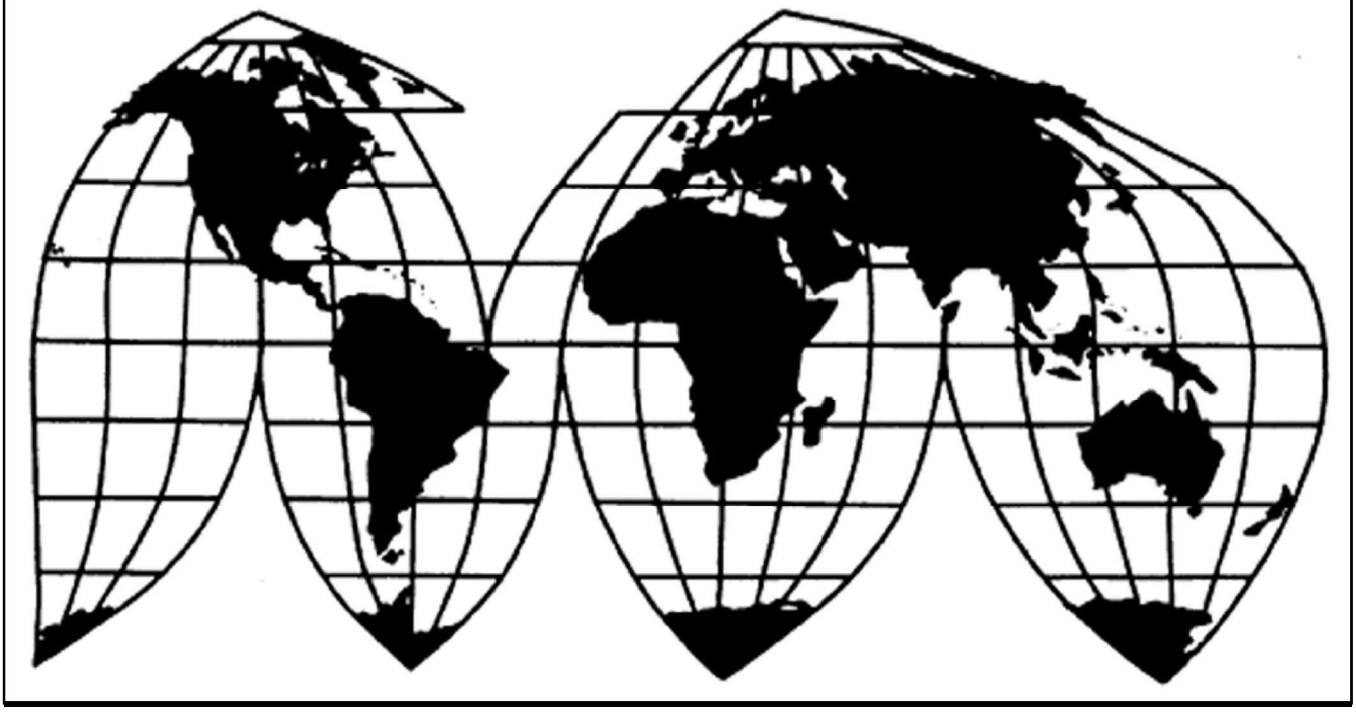
Truck and Bus Tires from Thailand

Investigation No. 731-TA-1658 (Preliminary)

Publication 5478 **December 2023**

U.S. International Trade Commission



Washington, DC 20436

U.S. International Trade Commission

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CONTENTS

Page

CONTENTS

Page

CONTENTS

Page

CONTENTS

Note.—Information that would reveal confidential operations of individual concerns may not be published. Such information is identified by brackets in confidential reports and is deleted and replaced with asterisks (***) in public reports.

UNITED STATES INTERNATIONAL TRADE COMMISSION

Investigation No. 731-TA-1658 (Preliminary)

Truck and Bus Tires from Thailand

DETERMINATION

On the basis of the record[1] developed in the subject investigation, the United States International Trade Commission ("Commission") determines, pursuant to the Tariff Act of 1930 ("the Act"), that there is a reasonable indication that an industry in the United States is materially injured by reason of imports of truck and bus tires from Thailand, provided for in subheadings 4011.20.10 and 4011.20.50 of the Harmonized Tariff Schedule of the United States, that are alleged to be sold in the United States at less than fair value ("LTFV").[2]

COMMENCEMENT OF FINAL PHASE INVESTIGATION

Pursuant to section 207.18 of the Commission's rules, the Commission also gives notice of the commencement of the final phase of its investigation. The Commission will issue a final phase notice of scheduling, which will be published in the *Federal Register* as provided in section 207.21 of the Commission's rules, upon notice from the U.S. Department of Commerce ("Commerce") of an affirmative preliminary determination in the investigation under § 733(b) of the Act, or, if the preliminary determination is negative, upon notice of an affirmative final determination in that investigation under § 735(a) of the Act. Parties that filed entries of appearance in the preliminary phase of the investigation need not enter a separate appearance for the final phase of the investigation. Any other party may file an entry of appearance for the final phase of the investigations after publication of the final phase notice of scheduling. Industrial users, and, if the merchandise under investigation is sold at the retail level, representative consumer organizations have the right to appear as parties in Commission antidumping investigation. The Secretary will prepare a public service list containing the names and addresses of all persons, or their representatives, who are parties to the investigation. As provided in section 207.20 of the Commission's rules, the Director of the Office of Investigations will circulate draft questionnaires for the final phase of the investigations to parties to the investigations, placing copies on the Commission's Electronic Document Information System (EDIS, https://edis.usitc.gov), for comment.

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[1] The record is defined in § 207.2(f) of the Commission's Rules of Practice and Procedure (19 CFR 207.2(f)).

[2] 88 FR 77960 (November 14, 2023).

BACKGROUND

On October 17, 2023, the United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union, AFL-CIO, CLC, Pittsburgh, Pennsylvania, filed a petition with the Commission and Commerce, alleging that an industry in the United States is materially injured and threatened with material injury by reason of LTFV imports of truck and bus tires from Thailand. Accordingly, effective October 17, 2023, the Commission instituted antidumping duty investigation No. 731-TA-1658 (Preliminary).

Notice of the institution of the Commission's investigation and of a public conference to be held in connection therewith was given by posting copies of the notice in the Office of the Secretary, U.S. International Trade Commission, Washington, DC, and by publishing the notice in the *Federal Register* of October 30, 2023 (88 FR 74208). The Commission conducted its conference on November 7, 2023. All persons who requested the opportunity were permitted to participate.

Views of the Commission

Based on the record in the preliminary phase of this investigation, we determine that there is a reasonable indication that an industry in the United States is materially injured by reason of imports of truck and bus tires ("TB tires") from Thailand that are allegedly sold in the United States at less than fair value ("LTFV").

I. The Legal Standard for Preliminary Determinations

The legal standard for preliminary antidumping and countervailing duty determinations requires the Commission to determine, based upon the information available at the time of the preliminary determinations, whether there is a reasonable indication that a domestic industry is materially injured or threatened with material injury, or that the establishment of an industry is materially retarded, by reason of the allegedly unfairly traded imports.[1] In applying this standard, the Commission weighs the evidence before it and determines whether "(1) the record as a whole contains clear and convincing evidence that there is no material injury or threat of such injury; and (2) no likelihood exists that contrary evidence will arise in a final investigation."[2]

II. Background

United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union, AFL-CIO, CLC ("USW" or "Petitioner"), which represents workers engaged in the production of TB tires, filed the petition in this investigation on October 17, 2023. USW participated in the staff conference accompanied by counsel and filed a postconference brief.

Two respondent entities actively participated in this investigation. Prinx Chengshan Tire (Thailand) Co., Ltd., a producer and exporter of subject merchandise from Thailand, and Prinx Chengshan Tire North America, a U.S. importer of subject merchandise from Thailand

[1] 19 U.S.C. §§ 1671b(a), 1673b(a) (2000); *see also American Lamb Co. v. United States*, 785 F.2d 994, 1001-04 (Fed. Cir. 1986); *Aristech Chem. Corp. v. United States, 2*0 CIT 353, 354-55 (1996). No party argues that the establishment of an industry in the United States is materially retarded by the allegedly unfairly traded imports.

[2] American Lamb Co., 785 F.2d at 1001; see also Texas Crushed Stone Co. v. United States, 35 F.3d 1535, 1543 (Fed. Cir. 1994).

(collectively, "Prinx"), appeared at the staff conference represented by counsel and submitted a joint postconference brief. American Omni Trade Company, LLC ("Omni"), a U.S. importer of subject merchandise from Thailand, submitted a postconference brief.

U.S. industry data are based on the questionnaire responses of *** U.S. producers, which accounted for virtually all known U.S. production of TB tires in 2022.[3] U.S. import data are based on official Commerce import statistics and questionnaire responses from U.S. importers.[4] Importers' questionnaire responses were received from 31 companies, representing 80.8 percent of U.S. imports of TB tires from Thailand during 2022.[5] The Commission received responses to its questionnaires from seven Thai producers of subject merchandise, accounting for an estimated 56.0 percent of production of TB tires in Thailand in 2022, and whose exports accounted for 53.9 percent of subject imports in 2022.[6]

III. Domestic Like Product

In determining whether there is a reasonable indication that an industry in the United States is materially injured or threatened with material injury by reason of imports of the subject merchandise, the Commission first defines the "domestic like product" and the "industry."[7] Section 771(4)(A) of the Tariff Act of 1930, as amended ("the Tariff Act"), defines the relevant domestic industry as the "producers as a whole of a domestic like product, or those producers whose collective output of a domestic like product constitutes a major proportion of the total domestic production of the product."[8] In turn, the Tariff Act defines "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."[9]

By statute, the Commission's "domestic like product" analysis begins with the "article subject to an investigation," *i.e.*, the subject merchandise as determined by the U.S. Department of Commerce ("Commerce").[10] Therefore, Commerce's determination as to the

[3] Confidential Report, Memorandum INV-VV-105 (Nov. 27, 2023) ("CR") at I-4 & III-1; Public Report, *Truck and Bus Tires from Thailand*, Inv. No. 731-TA-1619-1658 (Preliminary), USITC Pub. 5478 (Dec. 2023) ("PR") at I-4 & III-1. ***. CR/PR at Table III-1. ***. CR/PR at III-1 n.1.

[4] CR/PR at I-4 & IV-1. U.S. imports of TB tires are based on official import statistics under HTS statistical reporting numbers 4011.20.1015 and 4011.20.5020. CR/PR at I-4.

[5] CR/PR at IV-1.

[6] CR/PR at VII-3.

[7] 19 U.S.C. § 1677(4)(A).

[8] 19 U.S.C. § 1677(4)(A).

[9] 19 U.S.C. § 1677(10).

[10] 19 U.S.C. § 1677(10). The Commission must accept Commerce's determination as to the (Continued…)

scope of the imported merchandise that is subsidized and/or sold at less than fair value is "necessarily the starting point of the Commission's like product analysis."[11] The Commission then defines the domestic like product in light of the imported articles Commerce has identified.[12] The decision regarding the appropriate domestic like product(s) in an investigation is a factual determination, and the Commission has applied the statutory standard of "like" or "most similar in characteristics and uses" on a case-by-case basis.[13] No single factor is dispositive, and the Commission may consider other factors it deems relevant based on the facts of a particular investigation.[14] The Commission looks for clear dividing lines among possible like products and disregards minor variations.[15] The Commission may, where

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(…Continued)
scope of the imported merchandise that is subsidized and/or sold at less than fair value. *See*, *e.g.*, *USEC, Inc. v. United States*, 34 Fed. App'x 725, 730 (Fed. Cir. 2002) ("The ITC may not modify the class or kind of imported merchandise examined by Commerce."); *Algoma Steel Corp. v. United States,* 688 F. Supp. 639, 644 (Ct. Int'l Trade 1988), *aff'd*, 865 F.3d 240 (Fed. Cir.), *cert. denied*, 492 U.S. 919 (1989).

[11] *Cleo Inc. v. United States*, 501 F.3d 1291, 1298 (Fed. Cir. 2007); *see also Hitachi Metals, Ltd. v. United States*, 949 F.3d 710, 717 (Fed. Cir. 2020) (the statute requires the Commission to start with Commerce's subject merchandise in reaching its own like product determination).

[12] *Cleo*, 501 F.3d at 1298 n.1 ("Commerce's {scope} finding does not control the Commission's {like product} determination."); *Hosiden Corp. v. Advanced Display Mfrs*., 85 F.3d 1561, 1568 (Fed. Cir. 1996) (the Commission may find a single like product corresponding to several different classes or kinds defined by Commerce); *Torrington Co. v. United States*, 747 F. Supp. 744, 748-52 (Ct. Int'l Trade 1990), *aff'd*, 938 F.2d 1278 (Fed. Cir. 1991) (affirming the Commission's determination defining six like products in investigations where Commerce found five classes or kinds).

[13] *See, e.g.*, *Cleo Inc. v. United States*, 501 F.3d 1291, 1299 (Fed. Cir. 2007); *NEC Corp. v. Dep't of Commerce*, 36 F. Supp. 2d 380, 383 (Ct. Int'l Trade 1998); *Nippon Steel Corp. v. United States*, 19 CIT 450, 455 (1995); *Torrington Co. v. United States*, 747 F. Supp. 744, 749 n.3 (Ct. Int'l Trade 1990), aff'd, 938 F.2d 1278 (Fed. Cir. 1991) ("every like product determination 'must be made on the particular record at issue' and the 'unique facts of each case'"). The Commission generally considers a number of factors including the following: (1) physical characteristics and uses; (2) interchangeability; (3) channels of distribution; (4) customer and producer perceptions of the products; (5) common manufacturing facilities, production processes, and production employees; and, where appropriate, (6) price. *See Nippon*, 19 CIT at 455 n.4; *Timken Co. v. United States*, 913 F. Supp. 580, 584 (Ct. Int'l Trade 1996).

[14] *See*, *e.g.*, S. Rep. No. 96-249 at 90-91 (1979).

[15] *See*, *e.g.*, *Nippon*, 19 CIT at 455; *Torrington*, 747 F. Supp. at 748-49*; see also* S. Rep. No. 96-249 at 90-91 (Congress has indicated that the like product standard should not be interpreted in "such a narrow fashion as to permit minor differences in physical characteristics or uses to lead to the conclusion that the product and article are not 'like' each other, nor should the definition of 'like product' be interpreted in such a fashion as to prevent consideration of an industry adversely affected by the imports under consideration.").

appropriate, include domestic articles in the domestic like product in addition to those described in the scope.[16]

A. Scope Definition

In its notice of initiation, Commerce defined the imported merchandise within the scope of the investigation as:

> . . . Truck and bus tires are new pneumatic tires, of rubber, with a truck or bus size designation. Truck and bus tires covered by the scope may be tube-type, tubeless, radial, or non-radial (also known as bias construction or bias-ply). Subject tires have, at the time of importation, the symbol "DOT" on the sidewall, certifying that the tire conforms to applicable motor vehicle safety standards.
>
> Subject tires may also have one of the following suffixes in their tire size designation, which also appear on the sidewall of the tire:
>
> TR—Identifies tires for service on trucks or buses to differentiate them from similarly sized passenger car and light truck tires; and
> HC—Identifies a 17.5 inch rim diameter code for use on low platform trailers.
>
> All tires with a "TR" or "HC" suffix in their size designations are covered by the scope regardless of their intended use.
>
> In addition, all tires that lack one of the above suffix markings are included in the scope, as well as all tires that include any other prefix or suffix in their sidewall markings, are included in the scope, regardless of their intended use, as long as the tire is of a size that fits trucks or busses. Sizes that fit trucks and busses include, but are not limited to, the numerical size designations listed in the "Truck-Bus" section of the Tire

[16] *See*, *e.g.*, *Pure Magnesium from China and Israel*, Inv. Nos. 701-TA-403 and 731-TA-895-96 (Final), USITC Pub. 3467 at 8 n.34 (Nov. 2001); *Torrington,* 747 F. Supp. at 748-49 (holding that the Commission is not legally required to limit the domestic like product to the product advocated by the petitioner, co-extensive with the scope).

> and Rim Association Year Book, as updated annually. The scope includes all tires that are of a size that fits trucks or busses, unless the tire falls within one of the specific exclusions set out below.
>
> Truck and bus tires, whether or not mounted on wheels or rims, are included in the scope. However, if a subject tire is imported mounted on a wheel or rim, only the tire is covered by the scope. Subject merchandise includes truck and bus tires produced in the subject country whether mounted on wheels or rims in the subject country or in a third country. Truck and bus tires are covered whether or not they are accompanied by other parts, e.g., a wheel, rim, axle parts, bolts, nuts, etc. Truck and bus tires that enter attached to a vehicle are not covered by the scope.
>
> Specifically excluded from the scope are the following types of tires: (1) pneumatic tires, of rubber, that are not new, including recycled and retreaded tires; (2) non-pneumatic tires, such as solid rubber tires; and (3) tires that exhibit each of the following physical characteristics: (a) the designation "MH" is molded into the tire's sidewall as part of the size designation; (b) the tire incorporates a warning, prominently molded on the sidewall, that the tire is for "Mobile Home Use Only;" and (c) the tire is of bias construction (also known as non-radial construction) as evidenced by the fact that the construction code included in the size designation molded into the tire's sidewall is not the letter "R.").[17]

TB tires covered by the scope of the investigation are new pneumatic tires of rubber for a truck or a bus certified by the U.S. Department of Transportation ("DOT") for on-road or highway use.[18] They are used on a wide range of types and sizes of buses and trucks designed to transport heavy cargo and passengers on roads and highways.[19] They also support the higher load bearing requirements of heavier commercial vehicle platforms.[20] TB tires are produced in a large variety of types and sizes found on a wide range of commercial vehicles,

[17] Truck and Bus Tires from Thailand: Initiation of Less-Than-Fair-Value Investigation, 88 Fed. Reg. 77960, 77965 (Nov. 14, 2023).

[18] CR/PR at I-7.

[19] CR/PR at I-7-8.

[20] CR/PR at I-7.

from local delivery and municipal service trucks and buses in urban/regional settings, for example, to the large 18-wheel tractor-trailer rigs and passenger buses found in long-haul higher speed use on U.S. highways and interstate systems.[21] TB tires, whether used by original equipment manufacturers ("OEMs")[22] for new vehicles or used by consumers as replacements on used vehicles for the aftermarket, are subject to the same motor vehicle standards for safety and sidewall marking.[23]

B. Party Arguments

Petitioner argues that the Commission should define a single domestic like product consisting of all TB tires, which is coextensive with the scope of the investigation.[24] For purposes of the preliminary determination, Prinx and Omni do not object to Petitioner's proposed domestic like product definition.[25]

C. Analysis

Based on the record, we define a single domestic like product consisting of all TB tires coextensive with the scope.

Physical Characteristics and Uses. All TB tires are produced largely from the same basic raw materials (*e.g.*, natural and synthetic rubber, carbon black, oils) and have the same general components (*e.g.*, inner liner, sidewall beads, body ply, belt package, and tread).[26] All TB tires have the same use – to be mounted on the wheels of trucks and buses.[27] However, TB tires are produced in a wide range of types and sizes, as required by the wide range of trucks and buses that use TB tires.[28]

Manufacturing Facilities, Production Processes and Employees. The production processes for all TB tires share fundamental similarities insofar as they involve compounding and mixing rubber, constructing tire components, curing (vulcanization), and finishing and

[21] CR/PR at I-7-8.

[22] OEMs for purposes of TB tires are manufacturers of buses and medium- and heavy-duty trucks. *See, e.g.,* CR/PR at I-7-8.

[23] CR/PR at I-8.

[24] Petitioner's Postconf. Br. at 2-4.

[25] Conf. Tr. at 108 (Colarusso).

[26] CR/PR at I-17-19 & Figure I-5; Petitioner's Postconf. Br. at 2.

[27] CR/PR at I-7-9; Petitioner's Postconf. Br. at 2.

[28] *See* CR/PR at I-7-9.

inspection.[29] The record indicates that virtually all domestic producers manufacture only radial TB tires and use the same production lines, equipment, and employees for the different types of radial TB tires that they produce.[30]

Channels of Distribution. During the January 2020 through June 2023 period of investigation ("POI"), U.S. shipments of TB tires to the aftermarket accounted for the majority of U.S. producers' total shipments, ranging from *** to *** percent of total U.S. shipments, with the remainder going to OEMs, ranging from *** to *** percent of total U.S. shipments.[31] There is no evidence on the record that the channels of distribution of TB tires vary depending on the type of tire product.

Interchangeability. TB tires are manufactured in a variety of dimensions and rim diameters, design configurations (*e.g.*, radial or non-radial plies), traction grades, tube constructions (with or without tubes), load-bearing capacities, and speed ratings.[32] While TB tires must be of a specific size to fit an individual truck or bus, TB tires of a given size with different features can fit the same vehicle and generally be used interchangeably.[33]

Producer and Customer Perceptions. Petitioner asserts that customers and producers view TB tires as a single product category, and there is no contrary evidence on the current record.[34]

Price. The pricing data indicate that there were variations in quarterly prices among the various TB tire pricing products during the POI.[35]

Conclusion. All domestically produced TB tires within the scope are produced using the same basic raw materials, have the same basic components, have the same end uses, and are produced through the same production processes at the same facilities using the same employees. All domestically produced TB tires within the scope are sold through the same channels of distribution and, according to Petitioner, are perceived to be a single product category by market participants. Although variations in the size and design of TB tires can limit their interchangeability with respect to specific trucks and buses, and correspond to a wide range of prices, these differences are consistent with products that exist on a continuum.

[29] *See generally* CR/PR at I-15-20.
[30] CR/PR at III-13 n.15; Petitioner's Postconf. Br. at 3.
[31] CR/PR at Table II-1.
[32] CR/PR at I-8-9; Petitioner's Postconf. Br. at 3.
[33] Petitioner's Postconf. Br. at 3-4.
[34] Petitioner's Postconf. Br. at 4.
[35] CR/PR at Tables V-4 to V-7.

Based on the foregoing, and in the absence of any contrary argument, we define a single domestic like product consisting of all TB tires, coextensive with the scope, for purposes of this preliminary determination.

IV. Domestic Industry

The domestic industry is defined as the domestic "producers as a whole of a domestic like product, or those producers whose collective output of a domestic like product constitutes a major proportion of the total domestic production of the product."[36] In defining the domestic industry, the Commission's general practice has been to include in the industry producers of all domestic production of the like product, whether toll-produced, captively consumed, or sold in the domestic merchant market.

We consider whether any producer of the domestic like product should be excluded from the domestic industry pursuant to Section 771(4)(B) of the Tariff Act. This provision allows the Commission, if appropriate circumstances exist, to exclude from the domestic industry producers that are related to an exporter or importer of subject merchandise or which are themselves importers.[37] Exclusion of such a producer is within the Commission's discretion based upon the facts presented in each investigation.[38]

The record indicates that four domestic producers are subject to possible exclusion from the domestic industry under the related party provision because each producer imported subject merchandise during the POI: ***.[39] *** is also subject to possible exclusion as a

[36] 19 U.S.C. § 1677(4)(A).

[37] *See Torrington Co. v. United States*, 790 F. Supp. 1161, 1168 (Ct. Int'l Trade 1992), *aff'd mem.*, 991 F.2d 809 (Fed. Cir. 1993); *Sandvik AB v. United States*, 721 F. Supp. 1322, 1331-32 (Ct. Int'l Trade 1989), *aff'd mem.,* 904 F.2d 46 (Fed. Cir. 1990); *Empire Plow Co. v. United States*, 675 F. Supp. 1348, 1352 (Ct. Int'l Trade 1987).

[38] 19 U.S.C. § 1677(4)(B). The primary factors the Commission has examined in deciding whether appropriate circumstances exist to exclude a related party include the following:

(1) the percentage of domestic production attributable to the importing producer;

(2) the reason the U.S. producer has decided to import the product subject to investigation (whether the firm benefits from the LTFV sales or subsidies or whether the firm must import in order to enable it to continue production and compete in the U.S. market);

(3) whether inclusion or exclusion of the related party will skew the data for the rest of the industry;

(4) the ratio of import shipments to U.S. production for the imported product; and

(5) whether the primary interest of the importing producer lies in domestic production or importation. *Changzhou Trina Solar Energy Co. v. USITC*, 100 F. Supp.3d 1314, 1326-31 (Ct. Int'l. Trade 2015), *aff'd*, 839 F.3d 1377 (Fed. Cir. 2018); *see also Torrington Co.*, 790 F. Supp. at 1168.

[39] CR/PR at Tables III-12-15.

related party because it is related to a foreign producer and exporter of the subject merchandise via common ownership.[40] *** is also subject to possible exclusion as a related party because it is affiliated with a foreign producer and exporter of the subject merchandise.[41] In addition, *** is subject to possible exclusion as a related party because it is related to both a foreign producer and exporter and a U.S. importer of the subject merchandise via common ownership.[42]

Petitioner maintains that appropriate circumstances do not exist to exclude any domestic producers from the domestic industry pursuant to the related parties provision.[43] Respondents do not address the issue of related parties.

We discuss below whether appropriate circumstances exist to exclude any related party from the domestic industry.

. *** was the *** domestic producer of TB tires in 2022, accounting for *** percent of U.S. production that year.[44] *** imports of subject merchandise were *** tires in 2020, *** tires in 2021, and *** tires in 2022; they were *** tires in January-June 2023 ("interim 2023"), compared to *** tires in January-June 2022 ("interim 2022").[45] As a ratio to its U.S. production, *** subject imports were *** percent in 2020, *** percent in 2021, and *** percent in 2022; the ratio was *** percent in interim 2023, compared to *** percent in interim 2022.[46] *** reported importing subject merchandise during the POI in order to supplement its U.S. product mix for TB tires.[47] *** made significant capital expenditures for its domestic production operations during the POI, including $ in 2020, $*** in 2021, $*** in 2022, and $*** in interim 2023 compared to $*** in interim 2022.[48] *** ratio of operating income to net sales was above the industry average throughout the POI.[49] *** the petition.[50]

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[40] CR/PR at Table III-2. *** is related to Thai producer/exporter ***. *Id.*

[41] CR/PR at Table III-2. *** is affiliated with Thai producer/exporter ***. *Id.*

[42] CR/PR at Table III-2. *** is related to Thai producer/exporter *** via common ownership. *Id.* *** is also related to U.S. importer ***. *Id.*

[43] Petitioner's Postconf. Br., Answers to Staff Questions at 5-8.

[44] CR/PR at Table III-1.

[45] CR/PR at Table III-12. As discussed above, *** affiliate exported subject merchandise from Thailand to the United States during the POI. Specifically, *** exports of subject merchandise to the U.S. market were *** tires in 2020, *** tires in 2021 and 2022, *** tires in interim 2022, and *** tires in interim 2023. *See* Foreign Producers'/Exporters' Questionnaire Response of *** at II-9.

[46] CR/PR at Table III-12.

[47] CR/PR at Table III-16.

[48] CR/PR at Table VI-6.

[49] CR/PR at Table VI-3.

[50] CR/PR at Table III-1.

Although *** ratio of subject imports to domestic production was moderate and increasing over the POI, *** principal interest appears to be in domestic production, and it was the *** domestic producer throughout the POI. Furthermore, *** significant capital expenditures reflect a commitment to domestic production. The record does not indicate that *** subject imports or its affiliation with an exporter of subject merchandise shielded it from subject import competition or otherwise benefitted its domestic production operations such that its inclusion in the domestic industry would skew industry data. Given these considerations, and the absence of any contrary argument, we find that appropriate circumstances do not exist to exclude *** from the domestic industry under the related party provision.

. *** was the *** largest domestic producer of TB tires in 2022, accounting for *** percent of U.S. production that year.[51] *** imported small quantities of subject merchandise from Thailand only in 2022, equivalent to *** percent of its U.S. production, and interim 2023, equivalent to *** percent of its U.S. production.[52] *** reported importing subject merchandise during the POI in order to fill out its product line for TB tires.[53] *** made significant capital expenditures for its domestic production operations during the POI, including $ in 2020, $*** in 2021, $*** in 2022, and $*** in interim 2023 compared to $*** in interim 2022.[54] *** ratio of operating income to net sales was below the industry average every year of the POI except in interim 2022.[55] *** on the petition.[56]

Based on this data, including *** significant capital expenditures and small ratios of subject imports to domestic production, *** principal interest appears to be in domestic production. The record does not indicate that *** subject imports shielded it from subject import competition or otherwise benefitted its domestic production operations such that its inclusion in the domestic industry would skew industry data. In view of the foregoing, and the absence of any contrary argument, we find that appropriate circumstances do not exist to exclude *** from the domestic industry under the related parties provision.

***. *** was the *** domestic producer of TB tires, accounting for *** percent of U.S. production that year.[57] *** imports of subject merchandise were *** tires in 2020, *** tires in

[51] CR/PR at Table III-1.
[52] CR/PR at Table III-13.
[53] CR/PR at Table III-16.
[54] CR/PR at Table VI-6.
[55] CR/PR at Table VI-3.
[56] CR/PR at Table III-1.
[57] CR/PR at Table III-1.

2021, and *** tires in 2022; they were *** tires in interim 2023, compared to *** tires in interim 2022.[58] As a ratio to its U.S. production, *** subject imports were *** percent in 2020, *** percent in 2021, and *** percent in 2022; the ratio was *** percent in interim 2023, compared to *** percent in interim 2022.[59] *** reported importing subject merchandise during the POI because demand exceeded its production capacity for TB tires.[60] *** made significant capital expenditures for its domestic production operations during the POI, including $*** in 2020, $*** in 2021, $*** in 2022, and $*** in interim 2023 compared to $*** in interim 2022.[61] *** operating income to net sales ratio was above the industry average throughout the POI.[62] *** on the petition.[63]

Because *** ratio of subject imports to domestic production remained low throughout the POI even as the ratio increased, *** principal interest appears to be in domestic production. Furthermore, *** significant capital expenditures reflect a commitment to domestic production. The record does not indicate that *** imports of subject merchandise or its affiliation with an exporter of subject merchandise shielded it from subject import competition or otherwise benefitted its domestic production operations such that its inclusion in the domestic industry would skew industry data. In view of these factors, and the absence of any contrary argument, we find that appropriate circumstances do not exist to exclude *** from the domestic industry under the related party provision.

*****. *** was the *** domestic producer in 2022, accounting for *** percent of U.S. production that year.[64] *** imports of subject merchandise were *** tires in 2020, *** tires in 2021, and *** tires in 2022; they were *** tires in interim 2023, compared to *** tires in interim 2022.[65] Subject imports by *** affiliated U.S. importer were *** tires in 2020, *** tires in 2021, and *** tires in 2022; they were *** tires in interim 2023, compared to *** tires in

[58] CR/PR at Table III-14. As discussed above, *** Thai affiliate exported subject merchandise to the United States during the POI. See Foreign Producers'/Exporters' Questionnaire Response of *** at II-9. *** Thai affiliate's exports of subject merchandise to the United States were *** tires in 2020, *** tires in 2021, *** tires in 2022, *** tires in interim 2022, and *** tires in interim 2023. *Id*.

[59] CR/PR at Table III-14.

[60] CR/PR at Table III-16.

[61] CR/PR at Table VI-6.

[62] CR/PR at Table VI-3.

[63] CR/PR at Table III-1.

[64] CR/PR at Table III-1.

[65] CR/PR at Table III-15. As discussed above, *** Thai affiliate exported subject merchandise to the United States during the POI. *See* Foreign Producers'/Exporters' Questionnaire Response of *** at II-9. *** Thai affiliate's exports of subject merchandise to the United States were *** tires in 2020, *** tires in 2021, *** tires in 2022, *** tires in interim 2022, and *** tires in interim 2023. *Id*.

interim 2022.[66] As a ratio to its U.S. production, *** subject imports and subject imports by its affiliated U.S. importer were *** percent in 2020, *** percent in 2021, and *** percent interim 2022; the ratio was *** percent in interim 2023, compared to *** percent in interim 2022.[67] *** reported importing subject merchandise during the POI because demand exceeded its production capacity and in order to meet OEM specifications for TB tire products.[68] *** made substantial capital expenditures for its domestic production operations during the POI, including $*** in 2020, $*** in 2021 and 2022, and $*** in interim 2023, compared to $*** in interim 2022.[69] *** ratio of operating income to net sales was below the industry average throughout the POI.[70] *** the petition.[71]

Because the ratio of *** subject imports and the subject imports of its affiliated U.S. importer to its domestic production declined during the POI to a low level, *** principal interest appears to be in domestic production. Further, *** substantial capital expenditures reflect a commitment to domestic production. The record does not indicate that subject imports by *** or its affiliation with an exporter of subject merchandise shielded it from subject import competition or otherwise benefitted its domestic production operations such that its inclusion in the domestic industry would skew industry data. Given these considerations, and the absence of any contrary argument, we find that appropriate circumstances do not exist to exclude *** from the domestic industry under the related party provision.

For the foregoing reasons, we find that appropriate circumstances do not exist to exclude any producer from the domestic industry pursuant to the related parties provision. Accordingly, consistent with our definition of the domestic like product, we define the domestic industry as all domestic producers of TB tires.

[66] *See* U.S. Importers Questionnaire Response of *** at II-5a.
[67] CR/PR at Table III-15.
[68] CR/PR at Table III-16.
[69] CR/PR at Table VI-6.
[70] CR/PR at Table VI-3.
[71] CR/PR at Table III-1.

V. Reasonable Indication of Material Injury by Reason of Subject Imports[72]

A. Legal Standard

In the preliminary phase of antidumping and countervailing duty investigations, the Commission determines whether there is a reasonable indication that an industry in the United States is materially injured or threatened with material injury by reason of the imports under investigation.[73] In making this determination, the Commission must consider the volume of subject imports, their effect on prices for the domestic like product, and their impact on domestic producers of the domestic like product, but only in the context of U.S. production operations.[74] The statute defines "material injury" as "harm which is not inconsequential, immaterial, or unimportant."[75] In assessing whether there is a reasonable indication that the domestic industry is materially injured by reason of subject imports, we consider all relevant economic factors that bear on the state of the industry in the United States.[76] No single factor is dispositive, and all relevant factors are considered "within the context of the business cycle and conditions of competition that are distinctive to the affected industry."[77]

Although the statute requires the Commission to determine whether there is a reasonable indication that the domestic industry is "materially injured or threatened with material injury by reason of" unfairly traded imports,[78] it does not define the phrase "by reason of," indicating that this aspect of the injury analysis is left to the Commission's reasonable

[72] Pursuant to Section 771(24) of the Tariff Act, imports from a subject country of merchandise corresponding to a domestic like product shall be deemed negligible if they account for less than three percent of all such merchandise imported into the United States during the most recent 12 months for which data are available preceding the filing of the petition. *See* 19 U.S.C. §§ 1673b(a), 1677(24)(A)(i).

During the 12-month period preceding the filing of the petition (October 2022 – September 2023), subject imports from Thailand accounted for 39.7 percent of total imports of TB tires. CR/PR at Table IV-8. Because subject imports from Thailand are above the statutory threshold, we find that TB tires from Thailand subject to the antidumping duty investigation are not negligible.

[73] 19 U.S.C. §§ 1671b(a), 1673b(a).

[74] 19 U.S.C. § 1677(7)(B). The Commission "may consider such other economic factors as are relevant to the determination" but shall "identify each {such} factor … and explain in full its relevance to the determination." 19 U.S.C. § 1677(7)(B).

[75] 19 U.S.C. § 1677(7)(A).

[76] 19 U.S.C. § 1677(7)(C)(iii).

[77] 19 U.S.C. § 1677(7)(C)(iii).

[78] 19 U.S.C. §§ 1671b(a), 1673b(a).

exercise of its discretion.[79] In identifying a causal link, if any, between subject imports and material injury to the domestic industry, the Commission examines the facts of record that relate to the significance of the volume and price effects of the subject imports and any impact of those imports on the condition of the domestic industry. This evaluation under the "by reason of" standard must ensure that subject imports are more than a minimal or tangential cause of injury and that there is a sufficient causal, not merely a temporal, nexus between subject imports and material injury.[80]

In many investigations, there are other economic factors at work, some or all of which may also be having adverse effects on the domestic industry. Such economic factors might include nonsubject imports; changes in technology, demand, or consumer tastes; competition among domestic producers; or management decisions by domestic producers. The legislative history explains that the Commission must examine factors other than subject imports to ensure that it is not attributing injury from other factors to the subject imports, thereby inflating an otherwise tangential cause of injury into one that satisfies the statutory material injury threshold.[81] In performing its examination, however, the Commission need not isolate

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[79] *Angus Chemical Co. v. United States*, 140 F.3d 1478, 1484-85 (Fed. Cir. 1998) ("{T}he statute does not 'compel the commissioners' to employ {a particular methodology}."), *aff'g,* 944 F. Supp. 943, 951 (Ct. Int'l Trade 1996).

[80] The Federal Circuit, in addressing the causation standard of the statute, observed that "{a}s long as its effects are not merely incidental, tangential, or trivial, the foreign product sold at less than fair value meets the causation requirement." *Nippon Steel Corp. v. USITC*, 345 F.3d 1379, 1384 (Fed. Cir. 2003). This was further ratified in *Mittal Steel Point Lisas Ltd. v. United States*, 542 F.3d 867, 873 (Fed. Cir. 2008), where the Federal Circuit, quoting *Gerald Metals, Inc. v. United States*, 132 F.3d 716, 722 (Fed. Cir. 1997), stated that "this court requires evidence in the record 'to show that the harm occurred "by reason of" the LTFV imports, not by reason of a minimal or tangential contribution to material harm caused by LTFV goods.'" *See also Nippon Steel Corp. v. United States*, 458 F.3d 1345, 1357 (Fed. Cir. 2006); *Taiwan Semiconductor Industry Ass'n v. USITC*, 266 F.3d 1339, 1345 (Fed. Cir. 2001).

[81] SAA at 851-52 ("{T}he Commission must examine other factors to ensure that it is not attributing injury from other sources to the subject imports."); S. Rep. 96-249 at 75 (1979) (the Commission "will consider information which indicates that harm is caused by factors other than less-than-fair-value imports."); H.R. Rep. 96-317 at 47 (1979) ("in examining the overall injury being experienced by a domestic industry, the ITC will take into account evidence presented to it which demonstrates that the harm attributed by the petitioner to the subsidized or dumped imports is attributable to such other factors;" those factors include "the volume and prices of nonsubsidized imports or imports sold at fair value, contraction in demand or changes in patterns of consumption, trade restrictive practices of and competition between the foreign and domestic producers, developments in technology and the export performance and productivity of the domestic industry"); *accord Mittal Steel*, 542 F.3d at 877.

the injury caused by other factors from injury caused by unfairly traded imports.[82] Nor does the "by reason of" standard require that unfairly traded imports be the "principal" cause of injury or contemplate that injury from unfairly traded imports be weighed against other factors, such as nonsubject imports, which may be contributing to overall injury to an industry.[83] It is clear that the existence of injury caused by other factors does not compel a negative determination.[84]

Assessment of whether material injury to the domestic industry is "by reason of" subject imports "does not require the Commission to address the causation issue in any particular way" as long as "the injury to the domestic industry can reasonably be attributed to the subject imports."[85] The Commission ensures that it has "evidence in the record" to "show that the harm occurred 'by reason of' the LTFV imports," and that it is "not attributing injury from other sources to the subject imports." [86] The Federal Circuit has examined and affirmed various Commission methodologies and has disavowed "rigid adherence to a specific formula."[87]

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[82] SAA at 851-52 ("{T}he Commission need not isolate the injury caused by other factors from injury caused by unfair imports."); *Taiwan Semiconductor Industry Ass'n,* 266 F.3d at 1345 ("{T}he Commission need not isolate the injury caused by other factors from injury caused by unfair imports ... Rather, the Commission must examine other factors to ensure that it is not attributing injury from other sources to the subject imports." (emphasis in original)); *Asociacion de Productores de Salmon y Trucha de Chile AG v. United States*, 180 F. Supp. 2d 1360, 1375 (Ct. Int'l Trade 2002) ("{t}he Commission is not required to isolate the effects of subject imports from other factors contributing to injury" or make "bright-line distinctions" between the effects of subject imports and other causes.); *see also Softwood Lumber from Canada*, Inv. Nos. 701-TA-414 and 731-TA-928 (Remand), USITC Pub. 3658 at 100-01 (Dec. 2003) (Commission recognized that "{i}f an alleged other factor is found not to have or threaten to have injurious effects to the domestic industry, *i.e*., it is not an 'other causal factor,' then there is nothing to further examine regarding attribution to injury"), *citing Gerald Metals,* 132 F.3d at 722 (the statute "does not suggest that an importer of LTFV goods can escape countervailing duties by finding some tangential or minor cause unrelated to the LTFV goods that contributed to the harmful effects on domestic market prices.").

[83] S. Rep. 96-249 at 74-75; H.R. Rep. 96-317 at 47.

[84] *See Nippon Steel Corp*., 345 F.3d at 1381 ("an affirmative material-injury determination under the statute requires no more than a substantial-factor showing. That is, the 'dumping' need not be the sole or principal cause of injury.").

[85] *Mittal Steel*, 542 F.3d at 876 &78; *see also id.* at 873 ("While the Commission may not enter an affirmative determination unless it finds that a domestic industry is materially injured 'by reason of' subject imports, the Commission is not required to follow a single methodology for making that determination ... {and has} broad discretion with respect to its choice of methodology."), *citing United States Steel Group v. United States*, 96 F.3d 1352, 1362 (Fed. Cir. 1996) and S. Rep. 96-249 at 75. In its decision in *Swiff-Train v. United States*, 793 F.3d 1355 (Fed. Cir. 2015), the Federal Circuit affirmed the Commission's causation analysis as comporting with the Court's guidance in *Mittal*.

[86] *Mittal Steel*, 542 F.3d at 873 (quoting from *Gerald Metals*, 132 F.3d at 722), 877-79. We note that one relevant "other factor" may involve the presence of significant volumes of price-competitive

(Continued…)

The question of whether the material injury threshold for subject imports is satisfied notwithstanding any injury from other factors is factual, subject to review under the substantial evidence standard.[88] Congress has delegated this factual finding to the Commission because of the agency's institutional expertise in resolving injury issues.[89]

B. Conditions of Competition and the Business Cycle

The following conditions of competition inform our analysis of whether there is a reasonable indication of material injury by reason of subject imports.

1. Demand Conditions

U.S. demand for TB tires depends on the demand for domestically produced downstream products using TB tires, *i.e.*, trucks and buses.[90] TB tires are used both on new vehicles in the OEM market and as replacement tires for vehicles in the aftermarket.[91] Demand for TB tires sold to OEMs is driven by truck sales while demand TB tires sold to the aftermarket is driven by truck tonnage and mileage.[92]

Four of five responding U.S. producers reported that overall U.S. demand for TB tires has increased since January 1, 2020.[93] While the responses by U.S. importers were mixed, the majority of responding importers (15 of 24) reported that overall U.S. demand has increased since January 1, 2020, while five importers reported no change and four importers reported that overall U.S. demand has decreased.[94]

(…Continued)
nonsubject imports in the U.S. market, particularly when a commodity product is at issue. In appropriate cases, the Commission collects information regarding nonsubject imports and producers in nonsubject countries in order to conduct its analysis.

[87] *Nucor Corp. v. United States*, 414 F.3d 1331, 1336, 1341 (Fed. Cir. 2005); *see also Mittal Steel*, 542 F.3d at 879 ("*Bratsk* did not read into the antidumping statute a Procrustean formula for determining whether a domestic injury was 'by reason' of subject imports.").

[88] We provide in our discussion below a full analysis of other factors alleged to have caused any material injury experienced by the domestic industry.

[89] *Mittal Steel*, 542 F.3d at 873; *Nippon Steel Corp*., 458 F.3d at 1350, *citing U.S. Steel Group*, 96 F.3d at 1357; S. Rep. 96-249 at 75 ("The determination of the ITC with respect to causation is ... complex and difficult, and is a matter for the judgment of the ITC.").

[90] CR/PR at I-7-8 & II-6.

[91] CR/PR at II-1.

[92] CR/PR at II-6.

[93] CR/PR at Table II-5.

[94] CR/PR at Table II-5.

Apparent U.S. consumption of TB tires increased from 24.5 million tires in 2020 to 29.8 million tires in 2021, and 36.0 million tires in 2022, a level 47.0 percent higher than in 2020.[95] Apparent U.S. consumption of TB tires was 19.8 percent lower in interim 2023, at 13.9 million tires, than in interim 2022, at 17.3 million tires.[96]

2. Supply Conditions

The domestic industry was the largest supply source for the U.S. market in 2020 and 2021, and the second-largest supply source for the remainder of the POI.[97] The domestic industry's share of apparent U.S. consumption declined from 46.4 percent in 2020 to 41.1 percent in 2021 and to 33.9 percent in 2022, for an overall decline of 12.6 percentage points between 2020 and 2022.[98] The domestic industry's market share was 2.2 percentage points higher in interim 2023, at 38.2 percent, than in interim 2022, at 36.1 percent.[99]

In 2022, the four largest domestic producers of TB tires accounted for approximately *** percent of domestic production: Bridgestone, which accounted for *** percent of domestic production, followed by Goodyear (*** percent), Continental (***), and Michelin (*** percent).[100] During the POI, the domestic industry experienced various plant closings due to the COVID-19 pandemic, expansions, and other structural changes.[101] The domestic industry's practical production capacity increased from 14.7 million tires in 2020 to 15.4 million in 2021, before declining to 15.0 million in 2020.[102] It was 7.6 million tires in interim 2023, compared to 6.2 million in interim 2022. The industry's practical capacity utilization rate increased from 78.8

[95] CR/PR at Tables IV-9 & C-1.
[96] CR/PR at Tables IV-9 & C-1.
[97] CR/PR at Tables IV-9 & C-1.
[98] CR/PR at Tables IV-9 & C-1.
[99] CR/PR at Tables IV-9 & C-1.
[100] CR/PR at Table III-1.
[101] CR/PR at Tables III-3 & III-4. Four domestic producers (***) reported that they experienced prolonged shutdowns and production curtailments since January 1, 2020, due to the COVID-19 pandemic. CR/PR at Table III-4. *** U.S. producers, ***, expanded their operations for TB tires during the POI. In early 2020, Continental opened a new manufacturing facility for TB tires in Mississippi. CR/PR at Table III-3. In May 2023, Bridgestone broke ground on a new $60 million retread facility for TB tires in Texas. *Id*. Bridgestone also broke ground on a new $550 million plant for TB tires in Tennessee in August 2023. *Id*. ***. CR/PR at Table III-4. During the POI, *** acquired ***, an importer of TB tires. *Id*.
[102] CR/PR at Table III-6.

percent in 2020 to 88.5 percent in 2021 and 90.0 percent in 2022; it was 89.3 percent in interim 2023, compared to 89.6 percent in interim 2022.[103]

Subject imports were the third largest source of supply to the U.S. market throughout the POI, although their market share increased during the 2020-2022 period.[104] Subject imports' share of apparent U.S. consumption increased by 8.8 percentage points from 2020 to 2022, from 19.5 percent in 2020 to 24.2 percent in 2021 and to 28.3 percent in 2022.[105] Subject imports' market share was 4.5 percentage points lower in interim 2023, at 23.1 percent, than in interim 2022, at 27.6 percent.[106]

Nonsubject imports were the second largest supply source for the U.S. market in 2020 and 2021, and the largest supply source for the remainder of the POI.[107] Nonsubject imports' share of apparent U.S. consumption increased from 34.1 percent in 2020 to 34.7 percent in 2021 and 37.9 percent in 2022.[108] Nonsubject imports' market share was higher in interim 2023, at 38.7 percent, than in interim 2022, at 36.3 percent.[109] The largest sources of nonsubject imports during the POI were Vietnam, Japan, China, Canada, and South Korea.[110] Nonsubject imports of TB tires from China have been subject to antidumping and countervailing duty orders since 2019, and they have been subject to additional duties pursuant to section 301 of the Tariff Act of 1974[111] since 2018.[112]

3. Substitutability and Other Conditions

Based on the current record, we find that there is at least a moderate degree of substitutability between domestically produced TB tires and subject imports.[113] Most responding importers (19 of 23) reported that the domestic like product and subject imports were always or frequently interchangeable.[114] Responding U.S. producers were more divided

[103] CR/PR at Table III-6.
[104] CR/PR at Tables IV-9 & C-1.
[105] CR/PR at Tables IV-9 & C-1.
[106] CR/PR at Tables IV-9 & C-1.
[107] CR/PR at Tables IV-9 & C-1.
[108] CR/PR at Tables IV-9 & C-1.
[109] CR/PR at Tables IV-9 & C-1.
[110] CR/PR at II-5 and Table IV-3.
[111] 19 U.S.C. § 2411.
[112] CR/PR at I-4-5 & I-7. Imports of TB tires from China are subject to additional Section 301 duties of 25 percent ad valorem, effective since May 10, 2019, up from the original 10 percent duty rate imposed in September 2018. CR/PR at I-7.
[113] CR/PR at II-10 & Table II-15.
[114] CR/PR at Table II-15.

on this question. *** responding U.S. producers reported that the domestic like product and subject imports were always interchangeable, while the other *** producers reported that they were sometimes interchangeable.[115] Information available indicates that factors limiting interchangeability include brand, quality, customer preference, and contract requirements.[116]

The limited record in the preliminary phase of this investigation indicates that price is an important factor in purchasing decisions for TB tires, among other important factors.[117] Two of the three purchasers that responded to the Commission's request for information pertaining to lost sales and lost revenue indicated in their questionnaire responses that price was an important factor in purchasing decisions for TB tires, although these purchasers reported that non-price factors including quality, customer preferences, and availability were also important to purchasing decisions.[118] All six responding domestic producers and most responding U.S. importers (14 of 24) reported that differences other than price were only sometimes or never important for choosing between purchasing domestically produced TB tires and subject imports.[119]

TB tires are subject to certain federal safety regulations administered principally by the U.S. Department of Transportation, National Highway Traffic Safety Administration, and the Federal Motor Carrier Safety Administration.[120] These regulations specify the type of equipment on which the tire is used, the tire type and size, the speed and load carrying ply ratings, and sidewall marking standards.[121]

TB tires are produced in a large variety of models and sizes for use on a wide range of commercial vehicles.[122] TB tires are offered at a range of price points depending on their size,

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[115] CR/PR at Table II-15.

[116] CR/PR at II-10.

[117] CR/PR at II-11.

[118] CR at II-10. *** ranked price among the three most important factors in purchasing decisions for TB tires, along with relationship/customer preference and quality/warranty. *See* *** LSLR Survey at Response to Question 5. *** ranked price as the fifth most important factor in purchasing decisions for TB tires, but ranked customer demands, availability, and quality as the three most important factors. *See* *** LSLR Survey at Response to Question 5. *** ranked client demand, lead times, and availability as the three most important factors in purchasing decisions for TB tires. *See* *** LSLR Survey at Response to Question 5.

[119] CR/PR at Table II-16. For comparisons between the domestic like product and subject imports, 14 of 24 responding importers reported that differences other than price were only sometimes or never significant while 10 of 24 responding importers reported that differences other than price were always or frequently significant. *Id*.

[120] CR/PR at I-14.

[121] CR/PR at I-14.

[122] CR/PR at I-7-9.

end-use application, and particular features (*e.g.*, load range, warranties, environmental certifications, rolling resistance).[123] Responding U.S. producers and importers reported that the U.S. market for TB tires consists of market categories or "tiers," with most responding firms reporting that there are three to five tiers.[124] Responding firms reported a wide variety of factors that in their view differentiated tires in different tiers, including durability, perceived quality, price, reputation, and brand.[125] According to responding firms, tier 1 tires are manufactured for premium/advertised brands, sold at the highest price, and are the highest quality; tier 2 tires are mid-market/offshore brands with some consumer recognition and long wear time; tier 3 tires are not recognized/value brands that are commodity products with basic designs; and tier 4 tires are "other brands," including private brands, that are less uniform, commodity products.[126]

The parties disagree on the extent to which the domestic industry and subject imports from Thailand serve the same tiers.[127] Most responding domestic producers reported selling TB tires in all or three tiers during the POI, while half of responding U.S. importers reported selling subject imports in only one tier and a minority reported selling subject imports in two or more

[123] CR/PR at I-7-9 & Tables V-4-7.

[124] CR/PR at Tables II-6 & II-7. All six responding U.S. producers and most importers (25 of 27) reported that truck and bus tires are sold in pricing categories or tiers. *Id*.

[125] CR/PR at II-11.

[126] CR/PR at II-11-12. Some responding firms reported on tier 3 and 4 tires together. *Id.* at II-12.

[127] Petitioner maintains that there is no standard industry definition of "tiers" for TB tires, that it is difficult to determine how many tiers there are for TB tires, and that there are no clear dividing lines separating different tiers in terms of warranties, service, or other features. According to Petitioner, domestic producers offer brands that span the full spectrum of TB tire products in the market, and subject imports from Thailand are marketed as directly competitive with these brands. It emphasizes that a majority of both the domestic like product and subject imports compete within tiers comprising a substantial proportion of the market, and that there is also competition between the domestic like product and subject import brands across different tiers. *See, e.g.*, Petitioner's Postconf. Br., Answers to Staff Questions at 18-20.

Prinx argues that competition between the domestic like product and subject imports is attenuated by the tiers in the U.S. market. In its view, the U.S. market for TB tires consists of at least four distinct tiers or market categories and there is no competition between the domestic like product and subject imports within the individual tiers. In particular, it emphasizes that there is an absence of real competition between the high-priced, high-value, tier 1 and tier 2 branded TB tires produced in the United States, which are sold to OEMs and major accounts together with a bundle of services, and low-priced, lower tier subject imports from Thailand, which are sold under private labels and unknown brands as stand-alone products, without the same level of services or warranties provided by domestic producers. It also argues that there is no competition between the domestic like product and subject imports across different tiers in the market for TB tires. *See, e.g.*, Prinx Postconf. Br. at 8-11 & 37-38.

tiers.[128] In any final phase of this investigation, we intend to investigate further the role of tiers in the U.S. market and the extent to which domestically produced TB tires and subject imports serve the same tiers or compete across different tiers.

All six responding U.S. producers and 18 of 27 responding importers indicated that the market for TB tires was subject to business cycles.[129] According to responding firms, demand for TB tires is seasonal and tends to be higher during the warmer weather months (*i.e.*, March-October).[130]

During the POI, the domestic like product was sold predominantly in the aftermarket, with smaller but substantial quantities sold to OEMs. Subject imports from Thailand were sold overwhelmingly to the aftermarket throughout the POI, with much smaller but appreciable quantities sold to OEMs.[131]

During the POI, U.S. producers primarily sold TB tires using long-term contracts, with lesser but substantial quantities sold through spot sales and short-term contracts, and small but appreciable quantities sold through annual contracts.[132] Importers sold subject merchandise mainly via spot sales, with lesser but substantial quantities sold through short-term contracts, and small but appreciable quantities sold through long-term and annual contracts.[133]

During the POI, domestically produced TB tires were sold *** from inventory with lead times averaging *** days.[134] Subject imports were sold primarily produced to order with lead times averaging 106.7 days, while lesser but substantial quantities of subject imports were sold from inventory with lead times averaging seven days for product sold from U.S. inventory and 77.9 days for product sold from foreign inventory.[135]

Raw materials used in the production of TB tires include natural rubber, synthetic rubber, carbon black, oils, and steel.[136] The price of synthetic rubber increased by *** percent over the POI, and the price of natural rubber fluctuated, with an overall decrease of *** percent.[137]

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[128] CR/PR at II-12 & Tables II-7 to II-9.
[129] CR/PR at II-9.
[130] CR/PR at II-9.
[131] CR/PR at Table II-1.
[132] CR/PR at Table V-3.
[133] CR/PR at Table V-3.
[134] CR/PR at II-11.
[135] CR/PR at II-11.
[136] CR/PR at V-1.
[137] CR/PR at V-1, Figure V-1 & Table V-1.

C. Volume of Subject Imports

Section 771(7)(C)(i) of the Tariff Act provides that the "Commission shall consider whether the volume of imports of the merchandise, or any increase in that volume, either in absolute terms or relative to production or consumption in the United States, is significant."[138]

The volume of subject imports increased by 113.0 percent from 2020 to 2022, from 4.8 million tires in 2020 to 7.2 million tires in 2021 and 10.2 million tires in 2022.[139] The volume of subject imports was lower in interim 2023, at 3.2 million tires, than in interim 2022, at 4.8 million tires.[140]

Subject imports as a share of apparent U.S. consumption increased by 8.8 percentage points from 2020 to 2022, from 19.5 percent of apparent U.S. consumption in 2020 to 24.2 percent in 2021 and to 28.3 percent in 2022.[141] Subject imports as a share of apparent U.S. consumption were 4.5 percentage points lower in interim 2023, at 23.1 percent, than in interim 2022, at 27.6 percent.[142] [143]

Based on the record in the preliminary phase of this investigation, we conclude that the volume of subject imports and the increase in that volume are significant, both in absolute terms and relative to U.S. consumption.

D. Price Effects of the Subject Imports

Section 771(7)(C)(ii) of the Tariff Act provides that, in evaluating the price effects of subject imports, the Commission shall consider whether –

> (I) there has been significant price underselling by the imported merchandise as compared with the price of domestic like products of the United States, and

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[138] 19 U.S.C. § 1677(7)(C)(i).

[139] CR/PR at Tables IV-2 & C-1.

[140] CR/PR at Tables IV-2 & C-1. U.S. importers' U.S. shipments of subject imports increased from 4.6 million tires in 2020 to 6.6 million tires in 2021 and to 7.5 million tires in 2022. CR/PR at Table IV-4. Their U.S. shipments of subject imports were lower in interim 2023, at 2.8 million tires, than in interim 2022, at 3.9 million units. *Id*.

[141] CR/PR at Tables IV-9 & C-1.

[142] CR/PR at Tables IV-9 & C-1.

[143] The ratio of subject imports to domestic production increased from 41.2 percent in 2020 to 53.0 percent in 2021 and 75.3 percent in 2022; it was lower in interim 2023, at 47.4 percent, than in interim 2022, at 69.1 percent. CR/PR at Table IV-2.

(II) the effect of imports of such merchandise otherwise depresses prices to a significant degree or prevents price increases, which otherwise would have occurred, to a significant degree.[144]

As addressed in section IV.B.4. above, we have found that there is at least a moderate degree of substitutability between domestically produced TB tires and subject imports and that price is an important factor in purchasing decisions, among other important factors.

The Commission collected quarterly pricing data from U.S. producers and importers for four pricing products, with separate pricing data collected for OEM and aftermarket sales.[145] Four domestic producers and 19 importers provided usable pricing data, although not all firms reported pricing for all products for all quarters.[146] Pricing data reported by these firms accounted for *** percent of U.S. producers' U.S. shipments of TB tires in 2022 and *** percent of importers' U.S shipments of TB tires from Thailand in 2022.[147]

The pricing data show consistent underselling by subject imports. Subject imports undersold domestically produced TB tires in all 83 quarterly comparisons, at margins ranging from 1.6 percent to 72.4 percent and averaging *** percent.[148] On a volume basis, there were 5.3 million tires of reported subject import sales in quarters of underselling.[149] Most of the reported subject import sales volume, *** percent, was for sales of Products 1 and 3, which were the highest-volume pricing products for both domestically produced TB tires and subject imports during the POI.[150]

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[144] 19 U.S.C. § 1677(7)(C)(ii).

[145] The four pricing products are as follows:

Product 1.-- Truck and bus tire, tires designated for drive application (excluding all-position/all-purpose tires), size 11R22.5, 16 ply rating, load range of H, speed rating L (75 mph);

Product 2.-- Truck and bus tire, tires designated for drive application (excluding all-position/all-purpose tires), size 11R24.5, 16 ply rating, load range of H, speed rating L (75 mph);

Product 3.-- Truck and bus tire, tires designated for drive application (excluding all-position/all-purpose tires), size 295/75R22.5, 14 ply rating, load range of G, speed rating L (75 mph); and

Product 4.— Truck and bus tire, tires designated for drive application (excluding all-position/all-purpose tires), size 225/70R19.5, 14 ply rating, load range of G, speed rating L (75 mph).

CR/PR at V-6.

[146] CR/PR at V-6.

[147] CR/PR at V-6.

[148] CR/PR at Table V-9.

[149] CR/PR at Table V-9.

[150] *Derived from* CR/PR at Tables V-4-9. We have also considered purchaser lost sales/lost revenue responses. None of the three responding purchasers reported that they had purchased subject imports instead of the domestic like product since 2020. CR/PR at V-22 & Table V-10.

Given that subject imports and the domestic like product are at least moderately substitutable, the importance of price in purchasing decisions, and the pervasive underselling by subject imports with respect to all quarterly comparisons and reported sales volume, we find that there has been significant underselling by subject imports during the POI.[151] As subject imports increased in volume and significantly undersold the domestic like product over the course of the POI, they gained market share at the expense of the domestic industry during the 2020-2022 period.[152]

We have also considered price trends. During the POI, domestic prices generally increased for all four pricing products.[153] Over the course of the POI, domestic producer sales prices for the four pricing products increased by *** percent to *** percent for aftermarket sales and from *** percent to *** percent for OEM sales, depending on the pricing product.[154] Subject imports sales prices for the four pricing products increased by *** percent to *** percent for aftermarket sales and from *** percent to *** percent for OEM sales, depending on the pricing product.[155]

We have also examined whether subject imports prevented price increases which otherwise would have occurred to a significant degree. The record shows that the domestic industry's ratio of COGS to net sales increased irregularly by 0.7 percentage points from 2020 to 2022, declining from 74.6 percent in 2020 to 74.3 percent in 2021, but then increasing to 75.3 percent in 2022.[156] Domestic producers increased the unit value of their net sales by $62 per

[151] Prinx argues that the underselling by subject imports during the POI is not significant because it merely reflects the highly attenuated nature of competition between the domestic like product and subject imports, with U.S.-produced TB tires primarily consisting of higher-priced Tier 1 and Tier 2 tires and subject imports consisting primarily of lower-priced Tier 3 and Tier 4 tires. *See, e.g.*, Prinx Postconf. Br. at 19. In any final phase of this investigation, the parties are invited in their comments on the draft questionnaires to propose pricing product definitions and/or alternative approaches to collecting pricing data. 19 C.F.R. § 207.20(b).

[152] CR/PR at Table C-1. The domestic industry's share of apparent U.S. consumption declined steadily from 46.4 percent of apparent U.S. consumption in 2020 to 33.9 percent in 2022, a decline of 12.5 percentage points over that period. *Id*. In contrast, subject imports' share of apparent U.S. consumption increased steadily from 19.5 percent in 2020 to 28.3 percent in 2022, an increase of 8.8 percentage points over that same period. *Id*.

[153] CR/PR at Tables V-4-8. One of the three responding purchasers *** while the other two responding purchasers reported no price reductions by the domestic industry. CR/PR at V-22.

[154] CR/PR at Table V-8.

[155] CR/PR at Table V-8. There was no reported subject import pricing data for Products 2 and 4 for the OEM sector. *Id*.

[156] CR/PR at Tables VI-1 & C-1.

tire from 2020 to 2022 while their unit COGS increased by $49 per tire over the same period.[157] The domestic industry's ratio of COGS to net sales was 5.6 percentage points higher in interim 2023, at 77.9 percent, than in interim 2022, at 72.3 percent.[158] The unit value of the domestic producers' net sales was $23 per tire higher in interim 2023 than in interim 2022, while their unit COGS was $37 per tire higher.[159] The domestic industry's higher ratio of COGS to net sales in interim 2023 compared to interim 2022 coincided with apparent U.S. consumption that was 19.8 percent lower in interim 2023 than in interim 2022.[160] [161]

In sum, based on the record of the preliminary phase of this investigation, we find that subject imports significantly undersold the domestic like product, leading to a shift in market share from the domestic industry to subject imports from 2020 to 2022. Therefore, we find that subject imports had significant price effects.[162]

E. Impact of the Subject Imports[163]

Section 771(7)(C)(iii) of the Tariff Act provides that the Commission, in examining the impact of the subject imports on the domestic industry, "shall evaluate all relevant economic factors which have a bearing on the state of the industry." These factors include output, sales, inventories, capacity utilization, market share, employment, wages, productivity, gross profits, net profits, operating profits, cash flow, return on investment, return on capital, ability to raise capital, ability to service debt, research and development ("R&D"), and factors affecting domestic prices. No single factor is dispositive and all relevant factors are considered "within

[157] CR/PR at Table VI-2. The unit value of total net sales for U.S. producers were $278/tire in 2020, $291/tire in 2021, and $340/tire in 2022. CR/PR at Tables VI-1 & C-1. U.S producers' unit COGS were $207 in 2020/tire, $216/tire in 2021, and $256/tire in 2022. *Id*.

[158] CR/PR at Table VI-1 & C-1.

[159] CR/PR at Tables VI-1 & C-1. The unit value of total net sales for U.S. producers were $331/tire in interim 2022 and $354/tire in interim 2023. *Id*. U.S producers' unit COGS were $239/tire in interim 2022 and $276/tire in interim 2023. *Id*.

[160] CR/PR at Tables VI-1 & C-1.

[161] Commissioner Kearns finds that the record provides some evidence of price suppression, particularly between interim periods.

[162] In any final phase of this investigation, we intend to further examine the impact, if any, of apparent U.S. consumption on U.S. prices for TB tires and the domestic industry's performance during the POI.

[163] Commerce initiated an antidumping duty investigation based on an estimated dumping margin of 48.39 percent for subject imports from Thailand. *Truck and Bus Tires from Thailand: Initiation of Less-Than-Fair-Value Investigation*, 88 Fed. Reg. 77960, 77963 (Nov. 14, 2023).

the context of the business cycle and conditions of competition that are distinctive to the affected industry."[164]

The domestic industry's performance generally improved from 2020 to 2022 as apparent U.S. consumption increased by 47.0 percent, but weakened as apparent U.S. consumption declined in interim 2023 compared to interim 2022.[165] However, as lower-priced subject imports gained market share at the domestic industry's expense from 2020 to 2022, the industry was unable to capitalize fully on strong demand growth and it performed materially worse than it would otherwise have performed.[166]

Despite strong and growing apparent U.S. consumption during the 2020-2022 period, the domestic industry's output indicia lagged growth in apparent U.S. consumption over the period, and were generally lower in interim 2023 compared to interim 2022. The domestic industry's practical capacity increased by 2.1 percent from 2020 to 2022; its practical capacity was 2.0 percent lower in interim 2023 than in interim 2022.[167] The industry's production increased by 16.5 percent from 2020 to 2022; it was 2.3 percent lower in interim 2023 than in interim 2022.[168] Its capacity utilization increased by 11.2 percentage points from 2020 to 2022, from 78.8 percent in 2020 to 88.5 percent in 2021 and 90.0 percent in 2022, but was 0.3 percentage points lower in interim 2023, at 89.3 percent, than in interim 2022, at 89.6 percent.[169]

The domestic industry's number of production and related workers ("PRWs"), hourly wages, and wages paid, were all higher in 2022 than in 2020, and were all higher in interim 2023 than in interim 2022.[170] Its total hours worked were higher in 2022 than in 2020, but

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[164] 19 U.S.C. § 1677(7)(C)(iii).

[165] CR/PR at Table C-1.

[166] CR/PR at Table C-1.

[167] CR/PR at Table C-1. The domestic industry's practical capacity increased from 14.8 million tires in 2020 to 15.4 million tires in 2021, before declining to 15.0 million tires in 2022. *Id*. Its practical capacity was 7.6 million tires in interim 2023, compared to 7.7 million tires in interim 2022. *Id*.

[168] CR/PR at Table C-1. The domestic industry's production increased from 11.6 million tires in 2020 to 13.6 million tires in 2021, before declining to 13.5 million tires in 2022. *Id*. Its production was 6.8 million tires in interim 2023, compared to 6.9 million tires in interim 2022. *Id*.

[169] CR/PR at Table C-1.

[170] CR/PR at Table C-1. The domestic industry's number of PRWs increased from 7,847 PRWs in 2020 to 8,259 PRWs in 2021 and 8,820 PRWs in 2022; they were higher in interim 2023, at 8,943 PRWs, than in interim 2022, at 8,679 PRWs. *Id*. Wages paid increased from $386.5 million in 2020 to $472.1 million in 2021 and $538.7 million in 2022; they were higher in interim 2023, at $290.4 million, than in interim 2022, at $266.6 million. *Id*. Hourly wages increased from $29.97 per hour in 2020 to $31.14 per hour in 2021 and $35.15 per hour in 2022; they were higher in interim 2023, at $36.51 per hour, than in interim 2022, at $33.48 per hour. *Id*.

were lower in interim 2023 than in interim 2022.[171] Its productivity was lower in 2022 than in 2020, and was lower in interim 2023 than in interim 2022.[172]

The domestic industry's U.S. shipments increased by 7.2 percent from 2020 to 2022, but were 15.0 percent lower in interim 2023 than in interim 2022.[173] The industry's market share declined steadily from 46.4 percent in 2020 to 41.1 percent in 2021 and 33.9 percent in 2022, for an overall decline of 12.6 percentage points during 2020-2022; its market share was 2.2 percentage points higher in interim 2023, at 38.2 percent, than in interim 2022, at 36.1 percent.[174]

The domestic industry's end-of-period inventories increased by 36.4 percent from 2020 to 2022; they were 59.7 percent higher in interim 2023 than in interim 2023.[175] As a ratio to total shipments, the domestic industry's end-of-period inventories increased steadily from 14.3 percent in 2020 to 15.2 percent in 2021 and 18.4 percent in 2022, for an overall increase of 4.0 percentage points from 2020 to 2022; this ratio was 14.6 percentage points higher in interim 2023, at 30.8 percent, than in interim 2022, at 16.3 percent.[176]

The domestic industry's financial performance indicia generally improved overall from 2020 to 2022, but were weaker in interim 2023 than in interim 2022. The industry's net sales revenues increased by 30.1 percent from 2020 to 2022, but were 9.8 percent lower in interim 2023 than in interim 2022.[177] Its gross profit, operating income, and net income all increased overall during the 2020-2022 period, but were lower in interim 2023 than in interim 2022.[178]

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[171] CR/PR at Table C-1. Total hours worked increased from 12.9 million hours in 2020 to 15.2 million hours in 2021 and 15.3 million hours in 2022; they were 8.0 million hours in interim 2022 and interim 2023. *Id*.

[172] CR/PR at Table C-1. Productivity declined from 900.1 tires per 1,000 hours in 2020 to 897.2 tires per 1,000 hours in 2021 and 882.8 tires per 1,000 hours in 2022; it was lower in interim 2023, at 848.9 tires per 1,000 hours in interim 2023, than in interim 2022, at 868.1 tires per 1,000 hours. *Id*.

[173] CR/PR at Table C-1. The domestic industry's U.S. shipments increased from 11.4 million tires in 2020 to 12.3 million tires in 2021, before declining to 12.2 million tires in 2022; they were lower in interim 2023, at 5.3 million tires, than in interim 2022, at 6.2 million tires in interim 2022. *Id*.

[174] CR/PR at Table C-1.

[175] CR/PR at Tables III-11 & C-1. The domestic industry's end-of-period inventories increased from 1.8 million tires in 2020 to 2.0 million tires in 2021 and 2.4 million tires in 2022. *Id*. Its end-of-period inventories were higher in interim 2023, at 3.5 million tires, than in interim 2022, at 2.2 million tires. *Id.*

[176] CR/PR at Tables III-11 & C-1.

[177] CR/PR at Table C-1. The domestic industry's net sales by value increased from $3.4 billion in 2020 to $3.9 billion in 2021 and $4.5 million in 2022. Its net sales by value were lower in interim 2023, at $2.0 billion, than in interim 2022, at $2.2 billion. *Id*.

[178] The domestic industry's gross profit increased from $872.0 million in 2020 to $997.9 million in 2021 and $1.1 billion in 2022. Its gross profit was lower in interim 2023, at $442.1 million, than in (Continued…)

As a ratio to net sales, the industry's operating income increased from 13.8 percent in 2020 to 15.2 percent in 2021, but then declined to 14.8 percent in 2022, for an overall increase of 1.0 percentage point between 2020 and 2022; this ratio was 6.6 percentage points lower in interim 2023, at 11.2 percent, than in interim 2022, at 17.9 percent.[179] Similarly, the industry's net income as a share of net sales increased by 2.3 percentage points from 2020 to 2022, from 11.1 percent in 2020 to 13.4 percent in 2021 and 2022, but was 6.0 percentage points lower in interim 2023, at 9.5 percent, than in interim 2022, at 15.5 percent.[180]

The domestic industry's capital expenditures decreased by 1.1 percent from 2020 to 2022, but were 124.9 percent higher in interim 2023 than in interim 2022.[181] Its R&D expenses increased by 27.0 percent from 2020 to 2022, and were 0.9 percent higher in interim 2023 than in interim 2022.[182] Its operating return on assets increased by 3.5 percentage points from 2020 to 2022, from 19.7 percent in 2020 to 23.6 percent in 2021, but then declining to 23.2 percent in 2022.[183] *** reported negative effects on investment and on growth and development due to subject imports.[184]

Based on the record of the preliminary phase of the investigation, we find a causal nexus between subject imports and the domestic industry's inability to fully capitalize on the 47.0 percent increase in apparent U.S. consumption from 2020 to 2022. Subject imports entered the U.S. market in significant and increasing volumes during the POI; they significantly undersold the domestic like product and gained market share at the expense of the domestic

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(…Continued)
interim 2022, at $615.7 million. The domestic industry's operating income increased from $474.7 million in 2020 to $591.0 million in 2021 and $661.1 million in 2022. Its operating income was lower in interim 2023, at $224.6 million, than in interim 2022, at $396.6 million. The domestic industry's net income increased from $380.7 million in 2020 to $519.9 million in 2021 and $599.5 million in 2022. Its net income was lower in interim 2023, at $189.6 million, than in interim 2022, at $343.7 million. CR/PR at Table C-1.

[179] CR/PR at Table C-1.

[180] CR/PR at Table C-1.

[181] The domestic industry's capital expenditures declined from $179.1 million in 2020 to $103.8 million in 2021, before increasing to $177.1 million in 2022; they were higher in interim 2023, at $112.0 million, than in interim 2022, at $49.8 million. CR/PR at Table C-1.

[182] The domestic industry's industry R&D expenses increased from $64.5 million in 2020 to $79.2 million in 2021 and $81.9 million in 2022; they were higher in interim 2023, at $40.6 million, than in interim 2022, at $40.2 million. CR/PR at Table C-1.

[183] CR/PR at Table VI-11.

[184] CR/PR at Tables VI-14-15.

industry during the 2020-2022 period.[185] As the domestic industry's market share declined over the period, the industry's production, capacity utilization, employment, U.S. shipments, revenues, and profits were materially lower than they would have been otherwise in light of strong demand growth, while the industry's inventories increased.[186] Accordingly, we find that subject imports had a significant impact on the domestic industry.

Prinx and Omni argue that the domestic industry lacked sufficient capacity to supply additional TB tires to the U.S. market as demand for TB tires surged during the 2020-2022 period, drawing subject imports into the U.S. market.[187] While we recognize, as discussed above in Section IV, that most responding U.S. producers reported capacity constraints during the POI, primarily related to the COVID-19 pandemic,[188] the domestic industry as a whole reported unused capacity throughout the POI, with reported practical capacity utilization rates ranging from 78.8 percent to 90.0 percent, as well as large and increasing inventories.[189] USW witnesses also testified that U.S. producers have idled equipment as well as reduced shifts and worker hours due to competition from subject imports.[190] We intend to investigate further the domestic industry's capacity to supply the market and the extent to which it was capacity constrained in any final phase of this investigation.

Prinx and Omni argue that competition between the domestic like product and subject imports is attenuated by tiers in the U.S. market for TB tires, with the domestic industry primarily supplying tier 1 and 2 tires to large trucking companies while subject imports primarily supply tier 3 and 4 tires to independent service providers.[191] Petitioner argues, however, that domestically produced TB tires compete with subject imports within the same tiers and across

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[185] CR/PR at Table C-1. The domestic industry's market share declined steadily from 46.4 percent of apparent U.S. consumption in 2020 to 33.9 percent in 2022, a decline of 12.5 percentage points over that period. *Id*. In contrast, subject imports' market share increased steadily from 19.5 percent in 2020 to 28.3 percent in 2022, an increase of 8.8 percentage points over that same period. *Id*.

[186] Although the domestic industry's reported capacity utilization rate increased slightly from 88.5 percent in 2021 to 90.0 percent in 2022, the domestic industry's production and U.S. shipments both declined during 2021-2022 and the industry also experienced growing inventories during 2021-2022 despite increasing U.S. demand for TB tires over the same period. CR/PR at Table C-1.

[187] Prinx Postconf. Br. at 22-26; Omni Postconf. Br. at 8-12.

[188] *See, e.g.*, CR/PR at II-5; *** U.S. Producers' Questionnaire at IV-18; *** U.S. Producers' Questionnaire at IV-18; *** U.S. Producers' Questionnaire at IV-18; *** U.S. Producers' Questionnaire at IV-18.

[189] CR/PR at Tables III-7, III-11 & C-1.

[190] *See, e.g.*, Conf. Tr. at 19-20 (Rodriguez), 23-24 (O'Shei), 26-27 (Morton), 28-29 (Juarez), and 30-31 (Wright).

[191] *See, e.g.*, Prinx Postconf. Br. at 8-11.

different tiers.[192] The current record indicates that most responding domestic producers serve all or nearly all tiers with certain brands, such as Falken, Firestone, and Kelly, aimed at lower tiers.[193] We intend to investigate further the extent to which domestically produced TB tires compete with subject imports both within and across tiers in any final phase of the investigation.

Prinx and Omni also argue that subject import competition is attenuated because the domestic like product and subject imports do not compete substantially in either the aftermarket or OEM sectors of the U.S. market; in particular, they argue that subject imports are focused on the aftermarket, and that even in the aftermarket, domestic producers mainly sell through national fleet accounts while subject imports are mainly sold to service providers that in turn sell to independent truckers.[194] Disputing respondents' argument, Petitioner maintains that domestic producers compete with subject imports in all channels of distribution, including both the aftermarket and OEM sectors.[195] The record indicates that U.S. shipments of subject imports to both the aftermarket and to OEMs increased during the 2020-2022 period, by *** percent and *** percent, respectively, and that U.S. shipments of subject imports to the OEM sector increased as a share of total shipments to the OEM sector from *** percent in 2020 to *** percent in 2022.[196] At the same time, the domestic industry's U.S. shipments to the aftermarket sector accounted for *** to *** percent of the industry' total U.S. shipments during the POI.[197] Thus, there appears to be significant overlap in competition between subject imports and the domestic like product in both the OEM and aftermarket segments of the market. In any final phase of the investigation, we intend to investigate further the extent to which domestic producers and subject imports compete for sales to OEMs and in the aftermarket.

We have also considered whether there are other factors that may have had an impact on the domestic industry to ensure that we are not attributing injury from such other factors to subject imports. Demand trends cannot explain the injury that we have attributed to subject imports. Apparent U.S. consumption increased by 47.0 percent during the 2020-2022 period,

[192] *See, e.g.*, Petitioner's Postconf. Br., Answers to Staff Questions at 18-20.

[193] CR/PR at II-12 & Tables II-6 & II-8; Petitioner's Postconf. Br. at 19-20; Conf. Tr. at 19 (Rodriguez), 23 (O'Shei), 43-45 (Drake), and 47 (Juarez).

[194] Prinx Postconf. Br. at 11-13.

[195] Petitioner's Postconf. Br. at 5 & Answers to Staff Questions at 13-17.

[196] CR/PR at Tables IV-11-12.

[197] CR/PR at Table II-1.

and we have found that low-priced subject imports prevented the domestic industry from fully capitalizing on the increase as they captured market share from the industry.[198]

As discussed in section V.B.2 above, nonsubject imports increased from being the second largest supply source for the U.S. market in 2020 and 2021 to the largest source in 2022, when they accounted for 37.9 percent of apparent U.S. consumption, and interim 2023, when they accounted for 38.7 percent of apparent U.S. consumption.[199] However, subject imports' market share increased by 8.8 percentage points overall during 2020-2022.[200] We therefore find, for purposes of this preliminary determination, that nonsubject imports do not fully explain the domestic industry's market share losses during the 2020-2022 period, and therefore do not fully explain the injury to the domestic industry.

VI. Conclusion

For the reasons stated above, we determine that there is a reasonable indication that an industry in the United States is materially injured by reason of imports of TB tires from Thailand that are allegedly sold in the United States at LTFV.

[198] In any final phase of the investigation, we intend to investigate further the impact of the demand decline towards the end of the POI on the domestic industry.

[199] CR/PR at Tables IV-9 & C-1.

[200] CR/PR at Table C-1. Nonsubject imports' market share increased from 34.1 percent in 2020 to 34.7 percent in 2021 and 37.9 percent in 2022, an overall increase of 3.8 percentage points. *Id*. Subject imports' market share increased from 19.5 percent in 2020 to 24.2 percent in 2021 and to 28.3 percent in 2022, an overall increase of 8.8 percentage points. *Id*.

Part I: Introduction

Background

This investigation results from a petition filed with the U.S. Department of Commerce ("Commerce") and the U.S. International Trade Commission ("USITC" or "Commission") by the United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union, AFL-CIO, CLC ("USW"), Pittsburgh, Pennsylvania, on October 17, 2023, alleging that an industry in the United States is materially injured and threatened with material injury by reason of less-than-fair-value ("LTFV") imports of truck and bus tires[1] from Thailand. Table I-1 presents information relating to the background of this investigation.[2] [3]

Table I-1
Truck and bus tires: Information relating to the background and schedule of this proceeding

Effective date	Action
October 17, 2023	Petition filed with Commerce and the Commission; institution of the Commission investigations (88 FR 74208, October 30, 2023)
November 6, 2023	Commerce's notice of initiation (88 FR 77960, November 14, 2023)
November 7, 2023	Commission's conference
November 30, 2023	Commission's vote
December 1, 2023	Commission's determination
December 8, 2023	Commission's views

Statutory criteria

Section 771(7)(B) of the Tariff Act of 1930 (the "Act") (19 U.S.C. § 1677(7)(B)) provides that in making its determinations of injury to an industry in the United States, the Commission--

> *shall consider (I) the volume of imports of the subject merchandise, (II) the effect of imports of that merchandise on prices in the United States for domestic like products, and (III) the impact of imports of such merchandise on domestic producers of domestic like products, but only in the context of production operations within the United States; and. . . may consider such other economic factors as are relevant to the*

[1] See the section entitled "The subject merchandise" in Part I of this report for a complete description of the merchandise subject in this proceeding.

[2] Pertinent Federal Register notices are referenced in appendix A, and may be found at the Commission's website (www.usitc.gov).

[3] A list of witnesses appearing at the conference is presented in appendix B of this report.

determination regarding whether there is material injury by reason of imports.

Section 771(7)(C) of the Act (19 U.S.C. § 1677(7)(C)) further provides that--[4]

In evaluating the volume of imports of merchandise, the Commission shall consider whether the volume of imports of the merchandise, or any increase in that volume, either in absolute terms or relative to production or consumption in the United States is significant.. . .In evaluating the effect of imports of such merchandise on prices, the Commission shall consider whether. . .(I) there has been significant price underselling by the imported merchandise as compared with the price of domestic like products of the United States, and (II) the effect of imports of such merchandise otherwise depresses prices to a significant degree or prevents price increases, which otherwise would have occurred, to a significant degree.. . . In examining the impact required to be considered under subparagraph (B)(i)(III), the Commission shall evaluate (within the context of the business cycle and conditions of competition that are distinctive to the affected industry) all relevant economic factors which have a bearing on the state of the industry in the United States, including, but not limited to. . . (I) actual and potential decline in output, sales, market share, gross profits, operating profits, net profits, ability to service debt, productivity, return on investments, return on assets, and utilization of capacity, (II) factors affecting domestic prices, (III) actual and potential negative effects on cash flow, inventories, employment, wages, growth, ability to raise capital, and investment, (IV) actual and potential negative effects on the existing development and production efforts of the domestic industry, including efforts to develop a derivative or more advanced version of the domestic like product, and (V) in {an antidumping investigation}, the magnitude of the margin of dumping.

In addition, Section 771(7)(J) of the Act (19 U.S.C. § 1677(7)(J)) provides that—[5]

(J) EFFECT OF PROFITABILITY.—The Commission may not determine that there is no material injury or threat of material injury to an industry in the United States merely because that industry is profitable or because the performance of that industry has recently improved.

[4] Amended by PL 114-27 (as signed, June 29, 2015), Trade Preferences Extension Act of 2015.
[5] Amended by PL 114-27 (as signed, June 29, 2015), Trade Preferences Extension Act of 2015.

Organization of report

Part I of this report presents information on the subject merchandise, alleged dumping margins, and domestic like product. Part II of this report presents information on conditions of competition and other relevant economic factors. Part III presents information on the condition of the U.S. industry, including data on capacity, production, shipments, inventories, and employment. Parts IV and V present the volume of subject imports and pricing of domestic and imported products, respectively. Part VI presents information on the financial experience of U.S. producers. Part VII presents the statutory requirements and information obtained for use in the Commission's consideration of the question of threat of material injury as well as information regarding nonsubject countries.

Market summary

Truck and bus tires generally are used on a large number of types and sizes of vehicles designed to transport heavy cargo and passengers over roads and highways. The leading U.S. producers of truck and bus tires are Bridgestone Americas Tire Operations, LLC ("Bridgestone Americas"), The Goodyear Tire and Rubber Company ("Goodyear"), and Continental Tire the Americas, LLC ("Continental Tire"), while leading producers of truck and bus tires outside the United States include Bridgestone Tire Manufacturing (Thailand) Co. Ltd., Prinx Chengshan Tire (Thailand) Co., Ltd., and Deestone Corporation Public Company Limited of Thailand. The leading U.S. importers of truck and bus tires from Thailand are ***. Leading importers of product from nonsubject countries (primarily Vietnam, Japan, and China) include ***. U.S. purchasers of truck and bus tires are firms that typically sell to dealers or directly to fleet owners; leading purchasers include ***.

Apparent U.S. consumption of truck and bus tires totaled approximately 36.0 million tires ($9.0 billion) in 2022. Currently, seven firms are known to produce truck and bus tires in the United States. U.S. producers' U.S. shipments of truck and bus tires totaled 12.2 million tires ($4.2 billion) in 2022, and accounted for 33.9 percent of apparent U.S. consumption by quantity and 46.5 percent by value. U.S. imports from subject sources totaled 10.2 million tires ($1.8 billion) in 2022 and accounted for 28.3 percent of apparent U.S. consumption by quantity and 19.8 percent by value. U.S. imports from nonsubject sources totaled 13.7 million tires ($3.0 billion) in 2022 and accounted for 37.9 percent of apparent U.S. consumption by quantity and 33.7 percent by value.

Summary data and data sources

A summary of data collected in this investigation is presented in appendix C, table C-1. Seven firms producing truck and bus tires provided full or partial information in questionnaire responses. Except as noted, U.S. industry data are based on questionnaire responses of *** are believed to account for virtually all of U.S. production of truck and bus tires during 2022. U.S. imports are based on official import statistics of the U.S. Department of Commerce for HTS statistical reporting numbers 4011.20.1015 and 4011.20.5020.

Previous and related investigations

Truck and bus tires have been the subject of one prior countervailing and antidumping duty investigation in the United States.[6] Those investigations resulted from a petition filed by the USW, Pittsburgh, Pennsylvania, on January 29, 2016, alleging that an industry in the United States was materially injured and threatened with material injury by reason of LTFV and subsidized imports of truck and bus tires from China. On January 27, 2017, Commerce determined that imports of truck and bus tires from China were being sold at LTFV and subsidized by the government of China,[7] while on March 17, 2017, the Commission determined that the domestic industry was not materially injured or threatened with material injury by reason of imports of truck and bus tires from China.[8]

The petitioner appealed the Commission's negative determination to the U.S. Court of International Trade. The Court upheld the challenged aspects of the Commission's determination regarding conditions of competition and impact, but remanded a certain aspect of the Commission's analysis of price effects.[9] The Court also remanded certain aspects of the Commission's negative threat determination pertaining to its analysis of countervailable

[6] The Commission has also conducted antidumping and countervailing duty investigations on passenger vehicle and light truck ("PVLT") tires and off-the-road ("OTR") tires, both of which fall outside of the scope of this investigation.

[7] 82 FR 8606, January 27, 2017.

[8] 82 FR 14232, March 17, 2017. In the Commission's original determinations, three Commissioners reached negative determinations (then-Vice Chairman Johanson and Commissioners Broadbent and Kieff) while two Commissioners reached affirmative present material injury determinations (then-Chairman Schmidtlein and Commissioner Williamson). *Truck and Bus Tires from China*, Inv. Nos. 701-TA-556 and 731-TA-1311 (Final), USITC Publication 4673. March 2017.

[9] *United Steel, Paper and Forestry, Rubber, Mfg., Energy, Allied Indus. and Serv. Workers Int'l Union v. United States*, Slip Op. 18-151 (Ct. Int'l Trade Nov. 1, 2018) ("Slip-Op 18-151").

subsidies and likely price effects.[10] Following the Court's remand order, the Commission instituted remand proceedings, and on January 30, 2019, the Commission determined that an industry in the United States was materially injured by reason of subject imports of truck and bus tires from China that were sold in the United States at LTFV and subsidized by the government of China.[11] On February 15, 2019, Commerce issued its antidumping and countervailing duty orders on imports of truck and bus tires from China with the final weighted-average dumping margins ranging from 9.00 to 22.75 percent and net subsidy margins ranging from 20.98 to 63.34 percent.[12] The Commission is currently scheduled to institute five-year reviews of these outstanding orders in January 2024.

Nature and extent of sales at LTFV

On November 14, 2023, Commerce published a notice in the Federal Register of the initiation of its antidumping duty investigation on truck and bus tires from Thailand.[13] Commerce has initiated an antidumping duty investigation based on estimated dumping margins of 48.39 percent for truck and bus tires from Thailand.

The subject merchandise

Commerce's scope

In the current proceeding, Commerce has defined the scope as follows:[14]

> *The scope of the investigation covers truck and bus tires. Truck and bus tires are new pneumatic tires, of rubber, with a truck or bus size designation. Truck and bus tires covered by the scope may be tube-type, tubeless, radial, or non-radial (also known as bias construction or bias-ply). Subject tires have, at the time of importation, the symbol "DOT" on the sidewall, certifying that the tire conforms to applicable motor vehicle safety standards.*

[10] Slip Op. 18-151 at 14-18.

[11] 84 FR 4855, February 19, 2019. Commissioners Kearns, Williamson, and Schmidtlein determined that an industry in the United States was materially injured by reason of subject imports of truck and bus tires from China that were sold in the United States at less than fair value and subsidized by the government of China. Chairman Johanson and Commissioner Broadbent determined that an industry in the United States was neither materially injured nor threatened with material injury by reason of the subject imports. Truck and Bus Tires from China, Investigation Nos. 701-TA-556 and 731-TA-1311 (Final) (Remand), USITC Publication 4877, April 2021, p. 3.

[12] 84 FR 4436, February 15, 2019 and 84 FR 4434, February 15, 2019.

[13] 88 FR 77960, November 14, 2023.

[14] 88 FR 77960, November 14, 2023.

Subject tires may also have one of the following suffixes in their tire size designation, which also appear on the sidewall of the tire:

TR—Identifies tires for service on trucks or buses to differentiate them from similarly sized passenger car and light truck tires; and
HC—Identifies a 17.5 inch rim diameter code for use on low platform trailers.

All tires with a "TR" or "HC" suffix in their size designations are covered by the scope regardless of their intended use.

In addition, all tires that lack one of the above suffix markings are included in the scope, as well as all tires that include any other prefix or suffix in their sidewall markings, are included in the scope, regardless of their intended use, as long as the tire is of a size that fits trucks or busses. Sizes that fit trucks and busses include, but are not limited to, the numerical size designations listed in the "Truck-Bus" section of the Tire and Rim Association Year Book, as updated annually. The scope includes all tires that are of a size that fits trucks or busses, unless the tire falls within one of the specific exclusions set out below.

Truck and bus tires, whether or not mounted on wheels or rims, are included in the scope. However, if a subject tire is imported mounted on a wheel or rim, only the tire is covered by the scope. Subject merchandise includes truck and bus tires produced in the subject country whether mounted on wheels or rims in the subject country or in a third country. Truck and bus tires are covered whether or not they are accompanied by other parts, e.g., a wheel, rim, axle parts, bolts, nuts, etc. Truck and bus tires that enter attached to a vehicle are not covered by the scope.

Specifically excluded from the scope are the following types of tires: (1) pneumatic tires, of rubber, that are not new, including recycled and retreaded tires; (2) non-pneumatic tires, such as solid rubber tires; and (3) tires that exhibit each of the following physical characteristics: (a) the designation "MH" is molded into the tire's sidewall as part of the size designation; (b) the tire incorporates a warning, prominently molded on the sidewall, that the tire is for "Mobile Home Use Only;" and (c) the tire is of bias construction (also known as non-radial construction) as evidenced by the fact that the construction code included in the size designation molded into the tire's sidewall is not the letter "R."

Tariff treatment

Based upon the scope set forth by Commerce, information available to the Commission indicates that the merchandise subject to this investigation is imported under Harmonized Tariff Schedule of the United States (HTS) statistical reporting numbers 4011.20.1015 and 4011.20.5020, categories covering commercial on-the-highway truck and bus tires of radial and other ply construction excluding light truck tires. The 2023 general rates of duty for subheadings 4011.20.10 and 4011.20.50 are 4.0 percent and 3.4 percent ad valorem, respectively.[15] Decisions on the tariff classification and treatment of imported goods are within the authority of U.S. Customs and Border Protection.

Imports of such tires from China are subject to additional Section 301 duties of 25 percent ad valorem for each HTS subheading, effective since May 10, 2019, up from the original 10 percent duty proclaimed in September 2018.[16] Products of Russia are currently subject to additional column 2 duties of 35 percent only on radial tires of HTS subheading 4011.20.10, resulting from suspension of normal trade relations and the application of increases in column 2 rates pursuant to Presidential Proclamation 10420 of June 27, 2022.[17]

The product

Description and applications[18]

Truck and bus tires defined by the scope of this proceeding are new pneumatic tires of rubber certified by the U.S. Department of Transportation ("DOT") for on-road or highway use. Such tires are designed to be mounted on heavier commercial vehicles compared to the lighter on-road tires found on consumer passenger vehicles and commercial light trucks. Thus, truck and bus tires are correspondingly designed to support the higher load bearing requirements of heavier commercial vehicle platforms, and also are generally heavier, stronger, and larger. Commercial tires of this nature are produced in a large variety of types and sizes found on a

[15] Tires meeting the scope description may also be reported under the following HTS statistical reporting numbers: 4011.69.0020, 4011.69.0090, 4011.70.00, 4011.90.80, 4011.99.4520, 4011.99.4590, 4011.99.8520, 4011.99.8590, 8708.70.4530, 8708.70.6030, 8708.70.6060, and 8716.90.5059.

[16] Additional China Section 301 Action, 84 FR 26930, June 10, 2019.

[17] Suspending Normal Trade Relations with Russia and Belarus Act (19 U.S.C. 2434 note), 87 FR 38875, June 30, 2022.

[18] Unless otherwise noted, this information is based on *Truck and Bus Tires from China, Investigation Nos. 701-TA-556 and 731-TA-1311 (Final),* USITC Publication 4673, March 2017.

huge range of truck and bus vehicles, from local delivery and municipal service trucks and buses in urban/regional settings, for example, to the large 18-wheel tractor-trailer rigs and passenger buses found in long-haul higher speed use on highways and interstate systems.

In the industry, truck and bus tires typically are referred to as medium commercial truck tires because they are the types that fit on medium duty DOT classifications of vehicles having gross vehicle weight ratings ("GVWR") ranging generally from 10,001 to 26,000 pounds (class 3 to 6) exclusive of trailers and other attachments; however, heavy duty vehicles having GVWR ratings of 26,001 to 33,000 pounds and above (class 7 and 8) are significant types of vehicles fitted with truck and bus tires.[19] For example, the larger medium duty vehicles classified by DOT include buses, as well as medium size cargo and delivery trucks with 6 tires or more, while the larger heavy duty classifications include large delivery trucks, motor coaches, all tractor-trailer combinations, refuse trucks, and construction vehicles with 10 to14 or more tires.[20]

Truck and bus tires of varying sizes and design configurations, radial or nonradial, tube type or tubeless, are produced domestically or imported into the United States for mounting to original equipment ("OE") vehicles or for the replacement requirements on used vehicles, each subject to the same DOT motor vehicle safety and sidewall marking standards.[21] Truck and bus tires for the most part are produced and sold in four main types: (1) Steer tires, the two tires mounted to the front of the vehicle, (2) Drive tires, the tires mounted to the drive train of a given vehicle, (3) Trailer tires, mounted to free-rolling axles as load carriers, and (4) All-position tires, a combination principally of drive and steer tires that may be used in any of the three positions.[22] Steer tires are considered the most important tire position. These are the tires at the very front of the vehicle that are responsible for steering. These tires directly affect the handling of the vehicle and the ride for the driver as well as the driver's ability to safely operate the vehicle. Steer tires typically feature a ribbed tread designed to channel water. Drive position tires are built to handle the stresses and torque of the drive axles, transferring the power produced by the vehicle to the road. Drive tire treads are designed with a focus on traction, often tread blocks or lug tread in design. Trailer position tires are designed for free-

[19] Bridgestone Truck Tire Data Book 2022, "Truck Types by Weight Class," p. 90.

[20] Medium duty trucks are defined in ascending GVWR capacity as Class 3 through 6, and heavy duty as Class 7 and 8. "Field Operations Guide for Safety/Service Patrols," figure 21, U.S. Department of Transportation, December 2009. http://ops.fhwa.dot.gov/publications/fhwahop10014/index.htm, retrieved November 14, 2023.

[21] Federal Motor Vehicle Safety Standard No. 119 (49 CFR 571.119).

[22] Conference transcript, p. 139 (Coltrane). Prinx Chengshan produces a wide variety of truck tires made-to-order per customer specifications.

rolling axle positions as load carriers. In addition to more robust lug or block-type tread, the steel belt package on drive position tires will typically feature a more robust belt package and possibly a higher number of reinforcing casing plies than steer or trailer position tires.[23]

Truck and bus tires, whether radial or nonradial bias ply, are designed to fit on two types of rims, the popular 15 degree (15°) drop center rims, and flat base rims. Tires mounted to 15° drop center rims are specifically designed in half-inch rim sizes (14.5 to 24.5 inches) which fit on one piece rims, while those tires mounted to flat base rims are predominately of even inch rim sizes (15.0 to 25.0 inches) designed to fit on multi-piece rims. Tires designed to be mounted on one piece 15° rims may be either of radial or nonradial bias ply construction but are predominately of tubeless steel belted radial design, while those mounted on multi-piece rims may also be of radial or nonradial bias ply design.[24] [25] The 22.5 inch radial tire is a popular size fitted to long haul trucks, busses, and trailers.[26]

Unlike lighter consumer tires, subject commercial radial truck and bus tires having a premium casing following wear-down to the 2/32nd inch tread depth minimum recommended for replacement, may be retreaded. Truck and bus tires may be retreaded several times, many as much as three times or more by the same new truck and bus tire producers, namely, Bridgestone Americas, Goodyear, Michelin NA, and Continental Tire, their franchisees, or independent third party dealers.[27] This is a cost effective way of reducing tire costs over the long term. These retreaded tires may be used on all positions, steer, drive, and trailer,[28] except for bus tires which by DOT standards must only use new tires at all times on the front wheels.[29]

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[23] Double Coin Truck Tire Data and Reference Book, 2023.

[24] "Tire and Rim Association 2023 Yearbook," Truck-Bus section.

[25] Bias ply tires are not as popular, but one area of use is the intermodal chassis segment on containers, ocean tire containers moving over road. Conference transcript (Coltrane), p. 138

[26] A standard 22.5 inch radial truck and bus tire typically has a load range designation of G or H (14 to 16 ply equivalent), and a load index of 134 to 146 (5,200 – 6,600 pounds), with a speed symbol of L, 75 miles per hour. The load range of truck and bus tires can reach up to an M designation, a ply rating of 22, and a load index up to around 170, or a load bearing capability of 13,200 pounds. Speed ratings can range from a designation of F (50 miles per hour) up to N (87 miles per hour) depending on tire type and use.

[27] Modern Tire Dealer, "2023 Top 50 Retreaders in the U.S.," April 19, 2023.

[28] Once the tread on a truck and bus tire wears to its useful limit, the casing of the tire will often be retreaded, and a steer position tire may become a drive position or trailer position retreaded tire. And that tire may then again be retreaded into another tire position. Conference hearing, p. 50 (Drake); p. 132 (Felberbaum).

[29] 49 CFR 393.75.

Truck tires worn to no more than 2/32nd inch may also be regrooved if kept to a tread depth of 4/32 inch minimum above the top belt.[30] [31]

Radial tire design dominates today's on-road truck and bus tires produced in the United States and globally in both on-road OE and replacement tire markets.[32] Radial tires provide superior strength, handling, ride quality, wear resistance, and more efficient rolling performance resulting in fuel savings and mileage advantages, in addition to superior resistance to tire heat buildup (hysteresis) at higher speeds. Indeed, essentially all producers offer models of SmartWay verified fuel-efficient low rolling resistance radial truck-bus tires for class 8 long-haul tractor-trailers. Producers also offer a wide range of tire types equipped with digital pressure-temperature sensors, proprietary casings and tread designs.[33] [34] Although truck and bus tires continue to be available in the market in both radial and bias construction, tube and tubeless, bias ply tire demand appears to be limited to certain existing markets.[35]

Figure I-1 compares steel belted radial body ply construction, predominately used for truck and bus tires, to that of bias ply construction.

[30] Bridgestone, Continental, Goodyear and Michelin Truck Tire Data Books.

[31] Federal Motor Vehicle Safety Standard No. 119 (49 CFR 571.119); 49 CFR 393.75.

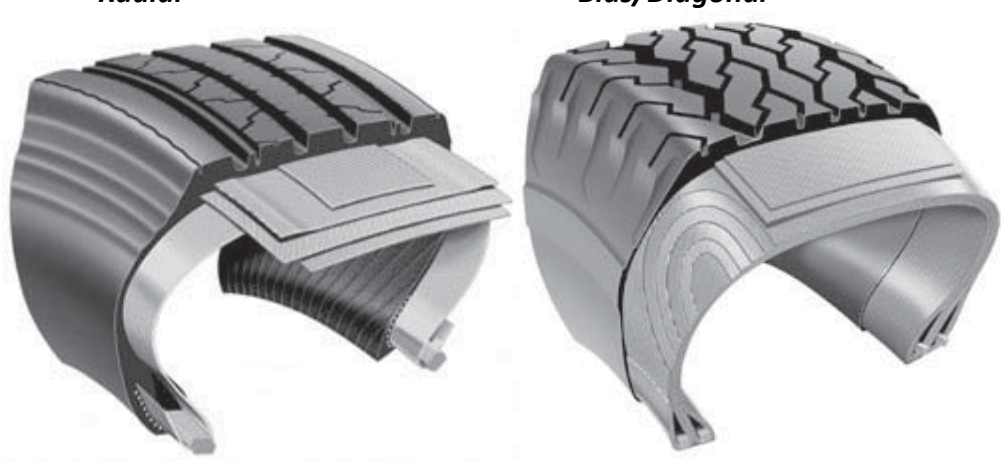
[32] "U.S. Tire Industry Facts," U.S. Tire Manufacturers Association, ("USTMA"), 2023.

[33] U.S. Environmental Protection Agency (EPA),"SmartWay verified list for low rolling resistance (LRR) new and retread tire technologies," https://www.epa.gov/verified-diesel-tech/smartway-verified-list-low-rolling-resistance-lrr-new-and-retread-tire, retrieved November 20, 2023.

[34] Continental 2023 Truck-Bus Tire Data Book.

[35] Conference transcript, p. 138 (Coltrane).

Figure I-1
Truck and bus tires: Radial and bias ply construction



Source*:* "Bridgestone 2022 Truck Tire Data Book."

Radial steel body ply cords are placed straight across the tire from bead to bead. In addition, radial tires have steel belt plies, which run circumferentially around the tires, under the tread. They constrict the radial ply cords and stabilize the tread area. Bias/diagonal tires have multiple layers of fabric plies with the cords in adjacent plies running in alternate diagonal directions from bead to bead. The tires may also have narrow plies under the tread, called breakers, with cords that lie in approximately the same direction as the body ply cords. Although bias ply tires may be produced by more fundamental processes than radial tires, bias ply tires' plies twist more as the tire rolls, creating friction and heat buildup, increasing rolling resistance and decreasing fuel economy. These factors lead to reduced mileage capabilities, accelerated tire wear, and the increased risk of tire failure.[36] The type of construction can be determined by looking at the size designation molded on the tire's sidewall.[37].

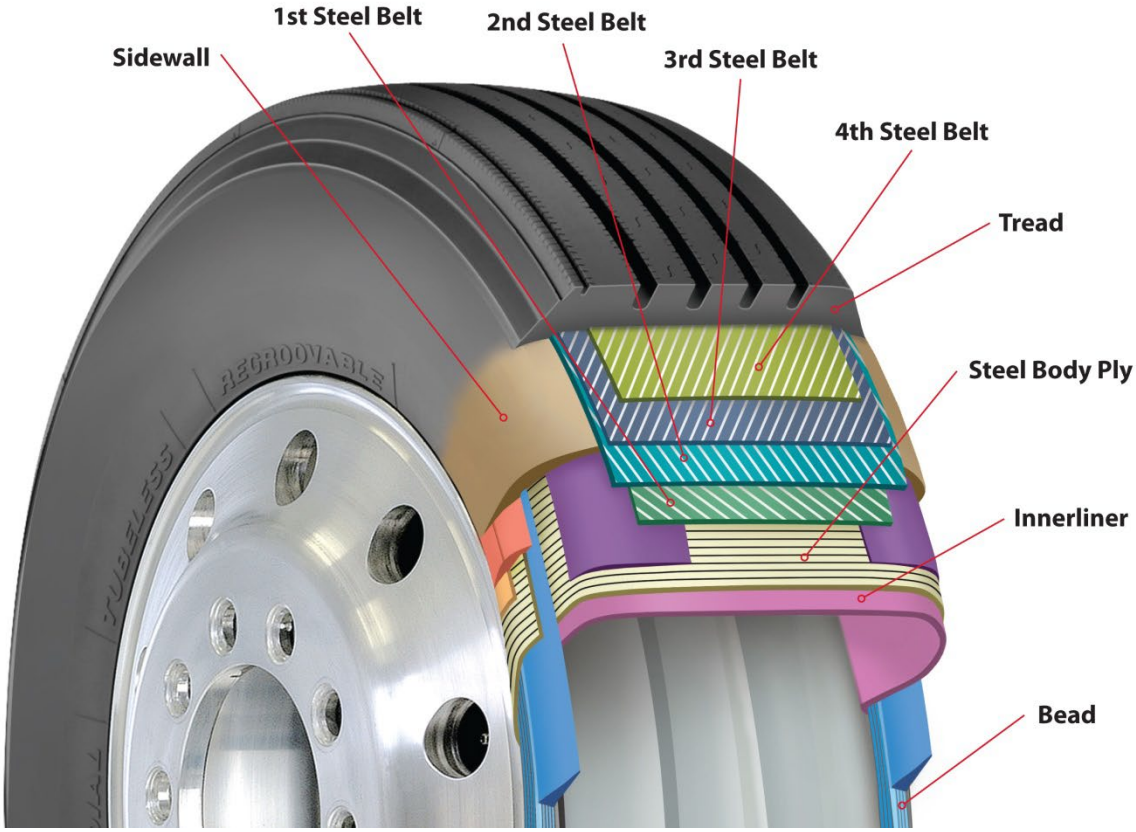
Truck and bus tires produced domestically or imported into the United States are predominately of tubeless steel belted radial ply construction design as illustrated in figure I-2. The tire shown is typical of an all-position steer tire having a relatively smooth rib type tread with deep grooves, and mounted to a single piece wheel. Underneath the tread are four

[36] National Highway Traffic Safety Administration (NHTSA), "The Pneumatic Tire," 2005.

[37] Radial truck tire specifications include an "R" size designation, bias/diagonal truck tire sizes, a hyphen, e.g., a 10R20 tire (10 inch width and 20 inch rim diameter) is a radial, while an equivalent size 10-20 designation is a bias-ply. All radial sidewalls, conventional or metric, carry the word "RADIAL". A radial metric tire size 285/75R24.5, for example, has a tire width of 285 millimeters, rim diameter in 24.5 inches. Both types of radial tires are appropriately marked according to DOT specifications.

circumferential reinforcing steel belts and radial steel body ply cord, which run straight across the tire from bead to bead. Also shown is the butyl rubber innerliner, which inhibits air loss to maintain constant tire air pressure, a key element of tubeless design. A heavy steel bead bundle design securely anchors the tire rim to the wheel providing an airtight seal, superior strength, and stability necessary for extended heavy on-road and highway applications. Truck and bus tire sidewalls also contain heavy reinforcement designed to prevent scuffing and other sidewall damage.

Figure I-2
Truck and bus tires: Radial tire construction features



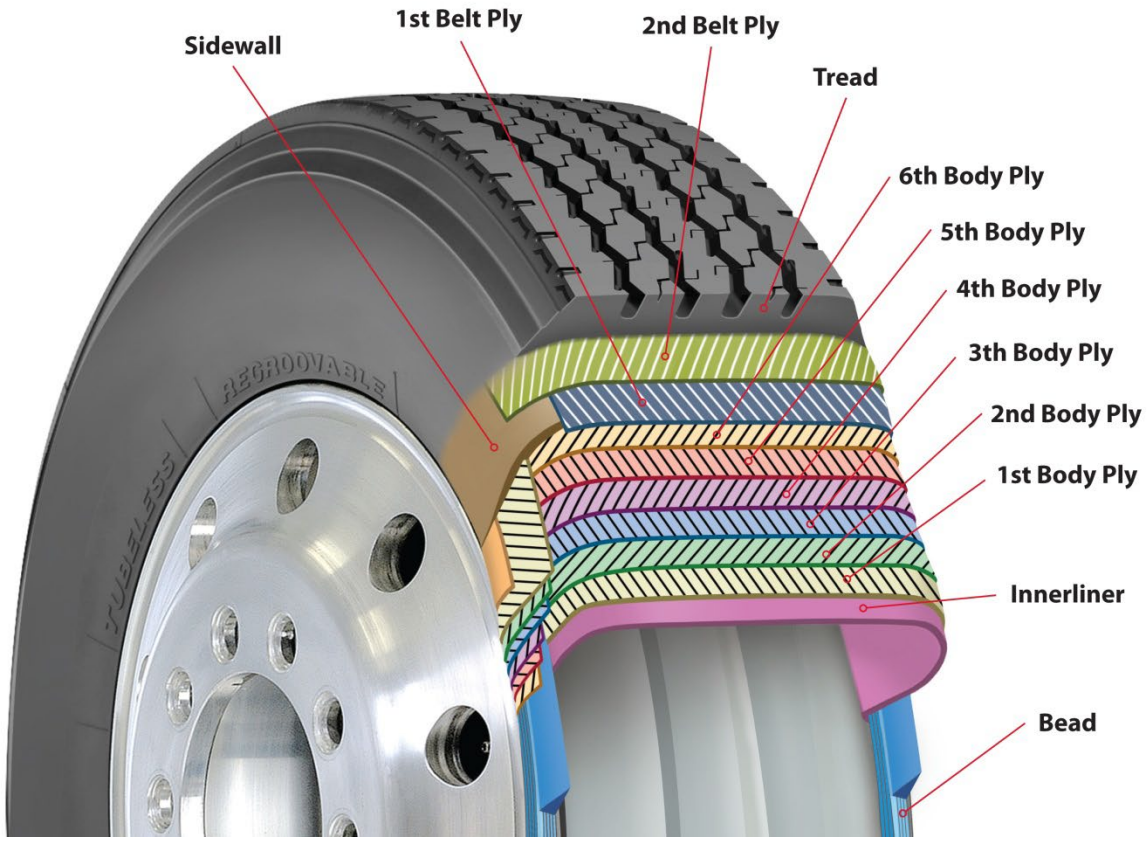
Source: "Truck Bus Care and Service information," U.S. Tire Manufacturers Association ("USTMA").

A tubeless bias ply truck and bus tire of the type is shown in the following figure I-3.[38] Its primary origin of import use in Asia, however, is thought to be diminishing because of improving road and highway conditions more applicable to the use of radial tires compared to

[38] USTMA graphics, 2016.

the poorer road conditions of the past where there was higher demand for bias tires because of slower travel over rugged rural road conditions.[39]

Figure I-3
Truck and bus tires: Bias ply tire construction features



Source: "Truck Bus Care and Service Information", USTMA.

The tire shown is mounted to a one piece wheel, and is somewhat typical of an all-position drive tire having a tread pattern designed for improved traction compared to the all-position steer tire of figure I-2. The tire construction features two stabilizing diagonal reinforcing belt plies positioned directly underneath the tread, together with six reinforcing fabric body plies arranged in the familiar herringbone construction pattern typical of bias ply design as opposed to the steel construction features of radial design. This tire also features an

[39] U.S. Import volume of bias ply tires was reported as 524,000 tires in 2014, mostly from China, but total imports declined thereafter and by 2022, Thailand, China, and India, in order, accounted for the majority of the total 106,594 bias ply tires imported, ITC DataWeb import trade data, HTS 4011.20.5020, October 20, 2023.

innerliner intended to prevent migration of air from the tire to maintain relatively constant tire air pressure.

Rules and regulations and testing procedures for truck and bus tires are promulgated under Title 49 of the Code of Federal Regulations ("CFR"), administered principally by Department of Transportation through the National Highway Traffic Safety Administration ("NHTSA") and the Federal Motor Carrier Safety Administration ("FMCSA").[40] NHTSA Standard No 119, 49 CFR 571.119, governs regulations for new pneumatic tires for motor vehicles with a GVWR of more than 10,000 pounds, the purpose of which is to provide safe operational performance levels. Regulations include sidewall marking standards for subject vehicles.[41] Tire sidewall marking requirements include:

- The DOT symbol certifying that the tire conforms to applicable Federal motor vehicle safety standards as marked on one sidewall.
- The tire identification number ("TIN") required by FMCSA 49 CFR 574, marked on one sidewall. (The TIN identifies the plant, manufacturer, brand name owner, and date of manufacture, DOT certification, tire and construction types, and other useful information).
- The tire size identification.
- The maximum load rating and inflation pressure of the tire.[42]
- The speed restriction of the tire, e.g., 55mph or less.
- The number of plies and composition of the ply cord material in the sidewall and, if different, in the tread area.
- The words "tubeless" or "tube type" as applicable.
- The word "regroovable" if the tire is designed for regrooving.
- The word "radial" if a radial tire.
- The letter designating the tire load range.

In the United States, truck and bus tire producers have generally adopted the Tire and Rim Association ("TRA") standards for various tire sizes and other selected specifications. TRA standards identify the type of equipment on which the tire is used, the tire type and size, the

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[40] 49 CFR 574, http://www.ecfr.gov/cgi-bin/text-idx?SID=e9e04d1dbab6285f7e27151cad41ed25&mc=true&node=pt49.7.574&rgn=div5, retrieved November 8, 2023.

[41] 49 CFR 571, http://www.ecfr.gov/cgi-bin/text-idx?SID=447283b0e6709f336ab69f44b127cbad&mc=true&tpl=/ecfrbrowse/Title49/49cfr571_main_02.tpl, retrieved November 10, 2023.

[42] For trucks, includes maximum load rating and inflation pressure of the tire when used as a dual.

speed and load carrying ply ratings, and designations which typically are molded into the sidewall. Foreign tires may not conform to all TRA standards, but must conform to all DOT regulations as described above.[43] Selected examples of TRA tire standards for subject truck and bus tire types are described in Appendix F.[44]

Manufacturing processes[45]

Truck and bus tire production technology is specialized, with a majority of production accomplished on dedicated equipment in separate U.S. plants by employees specifically trained for this purpose.[46] [47] [48] Certain manufacturing technologies in new tire plants typically employ proprietary automated processes and quality control in the production of particular lines of truck and bus tires.[49] Tire production employs a large variety of tire component compounds produced in conjunction with natural and synthetic rubber.[50] [51]

Several basic operations are required in the production of truck and bus tires, as shown: (1) formulation and mixing; (2) tire component processing; (3) tire component assembly (tire building); (4) tire curing (molding and vulcanization); and (5) finishing and inspection.

Initially, raw materials are received and undergo quality control testing. These materials include natural and synthetic rubbers, textile tire cord and steel fabric, carbon black reinforcing pigment, silica, steel wires for rim bead, and other processing chemicals, including antioxidants, plasticizers, sulfur curing agents, processing oils, and resins.

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[43] Certain Chinese, Indian and Thai tire industry officials are affiliates of TRA. *Tire and Rim Association 2023 Year Book*.

[44] According to the scope definition, subject truck and bus tires may also have molded into the tire sidewall the suffix designations "TR" to differentiate subject tires from passenger and light truck tires, and "HC" which identifies a 17.5 inch rim diameter code for use on low platform trailers.

[45] Unless otherwise noted this information is based on *Truck and Bus Tires from China, Investigation Nos. 701-TA-556 and 731-TA-1311 (Final),* USITC Publication 4673, March 2017.

[46] Truck and Bus tire production capacity in dedicated U.S. plants is reported to approximate some 75 percent of total production capacity in the United States. Modern Tire Dealer 2023 Facts Issue, "North American Tire Plant Capacities," January 2023, pp. 50-51.

[47] Conference transcript, pp. 75, 76 (Rodriquez).

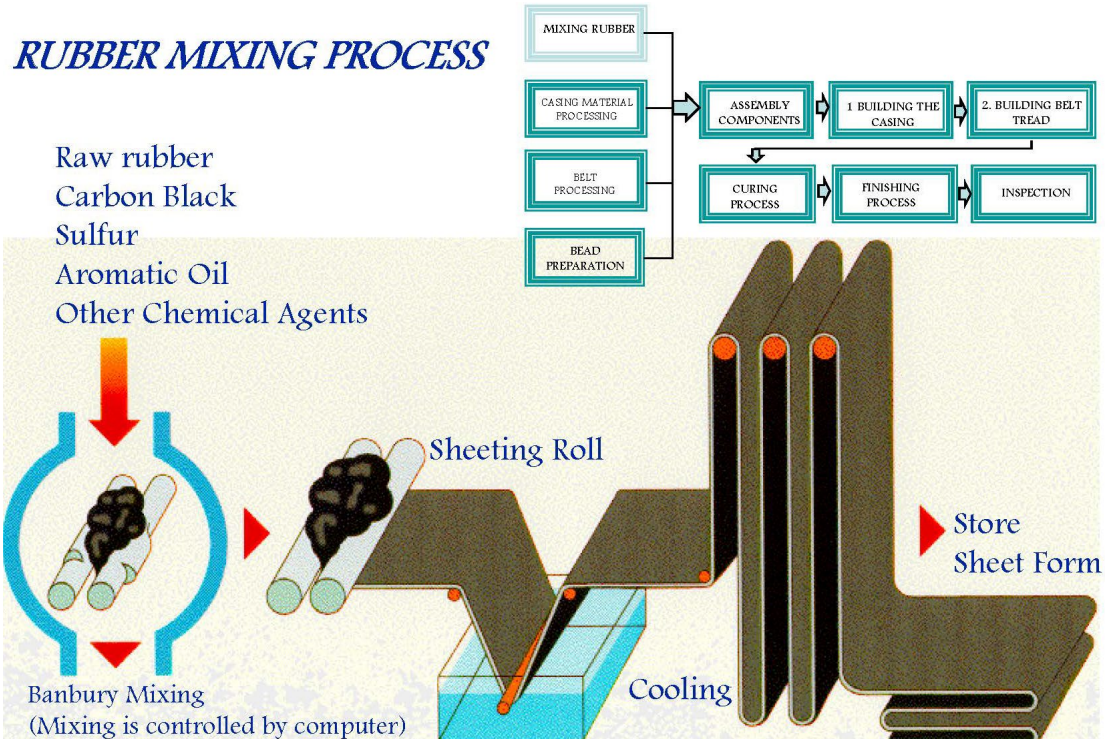
[48] Conference transcript, pp. 55, 56 (O'Shei).

[49] Conference transcript, pp. 137, 138 (Coltrane).

[50] "Anatomy of a Tire", http://infohouse.p2ric.org/ref/11/10504/html/intro/tire.htm, retrieved February 28, 2016.

[51] Conference transcript, p. 41 (Juarez); Postconference brief, pp. 20-21 (Drake), November 14, 2023.

Figure I-4
Truck and bus tires: Process flow diagrams and rubber mixing process



Source*: Truck and Bus Tires from China, Investigation Nos. 701-TA-556 and 731-TA-1311 (Final),* USITC Publication 4673, March 2017, p. I-17.

The base rubber batch formulation preparation stage involves the mixing of the various rubbers and selected raw materials into several different types of compounds or recipes designed for specific downstream process end uses, as shown in figure I-4. Each batch is placed into a Banbury mixer where the rubber is heated, softened, and mixed with the other ingredients under conditions of mixer blade shear and ram pressure. Following the discharge of a given rubber compound batch from the mixer, the mass is cooled, and sulfur curing agents are added. Subsequent Banbury mixing is usually required to complete this step.

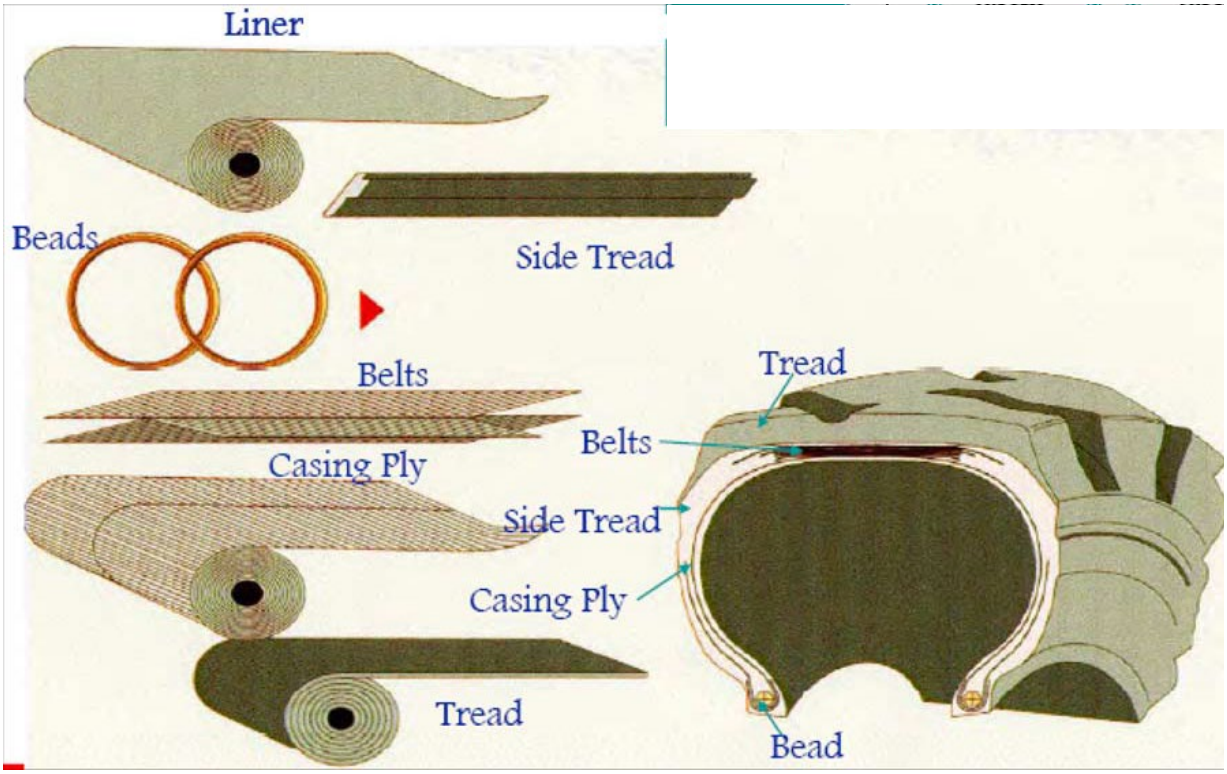
Several different types of equipment are used to process the rubber formulations into multiple truck and bus tire components. Following milling of the various rubber recipes into thick sheets, large machines equipped with rollers known as calendars are used to produce sheets of butyl rubber interlining which prevent the migration of pressurized air through the tubeless tire casings. Calendars are also used to coat tire cord fabric or wire with selected rubber formulations for reinforcement of the tire casing which supports the weight of the vehicle.

Machines called wire winders are used to apply a given rubber batch coating to the bead wire and wrap it into an exact circular dimension needed to hold the tubeless tire securely

to a given steel wheel. The smooth rubber pieces that will eventually become treads and sidewalls are produced with machines called extruders which force various softened rubber compounds of synthetic rubbers and natural rubber through a die to produce the desired configurations. The tread and sidewall rubbers typically consist of mixtures of the synthetic rubbers styrene-butadiene ("SBR") and butadiene rubber ("BR") in combination with natural rubber ("NR").

The multiple components that are processed into rubberized assembly elements in preparation for the tire building process are shown in figure I-5.[52]

Figure I-5
Truck and bus tires: Tire assembly components



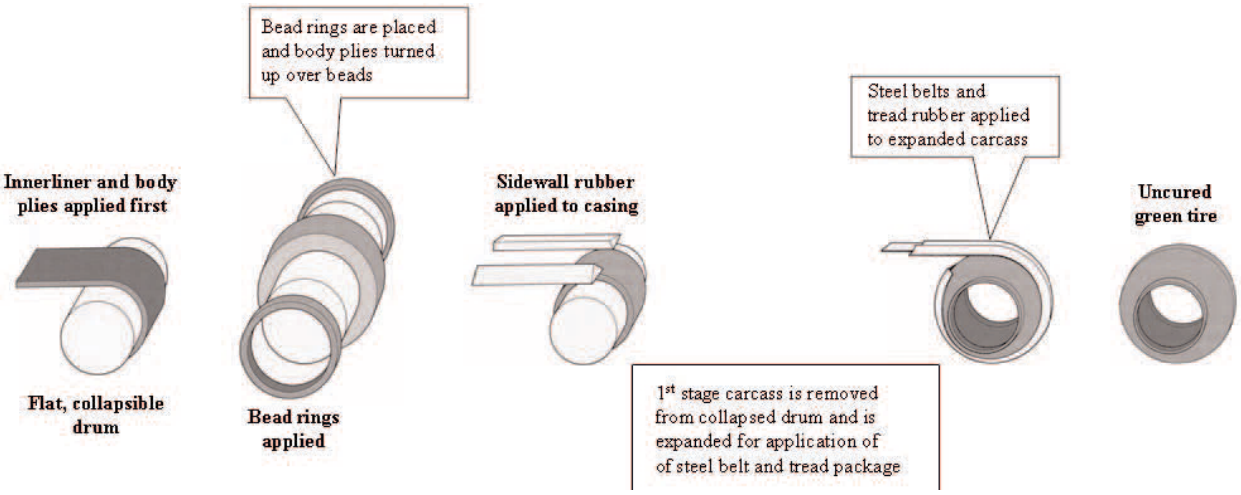
Source: *Truck and Bus Tires from China, Investigation Nos. 701-TA-556 and 731-TA-1311 (Final)*, USITC Publication 4673, March 2017, p. I-19.

Truck and bus tire building is accomplished as the above individual components are sequentially assembled by employees in a circular fashion about horizontally positioned cylindrical tire building drums to create a green (uncured) tire structure. Tire assembly may proceed in either one or two stages. Many bias ply assemblies may be completed in one

[52] *Truck and Bus Tires from China, Investigation Nos. 701-TA-556 and 731-TA-1311 (Final),* USITC Publication 4673, March 2017.

stage,[53] while radial tire building may proceed in two stages or more as shown in figure I-6. Vendors have devised automated tire assembly equipment that combines several assembly steps or links them into a continuous process.[54]

Figure I-6
Truck and bus tires: tire assembly process



Source: National Highway Traffic Safety Administration (NHTSA). "The Pneumatic Tire," 2005.

Radial ply construction begins by first placing air impervious butyl rubber innerliner about the drum, followed by the placement of parallel steel or fabric body plies, bead rings and sidewall rubber about the drum circumference that will run "radially" from bead to bead to the direction of tire travel. In bias ply tire building, the tire cord reinforcement plies are placed at alternating angles around the drum circumference as the assembly proceeds so its configuration in the finished tire will result in a crisscross herringbone reinforcement pattern running from bead to bead at angles to the direction of travel.

The final stage of the tire building process involves may also involve placing the underlying steel belts and top tread about a second rotating drum which can be inflated to a diameter that is close to that of the specific measurements of the desired tire to be cured out as shown.[55] The green (uncured) tire assembly is removed from the drum and transferred for molding and curing.

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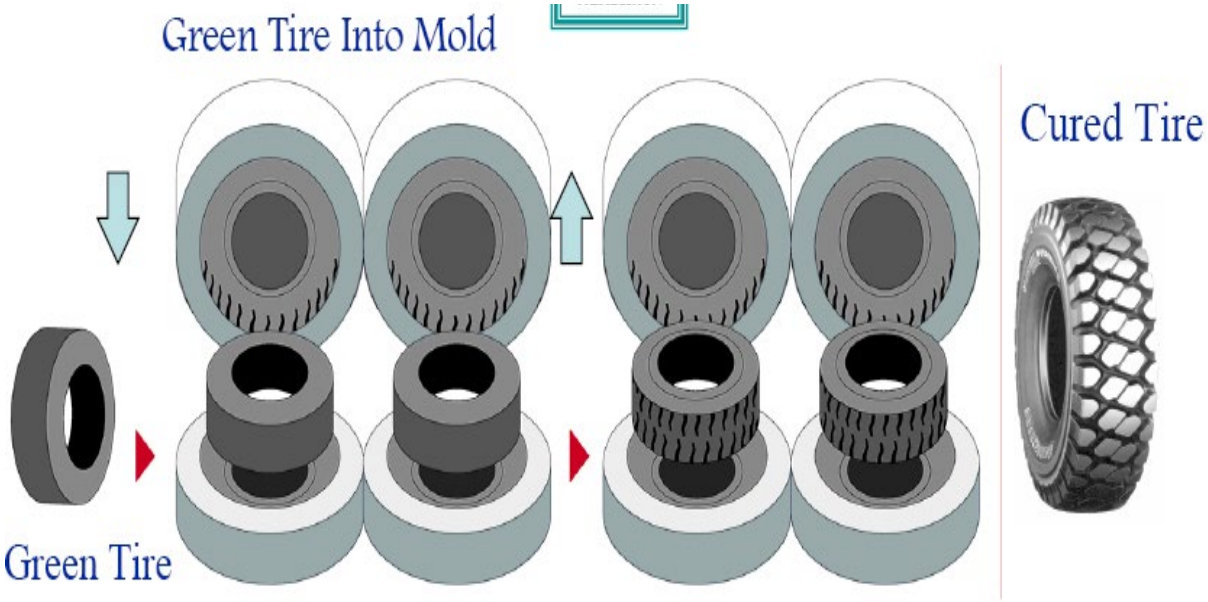
[53] *Truck and Bus Tires from China, Investigation Nos. 701-TA-556 and 731-TA-1311 (Final),* USITC Publication 4673, March 2017.

[54] If required by the specified speed rating, full width nylon cap plies or cap strips are wound over the belts before the extruded tread/subtread/undertread package is applied. "The Pneumatic Tire," NHTSA, 2005, p. 24.

[55] Conference transcript, p. 56 (O'Shei), p. 75 (Rodriguez).

The final molding and curing process involves the placement of the green tire assembly about a bladder sleeve in a circular curing press tire mold of the appropriate configuration as shown in figure I-7. After the curing press is closed, the bladder is injected with steam and expanded to force the green tire assembly out against the mold walls. The green tire thus takes on the configuration of the model-specific tire mold, including that of the sidewall and tread, together with multiple sidewall designations. Vulcanization or curing of the green tire takes place in the mold at elevated temperature and pressure. During vulcanization, the original weak green tire rubber becomes strong, durable nature (thermoset), and will not again soften with heat due to molecular cross-linking or bonding of the rubber with the sulfur chemical additives.[56] Curing times vary depending upon the size and design of the tire.[57]

Figure I-7
Truck and bus tires: Tire curing process



Source: *Truck and Bus Tires from China, Investigation Nos. 701-TA-556 and 731-TA-1311 (Final)*, USITC Publication 4673, March 2017, p. I-21.

Following the molding and curing process, it is generally standard practice in the tire industry to forward the finished tire to the quality control area for a final visual and x-ray inspection. The tires that pass inspection are then moved to a warehouse for storage and

[56] *Certain Off-The-Road Tires from China, Investigation Nos. 701-TA-448 and 731-TA-1117 (Review),* USITC Publication 4448, January 2014, pp. I-14, 15.

[57] Curing takes more time for the subject tires compared to consumer passenger and light truck tires, because of the size, weight and scale of heavier truck-bus tires like steer tires. Conference transcript, p. 42 (Juarez).

shipping. Finished, unmounted tires are coded for tracking, and to identify the plant of manufacture and other information.

Domestic like product issues

No issues with respect to domestic like product have been raised in this investigation. The petitioner proposes that the Commission define a single domestic like product coextensive with the scope.[58] No respondent party objects to Petitioner's proposed definition of the domestic like product for purposes of this preliminary phase investigation.[59]

[58] Petitioner's postconference brief, p. 2.
[59] Conference transcript, p. 108 (Colarusso).

Part II: Conditions of competition in the U.S. market

U.S. market characteristics

Truck and bus tires are pneumatic tires designated for vehicles with a given vehicle weight of 10,000 pounds or more.[1] Truck and bus tires, as described in Part I of this report, are sold in four categories: steer, drive, trailer, and all position.[2] Truck and bus tires are sold both to original equipment manufacturers ("OEMs") and in aftermarket sales. Truck and bus tires are also sold as private label or brand label tires and often with retreading warranties.

Two of six responding U.S. producers and nine of 25 responding importers indicated that the market was subject to distinctive conditions of competition. Specifically, customer consolidation has increased customer pricing power; COVID-19 constrained OEM production, increasing the size of the aftermarket while also limiting the use of retreads (thus increasing the use of alternate brands and lower tiered products); introduction of new product sizes; product changes have improved tire performance; tires are sold in tiers, and different tiers may have different buyers and producers; and during the COVID-19 crisis the trend was for purchasers to buy less expensive tires.

Apparent U.S. consumption increased in 2021 and 2022. Overall, apparent U.S. consumption by quantity in 2022 was 47.0 percent higher than in 2020, although 19.8 percent lower in January-June 2023 than in January-June 2022.

[1] Truck and Bus Tires from China, Investigation Nos. 701-TA-556 and 731-TA-1311 (Final), USITC Publication 4673, March 2017, p. II-1.

[2] Steer tires are designed to be used on the front axle to aid with steering but can be used in all positions on the truck or bus depending on the vehicle's use. Drive tires are designed exclusively for the torque axles (in the middle of the vehicle) and provide better traction. Trailer tires are designed for use on the last or trailer axles. Truck and Bus Tires from China, Investigation Nos. 701-TA-556 and 731-TA-1311 (Final), USITC Publication 4673, March 2017, p. II-1.

Impact of section 301 tariffs

U.S. producers and importers were asked to report the impact of section 301 tariffs on truck and bus tires from China. Most U.S. producers reported that they did not know the impact of section 301 tariffs, while one reported these tariffs had an impact and one reported that these tariffs did not have an impact.[3] Most responding importers (14 of 16) reported that section 301 tariffs had an impact including reduced imports, higher prices, foreign producers moving production to countries without these duties, Chinese producers moving production to the United States, truck tire shortages in the United States, and suppliers from other countries entering the U.S. market.

Channels of distribution

U.S. producers and importers sold truck and bus tires to both OEMs and aftermarket suppliers as shown in table II-1. U.S. producers sold a *** share to OEMs than importers, and truck and bus tires imported from Thailand were *** likely to be sold to OEMs than imports from nonsubject sources. The shares of U.S. shipments sold to OEMs by U.S. producers and by importers of truck and bus tires from Thailand increased between 2020 and 2022 and were higher in January-June 2023 than in January-June 2022.

Table II-1
Truck and bus tires: Share of U.S. shipments by source, channel of distribution, and period

Shares in percent

Source	Channel	2020	2021	2022	Jan-Jun 2022	Jan-Jun 2023
United States	OEMs	***	***	***	***	***
United States	Aftermarket suppliers	***	***	***	***	***
Thailand	OEMs	***	***	***	***	***
Thailand	Aftermarket suppliers	***	***	***	***	***
Nonsubject sources	OEMs	***	***	***	***	***
Nonsubject sources	Aftermarket suppliers	***	***	***	***	***
All import sources	OEMs	***	***	***	***	***
All import sources	Aftermarket suppliers	***	***	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires.

[3] The U.S. producer that reported section 301 tariffs had an influence explained that ***. The response did not explain the impact of the section 301 tariffs.

Geographic distribution

U.S. producers and importers reported selling truck and bus tires to all regions in the contiguous United States (table II-2). For U.S. producers, 8.7 percent of sales were within 100 miles of their production facility, 62.8 percent were between 101 and 1,000 miles, and 28.5 percent were over 1,000 miles. Importers sold 23.3 percent within 100 miles of their U.S. point of shipment, 57.7 percent between 101 and 1,000 miles, and 19.1 percent over 1,000 miles.

Table II-2
Truck and bus tires: Count of U.S. producers' and U.S. importers' geographic markets

Region	U.S. producers	Thailand
Northeast	5	17
Midwest	5	20
Southeast	6	19
Central Southwest	5	20
Mountains	4	17
Pacific Coast	5	18
Other	4	12
All regions (except Other)	4	16
Reporting firms	6	22

Source: Compiled from data submitted in response to Commission questionnaires.

Note: Other U.S. markets include Alaska, Hawaii, U.S. Virgin Island, and Puerto Rico.

Supply and demand considerations

U.S. supply

Table II-3 provides a summary of the supply factors regarding truck and bus tires from U.S. producers and from Thailand.

Table II-3
Truck and bus tires: Supply factors that affect the ability to increase shipments to the U.S. market, by country

Quantity in 1,000 tires; ratio and share in percent; count in number of firms reporting

Factor	Measure	United States	Thailand
Capacity 2020	Quantity	14,727	10,615
Capacity 2022	Quantity	15,031	13,520
Capacity utilization 2020	Ratio	78.8	58.8
Capacity utilization 2022	Ratio	90.0	76.0
Inventories to total shipments 2020	Ratio	14.3	11.0
Inventories to total shipments 2022	Ratio	18.4	6.1
Home market shipments 2022	Share	93.0	9.5
Non-US export market shipments 2022	Share	7.0	37.7
Ability to shift production	Count	***	***

Source: Compiled from data submitted in response to Commission questionnaires.

Note: Responding U.S. producers accounted for virtually all U.S. production of truck and bus tires in 2022. Responding foreign producer/exporter firms accounted for over half of U.S. imports of truck and bus tires from Thailand during 2022. For additional data on the number of responding firms and their share of U.S. production and of U.S. imports from each subject country, please refer to Part I, "Summary Data and Data Sources."

Domestic production

Based on available information, U.S. producers of truck and bus tires have the ability to respond to changes in demand with small changes in the quantity of shipments of U.S.-produced truck and bus tires to the U.S. market. The main contributing factors to this degree of responsiveness of supply are the availability of some inventories. Factors mitigating responsiveness of supply include the limited availability of unused capacity, limited ability to shift shipments from alternate markets, and the limited ability to shift production to or from alternate products.

Capacity utilization increased between 2020 and 2022 as capacity was relatively stable and production increased. Major export markets included ***. Other products that producers reportedly can produce on the same equipment as truck and bus tires are *** Factors affecting U.S. producers' ability to shift production include demand limitations. Two producers (***) reported that since either 2020 or 2021, they had faced labor constraints.

Subject imports from Thailand

Based on available information, producers of truck and bus tires from Thailand have the ability to respond to changes in demand with moderate to large changes in the quantity of shipments of truck and bus tires to the U.S. market. The main contributing factors to this degree of responsiveness of supply are the availability of unused capacity and the ability to shift shipments from alternate markets. Factors mitigating responsiveness of supply include limited inventories, and limited ability to shift production to or from alternate products.

Thai producers' capacity utilization increased between 2020 and 2022 and production increased more than capacity increased. Major export markets included ***. An antidumping case on imports into Egypt was reported. Other products that responding foreign producers reportedly can produce on the same equipment as truck and bus tires are ***. Factors affecting foreign producers' ability to shift production include a limited amount of shared capacity.

Imports from nonsubject sources

Nonsubject imports accounted for 57.3 percent of total U.S. imports (by quantity) in 2022. The largest sources of nonsubject imports (by quantity) during in 2022 were Vietnam, Japan, China, Canada, and South Korea. Combined, these countries accounted for 80.9 percent of the quantity and 72.7 percent of the value of nonsubject imports in 2022.

Supply constraints

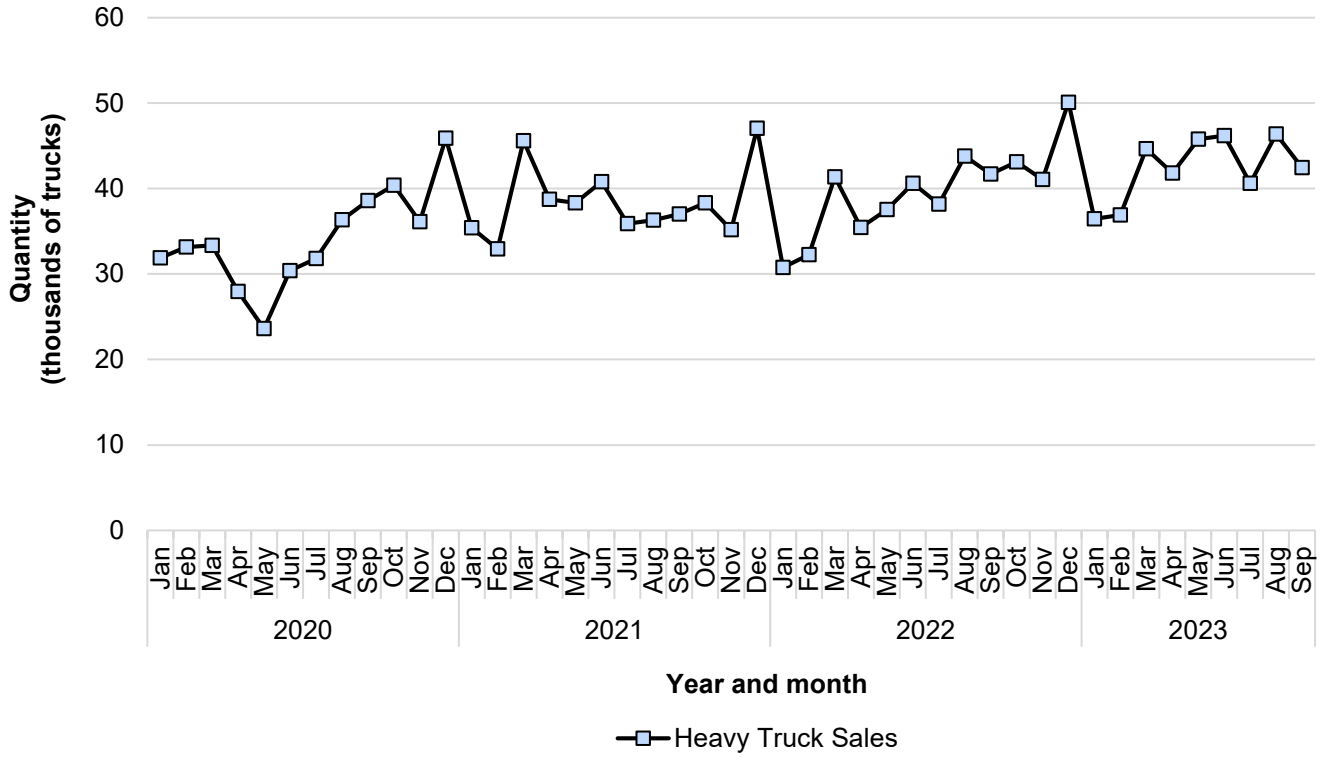
Five of six responding U.S. producers and 15 of 26 responding importers reported that they had experienced supply constraints since January 1, 2020. Supply constraints reported included: production and supply chain problems caused by the COVID-19 shutdown; COVID-19 increased demand but reduced supply; increased transit times and costs in 2021-22; COVID-19 related difficulties finding shipping space; supply constraints for tier 1 tires caused purchasers to purchase tier 3 or 4 tires; and difficulties getting deliveries caused purchasers to order more than they needed in hopes of getting some supply but these led to excess inventories when supply returned to normal.

U.S. demand

Based on available information, the overall demand for truck and bus tires is likely to experience small to moderate changes in response to changes in price. The main contributing actors are the lack of substitute products and the small cost share of truck and bus tires in the cost of a new truck or bus.

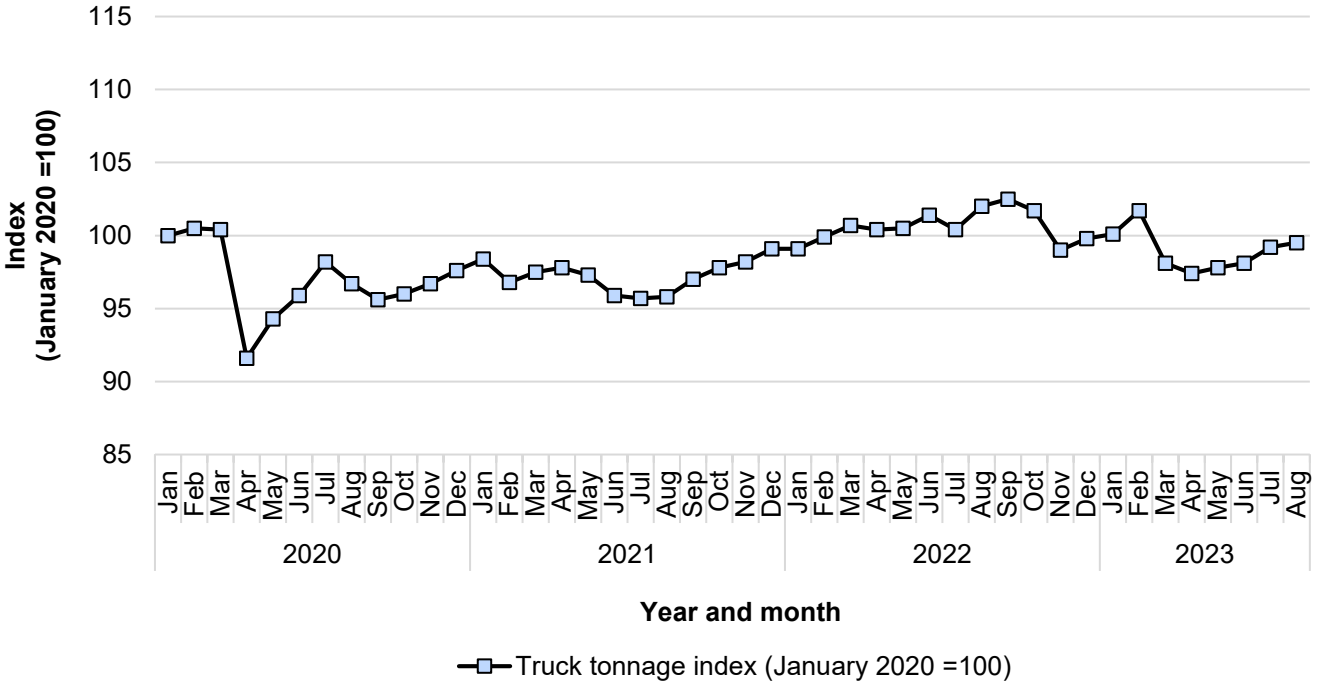
Overall demand for truck and bus tires is driven by the demand for trucking in the United States. Demand for OEM truck and bus tires is driven by heavy truck sales. U.S. heavy truck sales fell sharply between March 2020 and May 2020, increased steadily from May to October 2020, then fluctuated thereafter, with a peak in December 2022. Overall sales of heavy trucks were 16.2 percent higher in 2022 than they had been in 2020 (figure II-1 and table II-4). Demand for aftermarket truck and bus tires is driven by truck tonnage and mileage. Trucking tonnage was lowest in April 2020 and remained below January 2020 levels between April 2020 and March 2022 (figure II-2 and table II-4).

Figure II-1
Heavy trucks: U.S. heavy truck sales (not seasonally adjusted), January 2020-September 2023



Source: https://fred.stlouisfed.org/series/HTRUCKSNSA, retrieved October 27, 2023.

Figure II-2
Heavy trucks: Seasonally adjusted truck tonnage index, January 2020-September 2023



Source: https://fred.stlouisfed.org/series/TRUCKD11, retrieved October 20, 2023.

Table II-4
Truck and bus tires: U.S. heavy truck sales not seasonally-adjusted and seasonally-adjusted truck tonnage index January 2020 to August 2023

Period	Heavy truck sales	Truck tonnage index
January 2020	31,897	100.0
February 2020	33,144	100.5
March 2020	33,363	100.4
April 2020	27,954	91.6
May 2020	23,616	94.3
June 2020	30,405	95.9
July 2020	31,812	98.2
August 2020	36,327	96.7
September 2020	38,577	95.6
October 2020	40,383	96.0
November 2020	36,121	96.7
December 2020	45,909	97.6
January 2021	35,423	98.4
February 2021	32,938	96.8
March 2021	45,597	97.5
April 2021	38,737	97.8
May 2021	38,315	97.3
June 2021	40,786	95.9
July 2021	35,894	95.7
August 2021	36,304	95.8
September 2021	37,030	97.0
October 2021	38,333	97.8
November 2021	35,193	98.2
December 2021	47,042	99.1
January 2022	30,761	99.1
February 2022	32,245	99.9
March 2022	41,344	100.7
April 2022	35,456	100.4
May 2022	37,560	100.5
June 2022	40,617	101.4
July 2022	38,168	100.4
August 2022	43,801	102.0
September 2022	41,718	102.5
October 2022	43,139	101.7
November 2022	41,072	99.0
December 2022	50,104	99.8
January 2023	36,463	100.1
February 2023	36,903	101.7
March 2023	44,642	98.1
April 2023	41,810	97.4
May 2023	45,780	97.8
June 2023	46,209	98.1
July 2023	40,617	99.2
August 2023	46,373	99.5
September 2023	42,447	NA

Source: https://fred.stlouisfed.org/series/HTRUCKSNSA, retrieved October 27, 2023, and https://fred.stlouisfed.org/series/TRUCKD11, retrieved October 20, 2023.

End uses and cost share

U.S. demand for truck and bus tires depends on U.S.-produced new trucks and buses and the need for replacement tires for trucks and buses. Truck and bus tires account for a small share (estimated 1 to 6 percent) of the cost of new trucks or buses but a large share of the cost for replacement tires (most firms reported more than 80 percent).

Business cycles

All six responding U.S. producers and 18 of 27 responding importers indicated that the market was subject to business cycles. Business cycles reported included: hotter weather increases the frequency of tire replacement; demand reflects overall economic activity; demand is seasonal (different firms report different months but overall, demand tends to be higher in March to October); OEM demand reflects new truck and tire production; and EPA and greenhouse gas regulations influence the tire market.

Demand trends

Most U.S. producers and importers reported U.S. demand for truck and bus tires either increasing steadily or increasing with fluctuations in both the overall market and the aftermarket since January 1, 2020 (table II-5). In contrast, responses for OEM demand were almost evenly divided between increasing and decreasing.

All six responding U.S. producers and most importers (22 of 27) reported no changes had occurred in the product mix or marketing since 2020. Reported changes included marketing has become more price focused since 2022; the all-weather tire segment has increased; technological changes in manufacturing have changed product range, mix, and marketing; and COVID-19 had created shortages but since then import inventories have shrunk.

Table II-5
Truck and bus tires: Count of firms' responses regarding overall domestic and foreign demand, by market and firm type

Market	Firm type	Increase steadily	Increase with fluctuation	No change	Decrease steadily	Decrease with fluctuation
Overall domestic demand	U.S. producers	2	2	1	0	0
Overall domestic demand	Importers	2	13	5	3	1
OEM domestic demand	U.S. producers	1	2	2	2	0
OEM domestic demand	Importers	1	5	5	4	1
Aftermarket domestic demand	U.S. producers	2	2	1	0	0
Aftermarket domestic demand	Importers	3	13	5	4	2
Overall foreign demand	U.S. producers	0	1	2	1	1
Overall foreign demand	Importers	0	5	4	1	2

Source: Compiled from data submitted in response to Commission questionnaires.

Substitute products

All six responding U.S. producers and all 26 responding importers reported that there were no substitutes for truck and bus tires.

Substitutability issues

The degree of substitution between domestic and imported truck and bus tires depends upon such factors as relative prices, quality (e.g., grade standards, reliability of supply, defect rates, etc.), and conditions of sale (e.g., price discounts/rebates, lead times between order and delivery dates, payment terms, product services, etc.). Based on available data, staff believes that there is a moderate degree of substitutability between domestically produced truck and bus tires and truck and bus tires imported from Thailand. Factors reducing substitutability include: the tendency of purchases by OEMs to be U.S. produced; the use of fleet contracts that have been traditionally available only from U.S. producers; branding/advertising; general perception of certain tires being classified in product tiers, and quality differences.

Factors affecting purchasing decisions

Purchasers responding to lost sales lost revenue allegations[4] were asked to identify the main purchasing factors their firm considered in their purchasing decisions for truck and bus tires. The major purchasing factors identified by firms include quality (performance, warranty) customer preferences/needs, availability, lead time, relationship, price, and commercial conditions.

Lead times

Truck and bus tires are primarily sold from inventory. U.S. producers reported that *** of their commercial shipments were from inventories, with lead times averaging ***. Importers reported that 43.4 percent of their commercial shipments were from U.S. inventories, with lead times averaging 7 days., 54.1 from produced to order averaging 106.7 days. The remaining included 2.5 percent of their commercial shipments were from foreign inventory with lead time averaging 77.9 days.

Market categories (tiers)

All six responding U.S. producers and most importers (25 of 27) reported that truck and bus tires are sold in pricing categories or tiers (tables II-6 and II-7). Most responding firms reported that there were 3 to 5 tiers. Firms were asked to report the differences between tires in different categories (tables II-8 and II-9). Some firms reported general differences between tiers based on durability, perceived quality, price, reputation, brand, diversity of product line, longevity in the market, producer's assets, popularity, marketing, performance, retread ability, service network, warranty coverage, and country of manufacture. Others reported characteristics of tires sold in specific tiers. Firms reported that tier 1 tires were manufactured by premium/advertised brands, sold at highest price, provided highest profit, used by OEMs, producers were leaders in tire design, are made with the highest quality material, designed for long haul because they reduce the total cost per mile and provide best fuel efficiency, and these tires tend to be used by the largest fleets. Goodyear, Bridgestone, Michelin, and Continental were listed as tier 1 producers. Firms reported that tier 2 tires had long tire wear time, tire companies were midmarket/offshore brands, are advertised brands with some consumer recognition, and occasionally used by OEMs. Yokohama, Ku, Toyo, Summitomo, Hankook-Double Coin were listed as second tier producers. Firms reported that tier 3 tires were

[4] This information is compiled from responses by purchasers identified by a U.S. producer to the lost sales lost revenue allegations. ***. See Part V for additional information.

not recognized/value brands, have the lowest profit margins, basic design, are never used by OEMs, are commodity products, are tires for short haul/heavy loads, and are distinguished by retreadability. Producers of tier 3 tires were Zhongce Rubber, Sailun, and Linglong. Firms reported that tier 4 tires were "other brands," longest lasting tread, commodity product, private brands, less uniform tires, lighter weight, made of less durable materials than tier 1, and less safe than tier 1. Some firms reported on both tier 3 and tier 4 together, reporting that these were not household brand names, do not compete with tier 1, and are not produced by the U.S. industry. Firms reported tier 3/4 tires are produced by Americus, Vercelli, and Thunderer.

Four of the six responding U.S. producers *** reported that they produced tires for "all" or three categories. In contrast, 12 of the 24 importers that answered this question reported selling only one tier, 5 reported selling into two tiers (2 of these reported selling to tiers 3 and 4 and 1 selling into 2 and 3), and 7 importers reported selling to either 3 or "all" tiers including ***.[5]

Table II-6
Truck and bus tires: Count of producers view on whether the U.S. truck and bus tires market is divided into categories by firm

Firm	Yes	No	Number of categories	Number of categories the firm participate in
***	***	***	***	***
***	***	***	***	***
***	***	***	***	***
***	***	***	***	***
***	***	***	***	***
***	***	***	***	***
All producers	***	***	3 to 5	NA

Source: Compiled from data submitted in response to Commission questionnaires.

[5] One of the importers reported that it sold primarily tier 3 tires ***.

Table II-7
Truck and bus tires: Count of U.S. importers' view on whether the U.S. truck and bus tires market divided into categories, by firm

Firm	Yes	No	Number of categories	Number of categories the firm participate in
***	***	***	***	***
***	***	***	***	***
***	***	***	***	***
***	***	***	***	***
***	***	***	***	***
***	***	***	***	***
***	***	***	***	***
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***	***	***	***	***
***	***	***	***	***
***	***	***	***	***
***	***	***	***	***
***	***	***	***	***
***	***	***	***	***
All importers	26	2	3 to 5	NA

Source: Compiled from data submitted in response to Commission questionnaires.

Table II-8
Truck and bus tires: Narratives of producers' view on whether the U.S. truck and bus tires market is divided into categories, by firm

Firm	Narrative on whether the U.S. truck and bus tires market divided into categories
***	***
***	***
***	***
***	***
***	***
***	***

Source: Compiled from data submitted in response to Commission questionnaires.

Table II-9
Truck and bus tires: Narratives of U.S. importers' views on whether the U.S. truck and bus tires market divided into categories, by firm

Firm	Narrative on whether the U.S. truck and bus tires market divided into categories
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***

Table continued.

Table II-9 Continued
Truck and bus tires: Narratives of U.S. importers' views on whether the U.S. truck and bus tires market divided into categories, by firm

***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***

Source: Compiled from data submitted in response to Commission questionnaires.

Note: Firms that did not answer this question are not included in the above table.

Petitioners contend that tiers are not clearly differentiated, and there is competition between U.S. and Thai produced tires both within the tiers and between tires in different tiers.[6] U.S. producers produced brands like Falken, Firestone, and Kelly that, petitioners state, are characterized as lower tier brands, but these brands reportedly have difficulty competing with less expensive imported brands from Thailand.[7]

[6] Conference transcript, p. 8 (Drake).
[7] Conference transcript, pp. 43, 45 (Drake).

Respondents argue that domestic producers largely make premium tier 1 and tier 2 product. Those premium, or branded products, do not compete head-to-head with the tier 3 or tier 4 tires imported from Thailand. Respondents state, first, that tier 1 and 2 products are sold to OEM purchasers that do not purchase tier 3 or tier 4 tires, and that tier 1 and 2 products are sold under fleet contracts while tier 3 or tier 4 tires are not.[8] Respondents estimate that most of the U.S. producers' aftermarket sales are under fleet contracts. [9] According to respondents, tires from Thailand do not compete with U.S. produced tires in the fleet market.[10] Respondents state that under fleet sales tires are sold under contracts with a number of services, while tier 3 and 4 tiers are not sold with services. Additional differences respondents listed between tier 1 and 2 and tier 3 and 4 include differences in inventory availability, warranty services, and retread programs.[11] Finally respondents state that tier 1 and 2 producers invest more in testing their tires and in marketing efforts to show how their tires offer better gas milage.[12]

Respondents state that "U.S. producers also offer truck and bus tires in the tier 3 market segment, they do so under different brand names than their premium tier I and tier II products," and "it is not unusual for the U.S. producers to manufacture tier II or tier III tires outside of the U.S."[13] Respondents claim that U.S. producers do not have the capacity "to satisfy their U.S. demand needs in the tier III segment" and as a result have contracted to have tier 3 tires manufactured outside the United States.[14]

[8] Conference transcript, pp. 11-12 (Fisher Fox).
[9] Conference transcript, pp. 88-89 (Felberbaum).
[10] Conference transcript, pp. 89-90 (Felberbaum).
[11] Conference transcript, pp. 102-103 (Coltrane).
[12] Conference transcript, pp. 128-129 (Coltrane).
[13] Conference transcript, pp. 90-91 (Felberbaum).
[14] Conference transcript, p. 91 (Felberbaum).

Branding

Producers and importers were asked if branded and private label truck and bus tires were competitive on price and quality. *** of the *** responding producers and *** of the *** responding importers reported that private label and branded truck and bus tires were very competitive on price (tables II-10 and II-11). Reasons that these firms considered them very competitive on price included: private label are very competitive on price, private labels are competitive when consumers consider lifetime cost, Chinese producers are competing in Thailand using the same strategy they did in China. The imported product allows retail sales at reasonable prices. *** U.S. producer and *** importers reported that private label and branded truck tires were somewhat competitive on price. Reasons these firms gave include: import prices are lower because of perceived quality and operation expenses; competition depends on if the private labels in purchase by a large buying group; and compared to tier 4, tier 1 is 50 percent higher, tier 2 are 30 percent higher and tier 3 are 15 percent higher. *** U.S. producer and *** importers reported that private label and branded truck and bus tires were not competitive on price. Reasons these firms gave include: most fleets have different sets of key performance indicators that they use, focusing on total cost of ownership; products only compete within their tier because there are different customer bases and differences in advertising; there are few private branded truck tires and most of these are in tier 3 or 4; and private label tires are considered tier 4 or lower.

Table II-10
Truck and bus tires: Count of U.S. producers and importers reporting on the competitiveness of private-label tires with their name-brand counterparts in terms of price, by firm type

Firm type	Very	Somewhat	Not
Producers	***	***	***
Importers	***	***	***
Total	12	11	7

Source: Compiled from data submitted in response to Commission questionnaires.

Table II-11
Truck and bus tires: Narrative of U.S. producers and importers reporting on the competitiveness of private-label tires with their name-brand counterparts in terms of price, by firm type

Firm	Type	Narrative on private label competitiveness in terms of price
***	Producer	***
***	Producer	***
***	Producer	***
***	Producer	***
***	Producer	***
***	Importer	***
***	Importer	***
***	Importer	***
***	Importer	***
***	Importer	***
***	Importer	***
***	Importer	***
***	Importer	***
***	Importer	***
***	Importer	***
***	Importer	***
***	Importer	***
***	Importer	***

Source: Compiled from data submitted in response to Commission questionnaires.

Note: Firms that did not answer this question are not included in the above table.

Producers and importers were asked if branded and private label were competitive on quality (tables II-12 and II-13). *** of the *** responding producers and *** of the *** responding importers reported that they were very competitive on quality. Reasons that these firms considered them very competitive on quality included: imported products are very competitive on quality with major manufacturers, brands cannot survive with bad products, and imports have robust testing and quality control. *** U.S. producers and *** importers reported that private label and branded truck tires were somewhat competitive on price. Reasons these firms gave include: well-known brands' price premium is based on performance; all meet NHTSA standards; name brands may have additional features; most import brands are good quality and can meet or provide better cost per mile than name brands; and the importers private-label tires are competitive on tier 3 and 4.

Table II-12
Truck and bus tires: Count of U.S. producers and importers reporting on the competitiveness of private-label tires with their name-brand counterparts in terms of quality, by firm type

Firm type	Very	Somewhat	Not
Producers	***	***	***
Importers	***	***	***
Total	6	14	7

Source: Compiled from data submitted in response to Commission questionnaires.

Table II-13
Truck and bus tires: U.S. producers and importers reporting on the competitiveness of private-label tires with their name-brand counterparts in terms of quality, by firm type

Firm	Type	Narrative on private label competitiveness in terms of quality
***	Producer	***
***	Producer	***
***	Producer	***
***	Producer	***
***	Producer	***
***	Importer	***
***	Importer	***
***	Importer	***
***	Importer	***
***	Importer	***
***	Importer	***
***	Importer	***
***	Importer	***
***	Importer	***
***	Importer	***
***	Importer	***
***	Importer	***
***	Importer	***
***	Importer	***

Source: Compiled from data submitted in response to Commission questionnaires.

Note: Firms that did not answer this question are not included in the above table.

Producers and importers were asked if they sold the same product at different prices for branded and private label. All five responding U.S. producers reported that they did not, as did 20 of the 27 importers. Importers reporting that they sold the same product at different prices for branded and private label tires reported that prices differed by that region's customers' acceptance of price; freight determines cost; the importers did not compete with tire 1 vendors nor did they compete with its tires; private labeling is done for specific customers' needs and price is typically the same; different brands; different brand names are sold via various channels and programs and their prices differ; and the price of branded tires is about 3 to 5 percent higher than private label.

Fleet contracts

Respondents report that U.S. producers are able to sell tires via fleet contracts. Under these contracts producers and truck/bus fleets negotiate prices for tires and for a number of services. Under these contracts, when a fleet truck or bus needs tires or tire servicing, local tire dealers provide the tires and services and dealers are reimbursed by the tire company, which then charges the agreed upon amount to the fleet for each of the services and/or the tires provided. [15]

Tire types

Producers and importers were asked if radial tires were always, usually, sometimes, or never interchangeable with bias tubed tires and biased tubeless tires (table II-14). Most responding producers reported that radial and bias tubed tires as well as radial and bias tubeless tires were sometimes interchangeable, while most responding importers reported that radial and bias tubed tires as well as radial and bias tubeless tiers were never interchangeable.

Table II-14
Truck and bus tires: Count of U.S. producers' and importers' reporting interchangeability between radial tires vs bias tires

Product pair	Firm type	Always	Frequently	Sometimes	Never
Radial vs Bias tubed	Producer	***	***	***	***
Radial vs Bias tubeless	Producer	***	***	***	***
Radial vs Bias tubed	Importer	1	1	6	12
Radial vs Bias tubeless	Importer	1	1	6	12

Source: Compiled from data submitted in response to Commission questionnaires.

[15] Conference transcript pp. 12-13 (Fisher Fox).

Comparison of U.S.-produced and imported truck and bus tires

In order to determine whether U.S.-produced truck and bus tires can generally be used in the same applications as imports from Thailand U.S. producers and importers were asked whether the products can always, frequently, sometimes, or never be used interchangeably. As shown in table II-15, *** the responding U.S. producers reported they were always interchangeable while the remaining *** reported that they were sometimes interchangeable. Importer responses were less concentrated, of those comparing U.S. tires with those produced in Thailand or nonsubject countries, a plurality (11 of 23) reported that they were always interchangeable, and six firms reported that they were frequently interchangeable and sometimes interchangeable, respectively. Differences include: tires produced for Europe are designed for high speeds and wet traction, while those for the United States are designed for longer hauls; different markets have different testing standards, markings, and speed capability; tires in different tiers are sold to different market segments and customer perceptions are different; the U.S. producers do not focus on production of tier 3 or 4 tires; and different countries produce different brands and different ranges of products.

Table II-15
Truck and bus tires: Count of U.S. producers' and importers' reporting interchangeability between product produced in the United States and in other countries reported, by country pair

Country pair	Firm type	Always	Frequently	Sometimes	Never
U.S. vs. Thailand	Producer	***	***	***	***
U.S. vs. other	Producer	***	***	***	***
Thailand vs. other	Producer	***	***	***	***
U.S. vs. Thailand	Importer	13	6	4	0
U.S. vs. other	Importer	11	6	6	0
Thailand vs. other	Importer	12	4	5	0

Source: Compiled from data submitted in response to Commission questionnaires.

In addition, U.S. producers and importers were asked to assess how often differences other than price were significant in sales of truck and bus tires from the United States, subject, or nonsubject countries. As seen in table II-16, most responding U.S. producers and importers reported that there were sometimes differences other than price for all country pairs. Differences reported include; quality (tire performance and milage), availability, transportation network, brand, warranty, product range, speed ratings, retreadability, service/tech support (lower cost tires may not provide the service and nationwide support many customers need); domestic producers had no supply of tier 3 and tier 4 tiers between 2020 and now; most bias tires are imported and U.S. producers are not interested in producing them; and transportation from Thailand is more costly and less efficient than from China.

Table II-16
Truck and bus tires: Count of U.S. producers' and importers' reporting the significance of differences other than price between product produced in the United States and in other countries reported, by country pair

Country pair	Firm type	Always	Frequently	Sometimes	Never
U.S. vs. Thailand	Producer	***	***	***	***
U.S. vs. other	Producer	***	***	***	***
Thailand vs. other	Producer	***	***	***	***
U.S. vs. Thailand	Importer	6	4	13	1
U.S. vs. other	Importer	6	2	14	2
Thailand vs. other	Importer	4	1	15	1

Source: Compiled from data submitted in response to Commission questionnaires.

Part III: U.S. producers' production, shipments, and employment

The Commission analyzes a number of factors in making injury determinations (see 19 U.S.C. §§ 1677(7)(B) and 1677(7)(C)). Information on the dumping margins was presented in Part I of this report and information on the volume and pricing of imports of the subject merchandise is presented in Part IV and Part V. Information on the other factors specified is presented in this section and/or Part VI. Seven firms producing truck and bus tires provided full or partial information in questionnaire responses. Except as noted, U.S. industry data are based on questionnaire responses of *** are believed to account for virtually all U.S. production of truck and bus tires during 2022.

U.S. producers

The Commission issued a U.S. producer questionnaire to seven firms based on information contained in the petition. *** provided usable data on their operations and one provided partial information.[1] Staff believes that these responses represent virtually all U.S. production of truck and bus tires.

Tables III-1 and III-2 list U.S. producers of truck and bus tires, their production locations, positions on the petition, and shares of total production. *** responding U.S. producers take no position regarding the petition, *** support the petition, and *** oppose the petition. The petitioner, USW, represents production facilities for three of the responding U.S. producers (Bridgestone Americas, Goodyear, and Sumitomo Rubber), accounting for *** of reported U.S. production of truck and bus tires in 2022.

[1] ***.

Table III-1
Truck and bus tires: U.S. producers, their positions on the petition, production locations, and shares of reported production, 2022

Share in percent

Firm	Position on petition	Production location(s)	Share of production
Bridgestone Americas	***	Lavergne, TN Morrison, TN	***
Continental Tire	***	Fort Mill, SC Mt. Vernon, IL Clinton, MS	***
Goodyear	***	Topeka, KS Danville, VA	***
Michelin NA	***	Spartanburg, SC	***
Sumitomo Rubber	***	Tonawanda, NY	***
Specialty	***	Indiana, PA Unicoi, TN	***
Yokohama Tire	***	West Point, MS	***
All firms	Various	Various	100.0

Source: Compiled from data submitted in response to Commission questionnaires.

Table III-2 presents information on U.S. producers' ownership, related and/or affiliated firms.

Table III-2
Truck and bus tires: U.S. producers' ownership, related and/or affiliated firms

Reporting firm	Relationship type and related firm	Details of relationship
***	***	***
***	***	***
***	***	***
***	***	***
***	***	***
***	***	***
***	***	***
***	***	***
***	***	***
***	***	***
***	***	***
***	***	***
***	***	***
***	***	***
***	***	***
***	***	***
***	***	***
***	***	***
***	***	***
***	***	***
***	***	***

Table continued.

Table III-2 Continued
Truck and bus tires: U.S. producers' ownership, related and/or affiliated firms

Reporting firm	Relationship type and related firm	Details of relationship
***	***	***
***	***	***
***	***	***
***	***	***
***	***	***
***	***	***
***	***	***
***	***	***
***	***	***
***	***	***
***	***	***

Source: Compiled from data submitted in response to Commission questionnaires.

As indicated in table III-2, three U.S. producers are related to foreign producers of truck and bus tires in Thailand and one U.S. producer is related to a U.S. importer of truck and bus tires in Thailand. In addition, as discussed in greater detail below, five U.S. producers directly import truck and bus tires in Thailand and *** purchase the subject merchandise from U.S. importers.

Table III-3 presents events in the U.S. industry since January 1, 2020. Producers in the United States were asked to report any change in the character of their operations or organization relating to the production of truck and bus tires since 2020. *** producers indicated in their questionnaires that they had experienced such changes. Table III-4 presents the changes identified by these producers. Producers in the United States were also asked to report any effects of COVID-19 on operations since 2020. *** responding producers reported such effects, presented in table III-5.

Table III-3
Truck and bus tires: Important industry events since 2020

Date	Firm	Event
January 2020	Continental Tire	Production to begin early-2020 at new multi-million dollar MS truck-bus tire plant.
August 2022	Hankook	$1.6 billion phased expansion, Tennessee PVLT and truck-bus tire plant.
March 2023	Michelin NA	$300 million Nova Scotia plants' expansion, PVLT and truck-bus tires.
May 2023	Bridgestone Americas	Groundbreaking of $60 million Texas bus-truck tire retread plant.
June 2023	Sumitomo Rubber	Doubling of New York plant for PVLT and truck-bus tires.
August 2023	Bridgestone Americas	Groundbreaking of $550 million Tennessee truck-bus tire plant.

Source: Continental Tire, https://www.continental.com/en/press/press-releases/2019-10-17-mississippi/, October 17, 2019. Hankook News, https://www.hankooktire.com/us/en/company/media-center/media-detail.627001.html?tabCode=&contentType=, August 29, 2022. Michelin NA, https://michelinmedia.com/pages/blog/detail/article/c/a1271/, March 14, 2023. Bridgestone News, https://www.bridgestoneamericas.com/en/newsroom/press-releases/2023/bandag-abilene-expansion-groundbreaking, May 16, 2023. Sumitomo News, https://sumitomorubber-usa.com/news/article:03-29-2022-12-00am-groundbreaking-ceremony/, March 29, 2022. Bridgestone News, https://www.bridgestoneamericas.com/en/newsroom/press-releases/2023/warren-plant-expansion-groundbreaking, August, 16, 2023.

Table III-4
Truck and bus tires: U.S. producers' reported changes in operations, since January 1, 2020

Item	Firm name and narrative response on changes in operations
Prolonged shutdowns	***
Prolonged shutdowns	***
Prolonged shutdowns	***
Production curtailments	***
Expansions	***
Acquisitions	***
Other	***
Other	***
Other	***

Source: Compiled from data submitted in response to Commission questionnaires.

Table III-5
Truck and bus tires: U.S. producers' reported effect of COVID-19 on operations, since January 1, 2020

Item	Firm name and narrative response on changes in operations
***	***
***	***
***	***
***	***
***	***

Source: Compiled from data submitted in response to Commission questionnaires

U.S. production, capacity, and capacity utilization

Table III-6 presents U.S. producers' installed and practical capacity and production on the same equipment.

Table III-6
Truck and bus tires: U.S. producers' installed and practical capacity and production on the same equipment as in-scope production, by period

Capacity and production in 1,000 tires; utilization in percent

Item	Measure	2020	2021	2022	Jan-Jun 2022	Jan-Jun 2023
Installed overall	Capacity	25,057	25,119	24,898	12,600	12,638
Installed overall	Production	***	***	***	***	***
Installed overall	Utilization	***	***	***	***	***
Practical overall	Capacity	18,582	19,452	18,949	9,699	9,502
Practical overall	Production	***	***	***	***	***
Practical overall	Utilization	***	***	***	***	***
Practical truck and bus tires	Capacity	14,727	15,367	15,031	7,714	7,561
Practical truck and bus tires	Production	11,608	13,600	13,528	6,912	6,752
Practical truck and bus tires	Utilization	78.8	88.5	90.0	89.6	89.3

Source: Compiled from data submitted in response to Commission questionnaires.

Installed overall capacity declined irregularly from 2020 to 2022, a decline of 0.6 percent, and remained essentially flat comparing January-June 2022 and January-June 2023. *** accounted for the majority of the decline in installed overall capacity between 2020 and 2022, reflecting *** decline in installed overall capacity during that period. As installed overall capacity declined irregularly between 2020 and 2022, practical overall production increased irregularly by ***, reflected by increases in the practical overall production of ***, and leading to a net increase of *** percentage points in installed overall capacity utilization during the same period.

Practical overall capacity increased by 4.7 percent from 2020 to 2021, before declining by 2.6 percent from 2021 to 2022 for a net two-year increase of 2.0 percent.[2] Due to *** reporting net increases in practical overall production from 2020 to 2022, practical overall capacity utilization also increased by *** percentage points over the same period. Practical truck and bus tire capacity and production followed similar trends, with truck and bus tire capacity increasing irregularly by 2.1 percent, production increasing irregularly by 16.5 percent, and capacity utilization increasing steadily by 11.2 percentage points from 2020 to 2022.

[2] The largest increase in practical overall capacity, in absolute terms, from 2020 to 2022 was reported by ***, which reported an increase in practical overall capacity of *** tires during the two-year period. ***. *** U.S. producer questionnaire, sections II-2a and II-3a.

Capacity and production for overall and practical truck and bus tires were all lower in January-June 2023 compared to January-June 2022, while capacity utilization was relatively stable.

Table III-7 and figure III-1 present U.S. producers' production, capacity, and capacity utilization.

Table III-7
Truck and bus tires: U.S. producers' output, by firm and period

Practical capacity

Capacity in 1,000 tires

Firm	2020	2021	2022	Jan-Jun 2022	Jan-Jun 2023
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
All firms	14,727	15,367	15,031	7,714	7,561

Table continued.

Table III-7 Continued
Truck and bus tires: U.S. producers' output, by firm and period

Production

Production in 1,000 tires

Firm	2020	2021	2022	Jan-Jun 2022	Jan-Jun 2023
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
All firms	11,608	13,600	13,528	6,912	6,752

Table continued.

Table III-7 Continued
Truck and bus tires: U.S. producers' output, by firm and period

Capacity utilization

Capacity utilization in percent

Firm	2020	2021	2022	Jan-Jun 2022	Jan-Jun 2023
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
All firms	78.8	88.5	90.0	89.6	89.3

Note: Capacity utilization ratio represents the ratio of the U.S. producer's production to its production capacity.

Table continued.

Table III-7 Continued
Truck and bus tires: U.S. producers' output, by firm and period

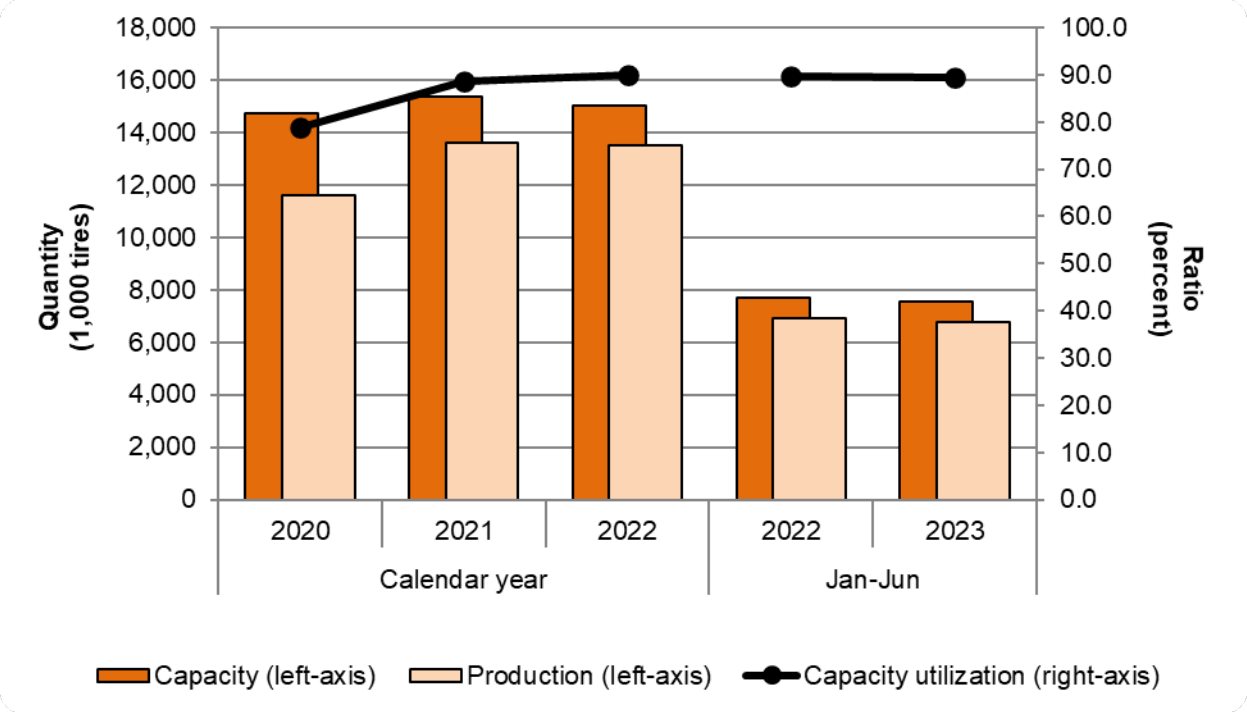
Share of production

Share in percent

Firm	2020	2021	2022	Jan-Jun 2022	Jan-Jun 2023
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
All firms	100.0	100.0	100.0	100.0	100.0

Source: Compiled from data submitted in response to Commission questionnaires.

Figure III-1
Truck and bus tires: U.S. producers' output, by period



Source: Compiled from data submitted in response to Commission questionnaires.

U.S. producers' average capacity fluctuated but increased overall by 2.1 percent between 2020 and 2022 and was 2.0 percent lower in January-June 2023 compared to January-June 2022. All firms other than *** reported increases in truck and bus tires capacity from 2020 to 2022.[3] *** reported the largest increase from 2020 to 2022, an increase of *** percent.[4]

U.S. producers' production increased irregularly by 16.5 percent from 2020 to 2022, first rising by 17.2 percent from 2020 to 2021, before declining slightly from 2021 to 2022. U.S. production was 2.3 percent lower during January-June 2023 compared with January-June 2022. *** reported net increases in production during 2020-22, and all firms other than *** reported a lower level of production in January-June

[3] *** reported no change in truck and bus tires capacity, and *** reported a decrease of *** percent from 2020 to 2022, and *** capacity in January-June 2023 was *** percent lower compared to January-June 2022. *** U.S. producer questionnaires, section II-8. *** reported investment of *** to improve truck and bus tire output.

[4] ***. *** U.S. producer questionnaire, section II-2a.

2023 relative to January-June 2022.[5] [6] Individual producers' shares of overall truck and bus tires production during 2020-22 ***, with shares fluctuating between *** and *** percentage points, and no firm reporting a difference of more than *** percentage points in their share of overall truck and bus tires production in January-June 2023 compared to January-June 2022.

Capacity utilization increased steadily between 2020 and 2022, for a two-year increase of 11.2 percentage points. *** reported year-on-year increases in capacity utilization during this timeframe, with *** operating at or above 70.2 percent capacity utilization in 2022, and three firms (***) operating at or above *** percent capacity utilization in 2022. Although only *** reported lower capacity utilization in January-June 2023 compared to January-June 2022, U.S. producers' overall capacity utilization was 0.3 percentage points lower comparing the two periods.[7]

Table III-8 presents U.S. producers' reported narratives regarding practical capacity constraints. *** reported production restraints for production of truck and bus tires.

[5] ***. *** U.S. producer questionnaires, section II-3a.

[6] Petitioner noted that demand for truck and bus tires in 2021 and 2022, coming out of COVID-19, peaking in 2022 prior to softening in 2023. Conference transcript, p. 29 (Juarez), p. 33 (Drake), and p. 34 (Johnsen).

[7] *** reported capacity utilization rates *** percentage points and *** percentage points lower, respectively, in January-June 2023 relative to January-June 2022. In contrast, *** reported capacity utilization rates *** percentage points and *** percentage points higher comparing the same two periods.

Table III-8
Truck and bus tires: U.S. producers' reported capacity constraints since January 1, 2020

Item	Firm name and narrative response on constraints to practical overall capacity
Production bottlenecks	***
Production bottlenecks	***
Production bottlenecks	***
Production bottlenecks	***
Production bottlenecks	***
Existing labor force	***
Existing labor force	***
Existing labor force	***
Supply of material inputs	***
Other constraints	***
Other constraints	***

Source: Compiled from data submitted in response to Commission questionnaires.

Alternative products

Table III-9 presents data on U.S. producers' overall production on the same equipment, machinery, or employees as used to produce truck and bus tires.

Table III-9
Truck and bus tires: U.S. producers' overall production on the same equipment as in-scope production, by period

Quantity in 1,000 tires; share in percent

Product type	Measure	2020	2021	2022	Jan-Jun 2022	Jan-Jun 2023
Truck and bus tires	Quantity	11,608	13,600	13,528	6,912	6,752
PVLT tires	Quantity	***	***	***	***	***
OTR tires	Quantity	***	***	***	***	***
Other products	Quantity	***	***	***	***	***
Out-of-scope products	Quantity	***	***	***	***	***
All products	Quantity	***	***	***	***	***
Truck and bus tires	Share	***	***	***	***	***
PVLT tires	Share	***	***	***	***	***
OTR tires	Share	***	***	***	***	***
Other products	Share	***	***	***	***	***
Out-of-scope products	Share	***	***	***	***	***
All products	Share	100.0	100.0	100.0	100.0	100.0

Source: Compiled from data submitted in response to Commission questionnaires.

As shown in table III-9, approximately *** of the product produced by U.S. producers on shared equipment was truck and bus tires. Four firms reported producing alternative products on the same equipment used to produce truck and bus tires.[8]

Between 2020 and 2022, the production of both truck and bus tires and out-of-scope products increased. However, because the production of truck and bus tires increased less rapidly, out-of-scope products increased modestly as a share of production. Production of out-of-scope tires was higher in January-June 2023 relative to January-June 2022, while production of truck and bus tires was lower. As a result, out-of-scope tires likewise accounted for a greater share of production in January-June 2023 than in January-June 2022.

The increase in out-of-scope production from 2020 to 2022 reflects increases in the production of PVLT tires and 'other products', which increased by *** percent and ***

[8] ***. U.S. producer questionnaire, section II-3a.

percent, respectively, from 2020 to 2022.[9] In the case of both PVLT tires and 'other products', *** accounted for the *** of production in all periods reported.[10] [11]

Only ***, reported the ability to switch production between truck and bus tires and alternative products using the same equipment and machinery, and *** only able to switch production between truck and bus tires and ***, with the latter never comprising more than *** percent of *** total production in any period reported.

U.S. producers' U.S. shipments and exports

Table III-10 presents U.S. producers' U.S. shipments, export shipments, and total shipments.[12] [13] [14]

[9] Only two firms, *** reported production of OTR tires, and the total production of OTR tires never exceeded *** percent of total production of shared equipment.

[10] ***. U.S. importer questionnaire, section II-3a.

[11] *** reported in its questionnaire response that the firm "***. *** U.S. producer questionnaire, section II-2a.

[12] U.S. producers reported virtually no internal consumption during the period for which data were collected (i.e., approximately *** truck and bus tires between January 2020 and June 2023). Rather, commercial shipments consistently accounted for more than *** percent of U.S. shipment quantity, including *** percent in 2022 and *** percent in January-June 2023. The remaining quantity consisted of transfers to related firms and lease shipments. As a share of total U.S. shipments of truck and bus tires, lease shipments never accounted for more than *** percent. Only *** reported lease shipments and *** reported tires outstanding on lease, although total tires outstanding on lease never exceeded *** tires. Appendix E presents data on U.S. producers' U.S. shipments by type and period.

[13] ***. Goodyear's U.S. producer questionnaire, section II-6.

[14] ***. U.S. producer questionnaire, section II-7.

Table III-10
Truck and bus tires: U.S. producers' shipments, by destination and period

Quantity in 1,000 tires; value in 1,000 dollars; unit value in dollars per tire; share in percent

Item	Measure	2020	2021	2022	Jan-Jun 2022	Jan-Jun 2023
U.S. shipments	Quantity	11,392	12,278	12,208	6,235	5,301
Export shipments	Quantity	956	1,041	919	478	351
Total shipments	Quantity	12,348	13,319	13,127	6,713	5,652
U.S. shipments	Value	3,201,181	3,600,782	4,179,032	2,078,324	1,889,791
Export shipments	Value	229,194	276,515	283,681	142,438	113,021
Total shipments	Value	3,430,375	3,877,297	4,462,713	2,220,762	2,002,812
U.S. shipments	Unit value	281	293	342	333	356
Export shipments	Unit value	240	266	309	298	322
Total shipments	Unit value	278	291	340	331	354
U.S. shipments	Share of quantity	92.3	92.2	93.0	92.9	93.8
Export shipments	Share of quantity	7.7	7.8	7.0	7.1	6.2
Total shipments	Share of quantity	100.0	100.0	100.0	100.0	100.0
U.S. shipments	Share of value	93.3	92.9	93.6	93.6	94.4
Export shipments	Share of value	6.7	7.1	6.4	6.4	5.6
Total shipments	Share of value	100.0	100.0	100.0	100.0	100.0

Source: Compiled from data submitted in response to Commission questionnaires.

U.S. shipments by quantity initially increased by 7.8 percent from 2020 to 2021, before declining slightly in 2022 for a two-year irregular increase of 7.2 percent.[15] Over the same two-year period, the value of U.S. shipments increased steadily by 30.5 percent, leading to a two-year increase of 21.8 percent in the average unit value ("AUV") of U.S. shipments. Only *** reported net declines in the quantity of U.S. shipments from 2020 to 2022, with declines of *** percent and *** percent, respectively. *** reported the largest net increase in quantity of U.S. shipments from 2020 to 2022, an increase of *** percent, although *** accounted for just *** percent of U.S. producers' total U.S. shipments in 2022. In January-June 2023, U.S. producers' U.S. shipments were 15.0 percent lower compared to January-June 2023, with four of six firms reporting lower quantities of shipments in the second interim period. Although the value of U.S. shipments was also lower in January-June 2023 compared to January-June 2022, the magnitude of the decline was outpaced by the decline in quantity, leading to the January-June 2023 AUV being 6.9 percent higher compared to January-June 2022.

[15] ***. U.S. producer questionnaire, section II-10.

*** reported exports of truck and bus tires, and the quantity of export shipments followed a similar trajectory to U.S. shipments, first increasing 8.9 percent from 2020 to 2021 before declining in 2022 for a two-year decline of 3.9 percent.[16] As with U.S. shipments, the value of export shipments increased steadily as the quantity fluctuated, with the 23.8 percent increase in the value of exports from 2020 to 2022 corresponding to a 28.8 percent increase in AUV over the same period. With both the quantity and value of export shipments lower in January-June 2023 compared to 2022, the AUV was nonetheless higher in January-June 2023 compared to January-June. *** was the only producer which did not report a higher AUV for export shipments in January-June 2023, although the AUV of *** export shipments in January-June 2023 was only *** percent lower when compared to January-June 2022.

As U.S. shipments never accounted for less than 92.2 percent of total shipments by quantity, and 92.9 percent of total shipments by value, trends for U.S. shipments were reflected in trends for total shipments. Accordingly, total shipments increased irregularly by 6.3 percent from 2020 to 2022 in terms of quantity, increased steadily by 30.1 percent in terms of value, and the AUV increased by 22.4 percent. Quantity and value were 15.8 percent and 9.8 lower, respectively, in January-June 2023 relative to January-June 2022, and the AUV of total shipments was 7.1 percent higher.

U.S. producers' inventories

Table III-11 presents U.S. producers' end-of-period inventories and the ratio of these inventories to U.S. producers' production, U.S. shipments, and total shipments**.** U.S. producers' inventories of truck and bus tires increased steadily from 2020 to 2022, for a net increase of 36.4 percent, and were then 59.7 percent higher in January-June 2023 relative to January-June 2022.[17] Inventories of truck and bus tires as a ratio to U.S. production, U.S. shipments, and total

[16] Of the firms which reported exports of truck and bus tires, each firm reported exports in all periods. *** U.S. producer questionnaire, section II-8.

[17] Other than ***, all responding U.S. producers reported inventory of truck and bus tires in all periods, and only *** reported a net decline in inventories from 2020 to 2022 (*** percent). The *** of the increase in inventories from 2020 to 2022 was accounted for by ***, which reported a *** percent increase of *** tires in during the two-year period. All U.S. producers which reported inventories of truck and bus tires reported high inventory levels in January-June 2023 compared to January-June 2022.

shipments all showed net increases from 2020 to 2022, and all reached their highest levels in January-June 2023.

Table III-11
Truck and bus tires: U.S. producers' inventories and their ratio to select items, by period

Quantity in 1,000 tires; inventory ratio in percent

Item	2020	2021	2022	Jan-Jun 2022	Jan-Jun 2023
End-of-period inventory quantity	1,766	2,020	2,409	2,182	3,484
Inventory ratio to U.S. production	15.2	14.9	17.8	15.8	25.8
Inventory ratio to U.S. shipments	15.5	16.5	19.7	17.5	32.9
Inventory ratio to total shipments	14.3	15.2	18.4	16.3	30.8

Source: Compiled from data submitted in response to Commission questionnaires.

U.S. producers' imports from subject sources

U.S. producers' imports of truck and bus tires are presented in tables III-12 through III-15. The largest increase in imports from Thailand by a U.S. producer, by quantity, was reported by ***, with *** imports from Thailand increased by *** tires, or *** percent, in 2022 relative to 2020. The largest increase relative to 2020 levels was reported by ***, with a 2020 to 2022 increase of *** percent. Of the U.S. producers which reported imports from Thailand, only *** reported a net decline in imports from Thailand from 2020 to 2022, a two-year decline of *** percent. Similarly, in January-June 2023, only *** reported lower amounts of imports from Thailand. Although all firms that reported subject imports also reported net increases in U.S. production from 2020 to 2022, each firm other than *** saw their subject imports increase as a ratio to U.S. production of truck and bus tires over the same period, and reported a higher ratio to U.S. production in January-June 2023 relative to January-June 2022.

Table III-12
Truck and bus tires: * U.S. production, subject imports, and ratio of subject imports to production, by period**

Quantity in 1,000 tires; ratio in percent

Item	Measure	2020	2021	2022	Jan-Jun 2022	Jan-Jun 2023
U.S. production	Quantity	***	***	***	***	***
Imports from Thailand	Quantity	***	***	***	***	***
Imports from Thailand to U.S. production	Ratio	***	***	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires.

Table III-13
Truck and bus tires: * U.S. production, subject imports, and ratio of subject imports to production, by period**

Quantity in 1,000 tires; ratio in percent

Item	Measure	2020	2021	2022	Jan-Jun 2022	Jan-Jun 2023
U.S. production	Quantity	***	***	***	***	***
Imports from Thailand	Quantity	***	***	***	***	***
Total imports from Thailand to U.S. production	Ratio	***	***	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires.

Note: Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent. Zeroes, null values, and undefined calculations are suppressed and shown as "---".

Table III-14
Truck and bus tires: * U.S. production, subject imports, and ratio of subject imports to production, by period**

Quantity in 1,000 tires; ratio in percent

Item	Measure	2020	2021	2022	Jan-Jun 2022	Jan-Jun 2023
U.S. production	Quantity	***	***	***	***	***
Imports from Thailand	Quantity	***	***	***	***	***
Total imports from Thailand to U.S. production	Ratio	***	***	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires.

Table III-15
Truck and bus tires: * U.S. production, subject imports, and ratio of subject imports to production, by period**

Quantity in 1,000 tires; ratio in percent

Item	Measure	2020	2021	2022	Jan-Jun 2022	Jan-Jun 2023
U.S. production	Quantity	***	***	***	***	***
Imports from Thailand	Quantity	***	***	***	***	***
Total imports from Thailand to U.S. production	Ratio	***	***	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires

Table III-16
Truck and bus tires: U.S. producers' reasons for importing, by firm

Firm	Narrative response on reasons for importing
***	***
***	***
***	***
***	***

Source: Compiled from data submitted in response to Commission questionnaires.

U.S. producers' purchases of imports from subject sources

*** reported purchases of truck and bus tires from subject sources during 2020-22 or in either January-June 2022 or January-June 2022.

U.S. employment, wages, and productivity

Table III-17 shows U.S. producers' employment-related data.

Table III-17
Truck and bus tires: U.S. producers' employment related information, by period

Item	2020	2021	2022	Jan-Jun 2022	Jan-Jun 2023
Production and related workers (PRWs) (number)	7,847	8,259	8,820	8,679	8,943
Total hours worked (1,000 hours)	12,897	15,159	15,324	7,962	7,954
Hours worked per PRW (hours)	1,644	1,835	1,737	917	889
Wages paid ($1,000)	386,535	472,052	538,703	266,587	290,417
Hourly wages (dollars per hour)	$29.97	$31.14	$35.15	$33.48	$36.51
Productivity (tires per 1,000 hours)	900.1	897.2	882.8	868.1	848.9
Unit labor costs (dollars per tire)	$33.30	$34.71	$39.82	$38.57	$43.01

Source: Compiled from data submitted in response to Commission questionnaires.

The number of PRWs increased steadily by 12.4 percent from 2020 to 2022, and was 3.0 percent higher in January-June 2023 compared to January-June 2022.[18] Total hours worked also increased steadily from 2020 to 2022, leading to a net increase of 5.7 percent in hours worked per PRW from 2020 to 2022.[19] However, as total hours worked were slightly (0.1 percent) lower in January-June 2023 compared to January-June 2022, hours worked per PRW were also slightly lower (3.0 percent) comparing the two periods.

Wages paid increased steadily by 39.4 percent from 2020 to 2022, and were 8.9 percent higher in January-June 2023 compared to January-June 2022. Hourly wages also rose steadily from 2020 to 2022, an increase of 17.3 percent, and were 9.0 percent higher in January-June 2023 compared to January-June 2022. Productivity declined from 2020 to 2022 (1.9 percent)

[18] *** reported growth in the number of PRWs in ***, with the exception of January-June 2023, when *** reported fewer PRWs when compared to January-June 2022.

[19] ***. *** U.S. producer questionnaire, section II-12.

and was 2.2 percent lower in January-June 2023 relative to January-June 2022. As wages paid and hourly wages increased, and productivity declined, unit labor costs increased by 19.6 percent from 2020 to 2022, and were 11.5 percent higher in January-June 2023 compared to January-June 2022.

Part IV: U.S. imports, apparent U.S. consumption, and market shares

U.S. importers

The Commission issued importer questionnaires to 75 firms believed to be importers of subject truck and bus tires, as well as to all U.S. producers of truck and bus tires.[1] Usable questionnaire responses were received from 31 companies, representing 80.8 percent of 2022 U.S. imports from Thailand, 65.9 percent from nonsubject sources, and 72.3 percent from all sources under HTS subheadings 4011.20.1015 and 4011.20.5020. Table IV-1 lists all responding U.S. importers of truck and bus tires from Thailand and other sources, their locations, and their shares of U.S. imports, in 2022.

Table IV-1
Truck and bus tires: U.S. importers, their headquarters, and share of imports within each source, 2022

Share in percent

Firm	Headquarters	Thailand	Nonsubject sources	All import sources
American Omni Trading	Katy, TX	***	***	***
American Pacific Industries	Scottsdale, AZ	***	***	***
American Tire Distributors	Huntersville, NC	***	***	***
Bridgestone Americas	Nashville, TN	***	***	***
China Manufacturers Alliance	Monrovia, CA	***	***	***
Continental Tire	Fort Mill, SC	***	***	***
Cooper Tire	Akron, OH	***	***	***
Delta Wholesale Tire	Wood Dale, IL	***	***	***
Empresas Del Rio Rey	Vega Baja, PR	***	***	***
Foreign Tire Sales	Union, NJ	***	***	***

Table continued on next page.

[1] The Commission issued questionnaires to those firms identified in the petition; staff research; and proprietary, Census-edited Customs' import records.

Table IV-1 Continued
Truck and bus tires: U.S. importers, their headquarters, and share of imports within each source, 2022

Share in percent

Firm	Headquarters	Thailand	Nonsubject sources	All import sources
Goodyear Tire & Rubber	Akron, OH	***	***	***
Horizon	Irwindale, CA	***	***	***
Jinyu Tire USA	Las Vegas, NV	***	***	***
Michelin North America, Inc	Greenville, SC	***	***	***
NACTR	North Canton, OH	***	***	***
Omni United	Singapore,	***	***	***
Prinx Chengshan Tire	Los Angeles, CA	***	***	***
Staridge	Seattle, WA	***	***	***
Statewide Tires	West Covina, CA	***	***	***
Sumitomo Rubber NA	Rancho Cucamonga, CA	***	***	***
Sutong Tire	Hockley, TX	***	***	***
TBC Corporation	Palm Beach Gardens, FL	***	***	***
Tiger Licensing	Sheridan, WY	***	***	***
Tire Group International	Miami, FL	***	***	***
Total Tire	Minnetonka, MN	***	***	***
Toyo Tire	Costa Mesa, CA	***	***	***
Tyres International	Stow, OH	***	***	***
Yokohama Off-Highway Tires	Wakefield, MA	***	***	***
Yokohama Tire	Santa Ana, CA	***	***	***
Zafco	Hialeah, FL	***	***	***
ZC Rubber America Inc.	Walnut, CA	***	***	***
All firms	Various	100.0	100.0	100.0

Source: Compiled from data submitted in response to Commission questionnaires.

Note: Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent. Zeroes, null values, and undefined calculations are suppressed and shown as “---“.

U.S. imports

Table IV-2 and figure IV-1 present data for U.S. imports of truck and bus tires from Thailand and all other sources.

Table IV-2
Truck and bus tires: U.S. imports by source and period

Quantity in 1,000 tires; value in 1,000 dollars; unit value in dollars per 1,000 tires

Source	Measure	2020	2021	2022	Jan-Jun 2022	Jan-Jun 2023
Thailand	Quantity	4,782	7,212	10,186	4,773	3,202
Nonsubject sources	Quantity	8,352	10,351	13,654	6,284	5,365
All import sources	Quantity	13,134	17,563	23,841	11,057	8,567
Thailand	Value	692,164	1,131,166	1,779,365	823,949	583,164
Nonsubject sources	Value	1,606,508	2,102,369	3,032,362	1,363,037	1,312,722
All import sources	Value	2,298,672	3,233,535	4,811,728	2,186,986	1,895,886
Thailand	Unit value	145	157	175	173	182
Nonsubject sources	Unit value	192	203	222	217	245
All import sources	Unit value	175	184	202	198	221

Table continued.

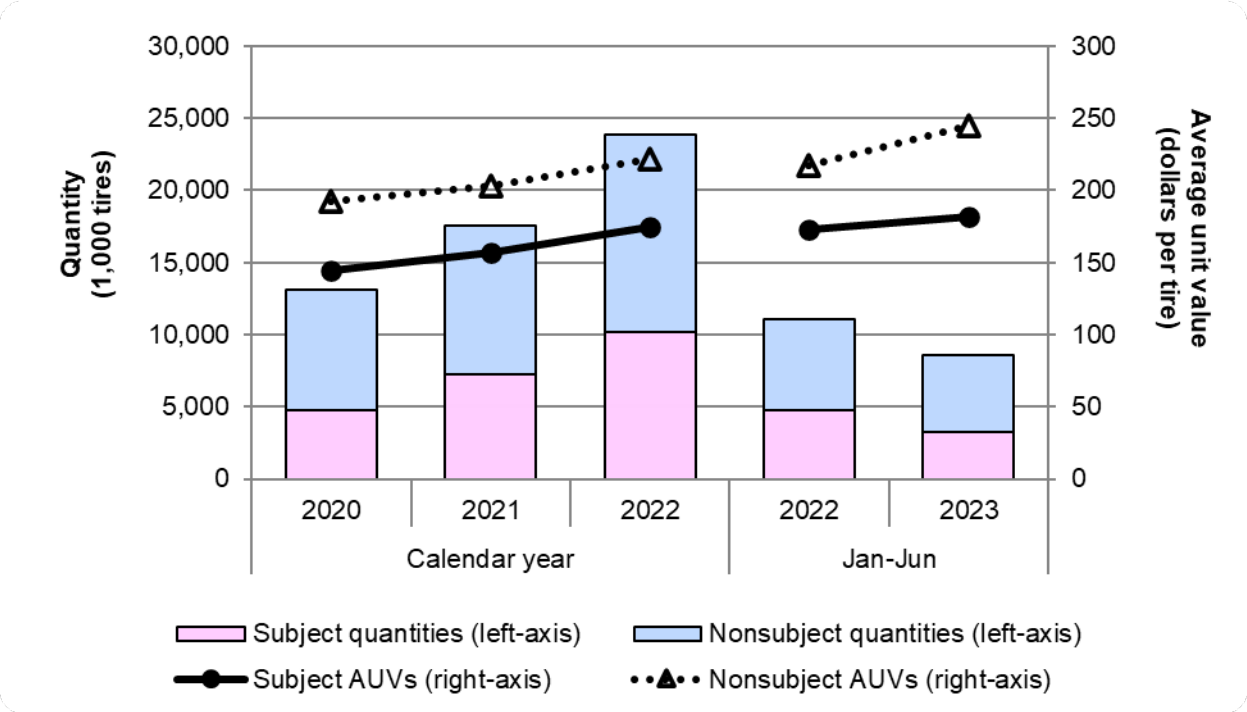
Table IV-2 Continued
Truck and bus tires: Share of U.S. imports by source and period

Share and ratio in percent; ratio to U.S. producers' output

Source	Measure	2020	2021	2022	Jan-Jun 2022	Jan-Jun 2023
Thailand	Share of quantity	36.4	41.1	42.7	43.2	37.4
Nonsubject sources	Share of quantity	63.6	58.9	57.3	56.8	62.6
All import sources	Share of quantity	100.0	100.0	100.0	100.0	100.0
Thailand	Share of value	30.1	35.0	37.0	37.7	30.8
Nonsubject sources	Share of value	69.9	65.0	63.0	62.3	69.2
All import sources	Share of value	100.0	100.0	100.0	100.0	100.0
Thailand	Ratio	41.2	53.0	75.3	69.1	47.4
Nonsubject sources	Ratio	72.0	76.1	100.9	90.9	79.5
All import sources	Ratio	113.1	129.1	176.2	160.0	126.9

Source: Compiled from official U.S. import statistics of the U.S. Department of Commerce Census Bureau using HTS statistical reporting numbers 4011.20.1015 and 4011.20.5020, accessed on October 31,2023. Imports are based on the imports for consumption data series. Value data reflect landed duty-paid values.

Figure IV-1
Truck and bus tires: U.S. import quantities and average unit values, by source and period



Source: Compiled from official U.S. import statistics of the U.S. Department of Commerce Census Bureau using HTS statistical reporting numbers 4011.20.1015 and 4011.20.5020, accessed on October 31,2023. Imports are based on the imports for consumption data series. Value data reflect landed duty-paid values.

U.S. imports, by quantity, increased by 33.7 percent from 2020 to 2021 and by 35.7 percent from 2021 to 2022, for a net increase of 81.5 percent during 2020-22. Imports from all sources were 22.5 percent lower in January-June 2023 compared to January-June 2022.

The 2020 to 2022 growth of imports reflected both growth in imports from Thailand and from nonsubject sources, with net increases of 113.0 percent and 63.5 percent, respectively. Imports from Thailand, by quantity, were then 32.9 percent lower in January-June 2023 compared to January-June 2022, and imports from nonsubject sources were 14.6 percent lower. As a share of total quantity, imports from Thailand increased by 6.3 percentage points from 2020 to 2022, but were 5.8 percentage points lower in January-June 2023 relative to January-June 2022,

In terms of value, imports from Thailand and from nonsubject sources both increased steadily from 2020 to 2022, with net increases of 157.1 percent and 88.8 percent, respectively, but were 29.2 percent and 3.7 percent lower in January-June 2023. Thus, the value of imports from all sources increased by 109.3 percent from 2020 to 2022, but was 13.3 percent lower in January-June 2023 relative to January-June 2022. The share of the value of total imports accounted for by imports from Thailand increased by 6.9 percentage points from 2020 to 2022, but was 6.9 percentage points lower in January-June 2023 relative to January-June 2022.

The average unit value ("AUV") of imports from Thailand and from nonsubject sources increased each year from 2020 to 2022 for net growth of 20.7 percent and 15.5 percent, respectively, although the AUV of imports from nonsubject sources was consistently higher than the AUV of imports from Thailand. In January-June 2023, the AUV of imports from Thailand and from nonsubject sources were likewise higher relative to January-June 2022, by 5.5 percent and 12.8 percent, respectively.

As a ratio to U.S. production, imports from Thailand increased by 34.1 percentage points from 2020 to 2022, but were 21.6 percentage points lower in January-June 2023 compared to January-June 2022. Imports from nonsubject sources followed a similar trajectory, rising 29.0 percentage points from 2020 to 2022 followed by a reduction of 11.5 percentage points in January-June 2023 compared to January-June 2022. The ratio of imports from all sources to U.S. production of truck and bus tires consistently exceeded 100.0 percent, reaching 176.2 percent in 2022.

Table IV-3 and figure IV-2 present data for U.S. imports of truck and bus tires from leading nonsubject sources.

Table IV-3
Truck and bus tires: U.S. imports from nonsubject sources, by major individual nonsubject sources and period

Quantity in 1,000 tires; value in 1,000 dollars

Source	Measure	2020	2021	2022	Jan-Jun 2022	Jan-Jun 2023
Vietnam	Quantity	1,193	1,929	3,019	1,299	969
Japan	Quantity	1,320	1,819	2,490	1,204	1,180
China	Quantity	1,333	1,109	1,765	855	602
Canada	Quantity	1,263	1,542	1,496	734	700
South Korea	Quantity	907	955	1,157	569	435
Spain	Quantity	284	392	510	219	239
All other sources	Quantity	2,053	2,605	3,218	1,402	1,240
Nonsubject sources	Quantity	8,352	10,351	13,654	6,284	5,365
Vietnam	Value	164,601	272,922	472,101	203,257	144,887
Japan	Value	264,514	354,014	619,989	292,989	315,891
China	Value	161,981	167,535	293,700	136,783	116,587
Canada	Value	373,944	458,837	450,954	221,045	217,451
South Korea	Value	180,670	202,450	307,675	145,647	108,603
Spain	Value	70,548	106,966	170,274	68,050	84,808
All other sources	Value	554,852	812,567	1,189,769	498,523	469,382
Nonsubject sources	Value	1,606,508	2,102,369	3,032,362	1,363,037	1,312,722

Table continued.

Table IV-3 Continued
Truck and bus tires: U.S. imports by from nonsubject sources, by major individual nonsubject sources and period

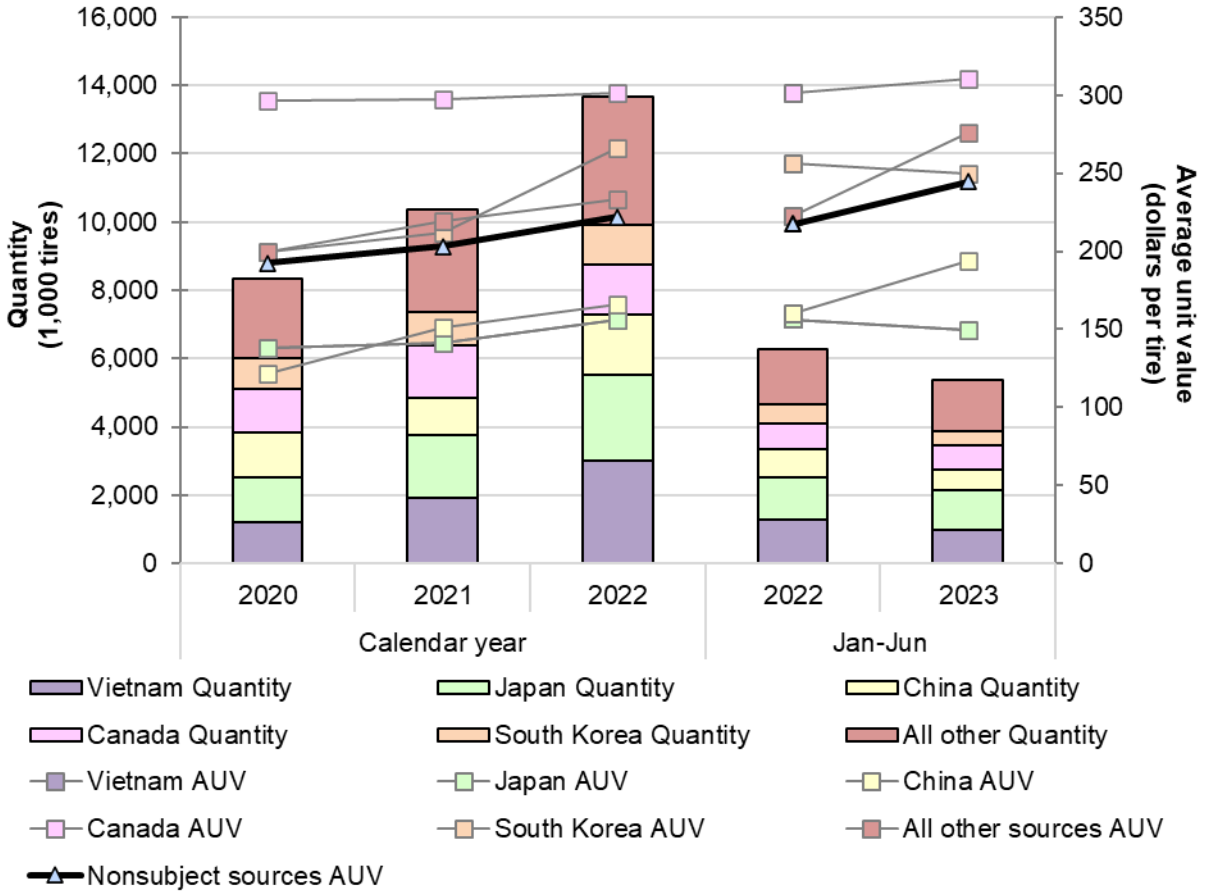
Unit value in dollars per 1,000 tires; share in percent

Source	Measure	2020	2021	2022	Jan-Jun 2022	Jan-Jun 2023
Vietnam	Unit value	138	141	156	156	150
Japan	Unit value	200	195	249	243	268
China	Unit value	121	151	166	160	194
Canada	Unit value	296	298	302	301	311
South Korea	Unit value	199	212	266	256	250
Spain	Unit value	248	273	334	311	354
All other sources	Unit value	270	312	370	355	379
Nonsubject sources	Unit value	192	203	222	217	245
Vietnam	Share of quantity	9.1	11.0	12.7	11.8	11.3
Japan	Share of quantity	10.0	10.4	10.4	10.9	13.8
China	Share of quantity	10.2	6.3	7.4	7.7	7.0
Canada	Share of quantity	9.6	8.8	6.3	6.6	8.2
South Korea	Share of quantity	6.9	5.4	4.9	5.1	5.1
Spain	Share of quantity	2.2	2.2	2.1	2.0	2.8
All other sources	Share of quantity	15.6	14.8	13.5	12.7	14.5
Nonsubject sources	Share of quantity	63.6	58.9	57.3	56.8	62.6
Vietnam	Share of value	7.2	8.4	9.8	9.3	7.6
Japan	Share of value	11.5	10.9	12.9	13.4	16.7
China	Share of value	7.0	5.2	6.1	6.3	6.1
Canada	Share of value	16.3	14.2	9.4	10.1	11.5
South Korea	Share of value	7.9	6.3	6.4	6.7	5.7
Spain	Share of value	3.1	3.3	3.5	3.1	4.5
All other sources	Share of value	24.1	25.1	24.7	22.8	24.8
Nonsubject sources	Share of value	69.9	65.0	63.0	62.3	69.2

Source: Compiled from official U.S. import statistics of the U.S. Department of Commerce Census Bureau using HTS statistical reporting numbers 4011.20.1015 and 4011.20.5020, accessed on October 31,2023. Imports are based on the imports for consumption data series.

Note: Major individual nonsubject sources are based on quantities imported in 2022. The shares calculated and shown in this table are based on U.S. imports from all sources (i.e., including Thailand) as shown in the previous table.

Figure IV-2
Truck and bus tires: U.S. nonsubject import quantities, shares of total nonsubject imports, and average unit values, by source and period



Source: Compiled from official U.S. import statistics of the U.S. Department of Commerce Census Bureau using HTS statistical reporting numbers 4011.20.1015 and 4011.20.5020, accessed on October 31,2023. Imports are based on the imports for consumption data series.

Note: Aggregated nonsubject sources are shown with the dark thick black line. Major individual nonsubject sources are, additionally, shown with light grey lines.

Imports from all major individual nonsubject sources reported net increases in quantity and value from 2020 to 2022. The quantity of imports from Vietnam, Japan, and China, the leading sources of nonsubject imports in 2022, increased by 153.1 percent, 88.7 percent, and 32.4 percent during 2020-22, and were 186.8 percent, 134.4 percent, and 81.3 percent, higher by value over the same period. Imports from Canada and South Korea also increased by 18.5 percent and 27.6 percent by quantity, and by 20.6 percent and 70.3 percent by value, during 2020-22.

The quantity of imports from all major individual nonsubject sources, other than Spain, was lower in January-June 2023 relative to January-June 2022. The value of imports from Japan

and Spain were higher in January-June 2023 relative to January-June 2022, but imports from all other nonsubject sources, and nonsubject sources as a whole, were lower.

As a share of quantity, imports from Vietnam and imports from Japan increased during 2020-22. Imports from China, Canada, and South Korea decreased over the same period. The AUV of imports from nonsubject sources as a whole increased from 2020 to 2022, reflected by an increase in the AUV of all major individual nonsubject sources. Imports from Vietnam had the lowest AUV in 2022, and imports from all other sources had the highest.

Tables IV-4, IV-5, and IV-6 present data for U.S. imports of truck and bus tires from Thailand, nonsubject sources, and all sources, by tire type (i.e., radial, bias play tubed, and bias ply tubeless truck and bus tires.

Table IV-4
Truck and bus tires: U.S. importers' U.S. shipments of imports from Thailand, by tire type and period

Quantity in 1,000 tires; value in 1,000 dollars; unit value in dollars per tire; shares in percent

Tire type	Measure	2020	2021	2022	Jan-Jun 2022	Jan-Jun 2023
Radial	Quantity	***	***	***	***	***
Bias ply: tubed	Quantity	***	***	***	***	***
Bias ply: tubeless	Quantity	***	***	***	***	***
All tire types	Quantity	4,574	6,564	7,504	3,866	2,810
Radial	Value	***	***	***	***	***
Bias ply: tubed	Value	***	***	***	***	***
Bias ply: tubeless	Value	***	***	***	***	***
All tire types	Value	780,721	1,192,999	1,565,673	751,051	595,309
Radial	Unit value	***	***	***	***	***
Bias ply: tubed	Unit value	***	***	***	***	***
Bias ply: tubeless	Unit value	***	***	***	***	***
All tire types	Unit value	171	182	209	194	212
Radial	Share of quantity	***	***	***	***	***
Bias ply: tubed	Share of quantity	***	***	***	***	***
Bias ply: tubeless	Share of quantity	***	***	***	***	***
All tire types	Share of quantity	100.0	100.0	100.0	100.0	100.0
Radial	Share of value	***	***	***	***	***
Bias ply: tubed	Share of value	***	***	***	***	***
Bias ply: tubeless	Share of value	***	***	***	***	***
All tire types	Share of value	100.0	100.0	100.0	100.0	100.0

Source: Compiled from data submitted in response to Commission questionnaires.

Note: Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent.

Table IV-5
Truck and bus tires: U.S. importers' U.S. shipments of imports from nonsubject sources, by tire type and period

Quantity in 1,000 tires; value in 1,000 dollars; unit value in dollars per tire; shares in percent

Tire type	Measure	2020	2021	2022	Jan-Jun 2022	Jan-Jun 2023
Radial	Quantity	***	***	***	***	***
Bias ply: tubed	Quantity	***	***	***	***	***
Bias ply: tubeless	Quantity	***	***	***	***	***
All tire types	Quantity	5,434	6,959	8,175	3,842	3,768
Radial	Value	***	***	***	***	***
Bias ply: tubed	Value	***	***	***	***	***
Bias ply: tubeless	Value	***	***	***	***	***
All tire types	Value	1,396,379	1,843,922	2,429,338	1,133,425	1,122,851
Radial	Unit value	***	***	***	***	***
Bias ply: tubed	Unit value	***	***	***	***	***
Bias ply: tubeless	Unit value	***	***	***	***	***
All tire types	Unit value	257	265	297	295	298
Radial	Share of quantity	***	***	***	***	***
Bias ply: tubed	Share of quantity	***	***	***	***	***
Bias ply: tubeless	Share of quantity	***	***	***	***	***
All tire types	Share of quantity	100.0	100.0	100.0	100.0	100.0
Radial	Share of value	***	***	***	***	***
Bias ply: tubed	Share of value	***	***	***	***	***
Bias ply: tubeless	Share of value	***	***	***	***	***
All tire types	Share of value	100.0	100.0	100.0	100.0	100.0

Source: Compiled from data submitted in response to Commission questionnaires.

Note: Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent. Zeroes, null values, and undefined calculations are suppressed and shown as "---".

Table IV-6
Truck and bus tires: U.S. importers' U.S. shipments of imports from all sources, by tire type and period

Quantity in 1,000 tires; value in 1,000 dollars, unit value in dollars per tire; share in percent

Tire type	Measure	2020	2021	2022	Jan-Jun 2022	Jan-Jun 2023
Radial	Quantity	***	***	***	***	***
Bias ply: tubed	Quantity	***	***	***	***	***
Bias ply: tubeless	Quantity	***	***	***	***	***
All tire types	Quantity	10,008	13,523	15,679	7,708	6,578
Radial	Value	***	***	***	***	***
Bias ply: tubed	Value	***	***	***	***	***
Bias ply: tubeless	Value	***	***	***	***	***
All tire types	Value	2,177,100	3,036,921	3,995,011	1,884,476	1,718,160
Radial	Unit value	***	***	***	***	***
Bias ply: tubed	Unit value	***	***	***	***	***
Bias ply: tubeless	Unit value	***	***	***	***	***
All tire types	Unit value	218	225	255	244	261
Radial	Share of quantity	***	***	***	***	***
Bias ply: tubed	Share of quantity	***	***	***	***	***
Bias ply: tubeless	Share of quantity	***	***	***	***	***
All tire types	Share of quantity	100.0	100.0	100.0	100.0	100.0
Radial	Share of value	***	***	***	***	***
Bias ply: tubed	Share of value	***	***	***	***	***
Bias ply: tubeless	Share of value	***	***	***	***	***
All tire types	Share of value	100.0	100.0	100.0	100.0	100.0

Source: Compiled from data submitted in response to Commission questionnaires.

Note: Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent.

U.S. shipments of radial tires never accounted for less than *** percent of total U.S. shipments of imports of truck and bus tires from all sources, by quantity, and *** percent, by value. Only *** firms reported imports of bias ply tubed tires from Thailand, and *** firms reported imports of bias ply tubed tires from nonsubject sources. U.S. shipments of bias ply tubeless tires imported from Thailand were reported by ***, and by *** for imports from nonsubject sources.

Table IV-7 presents data for U.S. imports of truck and bus tires by U.S. producers and/or their affiliated firms, by subject and nonsubject sources.

Table IV-7
Truck and bus tires: U.S. imports by U.S. producers and/or affiliated firms, by source and period

Quantity in 1,000 tires; ratio in percent

Source	Measure	2020	2021	2022	Jan-Jun 2022	Jan-Jun 2023
Thailand	Quantity	***	***	***	***	***
Nonsubject sources	Quantity	***	***	***	***	***
All import sources	Quantity	***	***	***	***	***
Thailand	Ratio (see note)	***	***	***	***	***
Nonsubject sources	Ratio (see note)	***	***	***	***	***
All import sources	Ratio (see note)	***	***	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires.

Note: Ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent. Zeroes, null values, and undefined calculations are suppressed and shown as "---". The ratios represent the portion of official U.S. import statistics within the specified source that was imported by U.S. producers and/or their affiliates. These ratios are calculated off of data shown in this table (numerators) based on questionnaire data and in table IV-2 (denominators) based on official U.S. import statistics.

U.S. imports of truck and bus tires by U.S. producers and/or their affiliated firms increased steadily from 2020 to 2022, with a two-year increase of *** percent, and were *** percent higher in January-June 2023 compared to January-June 2022. U.S. producers' imports from Thailand increased by *** percent from 2020 to 2022, while imports from nonsubject sources increased by *** percent over the same period. U.S. producers' imports of truck and bus tires from Thailand and from nonsubject sources were *** percent and *** percent higher in January-June 2023 compared to January-June 2022, respectively.

As a ratio to total imports of truck and bus tires, imports by U.S. producers and/or their affiliates first rose by *** percentage points from 2020 to 2021, before falling by *** percentage points from 2021 to 2022, for a net 2020 to 2022 decline of *** percentage points, although never accounting for less than *** of total imports. In January-June 2023, however, U.S. producers' and/or their affiliates' imports of truck and bus tires were *** percentage points higher, as a ratio to total imports of truck and bus tires, compared to January-June 2022. The higher ratio of total imports was reflected in both subject and nonsubject imports, both of which were highest in January-June 2023, with imports from nonsubject sources by U.S. producers' and/or their affiliates comprising *** of all nonsubject imports in that period, and *** of all subject imports.

Negligibility

The statute requires that an investigation be terminated without an injury determination if imports of the subject merchandise are found to be negligible.[2] Negligible imports are generally defined in the Act, as amended, as imports from a country of merchandise corresponding to a domestic like product where such imports account for less than 3 percent of the volume of all such merchandise imported into the United States in the most recent 12-month period for which data are available that precedes the filing of the petition or the initiation of the investigation. However, if there are imports of such merchandise from a number of countries subject to investigations initiated on the same day that individually account for less than 3 percent of the total volume of the subject merchandise, and if the imports from those countries collectively account for more than 7 percent of the volume of all such merchandise imported into the United States during the applicable 12-month period, then imports from such countries are deemed not to be negligible.[3] As presented in table IV-8, imports from Thailand accounted for 39.7 percent of total imports of Thailand by quantity during the period October 2022 through September 2023.

Table IV-8
Truck and bus tires: U.S. imports in the twelve-month period preceding the filing of the petition, October 2022 through September 2023

Quantity in 1,000 tires; share of quantity in percent

Source of imports	Quantity	Share of quantity
Thailand	7,502	39.7
Nonsubject sources	11,397	60.3
All import sources	18,899	100.0

Source: Compiled from official U.S. import statistics of the U.S. Department of Commerce Census Bureau using HTS statistical reporting numbers 4011.20.1015 and 4011.20.5020, accessed on October 31,2023. Imports are based on the imports for consumption data series. Value data reflect landed duty-paid values.

[2] Sections 703(a)(1), 705(b)(1), 733(a)(1), and 735(b)(1) of the Act (19 U.S.C. §§ 1671b(a)(1), 1671d(b)(1), 1673b(a)(1), and 1673d(b)(1)).

[3] Section 771 (24) of the Act (19 U.S.C § 1677(24)).

Apparent U.S. consumption and market shares

Quantity

Table IV-9 and figure IV-3 present data on apparent U.S. consumption and U.S. market shares by quantity for truck and bus tires.

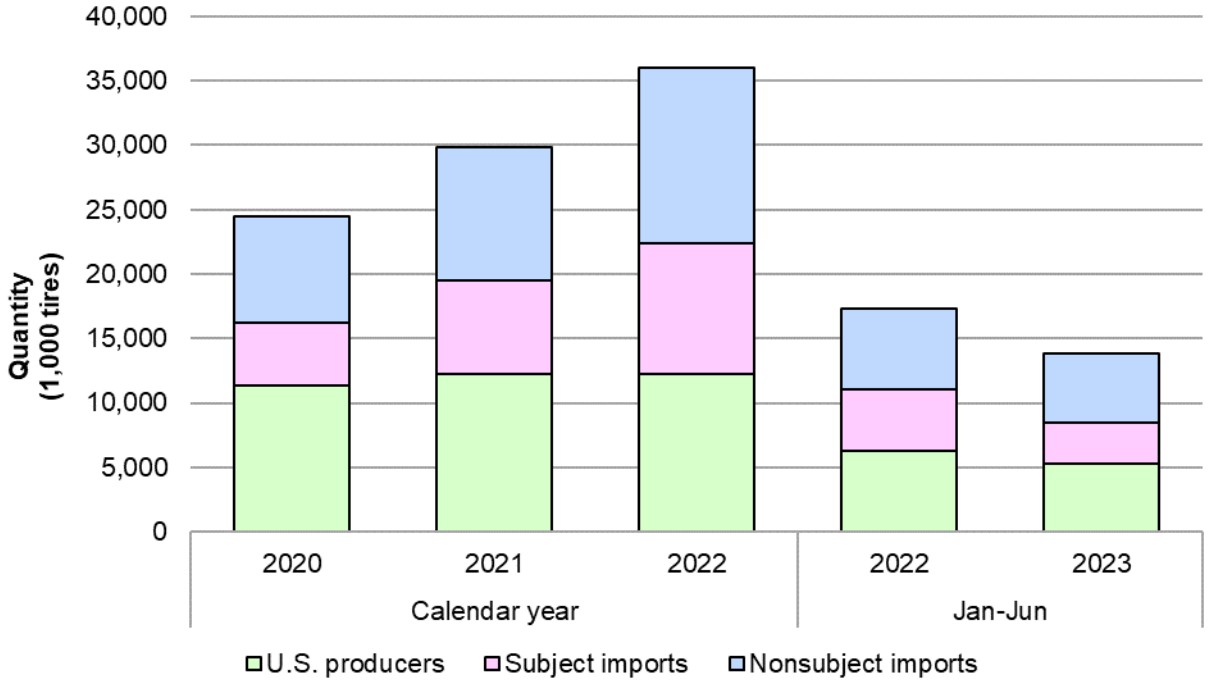
Table IV-9
Truck and bus tires: Apparent U.S. consumption and market shares based on quantity, by source and period

Quantity in 1,000 tires; share in percent

Source	Measure	2020	2021	2022	Jan-Jun 2022	Jan-Jun 2023
U.S. producers	Quantity	11,392	12,278	12,208	6,235	5,301
Thailand	Quantity	4,782	7,212	10,186	4,773	3,202
Nonsubject sources	Quantity	8,352	10,351	13,654	6,284	5,365
All import sources	Quantity	13,134	17,563	23,841	11,057	8,567
All sources	Quantity	24,526	29,841	36,049	17,292	13,868
U.S. producers	Share	46.4	41.1	33.9	36.1	38.2
Thailand	Share	19.5	24.2	28.3	27.6	23.1
Nonsubject sources	Share	34.1	34.7	37.9	36.3	38.7
All import sources	Share	53.6	58.9	66.1	63.9	61.8
All sources	Share	100.0	100.0	100.0	100.0	100.0

Source: Compiled from data submitted in response to Commission questionnaires and official U.S. import statistics of the U.S. Department of Commerce Census Bureau using HTS statistical reporting numbers 4011.20.1015 and 4011.20.5020, accessed on October 31,2023. Imports are based on the imports for consumption data series.

Figure IV-3
Truck and bus tires: Apparent U.S. consumption based on quantity, by source and period



Source: Compiled from data submitted in response to Commission questionnaires and official U.S. import statistics of the U.S. Department of Commerce Census Bureau using HTS statistical reporting numbers 4011.20.1015 and 4011.20.5020, accessed on October 31,2023. Imports are based on the imports for consumption data series.

Apparent consumption of truck and bus tires in the United States, by quantity, increased irregularly during 2020-22 by 7.2 percent, but was 15.0 percent lower in January-June 2023 relative to January-June 2022. The share of apparent consumption, by quantity, accounted for by U.S. producers decreased steadily from 2020 to 2022, for a net decline of 12.6 percentage points, the bulk of which occurred from 2021 to 2022. The drop in market share occurred at the same time that the quantity of U.S. producers' U.S. shipments increased irregularly by 7.2 percent. Over this same period, the market share accounted for imports from both subject and nonsubject sources steadily rose, for two-year increases of 8.8 percentage points and 3.8 percentage points, respectively.

In January-June 2023, the trend for U.S. producers reversed, with U.S. producers' market share, by quantity, being 2.2 percentage points higher compared to January-June 2022, despite U.S. producers reporting 15.0 percent fewer U.S. shipments comparing the interim periods. While the market share accounted for by imports from nonsubject sources was also higher in January-June 2023, by 2.3 percentage points, the market share of imports from subject sources was 4.5 percentage points lower when compared to January-June 2022, and the

market share of imports from all sources was 2.2 percentage points lower comparing the same periods.

Value

Table IV-10 and figure IV-4 present data on apparent U.S. consumption and U.S. market shares by value for truck and bus tires.

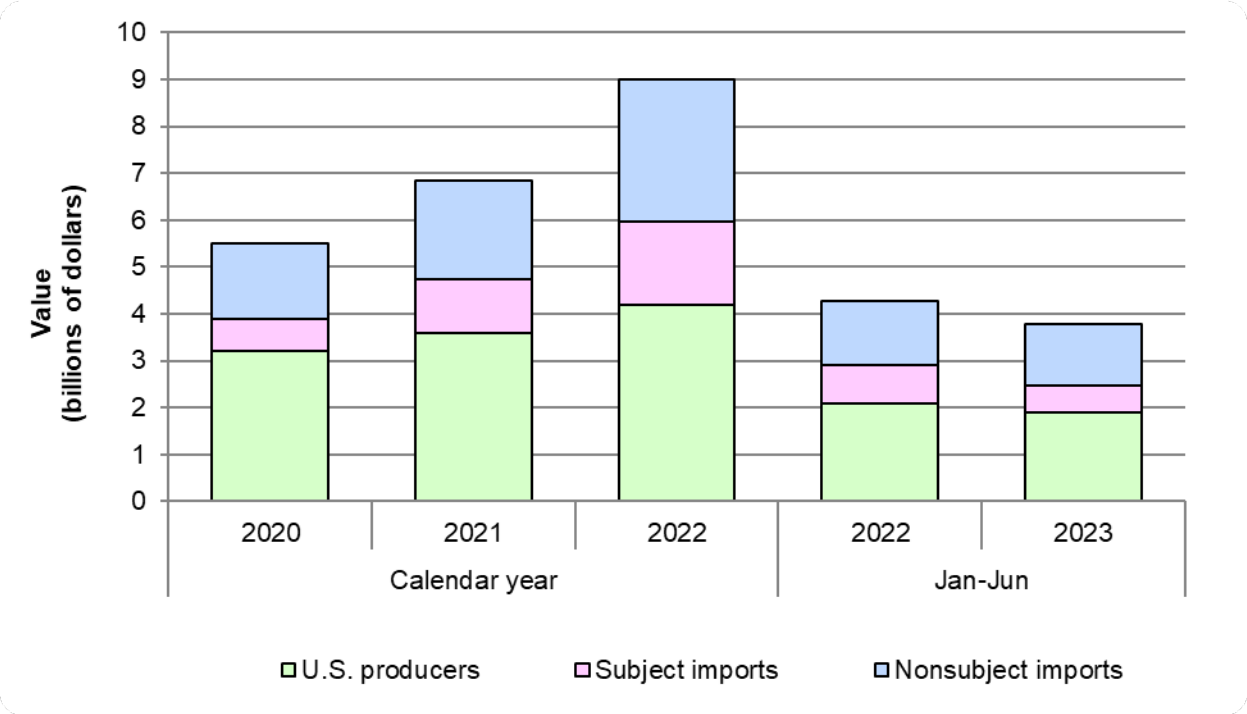
Table IV-10
Truck and bus tires: Apparent U.S. consumption and market shares based on value, by source and period

Value in 1,000 dollars; share in percent

Source	Measure	2020	2021	2022	Jan-Jun 2022	Jan-Jun 2023
U.S. producers	Value	3,201,181	3,600,782	4,179,032	2,078,324	1,889,791
Thailand	Value	692,164	1,131,166	1,779,365	823,949	583,164
Nonsubject sources	Value	1,606,508	2,102,369	3,032,362	1,363,037	1,312,722
All import sources	Value	2,298,672	3,233,535	4,811,728	2,186,986	1,895,886
All sources	Value	5,499,853	6,834,317	8,990,760	4,265,310	3,785,677
U.S. producers	Share	58.2	52.7	46.5	48.7	49.9
Thailand	Share	12.6	16.6	19.8	19.3	15.4
Nonsubject sources	Share	29.2	30.8	33.7	32.0	34.7
All import sources	Share	41.8	47.3	53.5	51.3	50.1
All sources	Share	100.0	100.0	100.0	100.0	100.0

Source: Compiled from data submitted in response to Commission questionnaires and official U.S. import statistics of the U.S. Department of Commerce Census Bureau using HTS statistical reporting numbers 4011.20.1015 and 4011.20.5020, accessed on October 31,2023. Imports are based on the imports for consumption data series. Import values are based on landed-duty paid values.

Figure IV-4
Truck and bus tires: Apparent U.S. consumption based on value, by source and period



Source: Compiled from data submitted in response to Commission questionnaires and official U.S. import statistics of the U.S. Department of Commerce Census Bureau using HTS statistical reporting numbers 4011.20.1015 and 4011.20.5020, accessed on October 31,2023. Imports are based on the imports for consumption data series. Import values are based on landed-duty paid values.

Apparent consumption of truck and bus tires in the United States, by value, increased steadily during 2020-22 by 63.5 percent, and was 11.2 percent lower in January-June 2023 relative to January-June 2022. The share of apparent consumption, by value, accounted for by U.S. producers decreased from 2020 to 2022, for a two-year decline of 11.7 percentage points, despite an overall increase of 30.5 percent in the value of U.S. producers' U.S. shipments during the same period.

This trend reversed in January-June 2023, with U.S. producers' market share in that period being 1.2 percentage points higher relative to January-June 2022, even though the value of their U.S. shipments was 9.1 percent lower. From 2020 to 2022, the market share of imports from subject and nonsubject sources both increased steadily, for a two-year increase of 7.2 percentage points and 4.5 percentage points, respectively. Although the market share of imports from nonsubject sources was 2.7 percentage points higher in January-June 2023 relative to January-June 2022, the market share of both subject sources and all import sources were 3.9 percentage points and 1.2 percentages points lower, respectively.

U.S. shipments to OEMs and the aftermarket

Tables IV-11 and IV-12 present data for U.S. shipments of truck and bus tires to OEMs and the aftermarket, by source and period. These data represent a smaller universe of quantity and volume than data for apparent U.S. consumption, but do represent trends and relative shares for responding U.S. producers and importers with volumes equivalent to approximately four-fifths of apparent U.S. consumption.

Table IV-11
Truck and bus tires: U.S. shipments to OEMs based on quantity date, by source and period

Quantity in 1,000 tires; share and ratio in percent; ratio is to overall apparent consumption quantity

Source	Measure	2020	2021	2022	Jan-Jun 2022	Jan-Jun 2023
U.S. producers	Quantity	***	***	***	***	***
Thailand	Quantity	***	***	***	***	***
Nonsubject sources	Quantity	***	***	***	***	***
All import sources	Quantity	***	***	***	***	***
All sources	Quantity	***	***	***	***	***
U.S. producers	Share	***	***	***	***	***
Thailand	Share	***	***	***	***	***
Nonsubject sources	Share	***	***	***	***	***
All import sources	Share	***	***	***	***	***
All sources	Share	100.0	100.0	100.0	100.0	100.0
U.S. producers	Ratio	***	***	***	***	***
Thailand	Ratio	***	***	***	***	***
Nonsubject sources	Ratio	***	***	***	***	***
All import sources	Ratio	***	***	***	***	***
All sources	Ratio	***	***	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires.

Table IV-12
Truck and bus tires: Aftermarket U.S. shipments based on quantity data, by source and period

Quantity in 1,000 tires; share and ratio in percent; ratio is to overall apparent consumption quantity

Source	Measure	2020	2021	2022	Jan-Jun 2022	Jan-Jun 2023
U.S. producers	Quantity	***	***	***	***	***
Thailand	Quantity	***	***	***	***	***
Nonsubject sources	Quantity	***	***	***	***	***
All import sources	Quantity	***	***	***	***	***
All sources	Quantity	***	***	***	***	***
U.S. producers	Share	***	***	***	***	***
Thailand	Share	***	***	***	***	***
Nonsubject sources	Share	***	***	***	***	***
All import sources	Share	***	***	***	***	***
All sources	Share	100.0	100.0	100.0	100.0	100.0
U.S. producers	Ratio	***	***	***	***	***
Thailand	Ratio	***	***	***	***	***
Nonsubject sources	Ratio	***	***	***	***	***
All import sources	Ratio	***	***	***	***	***
All sources	Ratio	***	***	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires.

U.S. shipments to OEMs increased annually from 2020 to 2022, for a two-year increase of *** percent, and were *** percent higher in January-June 2023 compared to January-June 2022. The largest single-year increase occurred from 2020 to 2021, when U.S shipments to OEMs increased by *** percent. As a ratio to apparent consumption, total U.S. shipments to OEMs fluctuated between *** and *** percent from 2020 to 2022, and reached *** percent in January-June 2023.

The rise in U.S. shipments to OEMs from 2020 to 2022 reflected increases in shipments from all sources during the same period. U.S. producers' shipments increased by *** percent over the two-year period, with all producers which reported shipments to OEMs reporting increases over the same period.[4] U.S. shipments of imports from Thailand and from nonsubject sources to OEMs increased more rapidly from 2020 to 2022, by *** percent and *** percent, respectively, and were *** percent and *** percent higher in January-June 2023 compared to January-June 2022, while U.S. shipments by U.S. producers were essentially stable.

Although U.S. producers' OEM shipments increased from 2020 to 2022, the share of total OEM shipments accounted for by U.S. producers declined by *** percentage points over

[4] Only *** did not report U.S. shipments to OEMs. U.S. producer questionnaire, section II-9.

the same period, as the share accounted for by subject and nonsubject imports rose by *** percentage points and *** percentage points, respectively. U.S. producers' share was also lower in January-June 2023 compared to January-June 2022.

Total U.S. shipments in the aftermarket increased steadily, albeit less rapidly, from 2020 to 2022, for a two-year rise of *** percent. Unlike the OEM market, however, aftermarket shipments were then *** percent lower in January-June 2023 compared to January-June 2022. Although U.S. aftermarket shipments as a ratio to apparent consumption decreased steadily from 2020 to 2022, and was *** percentage points lower in January-June 2023 compared to 2022, aftermarket shipments remained greater than 50.0 percent for each full or partial year period.

The overall two-year rise in U.S. shipments to the aftermarket reflected the increase in imports, both from Thailand and nonsubject sources, which increased steadily by *** percent and *** percent, respectively, from 2020 to 2022. Although aftermarket shipments by U.S. producers increased by *** percent from 2020 to 2021, the subsequent *** percent decline from 2021 to 2022 led to a *** percent net decline from 2020 to 2022. Unlike U.S. shipments to OEMs, aftermarket shipments from all sources were lower in January-June 2023 compared to January-June 2022, with U.S. producers' and import shipments being *** percent and *** percent lower, respectively.

As a share of total aftermarket shipments, shipments by U.S. producers decreased by *** percentage points from 2020 to 2022, while the share of imports from Thailand and nonsubject imports increased by *** percentage points and *** percentage points, respectively, over the same period. While the share accounted for by nonsubject imports was *** percentage points higher in January-June 2023 relative to January-June 2022, the share accounted for by U.S. producers and imports from Thailand were *** percentage points and *** percentage points lower, respectively.

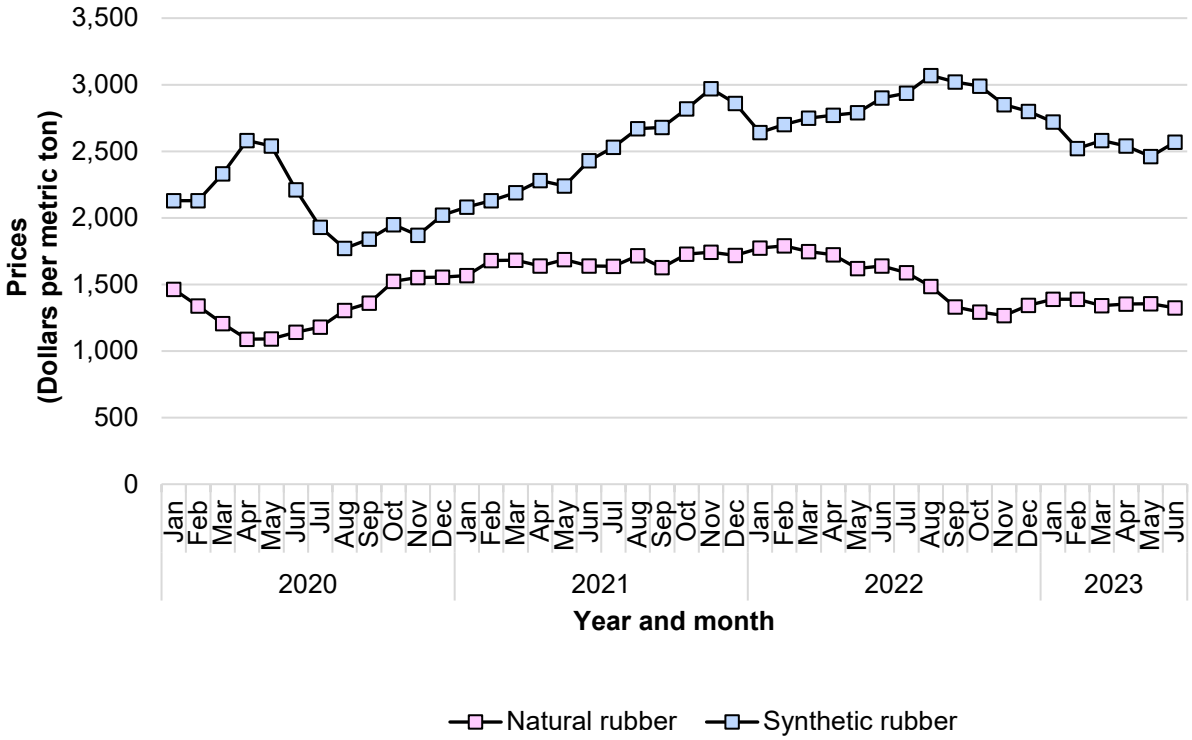
Part V: Pricing data

Factors affecting prices

Raw material costs

Truck and bus tires are produced using natural and synthetic rubber, carbon black, oils, and steel. Approximately *** percent of the raw material cost of a tire is rubber, *** percent is carbon black, and *** percent is bead wire for tire cord. Most responding U.S. producers (5 of 6) and importers (16 of 23) reported that raw material prices have increased (either steadily or with fluctuations) since 2020. The ratio of raw materials to COGS increased from *** percent in 2020 to *** percent in 2022. The prices of both synthetic and natural rubber have fluctuated since January 2020, but followed different overall trends. The price of natural rubber decreased by *** percent between January 2020 and June 2023 while the price of synthetic rubber increased by *** percent between January 2020 and June 2023 (figure V-1 and table V-1).

Figure V-1
Raw materials: Rubber prices for natural rubber on the Singapore exchange and synthetic rubber (U.S. styrene-butadiene rubber), by month, January 2020 to June 2023



Sources: Technically Specified Natural Rubber (TSR), Singapore Exchange (SGX), Rubber Statistical Bulletin, International Rubber Study Group (IRSG), Singapore, Quarterly Issues. and
Rubber Statistical Bulletin, International Rubber Study Group (IRSG), Singapore, Quarterly issues. Retrieved October 24, 2023.

Table V-1
Raw materials: Monthly rubber prices for natural rubber on the Singapore exchange and synthetic rubber (U.S. styrene-butadiene rubber), dollars per metric ton January 2020 to June 2023

Prices in dollars per metric ton

Period	Natural rubber	Synthetic rubber
January 2020	1,464	2,130
February 2020	1,338	2,130
March 2020	1,207	2,330
April 2020	1,089	2,580
May 2020	1,090	2,540
June 2020	1,141	2,210
July 2020	1,180	1,930
August 2020	1,305	1,770
September 2020	1,361	1,840
October 2020	1,524	1,950
November 2020	1,553	1,870
December 2020	1,554	2,020
January 2021	1,567	2,080
February 2021	1,679	2,130
March 2021	1,683	2,190
April 2021	1,638	2,280
May 2021	1,686	2,240
June 2021	1,640	2,430
July 2021	1,637	2,530
August 2021	1,715	2,670
September 2021	1,626	2,680
October 2021	1,729	2,820
November 2021	1,742	2,970
December 2021	1,719	2,860
January 2022	1,773	2,640
February 2022	1,790	2,700
March 2022	1,746	2,750
April 2022	1,724	2,770
May 2022	1,619	2,790
June 2022	1,639	2,900
July 2022	1,588	2,937
August 2022	1,486	3,070
September 2022	1,331	3,020
October 2022	1,293	2,990
November 2022	1,266	2,850
December 2022	1,344	2,800
January 2023	1,389	2,720
February 2023	1,388	2,520
March 2023	1,341	2,580
April 2023	1,352	2,540
May 2023	1,356	2,460
June 2023	1,325	2,570

Sources: Technically Specified Natural Rubber (TSR), Singapore Exchange (SGX), Rubber Statistical Bulletin, International Rubber Study Group (IRSG), Singapore, Quarterly Issues. and
Rubber Statistical Bulletin, International Rubber Study Group (IRSG), Singapore, Quarterly issues. Retrieved October 24, 2023, and USITC DataWeb, U.S. SBR Exports, HTS 4002.19, retrieved November 17, 2023.

Transportation costs to the U.S. market

Transportation costs for truck and bus tires shipped from Thailand to the United States averaged 14.6 percent during 2022. These estimates were derived from official import data and represent the transportation and other charges on imports.[1]

U.S. inland transportation costs

Four of six responding U.S. producers and all 29 responding importers reported that they typically arrange transportation to their customers. Most U.S. producers reported that their U.S. inland transportation costs ranged from 6 to 14 percent while most importers reported costs of 2 to 7 percent.

Pricing practices

Pricing methods

U.S. producers and importers reported setting prices using transaction-by-transaction negotiations, contracts, price lists, and *** (table V-2). Price lists are the most common price setting method.

Table V-2
Truck and bus tires: Count of U.S. producers' and importers' reported price setting methods

Method	U.S. producers	U.S. importers
Transaction-by-transaction	***	12
Contract	***	5
Set price list	***	23
Other	***	0
Responding firms	***	29

Source: Compiled from data submitted in response to Commission questionnaires.

Note: The sum of responses down may not add up to the total number of responding firms as each firm was instructed to check all applicable price setting methods employed.

[1] The estimated transportation costs were obtained by subtracting the customs value from the c.i.f. value of the imports for 2022 and then dividing by the customs value based on HTS statistical reporting numbers 4011.20.1015 and 4011.20.5020.

U.S. producers reported selling most of their truck and bus tires in OEM sales under short-term or long-term contract, while aftermarket sales were most commonly under long-term contracts (table V-3). *** importers reported sales to OEMs (***) with the majority of these sales under short-term contracts. Most importers' aftermarket sales were spot sales.

Table V-3
Truck and bus tires: U.S. producers' and importers' shares of commercial U.S. shipments by type of sale, 2022

Share in percent

Item	U.S. producers: OEM	U.S. producers: Aftermarket	U.S. producers: All channels	Subject U.S. importers: OEM	Subject U.S. importers: Aftermarket	Subject U.S. importers: All channels
Long-term contracts	***	***	***	3.6	8.5	8.2
Annual contracts	***	***	***	14.2	2.9	3.7
Short-term contracts	***	***	***	53.3	23.8	25.8
Spot sales	***	***	***	29.0	64.9	62.4
Total	100.0	100.0	100.0	100.0	100.0	100.0

Source: Compiled from data submitted in response to Commission questionnaires.
Note: Because of rounding, figures may not add to the totals shown.

Most U.S. producers reported that long-term contracts for OEMs did not allow price renegotiations during the contract, fix both price and quantity, and are indexed to raw material costs.[2] Most U.S. producers reported that long-term contracts for aftermarket sales fix both price and quantity and are indexed to raw material costs. Most importers reported that short-term contracts for aftermarket sales did not allow price renegotiations, fix price and quantity and are not indexed to raw materials.

Sales terms and discounts

U.S. producers and importers typically quote prices on a delivered basis. Producers offer quantity (3 of 6) and total volume (4) discounts, although two reported no discounts. Importers typically offer quantity (16 of 29) and total volume (18) discount, although 5 reported no discounts; and other discounts reported by 6 importers included customer specific discounts, promotional discounts, case by case discounts, seasonal pricing, and freight discounts.

[2] ***.

Price data

The Commission requested U.S. producers and importers to provide quarterly data for the total quantity and f.o.b. value of the following truck and bus tires products shipped to unrelated U.S. OEM and aftermarket customers during January 2020 to June 2023.

Product 1.-- Truck and bus tire, tires designated for drive application (excluding all-position/all-purpose tires), size 11R22.5, 16 ply rating, load range of H, speed rating L (75 mph).

Product 2.-- Truck and bus tire, tires designated for drive application (excluding all-position/all-purpose tires), size 11R24.5, 16 ply rating, load range of H, speed rating L (75 mph).

Product 3.-- Truck and bus tire, tires designated for drive application (excluding all-position/all-purpose tires), size 295/75R22.5, 14 ply rating, load range of G, speed rating L (75 mph).

Product 4.— Truck and bus tire, tires designated for drive application (excluding all-position/all-purpose tires), size 225/70R19.5, 14 ply rating, load range of G, speed rating L (75 mph).

Four U.S. producers (*** for OEMs and *** for aftermarket sales) and 19 importers (*** for OEMs,***, and *** for aftermarket sales) provided usable pricing data for sales of the requested products, although not all firms reported pricing for all products for all quarters.[3] OEM pricing data reported by U.S. producers accounted for 8.9 percent and aftermarket pricing data accounted for 6.0 percent of U.S. producers' U.S. commercial shipments of truck and bus tires in 2022. Pricing data for truck and bus tires from Thailand to OEMs were 1.4 percent of commercial shipments and to aftermarket sales were 25.0 percent of their commercial shipments in 2022.[4]

Pricing data for products 1-4 to OEM and aftermarket sales are presented in tables V-4 to V-7 and figures V-2 to V-5.

[3] Per-unit pricing data are calculated from total quantity and total value data provided by U.S. producers and importers. The precision and variation of these figures may be affected by rounding, limited quantities, and producer or importer estimates.

[4] Pricing coverage is based on U.S. shipments reported in questionnaires.

Table V-4
Truck and bus tires: Weighted-average f.o.b. prices and quantities of domestic and imported product 1 sales to OEMs and aftermarket, and margins of underselling/(overselling), by source and quarter

Price in dollars per tire, quantity in tires, margin in percent.

Period	U.S. OEM price	U.S. OEM quantity	Thailand OEM price	Thailand OEM quantity	Thailand OEM margin
2020 Q1	***	***	***	***	***
2020 Q2	***	***	***	***	***
2020 Q3	***	***	***	***	***
2020 Q4	***	***	***	***	***
2021 Q1	***	***	***	***	***
2021 Q2	***	***	***	***	***
2021 Q3	***	***	***	***	***
2021 Q4	***	***	***	***	***
2022 Q1	***	***	***	***	***
2022 Q2	***	***	***	***	***
2022 Q3	***	***	***	***	***
2022 Q4	***	***	***	***	***
2023 Q1	***	***	***	***	***
2023 Q2	***	***	***	***	***

Table V-4 Continued

Period	U.S. aftermarket price	U.S. aftermarket quantity	Thailand aftermarket price	Thailand aftermarket quantity	Thailand aftermarket margin
2020 Q1	***	***	***	***	***
2020 Q2	***	***	***	***	***
2020 Q3	***	***	***	***	***
2020 Q4	***	***	***	***	***
2021 Q1	***	***	***	***	***
2021 Q2	***	***	***	***	***
2021 Q3	***	***	***	***	***
2021 Q4	***	***	***	***	***
2022 Q1	***	***	***	***	***
2022 Q2	***	***	***	***	***
2022 Q3	***	***	***	***	***
2022 Q4	***	***	***	***	***
2023 Q1	***	***	***	***	***
2023 Q2	***	***	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires.

Note: Product 1: Truck and bus tire, tires designated for drive application (excluding all-position/all-purpose tires), size 11R22.5, 16 ply rating, load range of H, speed rating L (75 mph).

Figure V-2
Truck and bus tires: Weighted-average f.o.b. prices and quantities of domestic and imported product 1, by source and quarter

Price of product 1 (OEM)

* * * * * * *

Volume of product 1 (OEM)

* * * * * * *

Price of product 1 (Aftermarket)

* * * * * * *

Volume of product 1 (Aftermarket)

* * * * * * *

Source: Compiled from data submitted in response to Commission questionnaires.

Note: Product 1: Truck and bus tire, tires designated for drive application (excluding all-position/all-purpose tires), size 11R22.5, 16 ply rating, load range of H, speed rating L (75 mph).

Table V-5
Truck and bus tires: Weighted-average f.o.b. prices and quantities of domestic and imported product 2, and margins of underselling/(overselling), by source and quarter

Price in dollars per tire, quantity in tires, margin in percent.

Period	US OEM price	US OEM quantity	Thailand OEM price	Thailand OEM quantity	Thailand OEM margin
2020 Q1	***	***	***	***	***
2020 Q2	***	***	***	***	***
2020 Q3	***	***	***	***	***
2020 Q4	***	***	***	***	***
2021 Q1	***	***	***	***	***
2021 Q2	***	***	***	***	***
2021 Q3	***	***	***	***	***
2021 Q4	***	***	***	***	***
2022 Q1	***	***	***	***	***
2022 Q2	***	***	***	***	***
2022 Q3	***	***	***	***	***
2022 Q4	***	***	***	***	***
2023 Q1	***	***	***	***	***
2023 Q2	***	***	***	***	***

Table V-5 Continued

Period	US aftermarket price	US aftermarket quantity	Thailand aftermarket price	Thailand aftermarket quantity	Thailand aftermarket margin
2020 Q1	***	***	***	***	***
2020 Q2	***	***	***	***	***
2020 Q3	***	***	***	***	***
2020 Q4	***	***	***	***	***
2021 Q1	***	***	***	***	***
2021 Q2	***	***	***	***	***
2021 Q3	***	***	***	***	***
2021 Q4	***	***	***	***	***
2022 Q1	***	***	***	***	***
2022 Q2	***	***	***	***	***
2022 Q3	***	***	***	***	***
2022 Q4	***	***	***	***	***
2023 Q1	***	***	***	***	***
2023 Q2	***	***	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires.

Note: Product 2: Truck and bus tire, tires designated for drive application (excluding all-position/all-purpose tires), size 11R24.5, 16 ply rating, load range of H, speed 4ting L (75 mph).

Figure V-3
Truck and bus tires: Weighted-average f.o.b. prices and quantities of domestic and imported product 2, by source and quarter

Price of product 2 (OEM)

* * * * * * *

Volume of product 2 (OEM)

* * * * * * *

Price of product 2 (Aftermarket)

* * * * * * *

Volume of product 2 (Aftermarket)

* * * * * * *

Source: Compiled from data submitted in response to Commission questionnaires.

Note: Product 2: Truck and bus tire, tires designated for drive application (excluding all-position/all-purpose tires), size 11R24.5, 16 ply rating, load range of H, speed 4ting L (75 mph).

Table V-6
Truck and bus tires: Weighted-average f.o.b. prices and quantities of domestic and imported product 3 sales to OEMs and aftermarket, and margins of underselling/(overselling), by source and quarter

Price in dollars per tire, quantity in tires, margin in percent.

Period	US OEM price	US OEM quantity	Thailand OEM price	Thailand OEM quantity	Thailand OEM margin
2020 Q1	***	***	***	***	***
2020 Q2	***	***	***	***	***
2020 Q3	***	***	***	***	***
2020 Q4	***	***	***	***	***
2021 Q1	***	***	***	***	***
2021 Q2	***	***	***	***	***
2021 Q3	***	***	***	***	***
2021 Q4	***	***	***	***	***
2022 Q1	***	***	***	***	***
2022 Q2	***	***	***	***	***
2022 Q3	***	***	***	***	***
2022 Q4	***	***	***	***	***
2023 Q1	***	***	***	***	***
2023 Q2	***	***	***	***	***

Table V-6 continued

Period	US aftermarket price	US aftermarket quantity	Thailand aftermarket price	Thailand aftermarket quantity	Thailand aftermarket margin
2020 Q1	***	***	***	***	***
2020 Q2	***	***	***	***	***
2020 Q3	***	***	***	***	***
2020 Q4	***	***	***	***	***
2021 Q1	***	***	***	***	***
2021 Q2	***	***	***	***	***
2021 Q3	***	***	***	***	***
2021 Q4	***	***	***	***	***
2022 Q1	***	***	***	***	***
2022 Q2	***	***	***	***	***
2022 Q3	***	***	***	***	***
2022 Q4	***	***	***	***	***
2023 Q1	***	***	***	***	***
2023 Q2	***	***	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires.

Note: Product 3: Truck and bus tire, tires designated for drive application (excluding all-position/all-purpose tires), size 295/75R22.5, 14 ply rating, load range of G, speed rating L (75 mph).

Figure V-4
Truck and bus tires: Weighted-average f.o.b. prices and quantities of domestic and imported product 3, by source and quarter

Price of product 3 (OEM)

* * * * * * *

Volume of product 3 (OEM)

* * * * * * *

Price of product 3 (Aftermarket)

* * * * * * *

Volume of product 3 (Aftermarket)

* * * * * * *

Source: Compiled from data submitted in response to Commission questionnaires.

Note: Product 3: Truck and bus tire, tires designated for drive application (excluding all-position/all-purpose tires), size 295/75R22.5, 14 ply rating, load range of G, speed rating L (75 mph).

Table V-7
Truck and bus tires: Weighted-average f.o.b. prices and quantities of domestic and imported product 4 sales to OEMs and aftermarket, and margins of underselling/(overselling), by source and quarter

Price in dollars per tire, quantity in tires, margin in percent.

Period	US OEM price	US OEM quantity	Thailand OEM price	Thailand OEM quantity	Thailand OEM margin
2020 Q1	***	***	***	***	***
2020 Q2	***	***	***	***	***
2020 Q3	***	***	***	***	***
2020 Q4	***	***	***	***	***
2021 Q1	***	***	***	***	***
2021 Q2	***	***	***	***	***
2021 Q3	***	***	***	***	***
2021 Q4	***	***	***	***	***
2022 Q1	***	***	***	***	***
2022 Q2	***	***	***	***	***
2022 Q3	***	***	***	***	***
2022 Q4	***	***	***	***	***
2023 Q1	***	***	***	***	***
2023 Q2	***	***	***	***	***

Period	US aftermarket price	US aftermarket quantity	Thailand aftermarket price	Thailand aftermarket quantity	Thailand aftermarket margin
2020 Q1	***	***	***	***	***
2020 Q2	***	***	***	***	***
2020 Q3	***	***	***	***	***
2020 Q4	***	***	***	***	***
2021 Q1	***	***	***	***	***
2021 Q2	***	***	***	***	***
2021 Q3	***	***	***	***	***
2021 Q4	***	***	***	***	***
2022 Q1	***	***	***	***	***
2022 Q2	***	***	***	***	***
2022 Q3	***	***	***	***	***
2022 Q4	***	***	***	***	***
2023 Q1	***	***	***	***	***
2023 Q2	***	***	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires.

Note: Product 4: Truck and bus tire, tires designated for drive application (excluding all-position/all-purpose tires), size 225/70R19.5, 14 ply rating, load range of G, speed rating L (75 mph).

Figure V-5
Truck and bus tires: Weighted-average f.o.b. prices and quantities of domestic and imported product 4, by source and quarter

Price of product 4 (OEM)

* * * * * * *

Volume of product 4 (OEM)

* * * * * * *

Price of product 4 (Aftermarket)

* * * * * * *

Volume of product 4 (Aftermarket)

* * * * * * *

Source: Compiled from data submitted in response to Commission questionnaires.

Note: Product 4: Truck and bus tire, tires designated for drive application (excluding all-position/all-purpose tires), size 225/70R19.5, 14 ply rating, load range of G, speed rating L (75 mph).

Price trends

In general, prices increased during January 2020 to June 2023. Table V-8 summarizes the price trends, by country and by product. As shown in the table, domestic price increases ranged from *** to *** percent during January 2020 to June 2023 (*** to *** for OEM sales and *** to *** for aftermarket sales). Import price increases ranged from *** to *** percent (*** to *** for OEM sales and *** to *** for aftermarket sales).

Table V-8
Truck and bus tires: Summary of price data, by product, market, and source, January 2020-June 2023

Quantity in tires, price in dollars per tire, change in percent

Product	Source	Number of quarters	Quantity of shipments	Low price	High price	First quarter price	Last quarter price	Change in price over period
Product 1 OEM	United States	***	***	***	***	***	***	***
Product 1 OEM	Thailand	***	***	***	***	***	***	***
Product 1 aftermarket	United States	***	***	***	***	***	***	***
Product 1 aftermarket	Thailand	***	***	***	***	***	***	***
Product 2 OEM	United States	***	***	***	***	***	***	***
Product 2 OEM	Thailand	***	***	***	***	***	***	***
Product 2 aftermarket	United States	***	***	***	***	***	***	***
Product 2 aftermarket	Thailand	***	***	***	***	***	***	***
Product 3 OEM	United States	***	***	***	***	***	***	***
Product 3 OEM	Thailand	***	***	***	***	***	***	***
Product 3 aftermarket	United States	***	***	***	***	***	***	***
Product 3 aftermarket	Thailand	***	***	***	***	***	***	***
Product 4 OEM	United States	***	***	***	***	***	***	***
Product 4 OEM	Thailand	***	***	***	***	***	***	***
Product 4 aftermarket	United States	***	***	***	***	***	***	***
Product 4 aftermarket	Thailand	***	***	***	***	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires.

Note: Percent change column is percentage change from the first quarter 2020 to the second quarter in 2023.

Price comparisons

As shown in table V-9, prices for product imported from Thailand were below those for U.S.-produced product in all 83 instances (5.3 million total tires). There were 27 instances (*** tires) for OEM sales, and 56 instances (*** tires) for aftermarket sales. Margins of underselling ranged from 1.6 to 72.4 percent (*** to *** percent for OEM sales and *** to *** percent for aftermarket sales).

Table V-9
Truck and bus tires: Instances of underselling and overselling and the range and average of margins, by product

Quantity in tires; margin in percent

Product	Type	Number of quarters	Quantity	Average margin	Min margin	Max margin
Product 1: OEM	Underselling	13	***	***	***	***
Product 2: OEM	Underselling	---	***	***	***	***
Product 3: OEM	Underselling	14	***	***	***	***
Product 4: OEM	Underselling	---	***	***	***	***
All OEM products	Underselling	27	***	***	***	***
Product 1: Aftermarket	Underselling	14	***	***	***	***
Product 2: Aftermarket	Underselling	14	***	***	***	***
Product 3: Aftermarket	Underselling	14	***	***	***	***
Product 4: Aftermarket	Underselling	14	***	***	***	***
All aftermarket products	Underselling	56	***	***	***	***
Total all market and products	Underselling	83	5,278,549	***	***	***

Source**:** Compiled from data submitted in response to Commission questionnaires.

Note: These data include only quarters in which there is a comparison between the U.S. and subject product.

Lost sales and lost revenue

The Commission requested that U.S. producers of truck and bus tires report purchasers with which they experienced instances of lost sales or revenue due to competition from imports of truck and bus tires from Thailand during January 2020 and June 2023. One U.S. producer submitted lost sales and lost revenue allegations. It identified 19 firms with which it lost sales or revenue (all 19 consisting of both types of allegations). All were reported to have occurred in 2021 and 2022.

Staff contacted 19 purchasers and received responses from 3 purchasers.[5] Responding purchasers reported purchasing or importing *** tires of truck and bus tires during January 2020 to June 2023 (table V-10).

Table V-10
Truck and bus tires: Purchasers' reported purchases and imports, by firm and source

Quantity in tires, change in shares in percentage points

Purchaser	Domestic quantity	Subject quantity	All other quantity	Change in domestic share	Change in subject country share
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
All firms	***	***	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires.

Note: All other includes all other sources and unknown sources. Change is the percentage point change in the share of the firm's total purchases of domestic and/or subject country imports between first and last years.

During 2022, responding purchasers purchased/imported *** percent from U.S. producers, *** percent from Thailand, *** percent from nonsubject countries, and *** percent from "unknown source" countries. Purchasers were asked about changes in their purchasing patterns from different sources since 2020. Of the responding purchasers, one reported *** purchases from domestic producers, one reported *** its purchases of domestically produced truck and bus tires, and one reported increasing its purchases of tires produced in the United States, Thailand, and other countries.[6] The firm reporting ***. The firm reporting ***. The explanation for ***.

All three responding purchasers reported that they had ***.

[5] ***. The other two responding purchasers ***.

[6] Of the three responding purchasers, one purchaser (***) indicated that it ***. Source: data submitted in response to Commission questionnaires.

Of the three responding purchasers, one (***) reported that ***. It reported that "***." The other two reported no price reductions.

Part VI: Financial experience of U.S. producers

Background[1]

*** provided usable financial results on their truck and bus tires operations. *** U.S. producers reported financial data for a fiscal year ending December 31. *** provided their financial data on the basis of GAAP, while *** reported their financial results on an IFRS basis. The net sales of truck and bus tires, by quantity, consisted of commercial sales (*** percent), transfers to related firms (*** percent), internal consumption (*** percent), and lease sales (*** percent) during the reporting period.[2]

Figure VI-1 presents each responding firm's share of the total reported net sales quantity in 2022.

[1] The following abbreviations are used in the tables and/or text of this section: generally accepted accounting principles ("GAAP"), international financial reporting standards ("IFRS"), fiscal year ("FY"), net sales ("NS"), cost of goods sold ("COGS"), selling, general, and administrative expenses ("SG&A expenses"), average unit values ("AUVs"), research and development expenses ("R&D expenses"), fair market value ("FMV"), and return on assets ("ROA").

[2] All U.S. producers except *** reported transfers to related firms; *** is the only firm which reported internal consumption; and *** reported lease sales.

Figure VI-1
Truck and bus tires: U.S. producers' share of net sales quantity in 2022, by firm

* * * * * * *

Source: Compiled from data submitted in response to Commission questionnaires.

Operations on truck and bus tires

Table VI-1 presents aggregated data on U.S. producers' operations in relation to truck and bus tires, while table VI-2 presents corresponding changes in AUVs. Table VI-3 presents selected company-specific financial data.

Table VI-1
Truck and bus tires: U.S. producers' results of operations, by item and period

Quantity in 1,000 tires; value in 1,000 dollars; ratios in percent

Item	Measure	2020	2021	2022	Jan-Jun 2022	Jan-Jun 2023
Commercial sales	Quantity	***	***	***	***	***
Lease sales	Quantity	***	***	***	***	***
Internal consumption	Quantity	***	***	***	***	***
Transfers to related firms	Quantity	***	***	***	***	***
Total net sales	Quantity	12,347	13,319	13,126	6,713	5,652
Commercial sales	Value	***	***	***	***	***
Lease sales	Value	***	***	***	***	***
Internal consumption	Value	***	***	***	***	***
Transfers to related firms	Value	***	***	***	***	***
Total net sales	Value	3,430,374	3,877,296	4,462,712	2,220,762	2,002,813
COGS: Raw materials	Value	1,281,394	1,545,922	1,893,240	900,338	826,718
COGS: Direct labor	Value	565,257	599,151	657,214	313,562	330,763
COGS: Other factory	Value	711,768	734,312	812,160	391,162	403,261
COGS: Total	Value	2,558,419	2,879,385	3,362,614	1,605,062	1,560,742
Gross profit or (loss)	Value	871,955	997,911	1,100,098	615,700	442,071
SG&A expenses	Value	397,221	406,926	438,995	219,056	217,427
Operating income or (loss)	Value	474,734	590,985	661,103	396,644	224,644
Other expense / (income), net	Value	94,078	71,039	61,641	52,910	35,073
Net income or (loss)	Value	380,656	519,946	599,462	343,734	189,571
Depreciation/amortization	Value	174,331	163,558	163,477	81,241	78,791
Cash flow	Value	554,987	683,504	762,939	424,975	268,362
COGS: Raw materials	Ratio to NS	37.4	39.9	42.4	40.5	41.3
COGS: Direct labor	Ratio to NS	16.5	15.5	14.7	14.1	16.5
COGS: Other factory	Ratio to NS	20.7	18.9	18.2	17.6	20.1
COGS: Total	Ratio to NS	74.6	74.3	75.3	72.3	77.9
Gross profit	Ratio to NS	25.4	25.7	24.7	27.7	22.1
SG&A expense	Ratio to NS	11.6	10.5	9.8	9.9	10.9
Operating income or (loss)	Ratio to NS	13.8	15.2	14.8	17.9	11.2
Net income or (loss)	Ratio to NS	11.1	13.4	13.4	15.5	9.5

Table continued.

Table VI-1 Continued
Truck and bus tires: U.S. producers' results of operations, by item and period

Shares in percent; unit values in dollars per tire; count in number of firms reporting

Item	Measure	2020	2021	2022	Jan-Jun 2022	Jan-Jun 2023
COGS: Raw materials	Share	50.1	53.7	56.3	56.1	53.0
COGS: Direct labor	Share	22.1	20.8	19.5	19.5	21.2
COGS: Other factory	Share	27.8	25.5	24.2	24.4	25.8
COGS: Total	Share	100.0	100.0	100.0	100.0	100.0
Commercial sales	Unit value	***	***	***	***	***
Lease sales	Unit value	***	***	***	***	***
Internal consumption	Unit value	***	***	***	***	***
Transfers to related firms	Unit value	***	***	***	***	***
Total net sales	Unit value	278	291	340	331	354
COGS: Raw materials	Unit value	104	116	144	134	146
COGS: Direct labor	Unit value	46	45	50	47	59
COGS: Other factory	Unit value	58	55	62	58	71
COGS: Total	Unit value	207	216	256	239	276
Gross profit or (loss)	Unit value	71	75	84	92	78
SG&A expenses	Unit value	32	31	33	33	38
Operating income or (loss)	Unit value	38	44	50	59	40
Net income or (loss)	Unit value	31	39	46	51	34
Operating losses	Count	1	1	---	---	1
Net losses	Count	2	---	---	---	2
Data	Count	***	***	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires.

Note: Shares represent the share of COGS. Zeroes, null values, and undefined calculations are suppressed and shown as "---".

Table VI-2
Truck and bus tires: Changes in AUVs between comparison periods

Changes in percent

Item	2020-22	2020-21	2021-22	Jan-Jun 2022-23
Commercial sales	***	***	***	***
Lease sales	***	***	***	***
Internal consumption	***	***	***	***
Transfers to related firms	***	***	***	***
Total net sales	▲22.4	▲4.8	▲16.8	▲7.1
COGS: Raw materials	▲39.0	▲11.8	▲24.3	▲9.1
COGS: Direct labor	▲9.4	▼(1.7)	▲11.3	▲25.3
COGS: Other factory	▲7.3	▼(4.4)	▲12.2	▲22.4
COGS: Total	▲23.6	▲4.3	▲18.5	▲15.5

Table continued.

Table VI-2 Continued
Truck and bus tires: Changes in AUVs between comparison periods

Changes in dollars per tire

Item	2020-22	2020-21	2021-22	Jan-Jun 2022-23
Commercial sales	***	***	***	***
Lease sales	***	***	***	***
Internal consumption	***	***	***	***
Transfers to related firms	***	***	***	***
Total net sales	▲62	▲13	▲49	▲24
COGS: Raw materials	▲40	▲12	▲28	▲12
COGS: Direct labor	▲4	▼(1)	▲5	▲12
COGS: Other factory	▲4	▼(3)	▲7	▲13
COGS: Total	▲49	▲9	▲40	▲37
Gross profit or (loss)	▲13	▲4	▲9	▼(14)
SG&A expense	▲1	▼(2)	▲3	▲6
Operating income or (loss)	▲12	▲6	▲6	▼(19)
Net income or (loss)	▲15	▲8	▲7	▼(18)

Source: Compiled from data submitted in response to Commission questionnaires.

Note: Percentages and unit values shown as “0.0” or “0.00” represent values greater than zero, but less than “0.05” or “0.005,” respectively. Zeroes, null values, and undefined calculations are suppressed and shown as “---”. Period changes preceded by a “▲” represent an increase, while period changes preceded by a “▼” represent a decrease.

Table VI-3
Truck and bus tires: U.S. producers' sales, costs/expenses, and profitability, by firm and period

Net sales quantity

Quantity in 1,000 tires

Firm	2020	2021	2022	Jan-Jun 2022	Jan-Jun 2023
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
All firms	12,347	13,319	13,126	6,713	5,652

Table continued.

Table VI-3 Continued
Truck and bus tires: U.S. producers' sales, costs/expenses, and profitability, by firm and period

Net sales value

Value in 1,000 dollars

Firm	2020	2021	2022	Jan-Jun 2022	Jan-Jun 2023
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
All firms	3,430,374	3,877,296	4,462,712	2,220,762	2,002,813

Table continued.

Table VI-3 Continued
Truck and bus tires: U.S. producers' sales, costs/expenses, and profitability, by firm and period

COGS

Value in 1,000 dollars

Firm	2020	2021	2022	Jan-Jun 2022	Jan-Jun 2023
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
All firms	2,558,419	2,879,385	3,362,614	1,605,062	1,560,742

Table continued.

Table VI-3 Continued
Truck and bus tires: U.S. producers' sales, costs/expenses, and profitability, by firm and period

Gross profit or (loss)

Value in 1,000 dollars

Firm	2020	2021	2022	Jan-Jun 2022	Jan-Jun 2023
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
All firms	871,955	997,911	1,100,098	615,700	442,071

Table continued.

Table VI-3 Continued
Truck and bus tires: U.S. producers' sales, costs/expenses, and profitability, by firm and period

SG&A expenses

Value in 1,000 dollars

Firm	2020	2021	2022	Jan-Jun 2022	Jan-Jun 2023
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
All firms	397,221	406,926	438,995	219,056	217,427

Table continued.

Table VI-3 Continued
Truck and bus tires: U.S. producers' sales, costs/expenses, and profitability, by firm and period

Operating income or (loss)

Value in 1,000 dollars

Firm	2020	2021	2022	Jan-Jun 2022	Jan-Jun 2023
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
All firms	474,734	590,985	661,103	396,644	224,644

Table continued.

Table VI-3 Continued
Truck and bus tires: U.S. producers' sales, costs/expenses, and profitability, by firm and period

Net income or (loss)

Value in 1,000 dollars

Firm	2020	2021	2022	Jan-Jun 2022	Jan-Jun 2023
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
All firms	380,656	519,946	599,462	343,734	189,571

Table continued.

Table VI-3 Continued
Truck and bus tires: U.S. producers' sales, costs/expenses, and profitability, by firm and period

COGS to net sales ratio

Ratios in percent

Firm	2020	2021	2022	Jan-Jun 2022	Jan-Jun 2023
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
All firms	74.6	74.3	75.3	72.3	77.9

Table continued.

Table VI-3 Continued
Truck and bus tires: U.S. producers' sales, costs/expenses, and profitability, by firm and period

Gross profit or (loss) to net sales ratio

Ratios in percent

Firm	2020	2021	2022	Jan-Jun 2022	Jan-Jun 2023
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
All firms	25.4	25.7	24.7	27.7	22.1

Table continued.

Table VI-3 Continued
Truck and bus tires: U.S. producers' sales, costs/expenses, and profitability, by firm and period

SG&A expenses to net sales ratio

Ratios in percent

Firm	2020	2021	2022	Jan-Jun 2022	Jan-Jun 2023
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
All firms	11.6	10.5	9.8	9.9	10.9

Table continued.

Table VI-3 Continued
Truck and bus tires: U.S. producers' sales, costs/expenses, and profitability, by firm and period

Operating income or (loss) to net sales ratio

Ratios in percent

Firm	2020	2021	2022	Jan-Jun 2022	Jan-Jun 2023
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
All firms	13.8	15.2	14.8	17.9	11.2

Table continued.

Table VI-3 Continued
Truck and bus tires: U.S. producers' sales, costs/expenses, and profitability, by firm and period

Net income or (loss) to net sales ratio

Ratios in percent

Firm	2020	2021	2022	Jan-Jun 2022	Jan-Jun 2023
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
All firms	11.1	13.4	13.4	15.5	9.5

Table continued.

Table VI-3 Continued
Truck and bus tires: U.S. producers' sales, costs/expenses, and profitability, by firm and period

Unit net sales value

Unit values in dollars per tire

Firm	2020	2021	2022	Jan-Jun 2022	Jan-Jun 2023
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
All firms	278	291	340	331	354

Table continued.

Table VI-3 Continued
Truck and bus tires: U.S. producers' sales, costs/expenses, and profitability, by firm and period

Unit raw material costs

Unit values in dollars per tire

Firm	2020	2021	2022	Jan-Jun 2022	Jan-Jun 2023
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
All firms	104	116	144	134	146

Table continued.

Table VI-3 Continued
Truck and bus tires: U.S. producers' sales, costs/expenses, and profitability, by firm and period

Unit direct labor costs

Unit values in dollars per tire

Firm	2020	2021	2022	Jan-Jun 2022	Jan-Jun 2023
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
All firms	46	45	50	47	59

Table continued.

Table VI-3 Continued
Truck and bus tires: U.S. producers' sales, costs/expenses, and profitability, by firm and period

Unit other factory costs

Unit values in dollars per tire

Firm	2020	2021	2022	Jan-Jun 2022	Jan-Jun 2023
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
All firms	58	55	62	58	71

Table continued.

Table VI-3 Continued
Truck and bus tires: U.S. producers' sales, costs/expenses, and profitability, by firm and period

Unit COGS

Unit values in dollars per tire

Firm	2020	2021	2022	Jan-Jun 2022	Jan-Jun 2023
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
All firms	207	216	256	239	276

Table continued.

Table VI-3 Continued
Truck and bus tires: U.S. producers' sales, costs/expenses, and profitability, by firm and period

Unit gross profit or (loss)

Unit values in dollars per tire

Firm	2020	2021	2022	Jan-Jun 2022	Jan-Jun 2023
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
All firms	71	75	84	92	78

Table continued.

Table VI-3 Continued
Truck and bus tires: U.S. producers' sales, costs/expenses, and profitability, by firm and period

Unit SG&A expenses

Unit values in dollars per tire

Firm	2020	2021	2022	Jan-Jun 2022	Jan-Jun 2023
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
All firms	32	31	33	33	38

Table continued.

Table VI-3 Continued
Truck and bus tires: U.S. producers' sales, costs/expenses, and profitability, by firm and period

Unit operating income or (loss)

Unit values in dollars per tire

Firm	2020	2021	2022	Jan-Jun 2022	Jan-Jun 2023
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
All firms	38	44	50	59	40

Table continued.

Table VI-3 Continued
Truck and bus tires: U.S. producers' sales, costs/expenses, and profitability, by firm and period

Unit net income or (loss)

Unit values in dollars per tire

Firm	2020	2021	2022	Jan-Jun 2022	Jan-Jun 2023
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
All firms	31	39	46	51	34

Source: Compiled from data submitted in response to Commission questionnaires.

Net sales

Total net sales quantity and value overall increased by 6.3 percent and 30.1 percent from 2020 to 2022, respectively. Both total net sales quantity and value were lower in January-June 2023 than in January-June 2022.[3] [4] As shown in table VI-3, three firms *** accounted for most of the increase in total net sales quantity from 2020 to 2022 while *** firms reported increasing net sales value over the same period. All firms except *** reported lower net sales quantity and value in January-June 2023 than in January-June 2022.[5] The average unit sales value increased from $278 in 2020 to $340 in 2022 and was higher in January-June 2023 ($354) than in January-June 2022 ($331). The average unit sales value of all firms except *** increased from 2020 to 2022 and was higher for all firms except *** in January-June 2023 compared to January-June 2022.[6]

[3] The Commission's questionnaire requested data on sales of mounted tires that were included in the overall sales data in 2022. *** provided data pursuant to that request, and reported ***. Compared with the data shown in table VI-1, the reported data on mounted tires represent a small portion of total industry sales, costs, and operating income.

[4] Three firms, *** provided information on their lease sales. ***. U.S. producers' questionnaire responses of ***, question III-9h.

[5] ***. U.S. producers' questionnaire responses of ***, question II-13. Southern Tire Mart has acquired Friend Tire from Yokohama Tire and the acquisition agreement was finalized on April 1, 2023. *Southern Tire Mart Acquires Friend Tire From Yokohama*, https://www.moderntiredealer.com/commercial-business/article/33002797/southern-tire-mart-acquires-friend-tire-from-yokohama, retrieved November 15, 2023.

[6] ***. Email from ***, November 13, 2023.

Cost of goods sold and gross profit or loss

As shown in table VI-1, raw materials represent the single largest component of total COGS, and ranged from 50.1 percent of total COGS in 2020 to 56.3 percent of total COGS in 2022. Per-unit raw material costs increased each year from $104 in 2020 to $144 in 2022 and were higher in January-June 2023 ($146) than in January-June 2022 ($134). As shown in table VI-3, *** firms reported overall increasing per-unit raw material costs from 2020 to 2022 and *** reported higher per-unit raw material costs in January-June 2023 than in January-June 2022.[7] As a ratio to net sales, raw material costs increased from 2020 to 2022 and were higher in January-June 2023 than in January-June 2022.

Raw materials consisted of natural and/or synthetic rubber, carbon black, fabric, bead wire, and other material inputs. The "other material inputs" category included ***. Table VI-4 presents raw materials, by type.[8]

Table VI-4
Truck and bus tires: U.S. producers' raw material costs in 2022

Value in 1,000 dollars; share of value in percent

Item	Value	Share of value
Rubber (natural and/or synthetic)	***	***
Carbon black	***	***
Fabric	***	***
Bead wire	***	***
Other material inputs	***	***
All raw materials	1,893,240	100.0

Source: Compiled from data submitted in response to Commission questionnaires.

[7] ***. Email from ***, November 13, 2023.

[8] Five U.S. producers reported purchasing inputs from related suppliers: ***. U.S. producers' questionnaire responses of ***, questions III-6 and III-7a.

As a share of total COGS, direct labor costs ranged from 19.5 percent in 2022 and January-June 2022 to 22.1 percent in 2020, while other factory costs ranged from 24.2 percent in 2022 to 27.8 percent in 2020. The average per-unit direct labor costs increased irregularly from $46 in 2020 to $50 in 2022 and was higher in January-June 2023 ($59) than in January-June 2022 ($47). The average per-unit other factory costs also increased irregularly from $58 in 2020 to $62 in 2022 and was higher in January-June 2023 ($71) than in January-June 2022 ($58). As a ratio to net sales, both direct labor costs and other factory costs declined from 2020 to 2022 but were higher in January-June 2023 than in January-June 2022.[9]

Total COGS increased by 31.4 percent from 2020 to 2022 but was lower in January-June 2023 than in January-June 2022. Per-unit COGS increased from 2020 to 2022 and was higher in January-June 2023 than in January-June 2022. As a ratio to net sales, COGS increased irregularly from 74.6 percent in 2020 to 75.3 percent in 2022 and was higher in January-June 2023 (77.9 percent) than in January-June 2022 (72.3 percent).

As shown in table VI-3, *** firms reported overall increasing total COGS from 2020 to 2022 and *** reported lower total COGS in January-June 2023 than in January-June 2022. The average unit COGS of all firms except *** increased from 2020 to 2022 and that of all firms except *** was higher in January-June 2023 than in January-June 2022.

Table VI-1 shows that U.S. producers' aggregate gross profits increased from 2020 to 2022 because the increase in total net sales value was greater than the increase in total COGS. The industry's gross profit was lower in January-June 2023 than in January-June 2022 as the decline in net sales value was greater than the decline in COGS. The gross profit margin (gross profit as a ratio to net sales) declined irregularly from 25.4 percent in 2020 to 24.7 percent in 2022, and was lower in January-June 2023 (22.1 percent) than in January-June 2022 (27.7 percent). As shown in table VI-3, ***.

[9] See footnote 7 with respect to ***.

SG&A expenses and operating income or loss

As shown in table VI-1, the U.S. industry's SG&A expenses increased from 2020 to 2022 but were lower in January-June 2023 than in January-June 2022. The SG&A expenses ratio (i.e., total SG&A expenses divided by net sales) declined from 11.6 percent in 2020 to 9.8 percent in 2022 but was higher in January-June 2023 (10.9 percent) than in January-June 2022 (9.9 percent). SG&A expenses moved within a relatively narrow range on a per unit basis from 2020 to 2022 and were higher in January-June 2023 than in January-June 2022. As shown in table VI-3, total SG&A expenses of all firms except *** increased overall between 2020 and 2022, while all firms except *** reported lower SG&A expenses in January-June 2023 than in January-June 2022. All firms except *** reported an overall declining SG&A expense ratio from 2020 to 2022 and *** reported a higher SG&A expense ratio in January-June 2023 than in January-June 2022.[10]

Table VI-1 shows that U.S. producers' aggregate operating income and operating income margin (operating income divided by total net sales) overall increased from 2020 to 2022 but were lower in January-June 2023 than in January-June 2022. As shown in table VI-3, the operating income/loss of all firms except *** overall increased/improved from 2020 to 2022. Conversely, the operating income of all firms except *** was lower in January-June 2023 than in January-June 2022.

[10] ***. Email from ***, November 2, 2023.

All other expenses and net income or loss

Classified below the operating income level are interest expense, other expense, and other income. In table VI-1, these items are aggregated and only the net amount is shown. Aggregate all other expenses declined from 2020 to 2022 and were lower in January-June 2023 than in January-June 2022. *** accounted for the vast majority of all other expenses.[11]

As shown in table VI-1, net income and the net income margin (net income as a ratio to net sales) overall increased from 2020 to 2022 but were lower in January-June 2023 than in January-June 2022. As shown in table VI-3, the net income/loss of all firms except *** increased/improved from 2020 to 2022. Conversely, the net income of all firms except *** was lower in January-June 2023 than in January-June 2022.

Variance analysis

A variance analysis for the operations of U.S. producers of truck and bus tires is presented in table VI-5.[12] The information for this variance analysis is derived from table VI-1.

[11] ***. Email from ***, November 14, 2023.

[12] The Commission's variance analysis is calculated in three parts: Sales variance, cost of sales variance (COGS variance), and SG&A expense variance. Each part consists of a price variance (in the case of the sales variance) or a cost or expense variance (in the case of the COGS and SG&A expense variance), and a volume variance. The sales or cost/expense variance is calculated as the change in unit price or per-unit cost/expense times the new volume, while the volume variance is calculated as the change in volume times the old unit price or per-unit cost/expense. Summarized at the bottom of the table, the price variance is from sales; the cost/expense variance is the sum of those items from COGS and SG&A variances, respectively, and the volume variance is the sum of the volume components of the net sales, COGS, and SG&A expense variances. The overall volume component of the variance analysis is generally small.

Table VI-5
Truck and bus tires: Variance analysis on the operations of U.S. producers between comparison periods

Value in 1,000 dollars

Item	2020-22	2020-21	2021-22	Jan-Jun 2022-23
Net sales price variance	▲815,908	▲176,871	▲641,600	▲133,046
Net sales volume variance	▲216,430	▲270,051	▼(56,184)	▼(350,995)
Net sales total variance	▲1,032,338	▲446,922	▲585,416	▼(217,949)
COGS cost variance	▼(642,779)	▼(119,558)	▼(524,953)	▼(209,363)
COGS volume variance	▼(161,416)	▼(201,408)	▲41,724	▲253,683
COGS total variance	▼(804,195)	▼(320,966)	▼(483,229)	▲44,320
Gross profit variance	▲228,143	▲125,956	▲102,187	▼(173,629)
SG&A cost variance	▼(16,712)	▲21,566	▼(37,966)	▼(32,993)
SG&A volume variance	▼(25,062)	▼(31,271)	▲5,897	▲34,622
SG&A total variance	▼(41,774)	▼(9,705)	▼(32,069)	▲1,629
Operating income price variance	▲815,908	▲176,871	▲641,600	▲133,046
Operating income cost variance	▼(659,491)	▼(97,992)	▼(562,919)	▼(242,356)
Operating income volume variance	▲29,952	▲37,373	▼(8,564)	▼(62,690)
Operating income total variance	▲186,369	▲116,251	▲70,118	▼(172,000)

Source: Compiled from data submitted in response to Commission questionnaires.

Note: These data are derived from the data in table VI-1. Unfavorable variances (which are negative) are shown in parentheses, all others are favorable (positive).

As the data depict, between 2020 and 2022, operating income increased attributable to a favorable price variance (unit prices increased) and a favorable volume variance that, combined, were greater than the unfavorable net cost/expense variance (unit costs increased). Operating income was lower in January-June 2023 than in January-June 2022 because unfavorable net cost/expense and volume variances were greater than the favorable price variance.

Capital expenditures and research and development expenses

Table VI-6 presents capital expenditures, by firm, and table VI-8 presents R&D expenses, by firm. Tables VI-7 and VI-9 present the firms' narrative explanations of the nature, focus, and significance of their capital expenditures and R&D expenses, respectively.

Table VI-6
Truck and bus tires: U.S. producers' capital expenditures, by firm and period

Value in 1,000 dollars

Firm	2020	2021	2022	Jan-Jun 2022	Jan-Jun 2023
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
All firms	179,145	103,752	177,136	49,817	112,018

Source: Compiled from data submitted in response to Commission questionnaires.

Note: ***. Email from ***, November 2, 2023.

Table VI-7
Truck and bus tires: U.S. producers' narrative descriptions of their capital expenditures, by firm

Firm	Narrative on capital expenditures
***	***
***	***
***	***
***	***
***	***
***	***

Source: Compiled from data submitted in response to Commission questionnaires.

Table VI-8
Truck and bus tires: U.S. producers' R&D expenses, by firm and period

Value in 1,000 dollars

Firm	2020	2021	2022	Jan-Jun 2022	Jan-Jun 2023
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
All firms	64,455	79,201	81,867	40,223	40,602

Source: Compiled from data submitted in response to Commission questionnaires.

Note: Zeroes, null values, and undefined calculations are suppressed and shown as "---".

Table VI-9
Truck and bus tires: U.S. producers' narrative descriptions of their R&D expenses, by firm

Firm	Narrative on R&D expenses
***	***
***	***
***	***
***	***
***	***
***	***

Source: Compiled from data submitted in response to Commission questionnaires.

Assets and return on assets

Table VI-10 presents data on the U.S. producers' total assets while table VI-11 presents their operating ROA.[13] Table VI-12 presents U.S. producers' narrative responses explaining their major asset categories and any significant changes in asset levels over time.

Table VI-10
Truck and bus tires: U.S. producers' total net assets, by firm and period

Value in 1,000 dollars

Firm	2020	2021	2022
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
All firms	2,404,273	2,507,858	2,849,712

Source: Compiled from data submitted in response to Commission questionnaires.

Table VI-11
Truck and bus tires: U.S. producers' ROA, by firm and period

Ratio in percent

Firm	2020	2021	2022
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
All firms	19.7	23.6	23.2

Source: Compiled from data submitted in response to Commission questionnaires.

[13] The operating ROA is calculated as operating income divided by total assets. With respect to a firm's overall operations, the total asset value reflects an aggregation of a number of assets which are generally not product specific. Thus, high-level allocations are generally required in order to report a total asset value on a product-specific basis.

Table VI-12
Truck and bus tires: U.S. producers' narrative descriptions of their total net assets, by firm

Firm	Narrative on assets
***	***
***	***
***	***
***	***
***	***
***	***

Source: Compiled from data submitted in response to Commission questionnaires.

The Commission's questionnaire requested companies to describe the effect of the COVID-19 pandemic or government actions to contain the spread of the COVID-19 virus on the firm's financial performance since January 1, 2020. Industry responses are in table VI-13.

Table VI-13
Truck and bus tires: U.S. producers' reported effect of COVID-19 on financial performance, since January 1, 2020

Item	Narrative response on COVID impact on financial performance
***	***
***	***
***	***
***	***
***	***
***	***

Source: Compiled from data submitted in response to Commission questionnaires.

Capital and investment

The Commission requested U.S. producers of truck and bus tires to describe any actual or potential negative effects of imports of truck and bus tires from Thailand on their firms' growth, investment, ability to raise capital, development and production efforts, or the scale of capital investments. Table VI-14 presents the number of firms reporting an impact in each category and table VI-15 provides the U.S. producers' narrative responses.

Table VI-14
Truck and bus tires: Count of firms indicating actual and anticipated negative effects of imports from subject sources on investment, growth, and development since January 1, 2020, by effect

Number of firms reporting

Effect	Category	Count
Cancellation, postponement, or rejection of expansion projects	Investment	1
Denial or rejection of investment proposal	Investment	0
Reduction in the size of capital investments	Investment	0
Return on specific investments negatively impacted	Investment	0
Other investment effects	Investment	0
Any negative effects on investment	Investment	1
Rejection of bank loans	Growth	0
Lowering of credit rating	Growth	0
Problem related to the issue of stocks or bonds	Growth	0
Ability to service debt	Growth	0
Other growth and development effects	Growth	0
Any negative effects on growth and development	Growth	0
Anticipated negative effects of imports	Future	1

Source: Compiled from data submitted in response to Commission questionnaires.

Note: ***.

Table VI-15
Truck and bus tires: U.S. producers' narratives relating to actual and anticipated negative effects of imports on investment, growth, and development, since January 1, 2020, by firm and effect

Item	Firm name and narrative on impact of imports
Cancellation, postponement, or rejection of expansion projects	***
Anticipated effects of imports	***
Anticipated effects of imports	***
Anticipated effects of imports	***

Source: Compiled from data submitted in response to Commission questionnaires.

Part VII: Threat considerations and information on nonsubject countries

Section 771(7)(F)(i) of the Act (19 U.S.C. § 1677(7)(F)(i)) provides that—

> *In determining whether an industry in the United States is threatened with material injury by reason of imports (or sales for importation) of the subject merchandise, the Commission shall consider, among other relevant economic factors*[1]*--*
>
> *(I) if a countervailable subsidy is involved, such information as may be presented to it by the administering authority as to the nature of the subsidy (particularly as to whether the countervailable subsidy is a subsidy described in Article 3 or 6.1 of the Subsidies Agreement), and whether imports of the subject merchandise are likely to increase,*
>
> *(II) any existing unused production capacity or imminent, substantial increase in production capacity in the exporting country indicating the likelihood of substantially increased imports of the subject merchandise into the United States, taking into account the availability of other export markets to absorb any additional exports,*
>
> *(III) a significant rate of increase of the volume or market penetration of imports of the subject merchandise indicating the likelihood of substantially increased imports,*
>
> *(IV) whether imports of the subject merchandise are entering at prices that are likely to have a significant depressing or suppressing effect on domestic prices, and are likely to increase demand for further imports,*
>
> *(V) inventories of the subject merchandise,*

[1] Section 771(7)(F)(ii) of the Act (19 U.S.C. § 1677(7)(F)(ii)) provides that "The Commission shall consider {these factors} . . . as a whole in making a determination of whether further dumped or subsidized imports are imminent and whether material injury by reason of imports would occur unless an order is issued or a suspension agreement is accepted under this title. The presence or absence of any factor which the Commission is required to consider . . . shall not necessarily give decisive guidance with respect to the determination. Such a determination may not be made on the basis of mere conjecture or supposition."

(VI) the potential for product-shifting if production facilities in the foreign country, which can be used to produce the subject merchandise, are currently being used to produce other products,

(VII) in any investigation under this title which involves imports of both a raw agricultural product (within the meaning of paragraph (4)(E)(iv)) and any product processed from such raw agricultural product, the likelihood that there will be increased imports, by reason of product shifting, if there is an affirmative determination by the Commission under section 705(b)(1) or 735(b)(1) with respect to either the raw agricultural product or the processed agricultural product (but not both),

(VIII) the actual and potential negative effects on the existing development and production efforts of the domestic industry, including efforts to develop a derivative or more advanced version of the domestic like product, and

(IX) any other demonstrable adverse trends that indicate the probability that there is likely to be material injury by reason of imports (or sale for importation) of the subject merchandise (whether or not it is actually being imported at the time).[2]

Information on the volume and pricing of imports of the subject merchandise is presented in Parts IV and V; and information on the effects of imports of the subject merchandise on U.S. producers' existing development and production efforts is presented in Part VI. Information on inventories of the subject merchandise; foreign producers' operations, including the potential for "product-shifting;" any other threat indicators, if applicable; and any dumping in third-country markets, follows. Also presented in this section of the report is information obtained for consideration by the Commission on nonsubject countries.

[2] Section 771(7)(F)(iii) of the Act (19 U.S.C. § 1677(7)(F)(iii)) further provides that, in antidumping investigations, ". . . the Commission shall consider whether dumping in the markets of foreign countries (as evidenced by dumping findings or antidumping remedies in other WTO member markets against the same class or kind of merchandise manufactured or exported by the same party as under investigation) suggests a threat of material injury to the domestic industry."

The industry in Thailand

The Commission issued foreign producers' or exporters' questionnaires to 19 firms believed to produce and/or export truck and bus tires from Thailand.[3] Usable responses to the Commission's questionnaire were received from seven firms: Bridgestone Tire Manufacturing (Thailand) Co., Ltd ("Bridgestone (Thailand)"), Deestone Corporation Public Company Limited ("Deestone"), Huayi Group (Thailand) Company Limited ("Huayi Group"), Michelin Siam Co. Ltd. ("Michelin Siam"), Otani Radial Company Limited ("Otani"), Prinx Chengshan Tire (Thailand) Co. Ltd. ("Prinx Chengshan"), and Yokohama Tire Manufacturing (Thailand) Co., Ltd ("Yokohama (Thailand)". These firms' exports to the United States accounted for approximately 53.9 percent of U.S. imports of truck and bus tires from Thailand in 2022. According to estimates requested of the responding producers in Thailand, the production of truck and bus tires in Thailand reported in questionnaires accounts for approximately 56.0 percent of overall production of truck and bus tires in Thailand. Table VII-1 presents information on the truck and bus tires operations of the responding producers and exporters in Thailand.

Table VII-1
Truck and bus tires: Summary data for producers in Thailand, 2022

Firm	Production (1,000 tires)	Share of reported production (percent)	Exports to the United States (1,000 tires)	Share of reported exports to the United States (percent)	Total shipments (1,000 tires)	Share of firm's total shipments exported to the United States (percent)
Bridgestone (Thailand)	***	***	***	***	***	***
Deestone	***	***	***	***	***	***
Huayi Group	***	***	***	***	***	***
Michelin Siam	***	***	***	***	***	***
Otani	***	***	***	***	***	***
Prinx Chengshan	***	***	***	***	***	***
Yokohama (Thailand)	***	***	***	***	***	***
All firms	10,278	100.0	5,490	100.0	10,390	52.8

Source: Compiled from data submitted in response to Commission questionnaires.

[3] These firms were identified through a review of information submitted in the petition and presented in third-party sources.

Table VII-2 presents events in Thailand's industry since January 1, 2020.

Table VII-2
Truck and bus tires: Important industry events in Thailand since 2020

Date	Firm	Event
Q1 2020	General Science	Trial production at $330 million new truck-bus tire plant, December 2019; commercial production began in early 2020.
March 2020	Prinx Chengshan	Commencement of new $300 million truck-bus tire plant commercial production.
June 2021	ZC Rubber	Expansion delay, COVID-19 and supply chain disruptions.
August 2022	General Science	Full ramp-up of $260 million,1 million truck-bus annual capacity.
October 2023	Bridgestone (Thailand)	Closure of Thai Rangsit truck-bus tire plant.

Source: General Science, https://www.tirebusiness.com/news/chinas-jiangsu-general-science-initiate-trial-production-thai-tire-plant, November 7, 2019. Tire Business, https://www.tirebusiness.com/expansion/prinx-chengshans-thai-plant-starts-production, March 27, 2000. Tire Business, https://www.tirebusiness.com/news/mid-year-report-zc-rubber-pauses-expansion-amid-uncertainty, June 9, 2021. Rubber News, https://www.rubbernews.com/tire/general-science-start-production-new-cambodia-plant#, August 29, 2022. Thai Bridgestone Co., Bangkok, https://www.bridgestone.co.th/en/media-centre/press-release/2023/official-notification stop-tire-manufacturing-operations-at-rangsit-plant, October 27, 2023.

Changes in operations

Producers in Thailand were asked to report any change in the character of their operations or organization relating to the production of truck and bus tires since 2020. Five of seven producers indicated in their questionnaires that they had experienced such changes. Table VII-3 presents the changes identified by these producers.

Table VII-3
Truck and bus tires: Reported changes in operations in Thailand since January 1, 2020, by firm

Item	Firm name and narrative response related to changes to operations
Plant openings	***
Plant openings	***
Production curtailments	***
Expansions	***
Expansions	***
Expansions	***
Expansions	***
Weather-related or force majeure events	***
Other	***

Source: Compiled from data submitted in response to Commission questionnaires.

Operations on truck and bus tires

Table VII-4 presents data on Thai producers' installed capacity, practical overall capacity, and practical truck and bus tires capacity and production on the same equipment.

Table VII-4
Truck and bus tires: Thai producers' installed and practical capacity and production on the same equipment as subject production, by period

Capacity and production in 1,000 tires; utilization in percent

Item	Measure	2020	2021	2022	Jan-Jun 2022	Jan-Jun 2023
Installed overall	Capacity	83,874	87,608	90,248	43,712	44,542
Installed overall	Production	54,457	52,869	49,255	27,863	22,631
Installed overall	Utilization	64.9	60.3	54.6	63.7	50.8
Practical overall	Capacity	71,408	74,825	77,207	37,356	38,033
Practical overall	Production	54,457	52,869	49,255	27,863	22,631
Practical overall	Utilization	76.3	70.7	63.8	74.6	59.5
Practical truck and bus tires	Capacity	10,615	12,027	13,520	6,627	6,776
Practical truck and bus tires	Production	6,242	8,779	10,278	5,247	4,129
Practical truck and bus tires	Utilization	58.8	73.0	76.0	79.2	60.9

Source: Compiled from data submitted in response to Commission questionnaires.

Both installed overall and practical overall capacity increased annually from 2020 to 2022, for two-year growth of 7.6 and 8.1 percent, respectively. At the same time, practical overall production decreased annually from 2020 to 2022, for a net decline of 9.6 percent. This

two-year decline in practical overall production was reflected by the 19.1 percent decrease in production reported by ***, as every other responding foreign producer reported a net increase in practical overall production from 2020 to 2022.[4] [5] The simultaneous decrease in practical overall production and increase in installed overall and practical overall capacity lead to steady declines in installed overall capacity utilization and practical overall capacity utilization of 10.3 and 12.5 percentage points, respectively.

As with installed overall and practical overall capacity, practical truck and bus tires capacity also increased steadily between 2020 and 2022, for a two-year increase of 27.4 percent. However, unlike the steady decline in practical overall production, production of truck and bus tires increased annually from 2020 to 2022, for two-year growth of 64.7 percent. With the growth of truck and bus tire production outpacing capacity growth, capacity utilization also increased each year from 2020 to 2022, for a net increase of 17.2 percentage points. Only *** and *** did not report net growth in truck and bus tires capacity from 2020 to 2022, with *** capacity remaining flat and *** capacity declining by just 1.1 percent. All other firms reported growth in truck and bus tires capacity over the same period. *** reported the largest growth, both in absolute terms and as a percentage of 2020 capacity, with a two-year increase in capacity of 444.4 percent.[6]

All measures of capacity were between 1.8 and 2.2 percent higher in January-June 2023 compared to January-June 2022, while both practical overall production and truck and bus tires production were lower in January-June 2023 compared to January-June 2022, by 18.8 percent and 21.3 percent, respectively.[7]

[4] *** reported the largest increase in practical overall production from 2020 to 2022, a two-year increase of *** percent. *** foreign producer questionnaire, section II-3a.

[5] During the period being evaluated by the Commission, Prinx Chengshan produced truck and bus tires for two U.S. producers (***). Prinx Chengshan's postconference brief, p. 3. Prinx Chengshan's foreign producer questionnaire response, section II-11.

[6] The increase in truck and bus tire capacity for ***. *** foreign producer questionnaire response, section II-2a.

[7] In conference testimony, both petitioner and respondent counsel referred to 2023 as a period of softening demand, following a period of growing demand during the recovery from COVID-19, which peaked in 2022. Conference transcript, pp. 38 (Drake) and 94 (Colarusso).

Table VII-5 presents Thai producers' reported capacity constraints since January 1, 2020.

Table VII-5
Truck and bus tires: Thai producers' reported capacity constraints since January 1, 2020

Item	Firm name and narrative response on constraints to practical overall capacity
Production bottlenecks	***
Production bottlenecks	***
Production bottlenecks	***
Existing labor force	***
Fuel or energy	***
Other constraints	***
Other constraints	***
Other constraints	***
Other constraints	***

Source: Compiled from data submitted in response to Commission questionnaires.

Table VII-6 presents information on the truck and bus tires operations of the responding producers and exporters in Thailand.

Table VII-6
Truck and bus tires: Data on industry in Thailand, by period

Quantity in 1,000 tires, share and ratio in percent

Item	2020	2021	2022	Jan-Jun 2022	Jan-Jun 2023	Projection 2023	Projection 2024
Capacity	10,615	12,027	13,520	6,627	6,776	13,576	14,018
Production	6,242	8,779	10,278	5,247	4,129	8,522	9,841
End-of-period inventories	652	746	634	733	782	629	691
Internal consumption	***	***	***	***	***	***	***
Commercial home market shipments	***	***	***	***	***	***	***
Home market shipments	675	811	984	522	530	1,110	1,268
Exports to the United States	2,394	4,251	5,490	2,758	1,692	3,550	3,956
Exports to all other markets	2,881	3,607	3,916	1,981	1,772	3,880	4,554
Export shipments	5,275	7,858	9,406	4,739	3,464	7,430	8,510
Total shipments	5,950	8,669	10,390	5,261	3,994	8,540	9,778
Capacity utilization ratio	58.8	73.0	76.0	79.2	60.9	62.8	70.2
Inventory ratio to production	10.4	8.5	6.2	7.0	9.5	7.4	7.0
Inventory ratio to total shipments	11.0	8.6	6.1	7.0	9.8	7.4	7.1
Internal consumption share	***	***	***	***	***	***	***
Commercial home market shipments share	***	***	***	***	***	***	***
Home market shipments share	11.3	9.4	9.5	9.9	13.3	13.0	13.0
Exports to the United States share	40.2	49.0	52.8	52.4	42.4	41.6	40.5
Exports to all other markets share	48.4	41.6	37.7	37.7	44.4	45.4	46.6
Export shipments share	88.7	90.6	90.5	90.1	86.7	87.0	87.0
Total shipments share	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Source: Compiled from data submitted in response to Commission questionnaires.

Thai producers' capacity and production both increased steadily from 2020 to 2022, by 27.4 percent and 64.7 percent, respectively. When capacity was slightly higher in January-June 2023 relative to January-June 2023, production was 21.3 percent lower. Truck and bus tires capacity and production are projected to increase by 3.3 percent and 15.5 percent, respectively, in 2023 and 2024.

From 2020 to 2022, growth of truck and bus tires production outpaced that of capacity, and capacity utilization increased by 17.2 percentage points. However, capacity utilization was 18.2 percent lower in January-June 2023 compared to January-June 2022. Although capacity utilization in 2023 is projected to be lower than 2022, it is projected to increase by 7.4 percentage points in 2024.

Home market shipments, exports to non-U.S. markets, and exports to the United States all increased between 2020 and 2022. Exports to the United States experienced the most pronounced growth during this period, more than doubling in quantity and accounting for more than one-half of all truck and bus tire shipments by the Thai industry in 2022. Exports to the United States were lower in January-June 2023 than in January-June 2022, however, and in 2023 and 2024, foreign producers project that exports to all other markets will exceed exports to the United States.[8] [9]

Alternative products

As shown in table VII-7, responding firms in Thailand produced other products on the same equipment and machinery used to produce truck and bus tires.

[8] Although *** reported exports to all other markets, *** accounted for the majority of exports to all other sources, and cited *** as its principal non-U.S. export markets. *** foreign producer questionnaire, section II-9.

[9] In response to increasing growth potential in exports to third-country markets, Prinx Chengshan *** for sales to third country markets in regions including ***. *** and expects the share of exports to third country markets to grow in relation to U.S. exports. Prinx Chengshan's postconference brief, pp. 33-34.

Table VII-7
Truck and bus tires: Thai producers' overall production on the same equipment as in-scope production, by period

Quantity in 1,000 tires; share in percent

Product type	Measure	2020	2021	2022	Jan-Jun 2022	Jan-Jun 2023
Truck and bus tires	Quantity	6,242	8,779	10,278	5,247	4,129
PVLT tires	Quantity	***	***	***	***	***
OTR tires	Quantity	***	***	***	***	***
Other products	Quantity	***	***	***	***	***
Out-of-scope products	Quantity	48,215	44,090	38,977	22,616	18,502
All products	Quantity	54,457	52,869	49,255	27,863	22,631
Truck and bus tires	Share	11.5	16.6	20.9	18.8	18.2
PVLT tires	Share	***	***	***	***	***
OTR tires	Share	***	***	***	***	***
Other products	Share	***	***	***	***	***
Out-of-scope products	Share	88.5	83.4	79.1	81.2	81.8
All products	Share	100.0	100.0	100.0	100.0	100.0

Source: Compiled from data submitted in response to Commission questionnaires.

Despite the production of truck and bus tires increasing by 64.7 percent from 2020 to 2022, total production of all products produced using shared equipment and machinery declined by 2.9 percent from 2020 to 2021, and further declined by 6.8 percent from 2021 to 2022, for a net decline of 9.6 percent from 2020 to 2022. As truck and bus tire production increased over this two-year period, the net decline in total production on shared equipment was reflected by out-of-scope production, which decreased annually from 2020 to 2022 for a net decline of 19.2 percent.

Out-of-scope production never accounted for less than 79.1 percent of total production on shared equipment and machinery.[10] However, due to the simultaneous increase of truck and bus tire production and the decline in out-of-scope production, truck and bus tires grew—and out-of-scope production decreased—by 9.4 percentage points as a share of total production from 2020 to 2022. *** reported the ability to switch production between products using shared equipment and machinery.[11]

[10] 'Other products' accounted for a majority of out-of-scope production, and *** accounted for nearly all production of 'other products'. *** reported that its 'other products' includes *** *** also accounted for the vast majority of PVLT tires production. *** foreign producer questionnaire, section II-3a.

[11] ***. *** foreign producer questionnaires, section II-4a.

Exports

According to GTA, the leading export markets for truck and bus tires from Thailand are the United States, Australia, and Vietnam (table IV-8). During 2022, the United States was the top export market for new pneumatic tires, of rubber, of a kind used on trucks or buses from Thailand, accounting for 51.9 percent, followed by Australia, accounting for 4.2 percent, and Vietnam accounting for 3.4 percent.

Table VII-8
New pneumatic tires, of rubber, of a kind used on buses or trucks: Exports from Thailand, by destination market and by period

Quantity in 1,000 tires; value in 1,000 dollars

Destination market	Measure	2020	2021	2022
United States	Quantity	11,542	13,276	14,710
Australia	Quantity	1,057	1,208	1,195
Vietnam	Quantity	793	863	968
Germany	Quantity	392	703	906
South Korea	Quantity	536	561	519
Indonesia	Quantity	291	454	436
Malaysia	Quantity	568	590	628
Japan	Quantity	287	381	447
Saudi Arabia	Quantity	348	363	452
All other destination markets	Quantity	6,904	8,433	8,065
All destination markets	Quantity	22,717	26,832	28,326
United States	Value	985,475	1,320,496	1,636,903
Australia	Value	106,616	119,045	127,795
Vietnam	Value	99,120	100,067	108,603
Germany	Value	26,478	56,645	80,958
South Korea	Value	60,617	64,054	63,601
Indonesia	Value	36,174	59,341	59,177
Malaysia	Value	53,634	55,365	57,850
Japan	Value	35,250	47,118	56,776
Saudi Arabia	Value	33,201	33,226	45,458
All other destination markets	Value	548,906	725,313	776,027
All destination markets	Value	1,985,470	2,580,670	3,013,148

Table continued on next page.

Table VII-8 Continued
New pneumatic tires, of rubber, of a kind used on buses or trucks: Exports from Thailand, by destination market and by period

Unit value in dollars per tire; share in percent

Destination market	Measure	2020	2021	2022
United States	Unit value	85	99	111
Australia	Unit value	101	99	107
Vietnam	Unit value	125	116	112
Germany	Unit value	68	81	89
South Korea	Unit value	113	114	122
Indonesia	Unit value	124	131	136
Malaysia	Unit value	94	94	92
Japan	Unit value	123	124	127
Saudi Arabia	Unit value	95	92	101
All other destination markets	Unit value	80	86	96
All destination markets	Unit value	87	96	106
United States	Share of quantity	50.8	49.5	51.9
Australia	Share of quantity	4.7	4.5	4.2
Vietnam	Share of quantity	3.5	3.2	3.4
Germany	Share of quantity	1.7	2.6	3.2
South Korea	Share of quantity	2.4	2.1	1.8
Indonesia	Share of quantity	1.3	1.7	1.5
Malaysia	Share of quantity	2.5	2.2	2.2
Japan	Share of quantity	1.3	1.4	1.6
Saudi Arabia	Share of quantity	1.5	1.4	1.6
All other destination markets	Share of quantity	30.4	31.4	28.5
All destination markets	Share of quantity	100.0	100.0	100.0

Source: Official exports statistics under HS subheading 4011.20 as reported by Thai Customs Department in the Global Trade Atlas Suite database, accessed October 30, 2023.

Note: The United States is shown at the top. All remaining top export destinations are shown in descending order of 2022 data.

U.S. inventories of imported merchandise

Table VII-9 presents data on U.S. importers' reported inventories of truck and bus tires.

Table VII-9
Truck and bus tires: U.S. importers' inventories and their ratio to select items, by source and period

Quantity in 1,000 tires; ratio in percent

Measure	Source	2020	2021	2022	Jan-Jun 2022	Jan-Jun 2023
Inventories quantity	Thailand	552	346	1,027	455	817
Ratio to imports	Thailand	12.8	5.5	12.5	5.7	16.1
Ratio to U.S. shipments of imports	Thailand	12.1	5.3	13.7	5.9	14.5
Ratio to total shipments of imports	Thailand	12.1	5.3	13.7	5.9	14.5
Inventories quantity	Nonsubject	1,037	1,058	1,589	1,472	1,438
Ratio to imports	Nonsubject	19.0	14.6	17.7	16.8	19.6
Ratio to U.S. shipments of imports	Nonsubject	19.1	15.2	19.4	19.2	19.1
Ratio to total shipments of imports	Nonsubject	18.3	14.5	18.9	18.7	18.8
Inventories quantity	All	1,589	1,404	2,616	1,927	2,255
Ratio to imports	All	16.2	10.4	15.2	11.5	18.2
Ratio to U.S. shipments of imports	All	15.9	10.4	16.7	12.5	17.1
Ratio to total shipments of imports	All	15.5	10.1	16.4	12.3	17.0

Source: Compiled from data submitted in response to Commission questionnaires.

Inventories of truck and bus tires from Thailand increased irregularly by 86.1 percent from 2020 to 2022, and were 79.6 percent higher in January-June 2023 compared to January-June 2022.[12] Following a 37.3 percent decrease from 2020 to 2021, subject inventories nearly tripled from 2021 to 2022. Although nearly every firm which reported subject inventories in 2022 also reported an increase compared to 2020 levels, both the decrease during 2020-21 and the increase during 2021-22 were primarily reflected by fluctuations in the inventories of

[12] Of firms that reported subject inventories, only *** reported lower inventory in 2022 compared to 2020, although *** never accounted for more than 1.1 percent of total subject inventories in any period reported. In conference testimony, ***. Conference transcript, p. 143 (Colarusso).

***.[13] [14] As a ratio to subject imports and to U.S. shipments of subject imports, subject inventories declined by 7.2 and 6.8 percentage points, respectively, from 2020 to 2021, prior to increasing in 2022. In January-June 2023, inventories as a ratio to subject imports and U.S. shipments of subject imports more than doubled compared to January-June 2022.

Inventories of truck and bus tires from nonsubject sources increased during 2020-22, with inventories from nonsubject sources increasing by 53.2 percent over the two-year period. Although between 10 and 12 firms reported inventories from nonsubject sources in any given period, the majority of inventories from nonsubject sources were accounted for by two firms in each period, with *** accounting for the majority of inventories from nonsubject sources in 2020, 2021, and January-June 2022, and *** accounting for the majority of inventories from nonsubject sources in 2022 and January-June.[15] Unlike subject inventories, inventories from nonsubject sources were 2.3 percent lower in January-June compared to January-June 2022.[16] As a ratio to imports, inventories from nonsubject sources first declined by 4.4 percentage points from 2020 to 2021, and then increased in 2022 for a two-year irregular decrease of 1.3 percentage points. Unlike subject inventories, however, inventories from nonsubject sources as a ratio to imports were only 2.8 percentage points higher in January-June compared to January-June 2022. As a ratio to U.S. shipments of imports and total imports, inventories from nonsubject sources increased irregularly by 0.4 and 0.6 percentage points, respectively, from 2020 to 2022, and remained steady in January-June compared to January-June 2022.

[13] While *** only reported aftermarket sales, *** reported sales to both OEMs and the aftermarket, although the vast majority of *** sales were to the aftermarket. U.S. importer questionnaire, sections II-5a and II-5b.

[14] ***. *** importer questionnaire, section II-8.

[15] ***. **** importer questionnaire, section I-2a.

[16] The lower inventory levels in January-June 2023 were reflected by the absence of any inventory from nonsubject sources for *** in January-June 2023, despite reporting the most inventory from nonsubject sources of any single firm in January-June 2022, although ***, the second-largest firm in January-June 2023 by inventory from nonsubject sources, also reported lower levels in January-June 2023 compared to January-June 2022.

Total inventories of truck and bus tires increased irregularly by 64.6 percent from 2020 to 2022, and were 17.0 percent higher in January-June 2023 compared to January-June 2022, with the lower levels of inventories from nonsubject sources in January-June 2023 offsetting the higher levels of subject inventories. Total inventories of truck and bus tires as a ratio to imports declined irregularly from 2020 to 2022 by 1.0 percentage points, while inventories as a ratio to U.S. shipments and total shipments of imports each rose irregularly by 0.8 and 0.9 percentage points, respectively. However, all three measures were higher in January-June 2023 than in any other period reported.

U.S. importers' outstanding orders

The Commission requested importers to indicate whether they imported or arranged for the importation of truck and bus tires from Thailand after June 30, 2023. Their reported data is presented in table VII-10.[17] Importers reported arranged imports from Thailand and from nonsubject sources in ***.

Table VII-10
Truck and bus tires: Arranged imports, by source and period

Quantity in 1,000 tires

Source	Jul-Sep 2023	Oct-Dec 2023	Jan-Mar 2024	Apr-Jun 2024	Total
Thailand	***	***	***	***	***
Nonsubect sources	***	***	***	***	***
All import sources	***	***	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires.

Third-country trade actions

In October 2019, Egypt initiated an antidumping investigation on imports of tires for buses and lorries from China, India, Indonesia and Thailand.

On March 3, 2021, Egypt imposed a definitive duty on imports of tires for buses and lorries from China and Thailand. The rate of duty on imports from China ranges from 9.8

[17] Twenty-five firms reported imports or arranged imports subsequent to June 30, 2023. The five firms which did not report such imports are ***. U.S. importer questionnaire, section II-3a.

percent to 36.9 percent, depending on the company. The rate of duty on imports from Thailand ranges from 7.5 percent to 31.2 percent depending on the company.[18]

Information on nonsubject countries

Table VII-11 through VII-13 present global export values and percentages of truck and bus tire exports by country during 2020-22. All reporting countries' export shipments increased from 2020 to 2022.[19] Global export shipments in aggregate increased by $7.7 billion, an increase of 35.8 percent, from $21.5 billion during the peak of COVID-19 in 2020 to $29.2 billion in 2022. Nonsubject sources China, Germany, Japan, and Slovakia were the leading global exporters in value, respectively, during 2021-22, with China accounting for more than 30 percent. Export shipments from the United States increased by 35.1 percent during the 2020-22 period, but market share remained at 6.4 percent. During the same period, global exports, by value, from Thailand increased from a low of $2.0 billion in 2020 to $3.0 billion in 2022, a 51.8 percent increase. and Thailand's share of exports increased by 1.1 percentage points, to 10.3 percent, during the same period.

[18] Global Trade Alert, https://www.globaltradealert.org/intervention/78518/anti-dumping/egypt-definitive-anti-dumping-duties-on-imports-of-tyres-for-buses-and-lorries-from-china-and-thailand-and-investigation-o, retrieved November 14, 2023.

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Table VII-11
New pneumatic tires, of rubber, of a kind used on buses or trucks: China exports, by reporting country and by period

Value in 1,000 dollars, share in percent

Source				
United States	Value	496,213	625,524	675,671
Mexico	Value	340,012	466,337	564,424
Russia	Value	162,323	231,348	429,466
Saudi Arabia	Value	314,222	292,744	378,989
United Arab Emirates	Value	226,611	323,586	353,837
Australia	Value	243,517	301,822	316,762
Canada	Value	172,818	224,952	294,285
Iraq	Value	167,940	175,800	269,509
Indonesia	Value	111,023	175,419	241,883
Malaysia	Value	151,034	205,483	238,052
Vietnam	Value	160,379	200,417	225,309
All other exporters	Value	4,053,880	4,791,722	5,203,030
All reporting exporters	Value	6,599,973	8,015,153	9,191,215
United States	Share	7.5	7.8	7.4
Mexico	Share	5.2	5.8	6.1
Russia	Share	2.5	2.9	4.7
Saudi Arabia	Share	4.8	3.7	4.1
United Arab Emirates	Share	3.4	4.0	3.8
Australia	Share	3.7	3.8	3.4
Canada	Share	2.6	2.8	3.2
Iraq	Share	2.5	2.2	2.9
Indonesia	Share	1.7	2.2	2.6
Malaysia	Share	2.3	2.6	2.6
Vietnam	Share	2.4	2.5	2.5
All other exporters	Share	61.4	59.8	56.6
All reporting exporters	Share	100.0	100.0	100.0

Source: Official exports statistics under HS subheading 4011.20 as reported by China Customs in the Global Trade Atlas Suite database, accessed November 14, 2023.

Note: Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent. Zeroes, null values, and undefined calculations are suppressed and shown as "---". United States is shown at the top, all remaining top export destinations shown in descending order of 2022 data.

Table VII-12
New pneumatic tires, of rubber, of a kind used on buses or trucks: Vietnam exports, by reporting country and by period

Value in 1,000 dollars, share in percent

Destination market	Measure	2020	2021	2022
United States	Value	310,374	465,264	724,171
Brazil	Value	25,167	56,776	139,297
Canada	Value	27,585	76,395	62,894
Germany	Value	12,633	22,485	38,044
Poland	Value	8,933	11,642	30,647
Spain	Value	15,732	19,048	28,997
United Kingdom	Value	4,863	7,875	24,016
Egypt	Value	7,145	16,922	16,370
Italy	Value	6,666	9,628	14,929
Malaysia	Value	9,452	13,650	11,558
Mexico	Value	6,439	17,277	10,416
All other exporters	Value	112,473	127,250	169,980
All reporting exporters	Value	547,462	844,213	1,271,321
United States	Share	56.7	55.1	57.0
Brazil	Share	4.6	6.7	11.0
Canada	Share	5.0	9.0	4.9
Germany	Share	2.3	2.7	3.0
Poland	Share	1.6	1.4	2.4
Spain	Share	2.9	2.3	2.3
United Kingdom	Share	0.9	0.9	1.9
Egypt	Share	1.3	2.0	1.3
Italy	Share	1.2	1.1	1.2
Malaysia	Share	1.7	1.6	0.9
Mexico	Share	1.2	2.0	0.8
All other exporters	Share	20.5	15.1	13.4
All reporting exporters	Share	100.0	100.0	100.0

Source: Official imports statistics of imports from Vietnam (constructed export statistics for Vietnam) under HS subheading 4011.20 as reported by various national statistical authorities in the Global Trade Atlas Suite database, accessed November 16, 2023.

Note: Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent. Zeroes, null values, and undefined calculations are suppressed and shown as "---". United States is shown at the top, all remaining top export destinations shown in descending order of 2022 data.

Table VII-13
New pneumatic tires, of rubber, of a kind used on buses or trucks: Global exports, by reporting country and by period

Value in 1,000 dollars, share in percent

Exporting country	Measure	2020	2021	2022
United States	Value	1,378,064	1,708,818	1,862,361
Thailand	Value	1,985,470	2,580,670	3,013,148
China	Value	6,599,973	8,015,153	9,191,215
Vietnam	Value	547,462	844,213	1,271,321
Germany	Value	1,030,454	1,226,522	1,269,578
Japan	Value	824,547	1,059,084	1,254,770
Slovakia	Value	823,849	1,011,870	1,023,352
South Korea	Value	807,392	815,802	926,615
Canada	Value	740,766	916,182	919,869
Spain	Value	679,999	822,489	861,602
Poland	Value	644,507	790,928	862,736
Turkey	Value	543,996	726,860	817,888
All other exporters	Value	4,937,058	6,140,815	6,791,985
All reporting exporters	Value	21,543,538	26,659,406	29,248,551
United States	Share	6.4	6.4	6.4
Thailand	Share	9.2	9.7	10.3
China	Share	30.6	30.1	31.4
Vietnam	Share	2.5	3.2	4.3
Germany	Share	4.8	4.6	4.3
Japan	Share	3.8	4.0	4.3
Slovakia	Share	3.8	3.8	3.5
South Korea	Share	3.7	3.1	3.2
Canada	Share	3.4	3.4	3.1
Spain	Share	3.2	3.1	2.9
Poland	Share	3.0	3.0	2.9
Turkey	Share	2.5	2.7	2.8
All other exporters	Share	22.9	23.0	23.2
All reporting exporters	Share	100.0	100.0	100.0

Source: Official exports statistics under HS subheading 4011.20 as reported by various national statistical authorities in the Global Trade Atlas Suite database, accessed October 30, 2023 and official imports statistics of imports from Vietnam (constructed export statistics for Vietnam) under HS subheading 4011.20 as reported by various national statistical authorities in the Global Trade Atlas Suite database, accessed November 16, 2023.

Note: Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent. Zeroes, null values, and undefined calculations are suppressed and shown as "---". United States is shown at the top followed by the countries under investigation, all remaining top exporting countries in descending order of 2022 data.

APPENDIX A

FEDERAL REGISTER NOTICES

The Commission makes available notices relevant to its investigations and reviews on its website, www.usitc.gov. In addition, the following tabulation presents, in chronological order, Federal Register notices issued by the Commission and Commerce during the current proceeding.

Citation	Title	Link
88 FR 74208, October 30, 2023	*Truck and Bus Tires From Thailand; Institution of Antidumping Duty Investigation and Scheduling of Preliminary Phase Investigation*	https://www.govinfo.gov/content/pkg/FR-2023-10-30/pdf/2023-23800.pdf
88 FR 77960, November 14, 2023	*Truck and Bus Tires From Thailand: Initiation of Less-Than-Fair-Value Investigation*	https://www.govinfo.gov/content/pkg/FR-2023-11-14/pdf/2023-24994.pdf

APPENDIX B

LIST OF STAFF CONFERENCE WITNESSES

CALENDAR OF PUBLIC PRELIMINARY CONFERENCE

Those listed below appeared as witnesses at the United States International Trade Commission's preliminary conference:

Subject: Truck and Bus Tires from Thailand

Inv. No.: 731-TA-1658 (Preliminary)

Date and Time: November 7, 2023 - 9:30 a.m.

Sessions were held in connection with this preliminary phase investigation in the Main Hearing Room (Room 101), 500 E Street, SW., Washington, DC.

OPENING REMARKS:

In Support of Imposition (**Elizabeth J. Drake**, Schagrin Associates)
In Opposition to Imposition (**Lynn Fischer Fox**, Arnold & Porter Kaye Scholer LLP)

In Support of the Imposition of the Antidumping Duty Order:

Schagrin Associates
Washington, DC
on behalf of

the United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union, AFL–CIO, CLC
(collectively, "USW")

Kevin Johnsen, Chair, USW Rubber and Plastics Industry Conference

Drew Rodriguez, President, USW Local 1155L

Jon Wright, President, USW Local 1055L

Jody Juarez, President, USW Local 307L

Jerron L. ("Pete") Morton, President, USW Local 831L

In Support of the Imposition of the
Antidumping Duty Order (continued):

Tom O'Shei, President, USW Local 135L

Elizabeth J. Drake)
) – OF COUNSEL
Justin Neuman)

In Opposition to the Imposition of the
Antidumping Duty Order:

Arnold & Porter Kaye Scholer LLP
Washington, DC
on behalf of

Prinx Chengshan Tire (Thailand) Co., Ltd. ("Prinx Thailand")
Prinx Chengshan Tire North America, Inc. ("PCTNA")
(collectively, "Prinx")

Samuel Felberbaum, President, PCTNA

Ken Coltrane, Vice President, Marketing & Product Development, PCTNA

Xiao Hu (Michael) Chu, Chief Executive Officer,
Prinx Chengshan Tire North America and General Manager,
International Sales Center

Lynn Fischer Fox)
Henry Almond) – OF COUNSEL
Gina Colarusso)

REBUTTAL/CLOSING REMARKS:

In Support of Imposition (**Elizabeth J. Drake**, Schagrin Associates)
In Opposition to Imposition (**Gina Colarusso**, Arnold & Porter Kaye Scholer LLP)

APPENDIX C

SUMMARY DATA

Table C-1
Truck and bus tires: Summary data concerning the U.S. market, by item and period

Quantity=1,000 tires; Value=1,000 dollars; Unit values, unit labor costs, and unit expenses=dollars per tire; Period changes=percent--exceptions noted

	Reported data					Period changes			
	Calendar year			Jan-Jun		Comparison years			Jan-Jun
Item	2020	2021	2022	2022	2023	2020-22	2020-21	2021-22	2022-23
U.S. consumption quantity:									
Amount	24,526	29,841	36,049	17,292	13,868	▲47.0	▲21.7	▲20.8	▼(19.8)
Producers' share (fn1)	46.4	41.1	33.9	36.1	38.2	▼(12.6)	▼(5.3)	▼(7.3)	▲2.2
Importers' share (fn1):									
Thailand	19.5	24.2	28.3	27.6	23.1	▲8.8	▲4.7	▲4.1	▼(4.5)
Nonsubject sources	34.1	34.7	37.9	36.3	38.7	▲3.8	▲0.6	▲3.2	▲2.3
All import sources	53.6	58.9	66.1	63.9	61.8	▲12.6	▲5.3	▲7.3	▼(2.2)
U.S. consumption value:									
Amount	5,499,853	6,834,317	8,990,760	4,265,310	3,785,677	▲63.5	▲24.3	▲31.6	▼(11.2)
Producers' share (fn1)	58.2	52.7	46.5	48.7	49.9	▼(11.7)	▼(5.5)	▼(6.2)	▲1.2
Importers' share (fn1):									
Thailand	12.6	16.6	19.8	19.3	15.4	▲7.2	▲4.0	▲3.2	▼(3.9)
Nonsubject sources	29.2	30.8	33.7	32.0	34.7	▲4.5	▲1.6	▲3.0	▲2.7
All import sources	41.8	47.3	53.5	51.3	50.1	▲11.7	▲5.5	▲6.2	▼(1.2)
U.S. imports from:									
Thailand:									
Quantity	4,782	7,212	10,186	4,773	3,202	▲113.0	▲50.8	▲41.2	▼(32.9)
Value	692,164	1,131,166	1,779,365	823,949	583,164	▲157.1	▲63.4	▲57.3	▼(29.2)
Unit value	$145	$157	$175	$173	$182	▲20.7	▲8.4	▲11.4	▲5.5
Ending inventory quantity	552	346	1,027	455	817	▲86.1	▼(37.3)	▲196.8	▲79.6
Nonsubject sources:									
Quantity	8,352	10,351	13,654	6,284	5,365	▲63.5	▲23.9	▲31.9	▼(14.6)
Value	1,606,508	2,102,369	3,032,362	1,363,037	1,312,722	▲88.8	▲30.9	▲44.2	▼(3.7)
Unit value	$192	$203	$222	$217	$245	▲15.5	▲5.6	▲9.3	▲12.8
Ending inventory quantity	1,037	1,058	1,589	1,472	1,438	▲53.2	▲2.0	▲50.2	▼(2.3)
All import sources:									
Quantity	13,134	17,563	23,841	11,057	8,567	▲81.5	▲33.7	▲35.7	▼(22.5)
Value	2,298,672	3,233,535	4,811,728	2,186,986	1,895,886	▲109.3	▲40.7	▲48.8	▼(13.3)
Unit value	$175	$184	$202	$198	$221	▲15.3	▲5.2	▲9.6	▲11.9
Ending inventory quantity	1,589	1,404	2,616	1,927	2,255	▲64.6	▼(11.6)	▲86.3	▲17.0
U.S. producers':									
Practical capacity quantity	14,727	15,367	15,031	7,714	7,561	▲2.1	▲4.3	▼(2.2)	▼(2.0)
Production quantity	11,608	13,600	13,528	6,912	6,752	▲16.5	▲17.2	▼(0.5)	▼(2.3)
Capacity utilization (fn1)	78.8	88.5	90.0	89.6	89.3	▲11.2	▲9.7	▲1.5	▼(0.3)
U.S. shipments:									
Quantity	11,392	12,278	12,208	6,235	5,301	▲7.2	▲7.8	▼(0.6)	▼(15.0)
Value	3,201,181	3,600,782	4,179,032	2,078,324	1,889,791	▲30.5	▲12.5	▲16.1	▼(9.1)
Unit value	$281	$293	$342	$333	$356	▲21.8	▲4.4	▲16.7	▲6.9
Export shipments:									
Quantity	956	1,041	919	478	351	▼(3.9)	▲8.9	▼(11.7)	▼(26.6)
Value	229,194	276,515	283,681	142,438	113,021	▲23.8	▲20.6	▲2.6	▼(20.7)
Unit value	$240	$266	$309	$298	$322	▲28.8	▲10.8	▲16.2	▲8.1
Ending inventory quantity	1,766	2,020	2,409	2,182	3,484	▲36.4	▲14.4	▲19.3	▲59.7
Inventories/total shipments (fn1)	14.3	15.2	18.4	16.3	30.8	▲4.0	▲0.9	▲3.2	▲14.6
Production workers	7,847	8,259	8,820	8,679	8,943	▲12.4	▲5.3	▲6.8	▲3.0
Hours worked (1,000s)	12,897	15,159	15,324	7,962	7,954	▲18.8	▲17.5	▲1.1	▼(0.1)
Wages paid ($1,000)	386,535	472,052	538,703	266,587	290,417	▲39.4	▲22.1	▲14.1	▲8.9
Hourly wages (dollars per hour)	$29.97	$31.14	$35.15	$33.48	$36.51	▲17.3	▲3.9	▲12.9	▲9.0
Productivity (tires per 1,000 hours)	900.1	897.2	882.8	868.1	848.9	▼(1.9)	▼(0.3)	▼(1.6)	▼(2.2)
Unit labor costs	$33.30	$34.71	$39.82	$38.57	$43.01	▲19.6	▲4.2	▲14.7	▲11.5

Table continued.

Table C-1 Continued

Truck and bus tires: Summary data concerning the U.S. market, by item and period

Quantity=1,000 tires; Value=1,000 dollars; Unit values, unit labor costs, and unit expenses=dollars per tire; Period changes=percent--exceptions noted

Item	Reported data					Period changes			
	Calendar year			Jan-Jun		Comparison years			Jan-Jun
	2020	2021	2022	2022	2023	2020-22	2020-21	2021-22	2022-23
Net sales:									
Quantity	12,347	13,319	13,126	6,713	5,652	▲6.3	▲7.9	▼(1.4)	▼(15.8)
Value	3,430,374	3,877,296	4,462,712	2,220,762	2,002,813	▲30.1	▲13.0	▲15.1	▼(9.8)
Unit value	$278	$291	$340	$331	$354	▲22.4	▲4.8	▲16.8	▲7.1
Cost of goods sold (COGS)	2,558,419	2,879,385	3,362,614	1,605,062	1,560,742	▲31.4	▲12.5	▲16.8	▼(2.8)
Gross profit or (loss) (fn2)	871,955	997,911	1,100,098	615,700	442,071	▲26.2	▲14.4	▲10.2	▼(28.2)
SG&A expenses	397,221	406,926	438,995	219,056	217,427	▲10.5	▲2.4	▲7.9	▼(0.7)
Operating income or (loss) (fn2)	474,734	590,985	661,103	396,644	224,644	▲39.3	▲24.5	▲11.9	▼(43.4)
Net income or (loss) (fn2)	380,656	519,946	599,462	343,734	189,571	▲57.5	▲36.6	▲15.3	▼(44.8)
Unit COGS	$207	$216	$256	$239	$276	▲23.6	▲4.3	▲18.5	▲15.5
Unit SG&A expenses	$32	$31	$33	$33	$38	▲4.0	▼(5.0)	▲9.5	▲17.9
Unit operating income or (loss) (fn2)	$38	$44	$50	$59	$40	▲31.0	▲15.4	▲13.5	▼(32.7)
Unit net income or (loss) (fn2)	$31	$39	$46	$51	$34	▲48.1	▲26.6	▲17.0	▼(34.5)
COGS/sales (fn1)	74.6	74.3	75.3	72.3	77.9	▲0.8	▼(0.3)	▲1.1	▲5.7
Operating income or (loss)/sales (fn1)	13.8	15.2	14.8	17.9	11.2	▲1.0	▲1.4	▼(0.4)	▼(6.6)
Net income or (loss)/sales (fn1)	11.1	13.4	13.4	15.5	9.5	▲2.3	▲2.3	▲0.0	▼(6.0)
Capital expenditures	179,145	103,752	177,136	49,817	112,018	▼(1.1)	▼(42.1)	▲70.7	▲124.9
Research and development expenses	64,455	79,201	81,867	40,223	40,602	▲27.0	▲22.9	▲3.4	▲0.9
Net assets	2,404,273	2,507,858	2,849,712	NA	NA	▲18.5	▲4.3	▲13.6	NA

Source: Compiled from data submitted in response to Commission questionnaires and official U.S. import statistics of the U.S. Department of Commerce Census Bureau using HTS statistical reporting numbers 4011.20.1015 and 4011.20.5020, accessed on October 31,2023. Imports are based on the imports for consumption data series. Import values are based on landed, duty-paid values. 508-compliant tables containing these data are contained in parts III, IV, VI, and VII of this report.

Note.--Shares and ratios shown as "0.0" percent represent non-zero values less than "0.05" percent (if positive) and greater than "(0.05)" percent (if negative). Zeroes, null values, and undefined calculations are suppressed and shown as "---". Period changes preceded by a "▲" represent an increase, while period changes preceded by a "▼" represent a decrease. Unavailable data are down as NA.

fn1.--Reported data are in percent and period changes are in percentage points.

fn2.--Percent changes only calculated when both comparison values represent profits; The directional change in profitability provided when one or both comparison values represent a loss.

APPENDIX D

U.S. IMPORTS BY SOURCE AND PERIOD, 2017 TO 2022

Appendix D-1
Truck and bus tires: U.S. imports by source and period

Quantity in 1,000 tires; value in 1,000 dollars

Source	Measure	2017	2018	2019	2020	2021	2022
Thailand	Quantity	2,090	2,461	4,605	4,782	7,212	10,186
Vietnam	Quantity	254	375	722	1,193	1,929	3,019
Japan	Quantity	1,449	1,309	1,380	1,320	1,819	2,490
China	Quantity	6,457	9,221	3,247	1,333	1,109	1,765
Canada	Quantity	1,616	1,481	1,671	1,263	1,542	1,496
South Korea	Quantity	735	425	669	907	955	1,157
Spain	Quantity	272	372	546	284	392	510
All other sources	Quantity	1,555	1,570	2,081	2,053	2,605	3,218
Nonsubject sources	Quantity	12,338	14,753	10,317	8,352	10,351	13,654
All sources	Quantity	14,428	17,215	14,922	13,134	17,563	23,841
Thailand	Value	315,262	380,531	709,211	692,164	1,131,166	1,779,365
Vietnam	Value	31,227	47,511	95,081	164,601	272,922	472,101
Japan	Value	282,153	266,520	285,041	264,514	354,014	619,989
China	Value	797,666	1,284,397	476,062	161,981	167,535	293,700
Canada	Value	427,197	425,658	477,682	373,944	458,837	450,954
South Korea	Value	144,024	85,246	137,456	180,670	202,450	307,675
Spain	Value	61,795	91,566	140,029	70,548	106,966	170,274
All other sources	Value	324,862	358,976	480,378	390,250	539,644	717,668
Nonsubject sources	Value	2,068,923	2,559,873	2,091,729	1,606,508	2,102,369	3,032,362
All sources	Value	2,384,185	2,940,404	2,800,940	2,298,672	3,233,535	4,811,728
Thailand	Unit value	151	155	154	145	157	175
Vietnam	Unit value	123	127	132	138	141	156
Japan	Unit value	195	204	207	200	195	249
China	Unit value	124	139	147	121	151	166
Canada	Unit value	264	287	286	296	298	302
South Korea	Unit value	196	201	205	199	212	266
Spain	Unit value	227	246	256	248	273	334
All other sources	Unit value	209	229	231	190	207	223
Nonsubject sources	Unit value	168	174	203	192	203	222
All sources	Unit value	165	171	188	175	184	202

Table continued on next page.

Appendix D-1 Continued
Truck and bus tires: U.S. imports by source and period

Share in percent

Source	Measure	2017	2018	2019	2020	2021	2022
Thailand	Share of quantity	14.5	14.3	30.9	36.4	41.1	42.7
Vietnam	Share of quantity	1.8	2.2	4.8	9.1	11.0	12.7
Japan	Share of quantity	10.0	7.6	9.3	10.0	10.4	10.4
China	Share of quantity	44.8	53.6	21.8	10.2	6.3	7.4
Canada	Share of quantity	11.2	8.6	11.2	9.6	8.8	6.3
South Korea	Share of quantity	5.1	2.5	4.5	6.9	5.4	4.9
Spain	Share of quantity	1.9	2.2	3.7	2.2	2.2	2.1
All other sources	Share of quantity	10.8	9.1	13.9	15.6	14.8	13.5
Nonsubject sources	Share of quantity	85.5	85.7	69.1	63.6	58.9	57.3
All sources	Share of quantity	100.0	100.0	100.0	100.0	100.0	100.0
Thailand	Share of value	13.2	12.9	25.3	30.1	35.0	37.0
Vietnam	Share of value	1.3	1.6	3.4	7.2	8.4	9.8
Japan	Share of value	11.8	9.1	10.2	11.5	10.9	12.9
China	Share of value	33.5	43.7	17.0	7.0	5.2	6.1
Canada	Share of value	17.9	14.5	17.1	16.3	14.2	9.4
South Korea	Share of value	6.0	2.9	4.9	7.9	6.3	6.4
Spain	Share of value	2.6	3.1	5.0	3.1	3.3	3.5
All other sources	Share of value	13.6	12.2	17.2	17.0	16.7	14.9
Nonsubject sources	Share of value	86.8	87.1	74.7	69.9	65.0	63.0
All sources	Share of value	100.0	100.0	100.0	100.0	100.0	100.0

Source: Compiled from official U.S. import statistics of the U.S. Department of Commerce Census Bureau using HTS statistical reporting numbers 4011.20.1015 and 4011.20.5020, accessed on November 17, 2023. Imports are based on the imports for consumption data series. Value data are based on landed, duty-paid values.

APPENDIX E

U.S. PRODUCERS' U.S. SHIPMENTS, BY TYPE AND PERIOD

Appendix E-1
Truck and bus tires: U.S. producers' U.S. shipments, by type and period

Quantity in 1,000 tires; value in 1,000 dollars; unit value in dollars per tire

Item	Measure	2020	2021	2022	Jan-Jun 2022	Jan-Jun 2023
Commercial U.S. shipments	Quantity	***	***	***	***	***
Lease shipments	Quantity	***	***	***	***	***
Internal consumption	Quantity	***	***	***	***	***
Transfers to related firms	Quantity	***	***	***	***	***
U.S. shipments	Quantity	11,392	12,278	12,208	6,235	5,301
Commercial U.S. shipments	Value	***	***	***	***	***
Lease shipments	Value	***	***	***	***	***
Internal consumption	Value	***	***	***	***	***
Transfers to related firms	Value	***	***	***	***	***
U.S. shipments	Value	3,201,181	3,600,782	4,179,032	2,078,324	1,889,791
Commercial U.S. shipments	Unit value	***	***	***	***	***
Lease shipments	Unit value	***	***	***	***	***
Internal consumption	Unit value	***	***	***	***	***
Transfers to related firms	Unit value	***	***	***	***	***
U.S. shipments	Unit value	281	293	342	333	356

Table continued on next page.

Appendix E-1 Continued
Truck and bus tires: U.S. producers' U.S. shipments, by type and period

Share in percent

Item	Measure	2020	2021	2022	Jan-Jun 2022	Jan-Jun 2023
Commercial U.S. shipments	Share of quantity	***	***	***	***	***
Lease shipments	Share of quantity	***	***	***	***	***
Internal consumption	Share of quantity	***	***	***	***	***
Transfers to related firms	Share of quantity	***	***	***	***	***
U.S. shipments	Share of quantity	100.0	100.0	100.0	100.0	100.0
Commercial U.S. shipments	Share of value	***	***	***	***	***
Lease shipments	Share of value	***	***	***	***	***
Internal consumption	Share of value	***	***	***	***	***
Transfers to related firms	Share of value	***	***	***	***	***
U.S. shipments	Share of value	100.0	100.0	100.0	100.0	100.0

Source: Compiled from data submitted in response to Commission questionnaires.

Note: Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent. Zeroes, null values, and undefined calculations are suppressed and shown as "---".

Appendix E-2
Truck and bus tires: U.S. producers' narrative on transfers to related firms

Share in percent

Firm	Narrative response on transfers to related firms
***	***
***	***
***	***
***	***

Source: Compiled from data submitted in response to Commission questionnaires.

APPENDIX F

INFORMATION ON THE TIRE AND RIM ASSOCIATION STANDARDS

FOR SUBJECT TRUCK AND BUS TIRE SPECIFICATIONS

Appendix F-1
Truck and bus tires: Tire and Rim Association specifications

Truck-Bus tire: 11R22.5 H 146/143L		**Truck-Bus metric tire: 255/70R22.5 G 138/134L**		**Truck-Bus Trailer tire: 8R17.5HC F 122/120L**	
11	Width of tire cross section (inches)	255	Width of tire cross section in millimeters (10.04 in.)	8	Width of tire cross section (inches)
N/A	Aspect ratio (ratio of sidewall height to section width-%)	70	Aspect ratio (ratio of sidewall height to section width-%)	N/A	Aspect ratio (ratio of sidewall height to section width-%)
R	Radial ply	R	Radial Ply	R	Radial ply
22.5	Rim diameter (inches)	22.5	Rim diameter (inches)	17.5	Rim diameter (inches)
N/A	Suffix	N/A	Suffix	HC	Suffix (For use on low platform trailers)
H	Load Range (16 ply)	G	Load Range (14 ply)	F	Load Range (12 Ply)
146/143	Load Index (single/dual) 6,600/6,000 pounds @ 120 psi	138/134	Load Index (single/dual) 5,500/5,200 pounds @ 110 psi @110psi@110psi	122/120	Load Index (Single/Dual) 3,300/3,100 pounds @110psi
L	Speed Symbol (75 mph)	L	Speed Symbol (75 mph)	L	Speed Symbol (75 mph)

Source: *2023 Year Book*, Tire and Rim Association, pp. 3-01 – 3-30.