the Republic of Korea: Petitioner’s Rebuttal Brief,” dated July 13, 2018.

<sup>8</sup> See Memorandum to 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, “Final Results of Changed Circumstances Review

discussed in the Issues and Decision Memorandum is attached to this notice as an Appendix. The Issues and 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 <https://access.trade.gov>, and it 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 Issues and Decision Memorandum can be accessed directly on the internet at <http://enforcement.trade.gov/frn/>. The signed Issues and Decision Memorandum and the electronic version of the Issues and Decision Memorandum are identical in content.

### Final Results of Changed Circumstances Review

Based on the record evidence and our analysis of the comments received, Commerce continues to find that applying HHI’s current cash deposit rate of 60.81 percent retroactively to the effective date of the first entry of HEES, HHI’s successor-in-interest, is warranted.<sup>9</sup>

### Instructions to U.S. Customs and Border Protection

As a result of this determination, Commerce will instruct CBP to collect estimated antidumping duties for all shipments of the subject merchandise produced and/or exported by HEES and entered, or withdrawn from warehouse, for consumption on or after the date of the first entry made by HEES at the 60.81 percent rate established in the 2014–2015 and 2015–2016 antidumping duty administrative reviews. This cash deposit requirement shall remain in effect until further notice.

### Notification to Interested Parties

This notice serves as a reminder to parties subject to administrative protective orders (APOs) of their responsibility concerning the disposition of proprietary information disclosed under APO in accordance with 19 CFR 351.306. Timely written notification of the destruction of APO materials or conversion to judicial protective order is hereby requested. Failure to comply with the regulations and terms of an APO is a sanctionable violation.

Regarding Successor-In-Interest Analysis: Large Power Transformers from the Republic of Korea,” dated concurrently with this notice (Issues and Decision Memorandum).

<sup>9</sup> See Issues and Decision Memorandum.

We are issuing and publishing this final results notice in accordance with sections 751(b) and 777(i) of the Act, and 19 CFR 351.216, 351.221(b)(5), and 351.221(c)(3).

Dated: August 28, 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

#### List of Topics Discussed in the Issues and Decision Memorandum

- I. Summary
- II. Background
- III. Scope of the Order
- IV. Discussion of Interested Party Comments
  - Comment:* Whether Retroactive Application of a Cash Deposit Rate to a Successor-in-Interest Is Permitted by Law and Consistent With Commerce’s Practice
- V. Recommendation

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## DEPARTMENT OF COMMERCE

### International Trade Administration

[A–570–090]

#### Certain Steel Wheels 12 to 16.5 Inches in Diameter From the People’s Republic of China: Initiation of Less-Than-Fair-Value Investigation

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

**DATES:** Applicable August 28, 2018.

**FOR FURTHER INFORMATION CONTACT:** Paul Stolz or Jonathan Cornfield at (202) 482–4474 or (202) 482–3855, respectively; AD/CVD Operations, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue NW, Washington, DC 20230.

#### SUPPLEMENTARY INFORMATION:

##### The Petition

On August 8, 2018, the U.S. Department of Commerce (Commerce) received an antidumping duty (AD) Petition concerning imports of certain steel wheels 12 to 16.5 inches in diameter (certain steel wheels) from the People’s Republic of China (China), filed in proper form on behalf of Dexstar Wheel, a division of Americana Development, Inc. (the petitioner), which is a domestic producer of certain

steel wheels.<sup>1</sup> The AD Petition was accompanied by a countervailing duty (CVD) Petition concerning imports of certain steel wheels from China.

On August 10, 2018, Commerce requested supplemental information pertaining to certain aspects of the Petition in two separate supplemental questionnaires, one dealing with general issues with the Petition and the other with issues related to Volume II of the Petition (*i.e.*, the AD allegation).<sup>2</sup>

The petitioner filed its responses to the supplemental questionnaires on August 14 and August 15, 2018.<sup>3</sup> On August 17, 2018, we spoke with the counsel to the petitioner regarding the scope language and its August 14 and August 15, 2018, submissions, requesting further clarification to certain responses.<sup>4</sup> On August 20, 2018, the petitioner responded to Commerce's August 17 request for supplemental information, including further clarification of the scope language.<sup>5</sup> On August 28, 2018, we again spoke with counsel to the petitioner, notifying counsel of a change to the index used to adjust the labor rate in the margin calculation.<sup>6</sup>

In accordance with section 732(b) of the Tariff Act of 1930, as amended (the Act), the petitioner alleges that imports of certain steel wheels from China are

<sup>1</sup> See the petitioner's letter, "Petitions for the Imposition of Antidumping and Countervailing Duties on Imports of Certain Steel Wheels 12–16.5 Inches in Diameter from the People's Republic of China," dated August 8, 2018 (the Petition).

<sup>2</sup> See Commerce's letters, both titled, "Petitions for the Imposition of Antidumping and Countervailing Duties on Imports of Certain Steel Wheels 12 to 16.5 Inches in Diameter from the People's Republic of China: Supplemental Questions," both dated August 10, 2018 (AD Supplemental Questionnaire and General Issues Supplemental Questionnaire).

<sup>3</sup> See the petitioner's letters, "Petitioner's Response to the Department of Commerce's August 10, 2018 Supplemental Questions, regarding the Petition for the Imposition of Antidumping Duties on Imports of Certain Steel Wheels 12 to 16.5 Inches in Diameter from the People's Republic of China," dated August 14, 2018 (AD Supplement), and "Petitioner's Response to the Department of Commerce's August 10, 2018 General Issues Questionnaire Regarding the Petitions for the Imposition of Antidumping and Countervailing Duties on Imports of Certain Steel Wheels 12 to 16.5 Inches in Diameter from the People's Republic of China," dated August 15, 2018 (General Issues Supplement).

<sup>4</sup> See memorandum to the file, "Phone Call with Counsel to the Petitioner," dated August 17, 2018.

<sup>5</sup> See the petitioner's letter, "Petitioner's Response to the Department of Commerce's August 17, 2018 Additional Questions Regarding the Petitions for the Imposition of antidumping and Countervailing Duties on Imports of Certain Steel Wheels 12 to 16.5 Inches in Diameter from the People's Republic of China," dated August 20, 2018 (Second General Issues and AD Supplement).

<sup>6</sup> See memorandum to the file, "Phone Call with Counsel to the Petitioner: Valuation of Labor," dated August 28, 2018.

being, or are likely to be, sold in the United States at less-than-fair-value (LTFV) within the meaning of section 731 of the Act, and that such imports are materially injuring, or threatening material injury to, the domestic industry producing certain steel wheels in the United States. Consistent with section 732(b)(1) of the Act, the Petition is accompanied by information reasonably available to the petitioner supporting its allegation.

Commerce finds that the petitioner filed the Petition on behalf of the domestic industry because the petitioner is an interested party as defined in section 771(9)(C) of the Act. Commerce also finds that the petitioner demonstrated sufficient industry support with respect to the initiation of the requested AD investigation.<sup>7</sup>

#### Period of Investigation

Because China is a non-market economy (NME) country, pursuant to 19 CFR 351.204(b)(1), the period of investigation (POI) is January 1, 2018, through June 30, 2018.

#### Scope of the Investigation

The product covered by this investigation is certain steel wheels 12 to 16.5 inches in diameter from China. For a full description of the scope of this investigation, *see* the Appendix to this notice.

#### Scope Comments

During our review of the Petition, Commerce contacted the petitioner regarding the proposed scope language to ensure that the scope language in the Petition is an accurate reflection of the products for which the domestic industry is seeking relief.<sup>8</sup> As a result of the petitioner's submissions, the scope of the Petition was modified to clarify the description of merchandise covered by the Petition. The description of the merchandise covered by this initiation, as described in the Appendix to this notice, reflects these clarifications.

As discussed in the *Preamble* to Commerce's regulations, we are setting aside a period for interested parties to raise issues regarding product coverage (scope).<sup>9</sup> Commerce will consider all comments received from interested parties and, if necessary, will consult with interested parties prior to the issuance of the preliminary

<sup>7</sup> See the "Determination of Industry Support for the Petition" section, *infra*.

<sup>8</sup> See General Issues Supplement, at 2–5 and Exhibit SGQ–2 (Revised Scope); *see also* Second General Issues and AD Supplement, at 1–2 and Exhibit SQR2–1 (Revised Scope).

<sup>9</sup> See *Antidumping Duties; Countervailing Duties, Final Rule*, 62 FR 27296, 27323 (May 19, 1997).

determination. If scope comments include factual information,<sup>10</sup> all such factual information should be limited to public information. To facilitate preparation of its questionnaires, Commerce requests that all interested parties submit scope comments by 5:00 p.m. Eastern Time (ET) on September 17, 2018, which is 20 calendar days from the signature date of this notice. Any rebuttal comments, which may include factual information, must be filed by 5:00 p.m. ET on September 27, which is 10 calendar days from the initial comments deadline.<sup>11</sup>

Commerce requests that any factual information parties consider relevant to the scope of the investigation be submitted during this period. However, if a party subsequently finds that additional factual information pertaining to the scope of the investigation may be relevant, the party may contact Commerce and request permission to submit the additional information. All such submissions must be filed on the records of the concurrent AD and CVD investigations.

#### Filing Requirements

All submissions to Commerce must be filed electronically using Enforcement and Compliance's Antidumping Duty and Countervailing Duty Centralized Electronic Service System (ACCESS).<sup>12</sup> An electronically filed document must be received successfully in its entirety by the time and date it is due. Documents exempted from the electronic submission requirements must be filed manually (*i.e.*, in paper form) with Enforcement and Compliance's APO/Dockets Unit, Room 18022, U.S. Department of Commerce, 1401 Constitution Avenue NW, Washington, DC 20230, and stamped with the date and time of receipt by the applicable deadlines.

#### Comments on Product Characteristics for AD Questionnaire

Commerce is providing interested parties an opportunity to comment on the appropriate physical characteristics of certain steel wheels to be reported in response to Commerce's AD

<sup>10</sup> See 19 CFR 351.102(b)(21) (defining "factual information").

<sup>11</sup> See 19 CFR 351.303(b).

<sup>12</sup> See *Antidumping and Countervailing Duty Proceedings: Electronic Filing Procedures; Administrative Protective Order Procedures*, 76 FR 39263 (July 6, 2011); *see also* *Enforcement and Compliance: Change of Electronic Filing System Name*, 79 FR 69046 (November 20, 2014) for details of Commerce's electronic filing requirements, effective August 5, 2011. Information on help using ACCESS can be found at <https://access.trade.gov/help.aspx> and a handbook can be found at <https://access.trade.gov/help/Handbook%20on%20Electronic%20Filing%20Procedures.pdf>.

questionnaire. This information will be used to identify the key physical characteristics of the merchandise under consideration in order to report the relevant factors of production accurately, as well as to develop appropriate product-comparison criteria.

Interested parties may provide any information or comments that they feel are relevant to the development of an accurate list of physical characteristics. In order to consider the suggestions of interested parties in developing and issuing the AD questionnaire, all product characteristics comments must be filed by 5:00 p.m. ET on September 17, 2018, which is 20 calendar days from the signature date of this notice.<sup>13</sup> Any rebuttal comments must be filed by 5:00 p.m. ET on September 27, 2018. All comments and submissions to Commerce must be filed electronically using ACCESS, as explained above, on the record of the China LTFV investigation.

#### Determination of Industry Support for the Petition

Section 732(b)(1) of the Act requires that a petition be filed on behalf of the domestic industry. Section 732(c)(4)(A) of the Act provides that a petition meets this requirement if the domestic producers or workers who support the petition account for: (i) At least 25 percent of the total production of the domestic like product; and (ii) more than 50 percent of the production of the domestic like product produced by that portion of the industry expressing support for, or opposition to, the petition. Moreover, section 732(c)(4)(D) of the Act provides that, if the petition does not establish support of domestic producers or workers accounting for more than 50 percent of the total production of the domestic like product, Commerce shall: (i) Poll the industry or rely on other information in order to determine if there is support for the petition, as required by subparagraph (A); or (ii) determine industry support using a statistically valid sampling method to poll the “industry.”

Section 771(4)(A) of the Act defines the “industry” as the producers as a whole of a domestic like product. Thus, to determine whether a petition has the requisite industry support, the statute directs Commerce to look to producers and workers who produce the domestic like product. The International Trade Commission (ITC), which is responsible for determining whether “the domestic industry” has been injured, must also determine what constitutes a domestic

like product in order to define the industry. While both Commerce and the ITC must apply the same statutory definition regarding the domestic like product,<sup>14</sup> they do so for different purposes and pursuant to a separate and distinct authority. In addition, Commerce’s determination is subject to limitations of time and information. Although this may result in different definitions of the like product, such differences do not render the decision of either agency contrary to law.<sup>15</sup>

Section 771(10) of the Act defines the domestic like product as “a product which is like, or in the absence of like, most similar in characteristics and uses with, the article subject to an investigation under this title.” Thus, the reference point from which the domestic like product analysis begins is “the article subject to an investigation” (*i.e.*, the class or kind of merchandise to be investigated, which normally will be the scope as defined in the petition).

With regard to the domestic like product, the petitioner does not offer a definition of the domestic like product distinct from the scope of the investigation.<sup>16</sup> Based on our analysis of the information submitted on the record, we have determined that certain steel wheels, as defined in the scope, constitute a single domestic like product, and we have analyzed industry support in terms of that domestic like product.<sup>17</sup>

In determining whether the petitioner has standing under section 732(c)(4)(A) of the Act, we considered the industry support data contained in the Petition with reference to the domestic like product as defined in the “Scope of the Investigation,” in the Appendix to this notice. To establish industry support, the petitioner provided its own production of the domestic like product

in 2017.<sup>18</sup> In addition, the petitioner provided a letter of support from American Wheel Corporation, stating that the company supports the Petition and providing its own production of the domestic like product in 2017.<sup>19</sup> The petitioner identifies itself and American Wheel Corporation as the only companies constituting the U.S. certain steel wheels industry and states that there are no other known producers of certain steel wheels in the United States; therefore, the Petition is supported by 100 percent of the U.S. industry.<sup>20</sup>

Our review of the data provided in the Petition, the General Issues Supplement, and other information readily available to Commerce indicates that the petitioner has established industry support for the Petition.<sup>21</sup> First, the Petition established support from domestic producers (or workers) accounting for more than 50 percent of the total production of the domestic like product and, as such, Commerce is not required to take further action in order to evaluate industry support (*e.g.*, polling).<sup>22</sup> Second, the domestic producers (or workers) have met the statutory criteria for industry support under section 732(c)(4)(A)(i) of the Act because the domestic producers (or workers) who support the Petition account for at least 25 percent of the total production of the domestic like product.<sup>23</sup> Finally, the domestic producers (or workers) have met the statutory criteria for industry support under section 732(c)(4)(A)(ii) of the Act because the domestic producers (or workers) who support the Petition account for more than 50 percent of the production of the domestic like product produced by that portion of the industry expressing support for, or opposition to, the Petition.<sup>24</sup> Accordingly, Commerce determines that the Petition was filed on behalf of the domestic industry within the meaning of section 732(b)(1) of the Act.

Commerce finds that the petitioner filed the Petition on behalf of the domestic industry because it is an interested party as defined in section 771(9)(C) of the Act, and it has demonstrated sufficient industry support with respect to the AD

<sup>14</sup> See section 771(10) of the Act.

<sup>15</sup> See *USEC, Inc. v. United States*, 132 F. Supp. 2d 1, 8 (CIT 2001) (citing *Algoma Steel Corp., Ltd. v. United States*, 688 F. Supp. 639, 644 (CIT 1988), *aff’d* 865 F.2d 240 (Fed. Cir. 1989)).

<sup>16</sup> See Volume I of the Petition, at I-6 through I-8.

<sup>17</sup> For a discussion of the domestic like product analysis as applied to this case and information regarding industry support, see memorandum, “Antidumping Duty Investigation Initiation Checklist: Certain Steel Wheels 12 to 16.5 Inches in Diameter from the People’s Republic of China” (China AD Initiation Checklist), at Attachment II, (Analysis of Industry Support for the Antidumping and Countervailing Duty Petitions Covering Certain Steel Wheels 12 to 16.5 Inches in Diameter from the People’s Republic of China). This checklist is dated concurrently with this notice and on file electronically via ACCESS. Access to documents filed via ACCESS is also available in the Central Records Unit, Room B8024 of the main Department of Commerce building.

<sup>18</sup> See Volume I of the Petition, at I-9, I-31 and Exhibit I-11.

<sup>19</sup> See Volume I of the Petition, at I-9 and Exhibit I-2.

<sup>20</sup> *Id.* at I-2, I-9 and Exhibit I-1; see also General Issues Supplement, at SGQ-5 and Exhibit SGQ-5.

<sup>21</sup> *Id.*

<sup>22</sup> *Id.*; see also section 732(c)(4)(D) of the Act.

<sup>23</sup> See China AD Initiation Checklist, at Attachment II.

<sup>24</sup> *Id.*

<sup>13</sup> See 19 CFR 351.303(b).

investigation that it is requesting that Commerce initiate.<sup>25</sup>

### Allegations and Evidence of Material Injury and Causation

The petitioner alleges that the U.S. industry producing the domestic like product is being materially injured, or is threatened with material injury, by reason of the imports of the subject merchandise sold at less than normal value (NV). In addition, the petitioner alleges that subject imports exceed the negligibility threshold provided for under section 771(24)(A) of the Act.<sup>26</sup>

The petitioner contends that the industry's injured condition is illustrated by a significant and increasing volume of subject imports; reduced market share; underselling and price depression or suppression; lost sales and lost revenues; decline in production, U.S. shipments, and capacity utilization; decline in production-related workers and hours worked; decline in capital expenditures; and negative impact on financial performance.<sup>27</sup> We have assessed the allegations and supporting evidence regarding material injury, threat of material injury, and causation, and we have determined that these allegations are properly supported by adequate evidence, and meet the statutory requirements for initiation.<sup>28</sup>

### Allegations of Sales at LTFV

The following is a description of the allegations of sales at LTFV upon which Commerce based its decision to initiate an AD investigation of imports of certain steel wheels from China. The sources of data for the deductions and adjustments relating to U.S. price and NV are discussed in greater detail in the China AD Initiation Checklist.

### Export Price

The petitioner based U.S. export price (EP) on price lists for certain steel wheels offered for export to the United States by a Chinese producer and exporter of certain steel wheels.<sup>29</sup> The petitioner made deductions from U.S. price for movement expenses, consistent with the terms of sale.<sup>30</sup>

<sup>25</sup> *Id.*

<sup>26</sup> See Volume I of the Petition, at I-19 through I-21 and Exhibit I-8.

<sup>27</sup> *Id.* at I-15 through I-42 and Exhibits I-2, I-6, I-8, I-10, I-11, I-14 through I-16; see also General Issues Supplement, at SQ-5, SQ-6 and Exhibit SQ-6.

<sup>28</sup> See China AD Initiation Checklist at Attachment III (Analysis of Allegations and Evidence of Material Injury and Causation for the Antidumping and Countervailing Duty Petitions Covering Certain Steel Wheels 12 to 16.5 Inches in Diameter from the People's Republic of China).

<sup>29</sup> See China AD Initiation Checklist.

<sup>30</sup> *Id.*

### Normal Value

Commerce considers China to be an NME country.<sup>31</sup> In accordance with section 771(18)(C)(i) of the Act, any determination that a foreign country is an NME country shall remain in effect until revoked by Commerce. Therefore, we continue to treat China as an NME country for purposes of the initiation of this investigation. Accordingly, NV in China is appropriately based on factors of production (FOPs) valued in a surrogate market economy country, in accordance with section 773(c) of the Act.<sup>32</sup>

The petitioner claims that Romania is an appropriate surrogate country for China because it is a market economy country that is at a level of economic development comparable to that of China and it is a significant producer of comparable merchandise.<sup>33</sup> The petitioner provided publicly available information from Romania to value all FOPs.<sup>34</sup> Therefore, based on the information provided by the petitioner, we determine that it is appropriate to use Romania as the primary surrogate country for initiation purposes.<sup>35</sup>

Interested parties will have the opportunity to submit comments regarding surrogate country selection and, pursuant to 19 CFR 351.301(c)(3)(i), will be provided an opportunity to submit publicly available information to value FOPs within 30 days before the scheduled date of the preliminary determination.

### Factors of Production

Based on its assertion that information regarding the FOPs and volume of inputs consumed by Chinese producers/exporters of certain steel wheels was not reasonably available to the petitioner, the petitioner used its own consumption rates to estimate the Chinese manufacturers' FOPs.<sup>36</sup> The petitioner stated that consumption rates

<sup>31</sup> See *Antidumping Duty Investigation of Certain Aluminum Foil from the People's Republic of China: Affirmative Preliminary Determination of Sales at Less-Than-Fair Value and Postponement of Final Determination*, 82 FR 50858, 50861 (November 2, 2017) (citing Memorandum to Gary Taverman, "China's Status as a Non-Market Economy," dated October 26, 2017), unchanged in *Certain Aluminum Foil from the People's Republic of China: Final Determination of Sales at Less Than Fair Value*, 83 FR 9282 (March 5, 2018).

<sup>32</sup> See China AD Initiation Checklist.

<sup>33</sup> See AD Supplement at 3-4 and Exhibit S-II-4(B).

<sup>34</sup> See Volume II of the Petition at 10 and Exhibit II-9; see also AD Supplement at Exhibits S-II-2, S-II-3(B), and S-II-7; and Second General Issues and AD Supplement at Exhibits SQR2-2 through SQR2-6.

<sup>35</sup> See China AD Initiation Checklist.

<sup>36</sup> See Volume II of the Petition at 13 and Exhibit II-5(A).

for the Chinese FOPs are similar to those experienced by the petitioner, and as such, the petitioner used its own inputs and consumption rates to estimate the Chinese manufacturers' FOPs.<sup>37</sup> In addition, the petitioner valued the estimated FOPs using surrogate values from Romania,<sup>38</sup> and used the average POI exchange rate to convert surrogate values expressed in euros to U.S. dollars.<sup>39</sup>

### Fair Value Comparisons

Based on the data provided by the petitioner, there is reason to believe that imports of certain steel wheels from China are being, or are likely to be, sold in the United States at LTFV. Based on comparisons of EP to NV in accordance with sections 772 and 773 of the Act, the estimated dumping margins for certain steel wheels from China are 30.48-44.35 percent.<sup>40</sup>

### Initiation of LTFV Investigation

Based upon the examination of the Petition, we find that the Petition meets the requirements of section 732 of the Act. Therefore, we are initiating an AD investigation to determine whether imports of certain steel wheels from China are being, or are likely to be, sold in the United States at LTFV. In accordance with section 733(b)(1)(A) of the Act and 19 CFR 351.205(b)(1), unless postponed, we will make our preliminary determination no later than 140 days after the date of this initiation.

### Respondent Selection

The petitioner named 36 producers/exporters as accounting for the majority of exports of certain steel wheels to the United States from China.<sup>41</sup> In accordance with our standard practice for respondent selection in AD cases involving NME countries, we intend to issue quantity and value (Q&V) questionnaires to producers/exporters of merchandise subject to this investigation. In the event Commerce determines that it cannot individually examine each company, where appropriate, Commerce intends to select mandatory respondents based on the responses received to its Q&V questionnaire. Commerce will request Q&V information from known exporters

<sup>37</sup> *Id.*

<sup>38</sup> *Id.* at Exhibit II-9; see also AD Supplement at Exhibits II-2, II-3(B) and S-II-7; see also Second General Issues and AD Supplement at Exhibits SQR2-2 through SQR2-6.

<sup>39</sup> See Volume II of the Petition at Exhibit II-9.

<sup>40</sup> See Second General Issues and AD Supplement at Exhibit SQR2-7; see also China AD Initiation Checklist at Attachment V.

<sup>41</sup> See Volume I of the Petition at Exhibit I-6; see also General Issues Supplement, at SQ-1 and Exhibit SQ-1.

and producers identified with complete contact information in the Petition. In addition, Commerce will post the Q&V questionnaires along with filing instructions on Enforcement and Compliance's website at <http://www.trade.gov/enforcement/news.asp>.

Producers/exporters of certain steel wheels from China that do not receive Q&V questionnaires by mail may still submit a response to the Q&V questionnaire and can obtain a copy of the Q&V questionnaire from Enforcement & Compliance's website. The Q&V questionnaire response must be submitted by the relevant Chinese exporters/producers no later than 5:00 p.m. ET on September 11, 2018, which is two weeks from the signature date of this notice. All Q&V responses must be filed electronically via ACCESS.

### Separate Rates

In order to obtain separate-rate status in an NME investigation, exporters and producers must submit a separate-rate application.<sup>42</sup> The specific requirements for submitting a separate-rate application in this investigation are outlined in detail in the application itself, which is available on Commerce's website at <http://enforcement.trade.gov/nme/nme-sep-rate.html>. The separate-rate application will be due 30 days after publication of this initiation notice.<sup>43</sup> Exporters and producers who submit a separate-rate application and have been selected as mandatory respondents will be eligible for consideration for separate-rate status only if they respond to all parts of Commerce's AD questionnaire as mandatory respondents. Commerce requires that companies from China submit a response to both the Q&V questionnaire and the separate-rate application by the respective deadlines in order to receive consideration for separate-rate status. Companies not filing a timely Q&V questionnaire response will not receive separate-rate consideration.

### Use of Combination Rates

Commerce will calculate combination rates for certain respondents that are eligible for a separate rate in an NME investigation. The Separate Rates and Combination Rates Bulletin states:

<sup>42</sup> See Policy Bulletin 05.1: Separate-Rates Practice and Application of Combination Rates in Antidumping Investigation Involving Non-Market Economy Countries (April 5, 2005), available at <http://enforcement.trade.gov/policy/bull05-1.pdf> (Policy Bulletin 05.1).

<sup>43</sup> Although in past investigations this deadline was 60 days, consistent with 19 CFR 351.301(a), which states that "the Secretary may request any person to submit factual information at any time during a proceeding," this deadline is now 30 days.

{w}hile continuing the practice of assigning separate rates only to exporters, all separate rates that the Department will now assign in its NME Investigation will be specific to those producers that supplied the exporter during the period of investigation. Note, however, that one rate is calculated for the exporter and all of the producers which supplied subject merchandise to it during the period of investigation. This practice applies both to mandatory respondents receiving an individually calculated separate rate as well as the pool of non-investigated firms receiving the weighted-average of the individually calculated rates. This practice is referred to as the application of "combination rates" because such rates apply to specific combinations of exporters and one or more producers. The cash-deposit rate assigned to an exporter will apply only to merchandise both exported by the firm in question and produced by a firm that supplied the exporter during the period of investigation.<sup>44</sup>

### Distribution of Copies of the Petition

In accordance with section 732(b)(3)(A) of the Act and 19 CFR 351.202(f), copies of the public version of the Petition have been provided to the government of China *via* ACCESS. To the extent practicable, we will attempt to provide a copy of the public version of the Petition to each exporter named in the Petition, as provided under 19 CFR 351.203(c)(2).

### ITC Notification

We will notify the ITC of our initiation, as required by section 732(d) of the Act.

### Preliminary Determination by the ITC

The ITC will preliminarily determine, within 45 days after the date on which the Petition was filed, whether there is a reasonable indication that imports of certain steel wheels from China are materially injuring or threatening material injury to a U.S. industry.<sup>45</sup> A negative ITC determination will result in the investigation being terminated.<sup>46</sup> Otherwise, the investigation will proceed according to statutory and regulatory time limits.

### Submission of Factual Information

Factual information is defined in 19 CFR 351.102(b)(21) as: (i) Evidence submitted in response to questionnaires; (ii) evidence submitted in support of allegations; (iii) publicly available information to value factors under 19 CFR 351.408(c) or to measure the adequacy of remuneration under 19 CFR 351.511(a)(2); (iv) evidence placed on the record by Commerce; and (v) evidence other than factual information described in (i)–(iv). 19 CFR 351.301(b)

<sup>44</sup> See Policy Bulletin 05.1 at 6 (emphasis added).

<sup>45</sup> See section 733(a) of the Act.

<sup>46</sup> *Id.*

requires any party, when submitting factual information, to specify under which subsection of 19 CFR 351.102(b)(21) the information is being submitted<sup>47</sup> and, if the information is submitted to rebut, clarify, or correct factual information already on the record, to provide an explanation identifying the information already on the record that the factual information seeks to rebut, clarify, or correct.<sup>48</sup> Time limits for the submission of factual information are addressed in 19 CFR 351.301, which provides specific time limits based on the type of factual information being submitted. Interested parties should review the regulations prior to submitting factual information in this investigation.

### Extensions of Time Limits

Parties may request an extension of time limits before the expiration of a time limit established under 19 CFR 351.301, or as otherwise specified by the Secretary. In general, an extension request will be considered untimely if it is filed after the expiration of the time limit established under 19 CFR 351.301. For submissions that are due from multiple parties simultaneously, an extension request will be considered untimely if it is filed after 10:00 a.m. ET on the due date. Under certain circumstances, we may elect to specify a different time limit by which extension requests will be considered untimely for submissions which are due from multiple parties simultaneously. In such a case, we will inform parties in a letter or memorandum of the deadline (including a specified time) by which extension requests must be filed to be considered timely. An extension request must be made in a separate, stand-alone submission; under limited circumstances we will grant untimely-filed requests for the extension of time limits. Parties should review *Extension of Time Limits; Final Rule*, 78 FR 57790 (September 20, 2013), available at <http://www.gpo.gov/fdsys/pkg/FR-2013-09-20/html/2013-22853.htm>, prior to submitting factual information in this investigation.

### Certification Requirements

Any party submitting factual information in an AD or CVD proceeding must certify to the accuracy and completeness of that information.<sup>49</sup> Parties must use the certification formats provided in 19 CFR

<sup>47</sup> See 19 CFR 351.301(b).

<sup>48</sup> See 19 CFR 351.301(b)(2).

<sup>49</sup> See section 782(b) of the Act.

351.303(g).<sup>50</sup> Commerce intends to reject factual submissions if the submitting party does not comply with the applicable certification requirements.

#### Notification to Interested Parties

Interested parties must submit applications for disclosure under APO in accordance with 19 CFR 351.305. On January 22, 2008, Commerce published *Antidumping and Countervailing Duty Proceedings: Documents Submission Procedures; APO Procedures*, 73 FR 3634 (January 22, 2008). Parties wishing to participate in this investigation should ensure that they meet the requirements of these procedures (e.g., the filing of letters of appearance as discussed at 19 CFR 351.103(d)).

This notice is issued and published pursuant to sections 732(c)(2) and 777(i) of the Act, and 19 CFR 351.203(c).

Dated: August 28, 2018.

**Christian Marsh,**

*Deputy Assistant Secretary for Enforcement and Compliance.*

#### Appendix

##### Scope of the Investigation

The scope of this investigation is certain on-the-road steel wheels, discs, and rims for tubeless tires with a nominal wheel diameter of 12 inches to 16.5 inches, regardless of width. Certain on-the-road steel wheels with a nominal wheel diameter of 12 inches to 16.5 inches within the scope are generally for road and highway trailers and other towable equipment, including, *inter alia*, utility trailers, cargo trailers, horse trailers, boat trailers, recreational trailers, and towable mobile homes. The standard widths of certain on-the-road steel wheels are 4 inches, 4.5 inches, 5 inches, 5.5 inches, 6 inches, and 6.5 inches, but all certain on-the-road steel wheels, regardless of width, are covered by the scope.

The scope includes rims and discs for certain on-the-road steel wheels, whether imported as an assembly, unassembled, or separately. The scope includes certain on-the-road steel wheels regardless of steel composition, whether clad or not clad, whether finished or not finished, and whether coated or uncoated. The scope also includes certain on-the-road steel wheels with discs in either a “hub-piloted” or “stud-piloted” mounting configuration, though the stud-piloted configuration is most common in the size range covered.

All on-the-road wheels sold in the United States must meet Standard 110 or 120 of the National Highway Traffic Safety Administration’s (NHTSA) Federal Motor Vehicle Safety Standards, which requires a

rim marking, such as the “DOT” symbol, indicating compliance with applicable motor vehicle standards. See 49 CFR 571.110 and 571.120. The scope includes certain on-the-road steel wheels imported with or without NHTSA’s required markings.

Certain on-the-road steel wheels imported as an assembly with a tire mounted on the wheel and/or with a valve stem or rims imported as an assembly with a tire mounted on the rim and/or with a valve stem are included in the scope of this investigation. However, if the steel wheels or rims are imported as an assembly with a tire mounted on the wheel or rim and/or with a valve stem attached, the tire and/or valve stem is not covered by the scope.

Excluded from this scope are the following:

- (1) Steel wheels for use with tube-type tires; such tires use multi piece rims, which are two-piece and three-piece assemblies and require the use of an inner tube;
- (2) aluminum wheels;
- (3) certain on-the-road steel wheels that are coated entirely with chrome; and
- (4) steel wheels that do not meet Standard 110 or 120 of the NHTSA’s requirements other than the rim marking requirements found in 49 CFR 571.110S4.4.2 and 571.120S5.2.

Certain on-the-road steel wheels subject to this investigation are properly classifiable under the following category of the Harmonized Tariff Schedule of the United States (HTSUS): 8716.90.5035 which covers the exact product covered by the scope whether entered as an assembled wheel or in components. Certain on-the-road steel wheels entered with a tire mounted on them may be entered under HTSUS 8716.90.5059 (Trailers and semi-trailers; other vehicles, not mechanically propelled, parts, wheels, other, wheels with other tires) (a category that will be broader than what is covered by the scope). While the HTSUS subheadings are provided for convenience and customs purposes, the written description of the subject merchandise is dispositive.

[FR Doc. 2018–19206 Filed 9–4–18; 8:45 am]

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## DEPARTMENT OF COMMERCE

### International Trade Administration

[C–570–091]

#### Certain Steel Wheels 12 to 16.5 Inches in Diameter From the People’s Republic of China: Initiation of Countervailing Duty Investigation

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

**DATES:** Applicable August 28, 2018.

**FOR FURTHER INFORMATION CONTACT:** Keith Haynes at (202) 482–5139 or Emily Halle at (202) 482–0176, AD/CVD Operations, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue NW, Washington, DC 20230.

#### SUPPLEMENTARY INFORMATION:

##### The Petition

On August 8, 2018, the U.S. Department of Commerce (Commerce) received a countervailing duty (CVD) Petition concerning imports of certain steel wheels 12 to 16.5 inches in diameter (certain steel wheels) from the People’s Republic of China (China), filed in proper form on behalf of Dexstar Wheel, a division of Americana Development, Inc. (the petitioner), which is a domestic producer of certain steel wheels.<sup>1</sup> The CVD Petition was accompanied by an antidumping duty (AD) Petition concerning imports of certain steel wheels from China.

On August 10, 2018, Commerce requested supplemental information pertaining to certain aspects of the Petition in two separate supplemental questionnaires, one dealing with general issues with the Petition and the other with issues related to Volume III of the Petition (*i.e.*, the CVD allegation).<sup>2</sup>

The petitioner filed its responses to the supplemental questionnaires on August 15, 2018.<sup>3</sup> On August 17, 2018, we spoke with the petitioner regarding the scope language submitted in its August 15, 2018, submission.<sup>4</sup> On August 20, 2018, the petitioner filed an amendment to the scope, further clarifying the scope language.<sup>5</sup>

<sup>1</sup> See the petitioner’s letter, “Petitions for the Imposition of Antidumping Duties and Countervailing Duties on Imports of Certain Steel Wheels 12 to 16.5 inches in Diameter from the People’s Republic of China,” dated August 8, 2018 (the Petition).

<sup>2</sup> See Commerce’s letters, “Petition for the Imposition of Countervailing Duties on Imports of Certain Steel Wheels 12 to 16.5 Inches in Diameter from the People’s Republic of China: Supplemental Questions” (CVD Deficiency Questionnaire), and “Petitions for the Imposition of Antidumping and Countervailing Duties on Imports of Certain Steel Wheels 12 to 16.5 Inches in Diameter from the People’s Republic of China: Supplemental Questions” (General Issues Deficiency Questionnaire), each dated August 10, 2018.

<sup>3</sup> See the petitioner’s letters, “Certain Steel Wheels 12 To 16.5 inches in Diameter from the People’s Republic of China (C–570–091): Petitioners’ Response to Commerce’s August 10, 2018 Supplemental Questionnaire Regarding the Countervailing Duty Petition” (CVD Supplement) and “Petitioners’ Response to Commerce’s August 10, 2018 General Issues Questionnaire Regarding the Petitions for the Imposition of Antidumping and Countervailing Duties on Imports of Certain Steel Wheels from the People’s Republic of China,” (General Issues Supplement), each dated August 15, 2018.

<sup>4</sup> See memorandum, “Phone Call with Counsel to the Petitioner,” dated August 17, 2018.

<sup>5</sup> See the petitioner’s letter, “Petitioner’s August 17, 2018 Additional Questions Regarding the Petitions for the Imposition of Antidumping and Countervailing Duties on Imports of Certain Steel Wheels 12 to 16.5 Inches in Diameter from the People’s Republic of China,” dated August 20, 2018 (Second Scope and AD Supplement).

<sup>50</sup> See also *Certification of Factual Information to Import Administration During Antidumping and Countervailing Duty Proceedings*, 78 FR 42678 (July 17, 2013) (Final Rule). Answers to frequently asked questions regarding the Final Rule are available at [http://enforcement.trade.gov/tlei/notices/factual\\_info\\_final\\_rule\\_FAQ\\_07172013.pdf](http://enforcement.trade.gov/tlei/notices/factual_info_final_rule_FAQ_07172013.pdf).