

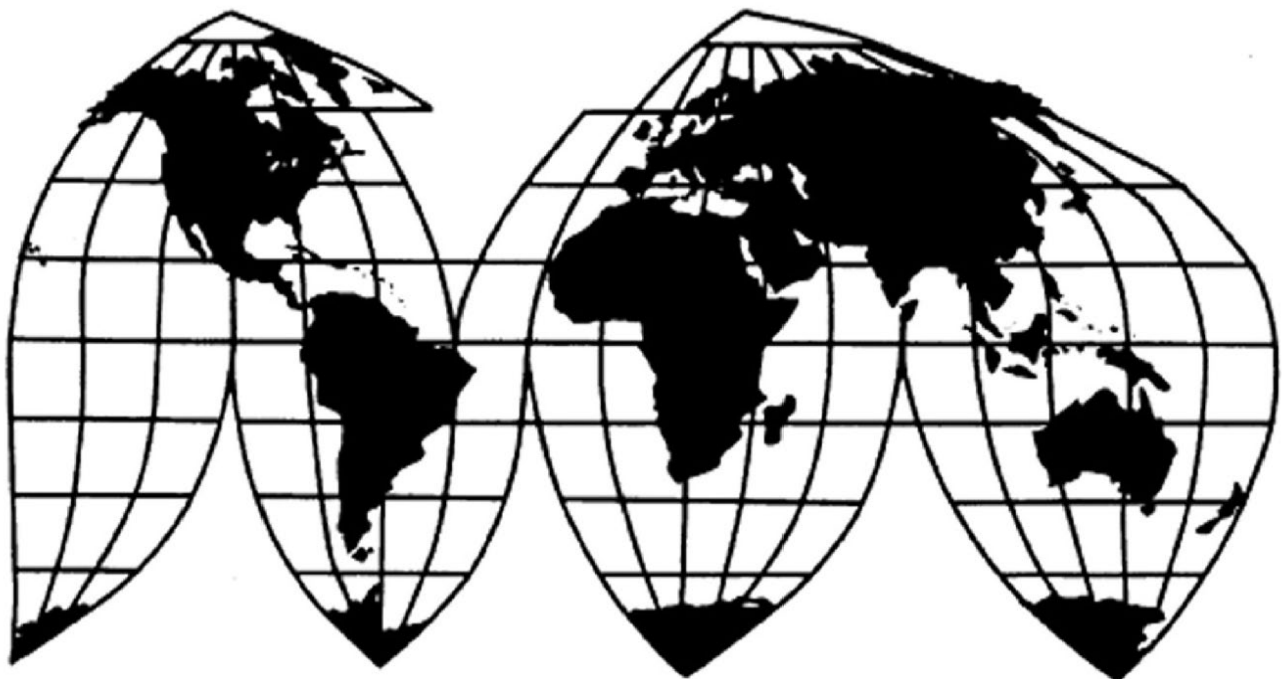
Truck and Bus Tires from China

Investigation Nos. 701-TA-556 and 731-TA-1311 (Review)

Publication 5535

August 2024

U.S. International Trade Commission



U.S. International Trade Commission

COMMISSIONERS

Amy A. Karpel, Chair
David S. Johanson
Rhonda K. Schmidlein
Jason E. Kearns

Catherine DeFilippo
Director of Operations

Staff assigned

Peter Stebbins, Investigator
Raymond Cantrell, Industry Analyst
James Horne, Economist
Adriana Campos-Korn, Attorney
Celia Feldpausch, Supervisory Investigator

Address all communications to
Secretary to the Commission
United States International Trade Commission
Washington, DC 20436

U.S. International Trade Commission

Washington, DC 20436
www.usitc.gov

Truck and Bus Tires from China

Investigation Nos. 701-TA-556 and 731-TA-1311 (Review)

Publication 5535



August 2024

CONTENTS

	Page
Determinations.....	1
Views of the Commission.....	3
Dissenting Views of Commissioner David S. Johanson.....	25
Information obtained in these reviews	I-1
Background	I-1
Responses to the Commission's notice of institution.....	I-1
Individual responses	I-1
Party comments on adequacy	I-3
The original investigations	I-3
Previous and related investigations.....	I-4
Commerce's five-year reviews.....	I-5
The product.....	I-6
Commerce's scope	I-6
U.S. tariff treatment.....	I-7
Description and uses.....	I-8
Manufacturing process	I-10
The industry in the United States	I-14
U.S. producers.....	I-14
Recent developments	I-15
U.S. producers' trade and financial data	I-16
Definitions of the domestic like product and domestic industry	I-17
U.S. importers	I-18
U.S. imports.....	I-18
Apparent U.S. consumption and market shares.....	I-21
The industry in China	I-22
Producers in China	I-22
Recent developments	I-22
Exports	I-24
Third-country trade actions	I-25
The global market	I-26

Appendixes

A.	<i>Federal Register</i> notices.....	A-1
B.	Company-specific data.....	B-1
C.	Summary data compiled in prior proceedings.....	C-1
D.	Purchaser questionnaire responses.....	D-1

Note: Information that would reveal confidential operations of individual concerns may not be published.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

UNITED STATES INTERNATIONAL TRADE COMMISSION

Investigation Nos. 701-TA-556 and 731-TA-1311 (Review)

Truck and Bus Tires from China

DETERMINATIONS

On the basis of the record¹ developed in the subject five-year reviews, the United States International Trade Commission (“Commission”) determines, pursuant to the Tariff Act of 1930 (“the Act”), that revocation of the antidumping and countervailing duty orders on truck and bus tires from China would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.²

BACKGROUND

The Commission instituted these reviews on January 2, 2024 (89 FR 93) and determined on April 8, 2024 that it would conduct expedited reviews. (89 FR 45676, May 23, 2024).

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

² Commissioner David S. Johanson dissented.

Views of the Commission

Based on the record in these five-year reviews, we determine under section 751(c) of the Tariff Act of 1930, as amended (“the Tariff Act”), that revocation of the antidumping and countervailing duty orders on truck and bus tires (“TBTs”) from China would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.¹

I. Background

Original investigations: On January 29, 2016, the United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union, AFL-CIO, CLC (“USW”), a labor union representing workers engaged in domestic production of TBTs, filed antidumping and countervailing duty petitions on imports of TBTs from China.² On March 13, 2017, the Commission found that an industry in the United States was not materially injured by reason of dumped and subsidized imports of TBTs from China.³ This decision by the Commission was appealed to the U.S. Court of International Trade (“CIT”), and on November 1, 2018, the CIT remanded the Commission’s determination.⁴ On January 30, 2019, upon consideration of the Court’s remand instructions and the parties’ comments, and based on the record of the proceedings, the Commission found that an industry in the United States was materially injured by reason of dumped and subsidized imports of TBTs from China.⁵ The U.S.

¹ Commissioner David S. Johanson determines that revocation of the antidumping and countervailing duty orders on truck and bus tires from China would not be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time. See Dissenting Views of Commissioner David S. Johanson. He joins sections I–III(B)(2) of the majority views.

² Confidential Report, INV-WW-021 (Mar. 25, 2024) (“CR”) at I-1; *Truck and Bus Tires from China*, Inv. Nos. 701-TA-556 and 731-TA-1311 (Review), USITC Pub. 5535 (Aug. 2024) (“PR”) at I-1.

³ *Truck and Bus Tires from China*, Inv. Nos. 701-TA-556 and 731-TA-1311 (Final), USITC Pub. 4673 (Mar. 2017) (“*Original Determinations*”); *Truck and Bus Tires from China*, 82 Fed. Reg. 14234 (Mar. 17, 2017). Commissioners Schmidlein and Williamson dissented.

⁴ *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”).

Truck and Bus Tires from China, Inv. Nos. 701-TA-556 and 731-TA-1311 (Final)(Remand), USITC Pub. 4877 (April 2019) (“*Final Remand Determinations*”); *Truck and Bus Tires from China*, 84 Fed. Reg. 4855 (Feb. 19, 2019). Chairman Johanson and Commissioner Broadbent dissented.

Department of Commerce ("Commerce") issued antidumping and countervailing duty orders on TBTs from China on February 15, 2019.⁶

Current Reviews: On January 2, 2024, the Commission instituted these first five-year reviews of the antidumping and countervailing duty orders on TBTs from China.⁷ It received one response to the notice of institution from a domestic interested party, USW, a labor union whose members include workers at domestic facilities that produce TBTs.⁸ No respondent interested party responded to the notice of institution or otherwise participated in these reviews. On April 8, 2024, the Commission determined that the domestic interested party group response to its notice of institution was adequate and that the respondent interested party group response was inadequate.⁹ The Commission did not find any circumstances that would warrant conducting full reviews and thus determined that it would conduct expedited reviews of the orders.¹⁰ On July 25, 2024, USW submitted final comments in these reviews.¹¹

U.S. industry data are based on information submitted by the domestic interested party in its response to the notice of institution, in which USW estimates that the plants it represents accounted for *** percent of domestic production of TBTs in 2023.¹² U.S. import data and related information are based on Commerce's official import statistics.¹³ Foreign industry data and related information are based on information from the original investigations, as well as information submitted by the domestic interested party in these expedited reviews and publicly available information, such as Global Trade Atlas ("GTA") data, gathered by the Commission.

⁶ *Truck and Bus Tires From the People's Republic of China: Antidumping Duty Order*, 84 Fed. Reg. 4436 (Feb. 15, 2019); *Truck and Bus Tires From the People's Republic of China: Amended Final Determination and Countervailing Duty Order*, 84 Fed. Reg. 4434 (Feb. 15, 2019).

⁷ *Truck and Bus Tires From China: Institution of Five-Year Reviews*, 89 Fed. Reg. 93 (Jan. 2, 2024).

⁸ Domestic Response to Notice of Institution, EDIS Doc. 813119 (Feb. 1, 2024) ("Domestic Industry Response") at 1.

⁹ Explanation of Commission Determination on Adequacy ("Explanation on Adequacy"), EDIS Doc. 819083 (Apr. 19, 2024).

¹⁰ Explanation on Adequacy at 1. Then-Chairman David S. Johanson voted to conduct full reviews.

¹¹ Domestic Industry Final Comments ("Final Comments"), EDIS Doc. 827178 (July 25, 2024).

¹² CR/PR at Table I-2. Domestic Industry Response at 16. We note that the data submitted by the USW for 2022 comes from the aggregate data of responding U.S producers from the Commission's recent preliminary antidumping investigation on TBTs from Thailand. See *Truck and Bus Tires from Thailand*, Inv. No. 731-TA-1658 (Preliminary), USITC Pub. 5478 (Dec. 2023).

¹³ CR/PR at Table I-6. Import data for the 2019-2023 period of review ("POR") are based on imports entered under Harmonized Tariff Schedule ("HTS") statistical reporting numbers 4011.20.1015 and 4011.20.5020. *Id.* at Note.

Additionally, one purchaser, ***, identified by the domestic interested party as a U.S. purchaser of TBTs, responded to the Commission's adequacy phase questionnaire.¹⁴

II. Domestic Like Product and Industry

A. Domestic Like Product

In making its determination under section 751(c) of the Tariff Act, the Commission defines the "domestic like product" and the "industry."¹⁵ 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 under this subtitle."¹⁶ The Commission's practice in five-year reviews is to examine the domestic like product definition from the original investigation and consider whether the record indicates any reason to revisit the prior findings.¹⁷

Commerce has defined the imported merchandise within the scope of the orders under review as follows:

The scope of the order 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 this order may be tube-type, tubeless, radial, or non-radial.

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:

¹⁴ CR/PR at D-3-D-4.

¹⁵ 19 U.S.C. § 1677(4)(A).

¹⁶ 19 U.S.C. § 1677(10); *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); *Timken Co. v. United States*, 913 F. Supp. 580, 584 (Ct. Int'l Trade 1996); *Torrington Co. v. United States*, 747 F. Supp. 744, 748-49 (Ct. Int'l Trade 1990), *aff'd*, 938 F.2d 1278 (Fed. Cir. 1991); *see also* S. Rep. No. 249, 96th Cong., 1st Sess. 90-91 (1979).

¹⁷ *See, e.g., Internal Combustion Industrial Forklift Trucks from Japan*, Inv. No. 731-TA-377 (Second Review), USITC Pub. 3831 at 8-9 (Dec. 2005); *Crawfish Tail Meat from China*, Inv. No. 731-TA-752 (Review), USITC Pub. 3614 at 4 (July 2003); *Steel Concrete Reinforcing Bar from Turkey*, Inv. No. 731-TA-745 (Review), USITC Pub. 3577 at 4 (Feb. 2003).

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 this order regardless of their intended use.

In addition, all tires that lack one of the above suffix markings are included in the scope, regardless of their intended use, as long as the tire is of a size that is among the numerical size designations listed in the “Truck-Bus” section of the Tire and Rim Association Year Book, as updated annually, 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 of this order 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 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.”¹⁸

¹⁸ 84 Fed. Reg. 4436 (Feb. 15, 2019).

Truck and bus tires covered by the scope of these reviews are new pneumatic tires of rubber certified by the U.S. Department of Transportation (“DOT”) for on-road or highway use.¹⁹ They are used on a wide range of types and sizes of vehicles designed to transport heavy cargo and passengers on roads and highways.²⁰ They 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.²¹ They also support the higher load bearing requirements of heavier commercial vehicle platforms, and are generally heavier, stronger, and larger than tires for smaller vehicles.²² Truck and bus tires are produced in a large variety of types and sizes found on a wide range of commercial 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 U.S. highways and interstate systems.²³

In the original investigations, the Commission defined a single domestic like product consisting of all TBTs coextensive with Commerce’s scope.²⁴ The Commission found that all TBTs shared physical characteristics, had the same use insofar as they are mounted on the wheels of trucks and buses, were sufficiently interchangeable, were sold through comparable channels of distribution, and were produced with processes that shared fundamental similarities.²⁵

In the current reviews, the record does not contain any new information indicating that the pertinent characteristics and uses of TBTs have changed since the original investigations so as to warrant revisiting the Commission’s domestic like product definition.²⁶ USW agrees with the domestic like product definition the Commission adopted in the original investigations.²⁷ Consequently, we again define the domestic like product as consisting of all TBTs coextensive with Commerce’s scope

B. Domestic Industry

Section 771(4)(A) of the Tariff Act defines the relevant industry as the domestic “producers as a whole of a domestic like product, or those producers whose collective output

¹⁹ *Final Remand Determinations* at 5-6.

²⁰ *Final Remand Determinations* at 5-6.

²¹ *Final Remand Determinations* at 5-6.

²² *Final Remand Determinations* at 5-6.

²³ *Final Remand Determinations* at 5-6.

²⁴ *Final Remand Determinations*, USITC Pub. 4877 at 10.

²⁵ *Final Remand Determinations*, USITC Pub. 4877 at 10.

²⁶ CR/PR at I-8-I-14.

²⁷ Domestic Industry Response at 18.

of a domestic like product constitutes a major proportion of the total domestic production of the product.”²⁸ 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.

In the original investigations, the Commission defined the domestic industry as all domestic producers of TBTs.²⁹ Although the Commission found that four firms were subject to potential exclusion under the related parties provision because they imported subject merchandise during the POI, the Commission found that appropriate circumstances did not exist to exclude any of the four domestic producers from the definition of the domestic industry.³⁰

In the current reviews, USW agrees with the definition of the domestic industry from the original investigations.³¹ There are no issues arising under the related parties provision in these reviews nor are there any other domestic industry issues.³² Accordingly, consistent with our definition of the domestic like product, we define the domestic industry as all domestic producers of TBTs.

III. Revocation of the Antidumping and Countervailing Duty Orders Would Likely Lead to Continuation or Recurrence of Material Injury Within a Reasonably Foreseeable Time

A. Legal Standards

In a five-year review conducted under section 751(c) of the Tariff Act, Commerce will revoke an antidumping or countervailing duty order unless: (1) it makes a determination that dumping or subsidization is likely to continue or recur and (2) the Commission makes a determination that revocation of the antidumping or countervailing duty order “would be likely to lead to continuation or recurrence of material injury within a reasonably foreseeable time.”³³ The SAA states that “under the likelihood standard, the Commission will engage in a counterfactual analysis; it must decide the likely impact in the reasonably foreseeable future of

²⁸ 19 U.S.C. § 1677(4)(A). The definitions in 19 U.S.C. § 1677 are applicable to the entire subtitle containing the antidumping and countervailing duty laws, including 19 U.S.C. §§ 1675 and 1675a. See 19 U.S.C. § 1677.

²⁹ *Final Remand Determinations*, USITC Pub. 4877 at 7.

³⁰ *Final Remand Determinations*, USITC Pub. 4877 at 12-14.

³¹ Domestic Industry Response at 18.

³² Domestic Industry Response at 14, Exhibit 1.

³³ 19 U.S.C. § 1675a(a).

an important change in the status quo – the revocation or termination of a proceeding and the elimination of its restraining effects on volumes and prices of imports.”³⁴ Thus, the likelihood standard is prospective in nature.³⁵ The U.S. Court of International Trade (“CIT”) has found that “likely,” as used in the five-year review provisions of the Act, means “probable,” and the Commission applies that standard in five-year reviews.³⁶

The statute states that “the Commission shall consider that the effects of revocation or termination may not be imminent, but may manifest themselves only over a longer period of time.”³⁷ According to the SAA, a “‘reasonably foreseeable time’ will vary from case-to-case, but normally will exceed the ‘imminent’ timeframe applicable in a threat of injury analysis in original investigations.”³⁸

Although the standard in a five-year review is not the same as the standard applied in an original investigation, it contains some of the same fundamental elements. The statute provides that the Commission is to “consider the likely volume, price effect, and impact of imports of the subject merchandise on the industry if the orders are revoked or the suspended investigation is terminated.”³⁹ It directs the Commission to take into account its prior injury

³⁴ SAA at 883-84. The SAA states that “{t}he likelihood of injury standard applies regardless of the nature of the Commission’s original determination (material injury, threat of material injury, or material retardation of an industry). Likewise, the standard applies to suspended investigations that were never completed.” *Id.* at 883.

³⁵ While the SAA states that “a separate determination regarding current material injury is not necessary,” it indicates that “the Commission may consider relevant factors such as current and likely continued depressed shipment levels and current and likely continued {sic} prices for the domestic like product in the U.S. market in making its determination of the likelihood of continuation or recurrence of material injury if the order is revoked.” SAA at 884.

³⁶ See *NMB Singapore Ltd. v. United States*, 288 F. Supp. 2d 1306, 1352 (Ct. Int’l Trade 2003) (“‘likely’ means probable within the context of 19 U.S.C. § 1675(c) and 19 U.S.C. § 1675a(a)”), *aff’d mem.*, 140 Fed. Appx. 268 (Fed. Cir. 2005); *Nippon Steel Corp. v. United States*, 26 CIT 1416, 1419 (2002) (same); *Usinor Industeel, S.A. v. United States*, 26 CIT 1402, 1404 nn.3, 6 (2002) (“more likely than not” standard is “consistent with the court’s opinion;” “the court has not interpreted ‘likely’ to imply any particular degree of ‘certainty’”); *Indorama Chemicals (Thailand) Ltd. v. United States*, 26 CIT 1059, 1070 (2002) (“standard is based on a likelihood of continuation or recurrence of injury, not a certainty”); *Usinor v. United States*, 26 CIT 767, 794 (2002) (“‘likely’ is tantamount to ‘probable,’ not merely ‘possible’”).

³⁷ 19 U.S.C. § 1675a(a)(5).

³⁸ SAA at 887. Among the factors that the Commission should consider in this regard are “the fungibility or differentiation within the product in question, the level of substitutability between the imported and domestic products, the channels of distribution used, the methods of contracting (such as spot sales or long-term contracts), and lead times for delivery of goods, as well as other factors that may only manifest themselves in the longer term, such as planned investment and the shifting of production facilities.” *Id.*

³⁹ 19 U.S.C. § 1675a(a)(1).

determination, whether any improvement in the state of the industry is related to the order or the suspension agreement under review, whether the industry is vulnerable to material injury if an order is revoked or a suspension agreement is terminated, and any findings by Commerce regarding duty absorption pursuant to 19 U.S.C. § 1675(a)(4).⁴⁰ The statute further provides that the presence or absence of any factor that the Commission is required to consider shall not necessarily give decisive guidance with respect to the Commission's determination.⁴¹

In evaluating the likely volume of imports of subject merchandise if an order under review is revoked and/or a suspended investigation is terminated, the Commission is directed to consider whether the likely volume of imports would be significant either in absolute terms or relative to production or consumption in the United States.⁴² In doing so, the Commission must consider "all relevant economic factors," including four enumerated factors: (1) any likely increase in production capacity or existing unused production capacity in the exporting country; (2) existing inventories of the subject merchandise, or likely increases in inventories; (3) the existence of barriers to the importation of the subject merchandise into countries other than the United States; and (4) 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.⁴³

In evaluating the likely price effects of subject imports if an order under review is revoked and/or a suspended investigation is terminated, the Commission is directed to consider whether there is likely to be significant underselling by the subject imports as compared to the domestic like product and whether the subject imports are likely to enter the United States at prices that otherwise would have a significant depressing or suppressing effect on the price of the domestic like product.⁴⁴

In evaluating the likely impact of imports of subject merchandise if an order under review is revoked and/or a suspended investigation is terminated, the Commission is directed to consider all relevant economic factors that are likely to have a bearing on the state of the

⁴⁰ 19 U.S.C. § 1675a(a)(1). Commerce has made no duty absorption findings. *Issues and Decision Memorandum for the Expedited First Sunset Review of the Antidumping Duty Order on Truck and Bus Tires from the People's Republic of China*, EDIS Doc. 823263 (April. 19, 2024).

⁴¹ 19 U.S.C. § 1675a(a)(5). Although the Commission must consider all factors, no one factor is necessarily dispositive. SAA at 886.

⁴² 19 U.S.C. § 1675a(a)(2).

⁴³ 19 U.S.C. § 1675a(a)(2)(A-D).

⁴⁴ See 19 U.S.C. § 1675a(a)(3). The SAA states that "{c}onsistent with its practice in investigations, in considering the likely price effects of imports in the event of revocation and termination, the Commission may rely on circumstantial, as well as direct, evidence of the adverse effects of unfairly traded imports on domestic prices." SAA at 886.

industry in the United States, including but not limited to the following: (1) likely declines in output, sales, market share, profits, productivity, return on investments, and utilization of capacity; (2) likely negative effects on cash flow, inventories, employment, wages, growth, ability to raise capital, and investment; and (3) likely negative effects on the existing development and production efforts of the industry, including efforts to develop a derivative or more advanced version of the domestic like product.⁴⁵ All relevant economic factors are to be considered within the context of the business cycle and the conditions of competition that are distinctive to the industry. As instructed by the statute, we have considered the extent to which any improvement in the state of the domestic industry is related to the order under review and whether the industry is vulnerable to material injury upon revocation.⁴⁶

The record contains limited new information with respect to the TBTs industry in China. There also is limited information on the TBTs market in the United States during the POR. Accordingly, for our determinations, we rely as appropriate on the facts available from the original investigations, and the limited new information on the record in these first five-year reviews.

B. Conditions of Competition and the Business Cycle

In evaluating the likely impact of the subject imports on the domestic industry if an order is revoked, the statute directs the Commission to consider all relevant economic factors “within the context of the business cycle and conditions of competition that are distinctive to the affected industry.”⁴⁷ The following conditions of competition inform our determinations.

1. Demand Conditions

Original Investigations. In the original investigations, the Commission found that TBTs were sold both for use on new vehicles in the Original Equipment Manufacturer (“OEM”) market and as replacement tires for vehicles in the aftermarket.⁴⁸ Demand for TBTs in the OEM sector was driven by U.S. heavy truck sales, which increased between 2013 and 2015 and then

⁴⁵ 19 U.S.C. § 1675a(a)(4).

⁴⁶ The SAA states that in assessing whether the domestic industry is vulnerable to injury if the order is revoked, the Commission “considers, in addition to imports, other factors that may be contributing to overall injury. While these factors, in some cases, may account for the injury to the domestic industry, they may also demonstrate that an industry is facing difficulties from a variety of sources and is vulnerable to dumped or subsidized imports.” SAA at 885.

⁴⁷ 19 U.S.C. § 1675a(a)(4).

⁴⁸ *Final Remand Determinations*, USITC Pub. 4877 at 18.

declined in interim 2016.⁴⁹ Demand for TBTs in the aftermarket sector was driven by truck tonnage, which increased steadily throughout the period of investigation (“POI”).⁵⁰ During the POI, sales of both the domestic like product and nonsubject imports were made predominantly in the aftermarket, although there were substantial sales of each to OEMs, while subject imports’ sales were concentrated overwhelmingly in the aftermarket.⁵¹ Apparent U.S. consumption of TBTs increased from 21.9 million tires in 2013 to 25.3 million tires in 2014 and 26.5 million tires in 2015.⁵² Apparent U.S. consumption was lower in interim 2016, at *** tires, than in interim 2015, at 19.8 million tires.⁵³

Current Reviews. In the current five-year reviews, the information available indicates that demand for TBTs continues to be tied to their use on new vehicles in the OEM market and as replacement tires for vehicles in the aftermarket.⁵⁴ Although the USW notes that since the original investigations there have not been any fundamental changes in demand conditions for TBTs, it contends that the domestic industry is currently facing “serious market challenges” due to the COVID-19 pandemic, high interest rates, and conflicts in Ukraine and the Middle East.⁵⁵

Apparent U.S. consumption was 36.0 million tires in 2022, up from 26.5 million tires in 2015.⁵⁶

2. Supply Conditions

Original Investigations. In the original investigations, the Commission found that the domestic industry had the largest share of the U.S. market, although its share steadily declined over the course of the POI.⁵⁷ Subject imports’ share of apparent U.S. consumption increased

⁴⁹ *Final Remand Determinations*, USITC Pub. 4877 at 18.

⁵⁰ *Final Remand Determinations*, USITC Pub. 4877 at 18.

⁵¹ *Final Remand Determinations*, USITC Pub. 4877 at 18.

⁵² *Final Remand Determinations*, USITC Pub. 4877 at 19.

⁵³ *Final Remand Determinations*, USITC Pub. 4877 at 19.

⁵⁴ Domestic Industry Response at 18.

⁵⁵ Domestic Industry Response at 13-14, 18; Final Comments at 10.

⁵⁶ CR/PR at Table I-7. For 2013-15, data are compiled using data submitted in the Commission’s original investigations. For 2022, U.S. producers’ U.S. shipments are based on data from the Commission’s recent preliminary antidumping investigation of truck and bus tires from Thailand, which was contained in the domestic interested party’s response to the Commission’s notice of institution of these reviews, and U.S. imports are compiled using official Commerce statistics under HTS statistical reporting numbers 4011.20.1015 and 4011.20.5020.

⁵⁷ *Final Remand Determinations*, USITC Pub. 4877 at 19. The domestic industry’s market share declined from 53.3 percent in 2013 to 48.0 percent in 2014 and 45.6 percent in 2015. *Id.* The domestic industry’s market share was higher in interim 2016, at *** percent, than in interim 2015, at 45.4 percent. *Id.*

from 28.7 percent in 2013 to 33.2 percent in 2014 and 33.6 percent in 2015.⁵⁸ Nonsubject imports had a smaller presence in the U.S. market than either the domestic industry or subject imports throughout the POI.⁵⁹ The largest sources of nonsubject imports were Canada, Japan, and Thailand.⁶⁰

Current Reviews. In the current five-year reviews, the majority of apparent U.S. consumption is now satisfied by nonsubject imports, followed by the domestic industry and subject imports.⁶¹

The domestic industry accounted for 33.9 percent of apparent U.S. consumption in 2022.⁶² The domestic industry has experienced several expansions but also reported industry-wide closures due to COVID-19 starting in the second quarter of 2020, although the length of these closures is not on the record in these expedited reviews.⁶³ In January 2016 and January 2020 there were several plant openings, and since 2022 several companies have embarked on multi-million-to-billion-dollar expansions.⁶⁴

Subject imports, the smallest source of supply, accounted for 4.9 percent of apparent U.S. consumption in 2022.⁶⁵

Nonsubject imports were the largest source of supply, accounting for 61.2 percent of apparent U.S. consumption in 2022.⁶⁶ The leading sources of nonsubject imports during the POR were Thailand, Vietnam, and Japan.⁶⁷

⁵⁸ *Final Remand Determinations*, USITC Pub. 4877 at 20. Subject imports' market share was *** percentage points lower in interim 2016, at *** percent, than in interim 2015, at 33.9 percent.⁵⁸ Remand Final Opinion, Confidential Version, EDIS Doc. 815307 (Feb. 19, 2019) at 31.

⁵⁹ *Final Remand Determinations*, USITC Pub. 4877 at 20. Nonsubject imports' share of apparent U.S. consumption increased from 18.0 percent in 2013 to 18.7 percent in 2014 and 20.8 percent in 2015. *Id.* Nonsubject imports' share of apparent U.S. consumption was higher in interim 2016, at *** percent, than in interim 2015, at 20.7 percent. *Id.*

⁶⁰ *Final Remand Determinations*, USITC Pub. 4877 at 20.

⁶¹ CR/PR at Table I-7.

⁶² CR/PR at Table I-7.

⁶³ CR/PR at Table I-4.

⁶⁴ CR/PR at Table I-4; Domestic Industry Response at 7. Continental Tire began production at a new Mississippi TBT plant in 2020; Hankook announced a \$1.6 billion expansion of its facility in Tennessee; Bridgestone Americas announced a \$550 million TBT plant in Tennessee; and Sumitomo Rubber announced the doubling of the capacity at its facility in New York. *Id.*

⁶⁵ CR/PR at Table I-7.

⁶⁶ CR/PR at Table I-7.

⁶⁷ CR/PR at Table I-6; *see generally Truck and Bus Tires from Thailand*, USITC Pub. 5478.

3. Substitutability and Other Conditions

Original Investigations. In the original investigations, the Commission found that there was a moderate-to-high degree of substitutability between the domestic like product and subject imports, with substitutability dependent on several factors, including relative prices, quality (e.g., grade standards, reliability of supply, defect rates, etc.), and conditions of sale (e.g., price/discounts/rebates, lead times, payment terms, and product services).⁶⁸ The Commission observed that five of six domestic producers and substantial majorities of both importers and purchasers indicated that domestic product and subject imports were always or frequently interchangeable.⁶⁹ The Commission also noted that truck and bus tires are subject to certain federal safety regulations administered principally by the U.S. Department of Transportation, National Highway Safety Administration, and Federal Motor Carrier Safety Administration and that these regulations include the type of equipment on which a tire is used, the tire type and size, the speed and load carrying ply ratings, and the sidewall markings standards.⁷⁰ The Commission also observed that the vast majority of purchasers indicated that both domestic product and subject imports always or usually met minimum quality specifications.⁷¹

The Commission found that price is an important factor in purchasing decisions, but also found that availability, delivery times, and quality were ranked as important factors.⁷² Producers, importers, and purchasers gave mixed responses as to whether prices in any one tier influenced prices in other tiers, but generally supported the view that price and quantities could be influenced by price changes in different tiers.⁷³

Current Reviews. The record in these reviews contains no new information to indicate that the degree of substitutability between the domestic like product and subject imports or that the influence of price in purchasing decisions has changed since the original investigations. The USW asserts that there continues to be a moderate-to-high degree of substitutability between domestically produced TBTs and subject imports, and that the TBT market continues to be a competitive market where price is an important consideration in purchasing decisions.⁷⁴ Based on the available information, we find that there remains a moderate-to-high degree of

⁶⁸ *Final Remand Determinations*, USITC Pub. 4877 at 20.

⁶⁹ *Final Remand Determinations*, USITC Pub. 4877 at 20.

⁷⁰ *Final Remand Determinations*, USITC Pub. 4877 at 21.

⁷¹ *Final Remand Determinations*, USITC Pub. 4877 at 20.

⁷² *Final Remand Determinations*, USITC Pub. 4877 at 21 and 25.

⁷³ *Final Remand Determinations*, USITC Pub. 4877 at 22.

⁷⁴ Domestic Industry Response at 12-13. Final Comments at 3.

substitutability between domestically produced TBTs and subject imports and that price continues to be an important factor in purchasing decisions.

Effective September 24, 2018, TBTs originating in China became subject to an additional 10 percent ad valorem duty under section 301 of the Trade Act of 1974.⁷⁵ Effective May 10, 2019, the section 301 duty for TBTs from China was increased to 25 percent.⁷⁶

C. Likely Volume of Subject Imports

1. Original Investigations

In the original investigations, the Commission found that the volume of subject imports and their increase were significant both in absolute terms and relative to consumption in the United States.⁷⁷ Subject import volume rose 41.9 percent from 6.3 million tires in 2013 to 8.9 million tires in 2015.⁷⁸ Subject imports gained market share over the period as a whole as well, rising from 28.7 percent of apparent U.S. consumption in 2013 to 33.2 percent in 2014 and 33.6 percent in 2015.⁷⁹ Subject imports captured an increasing share of the U.S. aftermarket segment, increasing from *** percent in 2013 to *** percent of that segment in 2015; conversely, the domestic industry saw its share decline in the growing aftermarket segment from *** percent in 2013 to *** percent in 2015.⁸⁰

2. The Current Reviews

The information available indicates that the orders have had a restraining effect on the volume of subject imports, which remained lower than in the original investigations throughout the POR. The volume of subject imports initially declined from 3.2 million tires in 2019 to 1.3 million tires in 2020 and 1.1 million tires in 2021, before increasing to 1.8 million tires in 2022, and decreasing once more to 1.1 million tires in 2023.⁸¹ Subject imports accounted for 4.9 percent of apparent U.S. consumption in 2022.⁸²

⁷⁵ CR/PR at I-7.

⁷⁶ CR/PR at I-7. The USW contends that the Section 301 duties would have minimal restraining effects on the volume and price of subject imports, given that they are currently subject to combined AD and CVD duties of up to 75 percent. Domestic Industry Response at 8-9.

⁷⁷ *Final Remand Determinations*, USITC Pub. 4877 at 24.

⁷⁸ *Final Remand Determinations*, USITC Pub. 4877 at 23. The 41.9 percent increase over 2013-2015 was almost twice the 21.3 percent increase in apparent U.S. consumption. *Id.*

⁷⁹ *Final Remand Determinations*, USITC Pub. 4877 at 23.

⁸⁰ *Final Remand Determinations*, USITC Pub. 4877 at 24.

⁸¹ CR/PR at Table I-6.

⁸² CR/PR at Table I-7.

The record in these expedited reviews contains limited information on the subject industry in China. Nonetheless, the information available indicates that subject producers continue to have the ability and incentive to export significant volumes of subject merchandise to the U.S. market in the event of revocation of the orders.

The USW identified 270 possible producers of TBTs in China.⁸³ The information available indicates that subject producers in China have substantial capacity that could be used to increase exports of TBTs to the U.S. market if the orders were revoked.⁸⁴ According to information submitted by the USW, Chinese producers are embarking on a number of expansions with newly announced projects including “Giti Tire’s \$1.1 billion project to move one of its five tire plants to Changfeng, Anhui; Guizhou Tyre’s \$310 million truck and OTR tire project in Guizhou, Guiyang; Jiangsu General Science’s \$472 million project in Anqing, Anhui; Shandong Linglong’s \$950 million factory in Tongchuan, Shaanxi; and Sailun’s \$142 million project in Weifang, Shando.”⁸⁵ The new capacity expansions alone could allow Chinese producers to increase exports to the United States more than 12 times over their 2022 level, an amount almost 80 percent higher than the domestic industry’s total domestic shipments in 2022.⁸⁶

The information available also indicates that subject producers in China remain export oriented. According to GTA data concerning TBTs under Harmonized Schedule (“HS”) subheadings 4011.20, which includes TBTs and out-of-scope products, China was the world’s largest exporter of such merchandise throughout the POR.⁸⁷ These data also show that China’s total exports of such merchandise increased from \$6.7 billion in 2016 to \$10.1 billion in 2023.⁸⁸ Data compiled in the Commission’s recent investigation of *Truck and Bus Tires from Thailand* confirms that China remained the largest exporter of tires in the world in 2022.⁸⁹

⁸³ CR/PR at I-22; Domestic Industry Response at Exhibit 1.

⁸⁴ Domestic Industry Response at 9-10; Final Comments at 5.

⁸⁵ Domestic Industry Response at 10 *citing* Malik, Yogender, *China Tire Industry Still Recovering from COVID Lockdowns* (Dec. 20, 2022), at Exhibit 3; Final Comments at 5.

⁸⁶ Final Comments at 6 *citing* CR/PR at Table I-7.

⁸⁷ CR/PR at Table I-9.

⁸⁸ CR/PR at Table I-9. According to GTA data, the value of Chinese exports of TBTs and out-of-scope products was \$6.7 billion in 2016, \$7.4 billion in 2017, \$7.8 billion in 2018, \$7.4 billion in 2019, \$6.6 billion in 2020, \$8.0 billion in 2021, \$9.2 billion in 2022, and \$10.1 billion in 2023. *Id.*

⁸⁹ See *Truck and Bus Tires from Thailand* at Table VII-13; Final Comments at 5, 9. The USW asserts that Chinese tire producers responded to the antidumping and countervailing duty orders by quickly building production facilities outside of China, in places such as Thailand and Indonesia, in order to continue shipping tires to the U.S. market outside the constraint of the orders. Domestic Industry Response at 11 *citing* Malik, Yogender, *China Tire Industry Still Recovering from COVID Lockdowns* (Dec. 20, 2022), at Exhibit 3; Final Comments at 6.

Chinese producers continuing to export subject merchandise from China to the United States have been able to maintain relationships with U.S. importers, distributors, and purchasers, including their U.S. sales subsidiaries, which would facilitate the rapid re-entry of imports from China if the orders are revoked.⁹⁰

The information available also indicates that the U.S. market remains attractive to subject producers in China. Subject imports maintained a presence in the U.S. market throughout the POR, despite the orders and section 301 duties, accounting for 4.9 percent of apparent U.S. consumption in 2022, thereby maintaining ready distribution networks and customers in the United States.⁹¹ GTA data indicate that the United States was the third-largest destination market for Chinese exports of TBTs under HS subheadings 4011.20 (which includes TBTs and out-of-scope product) in 2022.⁹² Finally, there are several third-country trade actions against TBTs from China, including by Brazil, Colombia, Egypt, the Eurasian Economic Commission (“EEC”), the European Union/European Commission (“EU” and “EC”) and United Kingdom (“UK”), and South Africa.⁹³

Given the foregoing, including the significant volume of subject imports during the original investigations, the continued presence of subject imports in the U.S. market during the POR, the subject industry’s large capacity and level of exports, and the attractiveness of the U.S. market, we find that the volume of subject imports would likely be significant, both in absolute terms and relative to U.S. consumption, if the orders were revoked.

D. Likely Price Effects

1. Original Investigations

In the original investigations, the Commission found that subject imports significantly undersold the domestic like product and significantly depressed domestic prices, based on an increasing volume of subject imports at high and increasing margins of underselling during a period of increased consumption. It noted that domestic TBTs and subject imports were moderately-to-highly substitutable and competed directly for sales in both the OEM and aftermarkets, and found that with the significant volume of subject imports that undersold the

⁹⁰ Domestic Industry Response at 11; Final Comments at 7.

⁹¹ CR/PR at Table I-7; Domestic Industry Response at 10-12.

⁹² CR/PR at Table I-9.

⁹³ CR/PR at I-25-26. Final Comments at 5.

domestic tires, the falling subject import prices in the market led to the fall in domestic tire prices over the investigation period.⁹⁴

The Commission observed that, in data collected for four different TBT products, and separately for shipments to OEMs and to the aftermarket, subject TBTs undersold domestic tires in 79 of 85 comparisons.⁹⁵ It found that in the aftermarket, the segment with the most significant growth over the investigation period and where the subject imports were concentrated, subject TBTs undersold domestic TBTs in all 60 quarterly comparisons (accounting for 2.5 million subject import tires). It further found that the margins of underselling were quite high throughout the period in that segment, ranging from 11.0 to 50.2 percent and averaging 38.5 percent, and that the underselling margins increased over the investigation period.⁹⁶ Additionally, it found that subject imports' prices decreased throughout the POI even as consumption increased substantially, noting that for each of the four products, the price declines for domestic aftermarket sales, where the most direct competition occurred, exceeded the declines in the OEM segment, often by a considerable amount.⁹⁷

The Commission recognized that raw material costs declined over the investigation period but noted that prices declined at a greater rate than raw material costs, and found that any downward price pressure caused by falling raw material costs would have been offset by upward pricing pressure resulting from rising demand. Purchaser responses confirmed the price effects of subject imports.⁹⁸

2. The Current Reviews

As discussed in section III.B.3 above, we continue to find a moderate-to-high degree of substitutability between the domestic like product and subject imports and that price remains a factor in purchasing decisions.

⁹⁴ *Final Remand Determinations*, USITC Pub. 4877 at 27.

⁹⁵ *Final Remand Determinations*, USITC Pub. 4877 at 25.

⁹⁶ *Final Remand Determinations*, USITC Pub. 4877 at 25-26. The Commission noted that while the total volume of the Chinese tires that oversold the domestic tires in the OEM market was nearly equivalent to the volume undersold in that segment (31,667 tires versus 31,507 tires), 5 of the 6 instances of overselling and 75 percent of the volume of overselling occurred in 2016 following the filing of the petitions. *Id.* at 25.

⁹⁷ *Final Remand Determinations*, USITC Pub. 4877 at 26.

⁹⁸ *Final Remand Determinations*, USITC Pub. 4877 at 27. Fourteen of 18 responding purchasers reported that they had purchased imported TBTs from China during the period instead of U.S.-produced TBTs. Eleven of these purchasers reported that subject import prices were lower than those of the U.S.-produced product, and nine of these purchasers reported that price was a primary reason for purchasing imported product rather than U.S.-produced product. *Id.* In addition, of 19 responding purchasers, five reported that U.S. producers had reduced prices to compete with lower-priced imports from China. *Id.*

The record in these expedited reviews does not contain new product-specific pricing information. Based on the available information, including the moderate-to-high degree of substitutability between the domestic like product and subject imports, the fact that price is a factor in purchasing decisions, and the prevalent underselling by subject imports in the original investigations (and universal underselling in the aftermarket), we find that if the orders were revoked, the likely significant volumes of subject imports would likely undersell the domestic like product to a significant degree, as they did in the original investigations.⁹⁹ Absent the discipline of the orders, the significant volumes of low-priced subject imports would likely take sales and market share from domestic producers and/or force the domestic industry to cut prices or restrain price increases necessary to cover increasing costs, thereby depressing or suppressing prices for the domestic like product. Consequently, we find that if the orders were revoked, significant volumes of subject imports would likely have significant price effects.

E. Likely Impact¹⁰⁰

1. Original Investigations

In the original investigations, the Commission found that several of the domestic industry's performance indicators showed positive performance during the POI, although many of those indicators lagged the strong growth in apparent U.S. consumption during that period.¹⁰¹ The Commission found that while the U.S. market grew overall by 21.3 percent, the domestic industry's share of the market fell by 7.7 percentage points and its shipments only grew by 3.9 percent.¹⁰² At the same time, subject imports grew by 41.9 percent, and their market share increased by 4.9 percentage points.¹⁰³ The domestic industry's capacity utilization

⁹⁹ The USW contends that subject imports have maintained their low-price leadership among imports despite the existence of the orders, indicating that Chinese producers have maintained their focus on using low prices to penetrate the market and would be able to return to importing in large volumes if the orders were revoked. Domestic Industry Response at 12.

¹⁰⁰ In its expedited review of the antidumping duty order, Commerce determined that revocation of the order would likely result in the continuation or recurrence of dumping with margins of up to 22.57 percent for China. *Truck and Bus Tires From the People's Republic of China: Final Results of Expedited First Sunset Review of the Antidumping Duty Order*, 89 Fed. Reg. 31728 (Apr. 25, 2024). Commerce also determined that revocation of the countervailing duty order on TBTs from China would likely result in the continuation or recurrence of countervailing subsidies at rates up to 124.00 percent. *Truck and Bus Tires From the People's Republic of China: Final Results of the Expedited First Sunset Review of the Countervailing Duty Order*, 89 Fed. Reg. 42450 (May 15, 2024).

¹⁰¹ *Final Remand Determinations*, USITC Pub. 4877 at 28.

¹⁰² *Final Remand Determinations*, USITC Pub. 4877 at 28.

¹⁰³ *Final Remand Determinations*, USITC Pub. 4877 at 28.

improved from *** percent in 2013 to *** percent in 2015 as U.S. production increased by *** percent.¹⁰⁴ U.S. shipment unit values fell by 8.4 percent, while the COGS to net-sales ratio fell by 5.7 percent.¹⁰⁵ The industry's capacity contracted slightly and was *** percent lower in 2015 than in 2013.¹⁰⁶ Additionally, the Commission found that the U.S. industry was profitable and profits grew over the period, but the overall increase was modest considering the significant increase in demand over the investigation period.¹⁰⁷

The Commission rejected respondents' arguments that the domestic industry's financial results and supply constraints showed that it was not materially injured, that decreasing raw material costs explained declining prices, and that there was attenuated competition between the domestic like product and subject imports.¹⁰⁸ The Commission found that the domestic industry lost substantial market share to subject imports in a period of strong demand, while subject tires undersold the domestic product by significant and increasing margins of underselling and depressed prices, which prevented the domestic industry from increasing its revenues commensurate with growing demand.¹⁰⁹ Additionally, it found that although the domestic industry was still profitable, due to the increasing presence of low-priced subject imports from China the industry lost revenues that it would otherwise have obtained, had unused capacity, and postponed investments that would have expanded capacity.¹¹⁰ Finally, the Commission found that lower shipments than what otherwise would have occurred impacted the ability of the industry to expand employment opportunities in a period of increased demand.¹¹¹

Additionally, the Commission rejected the argument that attenuated competition explained the ability of subject imports to gain market share.¹¹² It found that tier and brand premiums could not explain price underselling, and that the record showed that both domestic

¹⁰⁴ *Final Remand Determinations*, USITC Pub. 4877 at 28.

¹⁰⁵ *Final Remand Determinations*, USITC Pub. 4877 at 28.

¹⁰⁶ *Final Remand Determinations*, USITC Pub. 4877 at 28.

¹⁰⁷ *Final Remand Determinations*, USITC Pub. 4877 at 29. From 2013 to 2015, net sales value decreased by *** percent, from \$4.3 billion to \$4.1 billion; gross profits increased by 14 percent, from \$1.2 billion to \$1.4 billion; operating income increased by 17.6 percent, from \$666 million to \$783 million; the operating income to net sales ratio improved by 3.8 percentage points, from 15.5 percent to 19.3 percent; and the net income to net sales ratio improved by 3.4 percentage points, from 13.6 to 17.0 percent. *Id.*

¹⁰⁸ *Final Remand Determinations*, USITC Pub. 4877 at 29.

¹⁰⁹ *Final Remand Determinations*, USITC Pub. 4877 at 29.

¹¹⁰ *Final Remand Determinations*, USITC Pub. 4877 at 29.

¹¹¹ *Final Remand Determinations*, USITC Pub. 4877 at 29.

¹¹² *Final Remand Determinations*, USITC Pub. 4877 at 30.

and Chinese tires competed directly and to a significant degree in the tiers that accounted for a large portion of total shipments over the POI.¹¹³

The Commission found that although nonsubject imports' market share increased during the POI, the increase was smaller than the increase in subject imports, and nonsubject imports' average unit values were closer to the U.S. values than those of subject imports.¹¹⁴ It also found that the pricing data showed that nonsubject imports always oversold subject imports, and during the latter part of the POI were priced at levels similar to domestic TBTs.¹¹⁵

2. The Current Reviews

The record in these expedited reviews contains limited information concerning the domestic industry's performance since the original investigations.

The available information¹¹⁶ indicates that the domestic industry generally performed worse in 2022 than in 2015, the last year examined in the original investigations. In 2022, the domestic industry's capacity was 15.0 million tires, its production was 13.5 million tires, and its capacity utilization was 90 percent, which were all lower than in 2015.¹¹⁷ While the industry's U.S. shipments in 2022, at 12.2 million tires, were higher than in 2015,¹¹⁸ its share of apparent U.S. consumption, at 33.9 percent, was lower.¹¹⁹ The U.S. industry's net sales value in 2022, at \$4.5 billion, was higher than in 2015.¹²⁰ However, its gross profit, at \$1.1 billion, operating income, at \$661 million, and ratio of operating income to net sales, at 14.8 percent, were lower in 2022 than in 2015.¹²¹ This limited information is insufficient for us to make a finding as to whether the domestic industry is vulnerable to continuation or recurrence of material injury in the event of revocation of the orders.

¹¹³ *Final Remand Determinations*, USITC Pub. 4877 at 30.

¹¹⁴ *Final Remand Determinations*, USITC Pub. 4877 at 29. Record evidence showed that from 2013-2015, nonsubject import market share increased by 2.8 percentage points, whereas the market share of subject imports increased by 4.9 percentage points.

¹¹⁵ *Final Remand Determinations*, USITC Pub. 4877 at 30.

¹¹⁶ As noted earlier, the record in these reviews includes domestic industry data from the Commission's recent preliminary investigation regarding TBTs from Thailand.

¹¹⁷ CR/PR at Table I-5. In 2015, the domestic industry's capacity was *** tires, its production was *** tires, and its capacity utilization was *** percent. *Id.*

¹¹⁸ CR/PR at Table I-5. The domestic industry's U.S. shipments were 12.1 million tires in 2015. *Id.*

¹¹⁹ CR/PR at Table I-7. The domestic industry's share of apparent U.S. consumption was 45.6 percent in 2015. *Id.*

¹²⁰ CR/PR at Table I-5. The industry's net sales were \$4.1 billion in 2015. *Id.*

¹²¹ CR/PR at Table I-5. In 2015, the domestic industry's gross profit was \$1.4 billion, its operating income was \$783 million, and its ratio of operating income to net sales was 19.3 percent. *Id.*

Based on the information available in these reviews, we find that revocation of the orders would likely result in a significant volume of subject imports that would likely undersell the domestic like product to a significant degree. Given the moderate-to-high degree of substitutability between the domestic like product and subject imports, the importance of price to purchasers, and the universal underselling by subject imports in the original investigations, significant volumes of low-priced subject imports would likely capture sales and market share from the domestic industry and/or significantly depress or suppress prices for the domestic like product. The likely significant volume of subject imports and their adverse price effects would likely have a significant adverse impact on the domestic industry's production, shipments, sales, market share, and revenues, which in turn would have a direct adverse impact on the industry's profitability and employment, as well as its ability to raise capital and make and maintain necessary capital investments.

We have also considered the role of factors other than subject imports, including the presence of nonsubject imports. The information available indicates that nonsubject imports have increased their presence in the U.S. market since the original investigations, increasing their share of apparent U.S. consumption from 20.8 percent in 2015 to 61.2 percent in 2022.¹²² Nonetheless, the record provides no indication that the presence of nonsubject imports would prevent subject imports from entering the U.S. market in significant quantities and adversely affecting domestic prices. Given the moderate-to-high degree of substitutability between the domestic like product and subject imports and the importance of price in purchasing decisions, the presence of nonsubject imports in the U.S. market would not prevent the significant volume of dumped and subsidized low-priced subject imports that is likely after revocation from taking market share at least in part from the domestic industry, as well as potentially from nonsubject imports, or from forcing domestic producers to lower their prices or forgo price increases in order to retain market share. For these reasons, we find that any effects of nonsubject imports would not preclude the likely effects on the domestic industry attributable to the subject imports.

In sum, we conclude that if the antidumping and countervailing duty orders on TBTs from China were revoked, subject imports would likely have a significant impact on the domestic industry within a reasonably foreseeable time.

¹²² CR/PR at Table I-7.

IV. Conclusion

For the foregoing reasons, we determine that revocation of the antidumping and countervailing duty orders on TBTs from China would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.

Dissenting Views of Commissioner David S. Johanson

Section 751(d)(2) of the Tariff Act of 1930, as amended (“the Act”), requires that the U.S. Department of Commerce (“Commerce”) revoke a countervailing duty or an antidumping duty order in a five-year (“sunset”) review unless Commerce determines that dumping or a countervailable subsidy would be likely to continue or recur and the U.S. International Trade Commission (“Commission”) determines that material injury to a U.S. industry would be likely to continue or recur within a reasonably foreseeable time.

Based on the record in these first five-year reviews, I determine that material injury is not likely to continue or recur within a reasonably foreseeable time if the antidumping and countervailing duty orders on truck and bus tires from China are revoked.

I join my colleagues’ discussion regarding background (Section I), domestic like product and domestic industry (Section II), legal standards (Section III(A)), and part of conditions of competition (Section III(B)(1)&(2)). I write separately to explain why I conclude that, despite a likely significant increase in subject import volume in the event of revocation of the antidumping and countervailing duty orders, adverse price effects are unlikely given the attenuated competition between low-value Chinese tires generally aimed at the replacement market and the higher-valued domestic truck and bus tires produced in the United States. This lack of competition will likely allow the domestic industry to continue to remain financially healthy despite a likely significant volume of subject imports that predominantly undersell the domestic like product.

I. Revocation of the Antidumping and Countervailing Duty Orders on Truck and Bus Tires from China Is Not Likely to Lead to Continuation or Recurrence of Material Injury Within a Reasonably Foreseeable Time

A. Information Available in These Expedited Reviews

As an initial matter I note that, in these reviews, I am basing my decision on a limited record.¹ In an expedited review, the Commission does not issue questionnaires, but the Commission’s notice of institution affords interested parties the opportunity to provide information relevant to the review. In these reviews, information provided by interested parties was constrained by the United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union, AFL-CIO, CLC (“USW”)’s

¹ I note that, on April 8, 2024, I voted to conduct full reviews of these orders. *Explanation of Commission Determination on Adequacy*, EDIS Doc. 819083 (Apr. 19, 2024).

circumstances. In a letter dated January 12, 2024² and in its February 1, 2024, response to the Commission's notice of institution,³ the USW stated that because it is a union representing workers engaged in the manufacture of the domestic like product, it did not have direct access to all information requested on the operating and financial results of the companies that are manufacturing the domestic like product. The USW requested that the Commission place on the record of these reviews the preliminary phase staff report from the ongoing investigation of *Truck and Bus Tires from Thailand*.⁴ On March 1, 2024, the Commission placed the public version of the preliminary phase staff report of the Thailand investigation on the record of these reviews.⁵ While the staff report does provide useful information regarding the composition and performance of the domestic industry, it is less helpful with respect to imports from China, the subject of these reviews. Also, because it is a preliminary phase staff report, it lacks data reported by purchasers and is untested by the more rigorous process of the final phase. Accordingly, I have relied on the facts available in these reviews, which consist primarily of the staff report and views in the original investigations (including the 2017 final phase majority which I joined); information collected by the Commission since the institution of these five-year reviews; and information submitted by the USW, including the preliminary phase staff report from the ongoing *Truck and Bus Tires from Thailand* investigation.

B. Conditions of Competition

While I join the majority's discussion on conditions of competition, I note that during the original investigations, the 2017 majority views that I joined put additional emphasis on attenuated competition between subject imports from China and the domestic like product due to the importance of product tiers.

Original Investigations. The 2017 final phase majority⁶ – and then the two dissenting Commissioners in the 2019 remand determination⁷ – found that most market participants

² USW's Notice of Difficulty in Obtaining Requested Information, EDIS Doc. 811954 (Jan. 12, 2024).

³ USW's Response to Notice of Institution ("USW's Response"), at 2, EDIS Doc. 813119 (Feb. 1, 2020).

⁴ USW's Response at 2 n.3 and Exhibit 4.

⁵ USITC, *Truck and Bus Tires from Thailand*, Inv. No. 731-TA-1658 (Preliminary), USITC Pub. 5478, EDIS Co. 815350 (Dec. 2023) ("*Thailand Preliminary Report*").

⁶ *Truck and Bus Tires from China*, Inv. Nos. 701-TA-556 and 731-TA-1311 (Final), USITC Pub. 4673 at 23-26 (Mar. 2017) ("*Original Determinations*").

⁷ *Truck and Bus Tires from China*, Inv. Nos. 701-TA-556 and 731-TA-1311 (Final) (Remand), USITC Pub. 4877 (Apr. 2019) ("*Final Remand Determinations*"), at Dissent-3 (adopting, without alteration, the previous majority's analysis of Conditions of Competition).

identified three tiers in the U.S. market, each of varying levels of quality, service, and price.⁸ The 2017 final phase majority found that there was only limited competition between tiers and further found that domestic product was concentrated in tier 1, whereas subject imports were concentrated in tier 3. “Domestic producers reported that the largest share of their 2015 sales were concentrated in the top tier (Tier 1), with lesser amounts being reported as Tiers 2 and 3. By contrast, U.S. importers reported that the large majority of subject import sales were in Tier 3, with a much smaller amount being reported as Tier 2, and with very few tires being reported as Tier 1.”⁹ These findings led the 2017 final phase majority to conclude there was attenuated competition between the domestic like product and subject imports.

Current Reviews. In these reviews, there is little additional or updated information regarding purchasers’ perceptions of tiers. The USW did not address market segments in their response to the Notice of Institution, other than in summarizing the Commission’s previous findings.¹⁰ The 2023 preliminary phase report in the *Thailand* investigation, by its nature, was not able to address purchaser perceptions as purchaser questionnaires are not a part of preliminary phase Commission proceedings. Nevertheless, the 2023 preliminary phase report confirms that “[a]ll six responding U.S. producers and most importers (25 of 27) reported that truck and bus tires are sold in pricing categories or tiers.”¹¹ These results support the position that the importance of tiers relied upon by the 2017 final phase majority in the original investigations remains relevant today.

C. Likely Volume of Subject Imports

In evaluating the likely volume of imports of subject merchandise if the antidumping and countervailing duty orders were revoked, the Commission is directed to consider whether the likely volume of imports would be significant either in absolute terms or relative to production or consumption in the United States.¹² In doing so, the Commission must consider “all relevant economic factors,” including four enumerated factors: (1) any likely increase in production capacity or existing unused production capacity in the exporting country; (2) existing inventories of the subject merchandise, or likely increases in inventories; (3) the existence of barriers to the importation of the subject merchandise into countries other than the United States; and (4) the potential for product shifting if production facilities in the foreign

⁸ *Original Determinations* at 24.

⁹ *Original Determinations* at 25 (citations omitted).

¹⁰ *USW’s Response* at 4.

¹¹ *Thailand Preliminary Report* at 22 n.124.

¹² 19 U.S.C. § 1675a(a)(2).

country, which can be used to produce the subject merchandise, are currently being used to produce other products.¹³

Original Investigations. Subject import volume rose by 41.9 percent between 2013 and 2015, rising from 6.3 million tires in 2013 to 8.9 million in 2015; subject imports also gained 4.9 percentage points of market share over the period of investigation (POI), rising from 28.7 percent in 2013 to 33.6 percent in 2015.¹⁴ The 2017 final phase majority acknowledged that volume and the increase in volume of subject imports were significant in absolute terms and relative to consumption.¹⁵

Current Reviews. Subject imports from China declined steadily and substantially over the period of review. From a total of 8.9 million tires in 2015 (the last full year of the POI), subject imports declined by 87.8 percent to 1.1 million tires in 2023.¹⁶ The market share held by subject imports from China in apparent U.S. consumption was 4.9 percent in 2022; this is down by 28.7 percentage points from the 33.6 percent share observed in 2015.¹⁷

Despite the steep decline in exports to the U.S. market, China's global exports of truck and bus tires in HS subheading 4011.20 rose from \$6.7 billion in 2016 to \$10.1 billion in 2023.¹⁸ China was the largest global exporter of truck and bus tires in HS subheading 4011.20 in every year of the period.¹⁹ Mexico replaced the United States as the leading export destination for China beginning in 2023.²⁰ Other leading exporters in 2023 were Thailand, Germany, Slovakia, and Japan.²¹ The domestic interested party provided a list of 270 possible producers or exporters of truck and bus tires in China.²² The staff report identifies four truck and bus tire factories brought online in China since 2017 with 6.8 million units of capacity added for truck and bus tires (representing more than \$2 billion in investment) and four other new plants identified that could be operational in the foreseeable future.²³ At the same time, there were reports that three factories have been closed since 2017, along with one planned factory that was cancelled and one plant that was converted to off-the-road tire production.²⁴

¹³ 19 U.S.C. § 1675a(a)(2).

¹⁴ *Original Determinations* at 26.

¹⁵ *Original Determinations* at 26.

¹⁶ CR/PR at Table I-6.

¹⁷ CR/PR at Table I-7.

¹⁸ CR/PR at Table I-10.

¹⁹ CR/PR at Table I-10.

²⁰ CR/PR at Table I-9.

²¹ CR/PR at Table I-10.

²² CR/PR at I-22; *USW's Response* at Exhibit 1.

²³ CR/PR at Table I-8 (openings by Hefei Wanli, two by Linglong, and General Science).

²⁴ CR/PR at Table I-8 (closures by Bridgestone and Sumitomo; cancellation by Guizhou; and conversion by Double Coin).

In addition to the six trade remedy actions that were in place during the original investigations, there were new trade remedy actions in the European Union in 2018 (when the United Kingdom was still part of the European Union) and in South Africa in 2023.²⁵

While I conclude it is likely that subject imports from China would increase if the antidumping and countervailing duty orders were revoked, there are two factors that indicate subject imports would not likely rise to the levels observed during the original period of investigation. First, subject imports of truck and bus tires from China became subject to additional 10 percent *ad valorem* section 301 duties on or after September 24, 2018; that rate of duty increased to 25 percent on May 10, 2019 (in addition to general rates of duty between 3.4 and 4.0 percent).²⁶ Second, nonsubject imports have more than replaced subject imports from China and it is not likely that all of that volume would return to Chinese suppliers even if the orders on China were revoked. From 2016 to 2023, imports from China declined by 6.5 million tires whereas imports from nonsubject sources increased by more than 10 million tires.²⁷ Furthermore, while the average unit value (“AUV”) of U.S. imports from China was generally low, the AUV from China was only the lowest of all the sources in one of the eight years of the period of review, 2020. Imports from Thailand had a lower AUV compared to imports from China in 2016 and 2023, and imports from Vietnam had a lower AUV in every year except 2020.²⁸ It appears likely that imports from Thailand and Vietnam (their combined volume increased by 7.7 million tires from 2016 to 2023)²⁹ have replaced imports from China as the lower value option and it is unlikely that this would be reversed within a reasonably foreseeable time should the orders be revoked.

Based on the record in these reviews and the record in the original investigations, I find that the likely volume of subject imports from China would be significant if the order were revoked, both in absolute terms and relative to production and consumption in the United States. Nevertheless, as will be elaborated in later sections, I cannot conclude that even a significant volume of import from China would adversely impact the domestic industry within a reasonably foreseeable time. I expect that attenuation of competition between the domestic like product and subject imports will continue, as during the original investigations, to limit the effects of any increased volume of subject imports on the domestic industry. The likely significant, albeit smaller, volume of subject imports from China that would enter the U.S.

²⁵ CR/PR at I-25 to I-26.

²⁶ CR/PR at I-7.

²⁷ Calculated from CR/PR at Table I-6 (nonsubject sources increased from 6.3 million tires to 16.5 million tires).

²⁸ CR/PR at Table I-6.

²⁹ CR/PR at Table I-6.

market following revocation competes in lower-value segments of the market that were not well served during the period of review by a capacity-constrained domestic industry primarily interested in producing higher-value tires that were more profitable.

D. Likely Price Effects of Subject Imports

In evaluating the likely price effects of subject imports if the antidumping and countervailing duty orders were revoked, the Commission considers whether there is likely to be significant underselling by the subject imports as compared to the domestic like product, and if the subject imports are likely to enter the United States at prices that otherwise would have a significant depressing or suppressing effect on the price of domestic like products.³⁰

In performing this analysis, I have considered the previous findings regarding price effects in the original investigations, particularly that of the 2017 final phase majority, of which I was a part. The Commission did not collect specific pricing data in these expedited reviews.

Original Investigations. In the original investigations, the 2017 final phase majority found little evidence of price effects by the subject imports from China. In particular, the 2017 final phase majority observed that subject imports from China were predominantly imported at AUVs lower than the domestic industry's prices for comparable products and, therefore, found significant underselling by subject imports.³¹ The 2017 final phase majority also noted declining U.S. prices for all four pricing products, but also noted that raw material costs "fell by considerably more than the price of domestically produced truck and bus tires during the POI."³² The 2017 final phase majority concluded that "{d}ue to the magnitude of the decline in raw material costs, we do not find that the subject imports depressed U.S. prices to a significant degree."³³ The 2017 final phase majority also did not find that subject imports prevented price increases that otherwise would have occurred, supporting this conclusion by noting that, in addition to declining raw material costs, the domestic industry experienced a steadily declining trend in the COGS-to-net-sales ratio, which fell by 5.2 percentage points, from 72.3 percent in 2013 to 66.6 percent in 2015.³⁴

The fact that predominant underselling by subject imports did not result in significant price effects was explained by the 2017 final phase majority as resulting from attenuated competition between U.S.-produced truck and bus tires and subject imports.³⁵ "{T}he

³⁰ 19 U.S.C. § 1675(a)(3).

³¹ *Original Determinations* at 27.

³² *Original Determinations* at 27.

³³ *Original Determinations* at 28.

³⁴ *Original Determinations* at 29.

³⁵ *Original Determinations* at 29-30. See also *Final Remand Determinations* at Dissent-4.

substantial underselling margins throughout the POI to some extent reflect quality and other non-price differences between a substantial proportion of the domestic product and subject imports. U.S.-produced truck and bus tires, which were concentrated in the higher-tier segments of the market and frequently offered more desirable product features than subject imports, were able to compete at higher average prices than subject imports.”³⁶

Current Reviews. In these five-year reviews, there is no information on the record that would compel me to alter the conclusions reached in the original investigations regarding likely price effects. Nearly all of the relevant price data in the public version of the report for the *Thailand* investigation are bracketed for confidentiality reasons.³⁷ The only new data related to price in the current staff report are the AUVs of imports from 2016 to 2023.³⁸ Those from China had an increasing trend from \$117 per tire in 2016 to \$187 per tire in 2023, interrupted by a decline in only a single year, the pandemic year of 2020.³⁹ As mentioned above, the AUV of subject imports from China was among the three lowest AUVs for imports from any country in every year of the period of review and, in 2020, was the lowest AUV among all sources of imports.⁴⁰ The AUV of subject imports was lower than the AUV of total imports from all sources in each year of the period by between \$22 and \$53 per tire.⁴¹ By comparison, the AUVs of subject imports and of total imports from all sources were far lower than the AUV of U.S. producers’ U.S. shipments, which also trended upward from \$281 in 2020 to \$342 in 2022.⁴²

Thus, the record of these reviews shows that, as was the case in the original investigations, the AUV of subject imports from China is lower than the AUVs of both “all import sources” and of U.S. producers’ U.S. shipments.⁴³ I conclude, therefore, that subject imports would likely significantly undersell the domestic industry’s truck and bus tires. I do not, however, conclude that this likely underselling will lead to price effects. The 2017 final phase majority determined in the original investigations that raw material prices explained declining U.S. prices rather than subject imports. The record of these reviews shows that, by contrast, U.S. prices and the AUVs of U.S. producers’ U.S. shipments increased from 2020 to June 2023.⁴⁴

³⁶ *Original Determinations* at 29.

³⁷ *Thailand Preliminary Report* at V-6 to V-22.

³⁸ CR/PR at Table I-6.

³⁹ CR/PR at Table I-6.

⁴⁰ Imports from Vietnam had the lowest AUV in the other seven years. CR/PR at Table I-6. *See also Thailand Preliminary Report* at Appendix D-1 (listing AUVs for a larger number of countries from 2017 to 2022).

⁴¹ Calculated from CR/PR at Table I-6.

⁴² *Thailand Preliminary Report* at Table C-1.

⁴³ *Original Determinations* at Table C-1.

⁴⁴ *Thailand Preliminary Report* at V-19 and Table C-1.

Also, most market participants asked in 2023 about raw material costs indicated that they had increased since 2020.⁴⁵ Given that raw material costs have been perceived as increasing and that U.S. prices increased from 2020 to the first half of 2023, despite overall imports increasing even beyond their level in the original investigations,⁴⁶ it is not likely that revocation of these orders would result in significant price depressing effects.

Another point of comparison with the period of the original investigations is that the COGS-to-net-sales ratio, which improved from 72.3 percent in 2013 to 66.6 percent in 2015,⁴⁷ increased slightly—during this period of review—by 0.8 percentage points, from 74.6 percent in 2020 to 75.3 percent in 2023, fluctuating in a narrow band.⁴⁸ This indicates that, as was the case during the original investigations, attenuated competition in the form of differential concentration in tiers, prevents adverse price effects from being transmitted from low-priced subject imports to the prices of the higher-end products produced by the domestic industry—this despite the volume of imports having increased since the period of the original investigations. Even with raw material costs perceived as increasing (as mentioned above), U.S. prices were able to adjust so as to maintain the COGS-to-net-sales ratio within a narrow range. Therefore, I find that, in the event of revocation of these orders, subject imports from China are not likely to prevent price increases that otherwise would have occurred to a significant degree.

Accordingly, on the basis of the record in these reviews, I find that revocation of the antidumping and countervailing duty orders on imports of truck and bus tires from China would not be likely to lead to a significant depressing or suppressing effect on the price of the domestic like product, within a reasonably foreseeable time.

E. Likely Impact of Subject Imports

In evaluating the likely impact of imports of subject merchandise if the antidumping and countervailing duty orders are revoked, the Commission considers all relevant economic factors that are likely to have a bearing on the state of the industry in the United States, including, but not limited to: (1) likely declines in output, sales, market share, profits, productivity, return on investments, and utilization of capacity; (2) likely negative effects on cash flow, inventories,

⁴⁵ *Thailand Preliminary Report* at V-1 (5 of 6 U.S. producers and 16 of 23 importers), Figure V-1, and Table V-1.

⁴⁶ Total imports, as reported in the *Thailand* preliminary, increased steadily from 13.1 million tires in 2020 to 23.8 million in 2022. *Thailand Preliminary Report* at Table C-1. With the exception of the pandemic year of 2020, these figures are generally higher than the import level recorded during the original investigations when total imports increased from 10.2 million in 2013 to 14.4 million in 2015. *Original Determinations* at Table C-1.

⁴⁷ *Original Determinations* at Table C-1.

⁴⁸ *Thailand Preliminary Report* at Table C-1.

employment, wages, growth, ability to raise capital, and investment; and (3) likely negative effects on the existing development and production efforts of the industry, including efforts to develop a derivative or more advanced version of the domestic like product.⁴⁹

Original Investigations. During the original investigations, the 2017 final phase majority, of which I was a part, found that the impact of subject imports was not significant.⁵⁰ I based my conclusion on the steady overall performance of the domestic industry. Production and capacity utilization increased steadily and capacity utilization was at high rates.⁵¹ Employment measures also steadily increased over the three full years of the POI (PRWs, hours worked, wages paid, hourly wages, and labor productivity all increased from 2013 to 2015).⁵² Financially, the domestic industry improved significantly over the period of investigation.⁵³ Its operating income ratio to net sales rose in each year of the POI, from 15.5 percent in 2013 to 17.1 percent in 2014 and 19.3 percent in 2015.⁵⁴ The level of total capital expenditures was 108.5 percent higher in 2015 than in 2013 as established producers faced constraints and new producers prepared to enter the domestic industry.⁵⁵

While the domestic industry lost 7.7 percentage points as its market share fell from 53.3 percent in 2013 to 45.6 percent in 2015,⁵⁶ the 2017 final phase majority noted that the domestic industry was operating at high levels of capacity utilization, with little additional practical capacity to meet demands as the industry responded to demand for truck and bus tires that had increased by 21.3 percent.⁵⁷ Several U.S. producers reported large investments in planned capacity expansions, which the 2017 final phase majority interpreted as “indicative of the industry’s awareness of the need to address limitations on capacity that existed throughout the POI.”⁵⁸ Therefore, the 2017 final phase majority concluded that it was primarily U.S. capacity constraints, and not subject imports, that prevented the domestic industry from maintaining its market share.⁵⁹

Current Reviews. Although the Commission elected not to conduct a full review, and we would normally have limited new information on the current condition of the domestic

⁴⁹ 19 U.S.C. § 1675(a)(4).

⁵⁰ *Original Determinations* at 36.

⁵¹ *Original Determinations* at 31.

⁵² *Original Determinations* at 32 and Table C-1.

⁵³ *Original Determinations* at 32.

⁵⁴ *Original Determinations* at 33 and Table C-1.

⁵⁵ *Original Determinations* at 33 and Table VI-7a.

⁵⁶ *Original Determinations* at 34 and Table C-1.

⁵⁷ *Original Determinations* at 34 and Table C-1.

⁵⁸ *Original Determinations* at 35.

⁵⁹ *Original Determinations* at 35.

industry, in this instance, our record regarding the domestic industry is supplemented by the public report from the preliminary phase of the *Truck and Bus Tires from Thailand* investigation. On balance, I find that the financial health of the U.S. truck and bus tire industry appears comparable to the time of the original investigations. The domestic industry has been attractive for capital expenditures,⁶⁰ with several large expansion projects either recently completed or underway.⁶¹ Given its level of profitability, with operating income margins in excess of 9.5 percent in every year of the period of review,⁶² I do not conclude that it is vulnerable to future imports.

Practical production capacity fluctuated but ended 2.1 percent higher in 2022 than in 2020; production by the domestic industry increased by 16.5 percent from 2020 to 2022; consequently, capacity utilization increased from 78.8 percent in the pandemic year of 2020 to 90.0 percent in 2022.⁶³ Much like the situation in the original investigations, the domestic industry still appears capacity constrained. The Commission's report states that "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."⁶⁴ Elaborating, the report observes that "{f}actors 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."⁶⁵ This supports my view that with steadily increasing demand⁶⁶ and constrained domestic supply, imports are drawn into the U.S. market, typically filling demand in the lower tiers not favored by domestic producers, who prefer producing higher valued tires intended for tier 1. The financial condition of the U.S. industry leads me to conclude that the presence of low-priced imports is not likely to adversely impact the domestic industry with a reasonably foreseeable time.

I therefore find that revocation of the antidumping and countervailing duty orders on imports of truck and bus tires from China is not likely to lead to the continuation or recurrence of material injury to the domestic truck and bus tire industry within a reasonably foreseeable time.

⁶⁰ Capital expenditures by the domestic industry from Jan. 2020 to June 2023 totaled \$572.1 million. *Thailand Preliminary Report* at Table C-1.

⁶¹ CR/PR at Table I-4; *Thailand Preliminary Report* at Table III-3.

⁶² *Thailand Preliminary Report* at Table C-1.

⁶³ *Thailand Preliminary Report* at Table C-1.

⁶⁴ *Thailand Preliminary Report* at II-4.

⁶⁵ *Thailand Preliminary Report* at II-4.

⁶⁶ *Thailand Preliminary Report* at II-9.

II. Conclusion

For the foregoing reasons, I determine that revocation of the antidumping and countervailing duty orders on truck and bus tires from China would not be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.

Information obtained in these reviews

Background

On January 2, 2024, the U.S. International Trade Commission (“Commission”) gave notice, pursuant to section 751(c) of the Tariff Act of 1930, as amended (“the Act”),¹ that it had instituted reviews to determine whether revocation of the antidumping and countervailing duty orders on truck and bus tires from China would be likely to lead to continuation or recurrence of material injury.² All interested parties were requested to respond to this notice by submitting certain information requested by the Commission.^{3 4} Table I-1 presents information relating to the background and schedule of this proceeding:

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

Effective date	Action
January 2, 2024	Notice of initiation by Commerce (89 FR 66, January 2, 2024)
January 2, 2024	Notice of institution by Commission (89 FR 93, January 2, 2024)
April 8, 2024	Commission’s vote on adequacy
April 25, 2024	Commerce’s results of its expedited reviews (89 FR 31727 and 89 FR 31728, April 25, 2024)
August 16, 2024	Commission’s determinations and views

Responses to the Commission’s notice of institution

Individual responses

The Commission received one submission in response to its notice of institution in the subject reviews. It was filed on behalf of the United Steel, Paper and Forestry, Rubber,

¹ 19 U.S.C. 1675(c).

² 89 FR 93, January 2, 2024. In accordance with section 751(c) of the Act, the U.S. Department of Commerce (“Commerce”) published a notice of initiation of five-year reviews of the subject antidumping and countervailing duty orders. 89 FR 66, January 2, 2024. Pertinent Federal Register notices are referenced in app. A, and may be found at the Commission’s website (www.usitc.gov).

³ As part of their response to the notice of institution, interested parties were requested to provide company-specific information. That information is presented in app. B. Summary data compiled in the original investigations are presented in app. C.

⁴ Interested parties were also requested to provide a list of three to five leading purchasers in the U.S. market for the domestic like product and the subject merchandise. Presented in app. D are the responses received from purchaser surveys transmitted to the purchasers identified in this proceeding.

Manufacturing, Energy, Allied Industrial and Service Workers International Union, AFL-CIO, CLC (“USW”), a union representing workers engaged in the manufacturing of truck and bus tires (referred to herein as the domestic interested party). USW represents workers at plants owned by three domestic producers of truck and bus tires: Bridgestone Americas, Inc. (“Bridgestone”), the Goodyear Tire & Rubber Company (“Goodyear”), and Sumitomo Rubber USA, LLC (“Sumitomo”).⁵

A complete response to the Commission’s notice of institution requires that the responding interested party submit to the Commission all the information listed in the notice. Responding firms are given an opportunity to remedy or explain deficiencies in their responses and to provide clarifying details where appropriate. A summary of the number of responses and estimates of coverage for each is shown in table I-2.

Table I-2
Truck and bus tires: Summary of responses to the Commission’s notice of institution

Interested party type	Number	Coverage
U.S. labor union	3	***%

Note: The U.S. labor union coverage figure presented is the domestic interested party’s estimate of its share of total U.S. production of truck and bus tires during 2023. Domestic interested party’s response to the notice of institution, February 1, 2024, p. 16. The estimate was calculated as the quantity of reported 2023 production (***) for USW-represented firms, divided by the total U.S. industry production reported in 2022 in the Commission’s recent investigation of truck and bus tires from Thailand (13,528,000 tires).

⁵ Prior to the submission of its response to the notice of institution in these reviews, the domestic interested party notified the Commission that, “as the union representing employees at {USW} firms, USW does not have access to information regarding shipments, internal consumption, and financial performance requested {by the Commission in these reviews}.” Domestic interested party’s letter to the Commission, January 12, 2024. The domestic interested party requested that the Commission accept, as an alternative and as the best available information, the aggregate U.S. industry trade and financial information published in the Commission’s recent preliminary phase investigation of truck and bus tires from Thailand. Domestic interested party’s response to the notice of institution, February 1, 2024, exh. 1 and exh. 4.

Data presented for U.S. producers of truck and bus tires in 2022 throughout this report is based on the aggregate U.S. industry data collected in the Commission’s preliminary phase investigation of truck and bus tires from Thailand, inclusive of seven domestic producers that the Commission believes represent virtually all U.S. production of truck and bus tires in 2022 (i.e., Bridgestone, Goodyear, Sumitomo, Continental Tire the Americas, LLC, Yokohama Tire Manufacturing Mississippi, Michelin North America, Inc., and Specialty Tires of America, Inc.). The Commission is using the full year 2022 trade and financial data for U.S. producers gathered in the Thailand investigation, as these data present the most complete and accurate date available to the domestic interested party in these reviews. Truck and Bus Tires from Thailand, Inv. No. 731-TA-1658 (Preliminary), USITC Publication 5478, December 2023 (“Thailand publication”).

Party comments on adequacy

The Commission received party comments on the adequacy of responses to the notice of institution and whether the Commission should conduct expedited or full reviews from USW. USW requests that the Commission conduct expedited reviews of the antidumping and countervailing duty orders on truck and bus tires.⁶

The original investigations

The original investigations resulted from a petition filed on January 29, 2016, with Commerce and the Commission by the United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union, AFL-CIO, CLC, Pittsburgh, Pennsylvania.⁷ On January 27, 2017, Commerce determined that imports of truck and bus tires from China were being sold at less than fair value (“LTFV”) and subsidized by the Government of China.⁸ The Commission determined on March 13, 2017, that the domestic industry was not materially injured or threatened with material injury by reason of imports of truck and bus tires from China.⁹ ¹⁰ On November 26, 2018, the Commission gave notice of its intent to comply with the court-ordered remand of its final determinations, 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.¹¹ On February 15, 2019, Commerce amended its final determination and issued its antidumping and countervailing duty

⁶ Domestic interested party’s comments on adequacy, March 11, 2024, pp. 4-5.

⁷ Truck and Bus Tires from China, Inv. Nos. 701-TA-556 and 731-TA-1311 (Final), USITC Publication 4673, March 2017 (“Original publication”), p. I-1.

⁸ 82 FR 8599, January 27, 2017 and 82 FR 8606, January 27, 2017.

⁹ 82 FR 14232, March 17, 2017.

¹⁰ Petitioner contested the Commission's determinations before the U.S. Court of International Trade (“CIT”). The CIT sustained certain challenged aspects of the Commission's negative determinations, but remanded for reconsideration of the Commission's analysis of price effects and likely prices effects, and of the nature of the countervailable subsidies for purposes of the threat of material injury analysis. 83 FR 61674, November 30, 2018. United Steel, Paper & Forestry, Rubber, Mfg., Energy, Allied Indus. & Serv. Workers Int'l Union, AFL-CIO, CLC v. United States, 348 F. Supp. 3d 1328 (Ct. Int'l Trade 2018).

¹¹ 83 FR 61674, November 30, 2018 and 84 FR 4855, February 19, 2019. In its final determination upon remand, the Commission found that critical circumstances did not exist with respect to imports of subject merchandise from China that were subject to Commerce's final affirmative critical circumstances finding. Chairman Johanson and Commissioner Meredith Broadbent reaffirmed the Commission’s negative findings and issued dissenting views on remand. See 84 FR 4434-36, February 15, 2019.

orders with the final weighted-average dumping margins ranging from 9.0 to 22.57 percent and net subsidy rates ranging from 20.98 to 63.34 percent.¹²

Previous and related investigations

The Commission has conducted one previous import relief investigation on truck and bus tires, and has conducted a number of previous import relief investigations on similar merchandise, including off the road tires (“OTR”) and passenger vehicle and light truck tires (“PVL”), as presented in table I-3.

Table I-3
Truck and bus tires: Previous and related Commission proceedings and current status

Date	Number	Country	ITC original determination	Current status
2007	701-TA-448	China (Certain OTR)	Affirmative	Order revoked, February 4, 2019.
2007	731-TA-1117	China (Certain OTR)	Affirmative	Order revoked, February 4, 2019.
2014	701-TA-522	China (PVL)	Affirmative	Order continued after first review, February 19, 2021.
2014	731-TA-1258	China (PVL)	Affirmative	Order continued after first review, February 19, 2021.
2016	701-TA-551	China (Pneumatic OTR)	Negative	Terminated, February 24, 2016.
2016	701-TA-552	India (Pneumatic OTR)	Affirmative	Order continued after first review, May 25, 2023.
2016	701-TA-553	Sri Lanka (Pneumatic OTR)	Affirmative	Order revoked upon remand, July 21, 2018.
2016	731-TA-1307	China (Pneumatic OTR)	Negative	Terminated, February 24, 2016.
2016	731-TA-1308	India (Pneumatic OTR)	Affirmative	Order continued after first review, May 25, 2023.
2020	731-TA-1517	Korea (PVL)	Affirmative	Order published, July 19, 2021.
2020	731-TA-1518	Taiwan (PVL)	Affirmative	Order published, July 19, 2021.
2020	731-TA-1519	Thailand (PVL)	Affirmative	Order published, July 19, 2021.
2020	701-TA-647	Vietnam (PVL)	Affirmative	Order published, July 19, 2021.

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

Date	Number	Country	ITC original determination	Current status
2020	731-TA-1520	Vietnam (PVLT)	Negative	Terminated, July 12, 2021.
2023	731-TA-1658	Thailand (TBT)	Affirmative (Preliminary)	Status pending result of final phase investigation.

Source: U.S. International Trade Commission publications and Federal Register notices.

Note: “Date” refers to the year in which the investigation was instituted by the Commission.

Commerce’s five-year reviews

Commerce announced that it would conduct expedited reviews with respect to the orders on imports of truck and bus tires from China with the intent of issuing the final results of these reviews based on the facts available not later than May 1, 2024.¹³ Commerce publishes its Issues and Decision Memoranda and its final results concurrently, accessible upon publication at <https://access.trade.gov/public/FRNoticesListLayout.aspx>. Issues and Decision Memoranda contain complete and up-to-date information regarding the background and history of the order, including scope rulings, duty absorption, changed circumstances reviews, and anticircumvention, as well as any decisions that may have been pending at the issuance of this report. Any foreign producers/exporters that are not currently subject to the antidumping and countervailing duty orders on imports of truck and bus tires from China are noted in the sections titled “The original investigations” and “U.S. imports,” if applicable.

¹³ Letter from Jill E. Pollack, Senior Director, Office VII, AD/CVD Operations, Enforcement and Compliance, U.S. Department of Commerce to Nannette Christ, Director of Investigations, February 22, 2024.

The product

Commerce's scope

Commerce has defined the scope as follows:

The scope of the order 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 this order may be tube-type, tubeless, radial, or non-radial.

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 this order regardless of their intended use.

In addition, all tires that lack one of the above suffix markings are included in the scope, regardless of their intended use, as long as the tire is of a size that is among the numerical size designations listed in the "Truck-Bus" section of the Tire and Rim Association Year Book, as updated annually, 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 of this order 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 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”.¹⁴

U.S. tariff treatment

Truck and bus tires are 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 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 Effective April 9, 2022, normal trade relations with Russia and Belarus were suspended, and column 2 duties of 10 percent applied for each HTS category.¹⁷ During late-July 2022, the column 2 rates of duty on Russia for products of HTS category 4011.20.1015 were increased to 35 percent ad valorem.¹⁸

¹⁴ 84 FR 4436, February 15, 2019.

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 Presidential Proclamation, “Suspending Normal Trade Relations with Russia and Belarus Act (19 U.S.C. 2434 note),” 87 FR 38875, June 30, 2022.

¹⁸ Presidential Proclamation 10420, “Increasing Duties on Certain Articles from the Russian Federation,” 87 FR 38875, June 30, 2022.

Description and uses¹⁹

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 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.

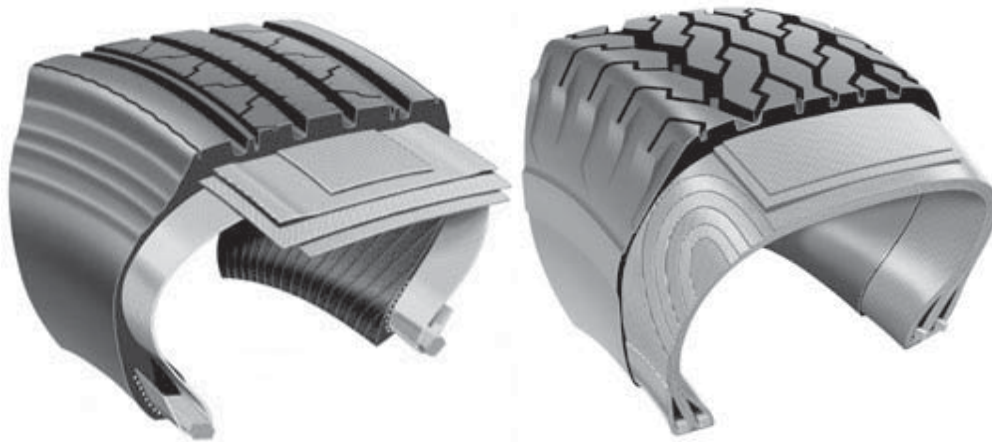
Truck and bus tires of varying sizes and design configurations, radial or nonradial, tube type or tubeless, are produced domestically or imported into the United States for mounting to original equipment (“OE”) vehicles or for the replacement requirements on used vehicles, each subject to the same DOT motor vehicle safety and sidewall marking standards. 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. 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-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.

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. Radial tires provide

¹⁹ Unless otherwise noted, this information is based on the Original publication, pp. I-8 through I-16, and the Thailand publication, pp. I-7 through I-15.

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.²⁰ Producers also offer a wide range of tire types equipped with digital pressure-temperature sensors, proprietary casings and tread designs. 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. Figure I-1 compares steel belted radial body ply construction, predominately used for truck and bus tires, to that of bias ply construction.

Figure I-1
Truck and bus tires: Radial and bias ply construction
Radial *Bias/Diagonal*



Source: “Bridgestone 2022 Truck Tire Data Book.”

²⁰ SmartWay low-rolling-resistance (LRR) tires verified by the Environmental Protection Agency (EPA), can reduce both fuel costs and exhaust emissions for long-haul class 8 tractor trailers by 3 percent or more compared to standard non-LRR tires, <https://www.epa.gov/verified-diesel-tech/low-rolling-resistance-lrr-new-and-retread-tires>, retrieved December 2023.

Manufacturing process²¹

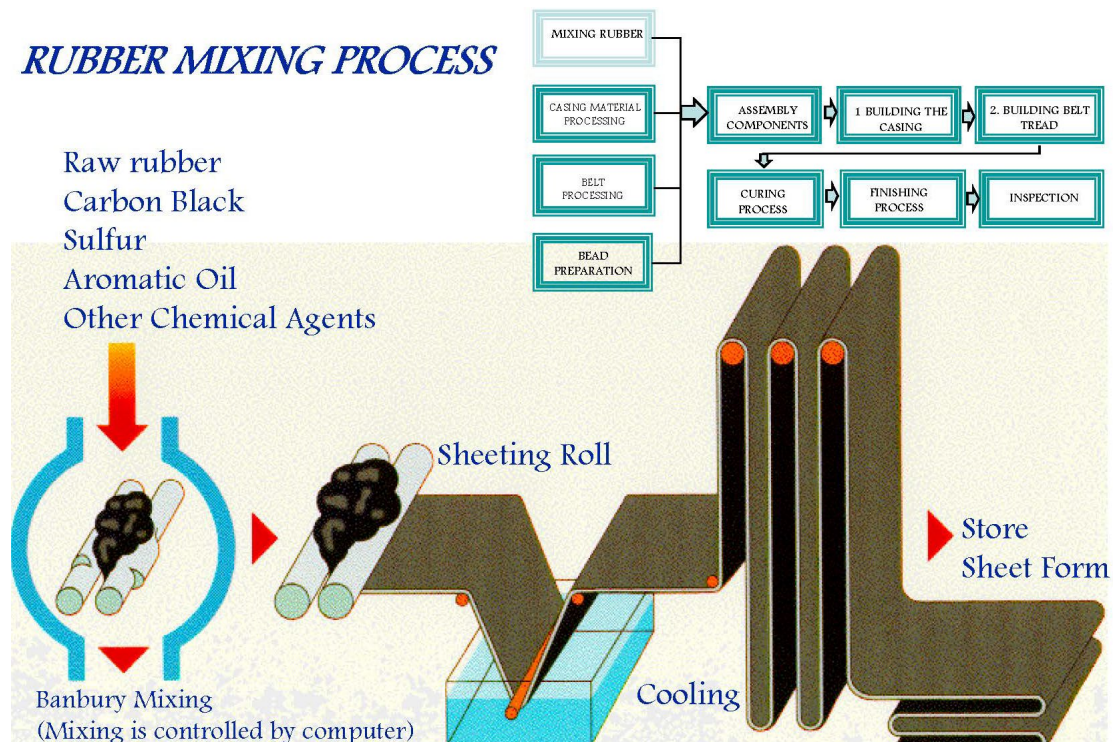
Truck and bus tire production technology is specialized, with a majority of production accomplished on dedicated equipment in separate U.S. plants by employees specifically trained for this purpose. Certain manufacturing technologies in new tire plants typically employ proprietary automated processes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

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.

²¹ Unless otherwise noted, this information is based on the Original publication, pp. I-16 through I-21, and the Thailand publication, pp. I-7 through I-15.

Figure I-2
Truck and bus tires: Process flow diagrams and rubber mixing process



Source: Original publication, 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-2. 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.

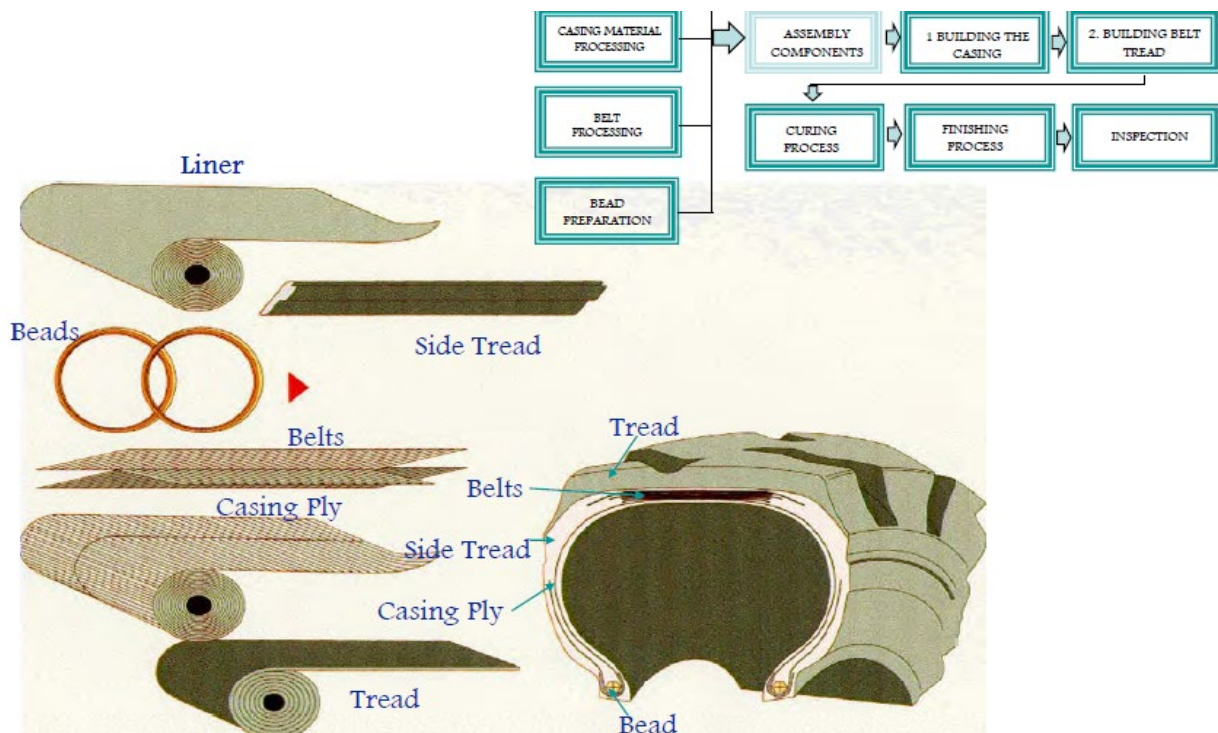
Several different types of equipment are used to process the rubber formulations into multiple truck and bus tire components. Following milling of the various rubber recipes into thick sheets, large machines equipped with rollers known as calendars are used to produce sheets of butyl rubber interlining 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-3.

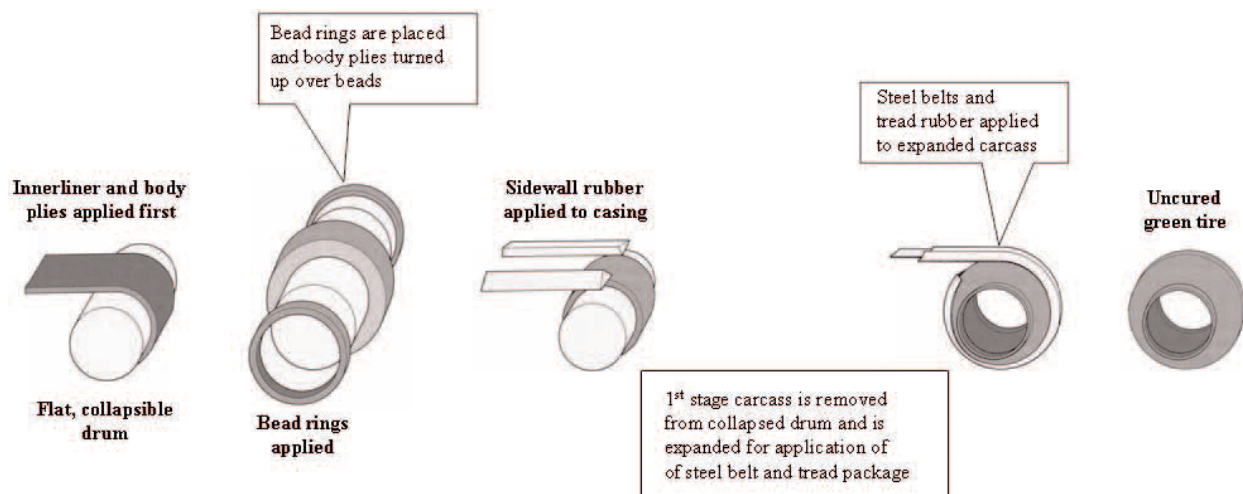
Figure I-3
Truck and bus tires: Tire assembly components



Source: Original Publication, 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 stage, while radial tire building may proceed in two stages or more as shown in figure I-4. Vendors have devised automated tire assembly equipment that combines several assembly steps or links them into a continuous process.

Figure I-4
Truck and bus tires: tire assembly process



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

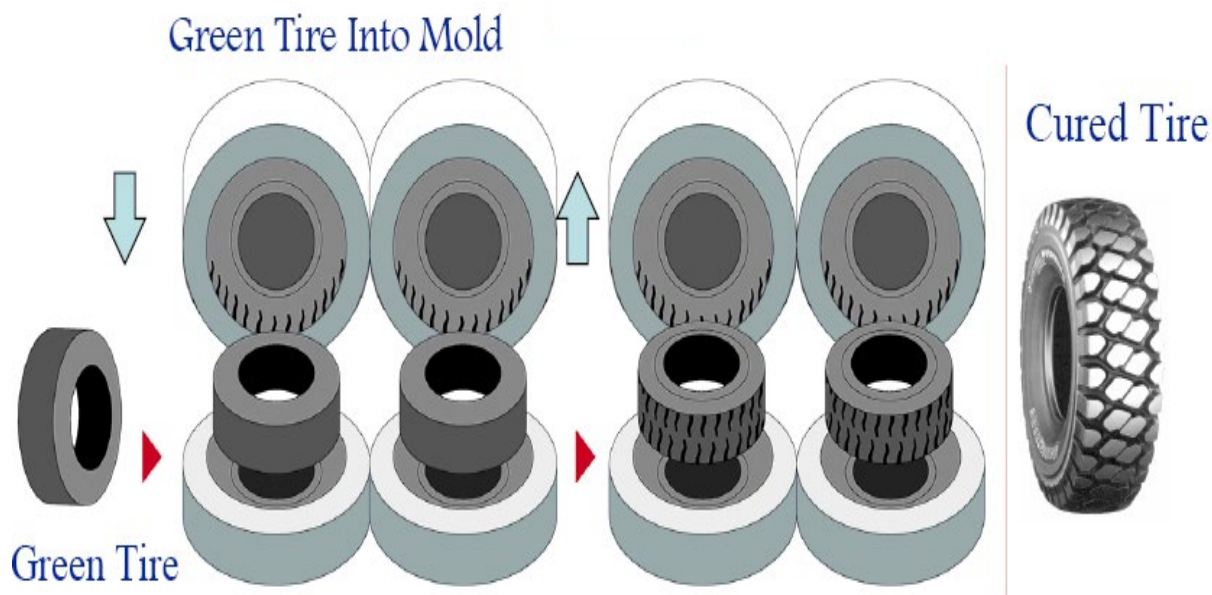
Radial ply construction begins by first placing air impervious butyl rubber inner liner about the drum, followed by the placement of parallel steel or fabric body plies, bead rings and sidewall rubber about the drum circumference that will run "radially" from bead to bead to the direction of tire travel. 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 as shown in figure I-4, 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. The green (uncured) tire assembly is removed from the drum and transferred for molding and curing.

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-5. 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. Curing times vary depending upon the size and design of the tire.

Figure I-5
Truck and bus tires: Tire curing process



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

The industry in the United States

U.S. producers

During the final phase of the original investigations, the Commission received U.S. producer questionnaires from seven firms, which accounted for virtually all production of truck and bus tires in the United States during 2015.²²

In response to the Commission's notice of institution in these current reviews, the domestic interested party provided a list of seven known and currently operating U.S. producers of truck and bus tires. USW provided data in response to the Commission's notice of

²² Original publication, p. I-4.

institution, inclusive of three USW-represented U.S. producers, which accounted for approximately *** percent of production of truck and bus tires in the United States during 2023.²³

Recent developments

Table I-4 presents events in the U.S. industry occurring since the Commission's original investigations.²⁴ Events that have occurred during the subject review period 2016-23 include principally firms that have brought new truck and bus plants into operation or are actively engaged in expansion projects, together with the effect of the COVID pandemic on U.S tire producer operations. There are no known major U.S. firms outside of those identified during the original investigation or this review that have entered, merged, or exited the U.S. truck and bus tire market during the period, or any new fundamental end uses for the product.

²³ Domestic interested party's response to the notice of institution, February 1, 2024, p. 16. As noted previously, this coverage figure uses as a denominator the total U.S. industry production for 2022 reported in the Commission's recent investigation of truck and bus tires from Thailand, as the domestic interested party stated that there was no source of publicly available information on total U.S. industry production of truck and bus tires in 2023. The numerator is the USW estimate of 2023 production for the three USW-represented producers: Goodyear, Bridgestone, and Sumitomo.

²⁴ For recent developments in tariff treatment (Chinese section 301 duties, Belarus, and Russian column 2 duties), please see "U.S. tariff treatment" section.

Table I-4
Truck and bus tires: Developments in the U.S. industry

Item	Firm	Event
Plant opening	Yokohama Tire	January 2016—New truck-bus tire plant rated at one million tires annually began commercial production at West Point, MS.
Plant opening	Continental Tire	January 2020—Production began at new multi-million dollar truck-bus tire plant at Clinton, MS.
Expansion	Hankook	August 2022—\$1.6 billion phased expansion at Tennessee consumer and truck-bus tire plant.
Expansion	Bridgestone Americas	May 2023—Groundbreaking of \$60 million Texas bus-truck tire retread plant expansion.
Expansion	Sumitomo Rubber	June 2023—Doubling of New York plant capacity for consumer and truck-bus tires.
Expansion	Bridgestone Americas	May 2023—Groundbreaking of \$550 million Tennessee truck-bus tire plant.
COVID closures	Industry Wide	Most U.S. consumer and commercial tire plants were forced to close during Q-2 2020 or longer owing to the global pandemic.

Source: Source: Yokohama Tire, <https://www.trucknews.com/transportation/yokohama-hosts-grand-opening-for-its-first-us-based-tire-plant-in-mississippi/1003068041>, 2015. 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. Tire Review, <https://www.tirereview.com/how-tire-manufacturers-are-responding-to-covid-19/>, March 22, 2020.

U.S. producers' trade and financial data

The Commission asked domestic interested parties to provide trade and financial data in their response to the notice of institution in the current five-year reviews.²⁵ Table I-5 presents a compilation of the trade and financial data submitted from all responding U.S. producers in the original investigations.

²⁵ Individual company trade and financial data are presented in app. B.

Table I-5**Truck and bus tires: Trade and financial data submitted by U.S. producers, by period**

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

Item	Measure	2013	2014	2015	2022	2023
Capacity	Quantity	***	***	***	15,031	---
Production	Quantity	***	***	***	13,528	***
Capacity utilization	Ratio	***	***	***	90.0	---
U.S. shipments	Quantity	11,649	12,174	12,098	12,208	---
U.S. shipments	Value	3,789,942	3,810,053	3,603,484	4,179,032	---
U.S. shipments	Unit value	325	313	298	342	---
Net sales	Value	4,300,839	4,315,146	4,062,309	4,462,712	---
COGS	Value	3,109,619	3,036,059	2,704,783	3,362,614	---
COGS to net sales	Ratio	72.3	70.4	66.6	75.3	---
Gross profit or (loss)	Value	1,191,220	1,279,087	1,357,526	1,100,098	---
SG&A expenses	Value	525,294	541,063	574,334	438,995	---
Operating income or (loss)	Value	665,926	738,024	783,192	661,103	---
Operating income or (loss) to net sales	Ratio	15.5	17.1	19.3	14.8	---

Source: For the years 2013-15, data are compiled using data submitted in the Commission's original investigations. For the year 2022, data are compiled using data submitted by the domestic interested party. Domestic interested party's response to the notice of institution, exh. 1. As noted earlier, the trade and financial information for 2022 submitted in the domestic interested party's response to the notice of institution is derived from the aggregate U.S. industry data from the Commission's recent investigation of truck and bus tires from Thailand, and as such represents the aggregate trade and financial data of the participating U.S. producers in that investigation. The data for 2023 presents the domestic interested party's estimate of the 2023 production of the three domestic producers which it represents: Bridgestone, Goodyear, and Sumitomo. Domestic interested party's response to the notice of institution, p. 16.

Note: For a discussion of data coverage, please see "U.S. producers" section. Trade and financial data for 2023 were not available and are shown as "----".

Definitions of the domestic like product and domestic industry

The domestic like product is defined as the domestically produced product or products which are like, or in the absence of like, most similar in characteristics and uses with, the subject merchandise. The domestic industry is defined as the U.S. producers as a whole of the domestic like product, or those producers whose collective output of the domestic like product constitutes a major proportion of the total domestic production of the product. Under the

related parties provision, the Commission may exclude a U.S. producer from the domestic industry for purposes of its injury determination if “appropriate circumstances” exist.²⁶

In its original determinations, the Commission defined a single domestic like product consisting of all truck and bus tires coextensive with Commerce’s scope, and defined the domestic industry as all domestic producers of truck and bus tires.²⁷

U.S. importers

During the final phase of the original investigations, the Commission received U.S. importer questionnaires from 41 firms, which accounted for approximately *** percent of total U.S. imports of truck and bus tires from China during 2015.²⁸ Import data presented in the original investigations are based on official Commerce statistics and questionnaire responses.

Although the Commission did not receive responses from any respondent interested parties in these current reviews, in its response to the Commission’s notice of institution, the domestic interested party provided a list of 405 potential U.S. importers of truck and bus tires.^{29 30}

U.S. imports

Table I-6 presents the quantity, value, and unit value of U.S. imports from China as well as the other top sources of U.S. imports (shown in descending order of 2023 imports by quantity).

²⁶ Section 771(4)(B) of the Tariff Act of 1930, 19 U.S.C. § 1677(4)(B).

²⁷ 89 FR 93, January 2, 2024.

²⁸ Original confidential report, p. I-5.

²⁹ Domestic interested party’s response to the notice of institution, February 1, 2024, exh. 1.

³⁰ The list of possible U.S. importers submitted by domestic interested party likely overstates the actual number of U.S. importers of truck and bus tires because it includes numerous freight forwarding and logistics firms as well as a number of duplicate entities. Domestic interested party’s response to the notice of institution, February 1, 2024, exh. 1.

Table I-6
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 tire

U.S. imports from	Measure	2016	2017	2018	2019
China	Quantity	7,578	6,457	9,221	3,247
Thailand	Quantity	1,780	2,090	2,461	4,605
Vietnam	Quantity	4	254	375	722
Japan	Quantity	1,089	1,449	1,309	1,380
All other sources	Quantity	3,438	4,178	3,849	4,968
Nonsubject sources	Quantity	6,311	7,971	7,993	11,675
All import sources	Quantity	13,889	14,428	17,215	14,922
China	Value	889,809	797,666	1,284,397	476,062
Thailand	Value	205,124	315,262	380,531	709,211
Vietnam	Value	355	31,227	47,511	95,081
Japan	Value	233,616	282,153	266,520	285,041
All other sources	Value	842,383	957,877	961,445	1,235,545
Nonsubject sources	Value	1,281,478	1,586,519	1,656,008	2,324,878
All import sources	Value	2,171,287	2,384,185	2,940,404	2,800,940
China	Unit value	117	124	139	147
Thailand	Unit value	115	151	155	154
Vietnam	Unit value	89	123	127	132
Japan	Unit value	215	195	204	207
All other sources	Unit value	245	229	250	249
Nonsubject sources	Unit value	203	199	207	199
All import sources	Unit value	156	165	171	188

Table continued.

Table I-6 Continued
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 tire

U.S. imports from	Measure	2020	2021	2022	2023
China	Quantity	1,333	1,109	1,765	1,083
Thailand	Quantity	4,782	7,212	10,186	7,111
Vietnam	Quantity	1,193	1,929	3,019	2,323
Japan	Quantity	1,320	1,819	2,490	2,111
All other sources	Quantity	4,507	5,494	6,380	4,969
Nonsubject sources	Quantity	11,801	16,454	22,076	16,514
All import sources	Quantity	13,134	17,563	23,841	17,597
China	Value	161,981	167,535	293,700	203,036
Thailand	Value	692,164	1,131,166	1,779,365	1,164,266
Vietnam	Value	164,601	272,922	472,101	334,447
Japan	Value	264,514	354,014	619,989	557,071
All other sources	Value	1,015,412	1,307,898	1,646,572	1,410,462
Nonsubject sources	Value	2,136,691	3,066,000	4,518,027	3,466,246
All import sources	Value	2,298,672	3,233,535	4,811,728	3,669,283
China	Unit value	122	151	166	187
Thailand	Unit value	145	157	175	164
Vietnam	Unit value	138	141	156	144
Japan	Unit value	200	195	249	264
All other sources	Unit value	225	238	258	284
Nonsubject sources	Unit value	181	186	205	210
All import sources	Unit value	175	184	202	209

Source: Compiled from official Commerce statistics for HTS statistical reporting numbers 4011.20.1015 and 4011.20.5020, accessed March 1, 2024.

Note: Because of rounding, figure may not add to total shown.

Apparent U.S. consumption and market shares

Table I-7 presents data on U.S. producers' U.S. shipments, U.S. imports, apparent U.S. consumption, and market shares.

Table I-7
Truck and bus tires: Apparent U.S. consumption and market shares, by source and period

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

Source	Measure	2013	2014	2015	2022
U.S. producers	Quantity	11,649	12,174	12,098	12,208
China	Quantity	6,276	8,421	8,906	1,765
Nonsubject sources	Quantity	3,927	4,747	5,510	22,076
All import sources	Quantity	10,203	13,167	14,416	23,841
Apparent U.S. consumption	Quantity	21,852	25,341	26,514	36,049
U.S. producers	Value	3,789,942	3,810,053	3,603,484	4,179,032
China	Value	982,855	1,212,889	1,214,136	293,700
Nonsubject sources	Value	1,049,854	1,232,641	1,331,150	4,518,027
All import sources	Value	2,032,710	2,445,530	2,545,286	4,811,728
Apparent U.S. consumption	Value	5,822,652	6,255,583	6,148,770	8,990,760
U.S. producers	Share of quantity	53.3	48.0	45.6	33.9
China	Share of quantity	28.7	33.2	33.6	4.9
Nonsubject sources	Share of quantity	18.0	18.7	20.8	61.2
All import sources	Share of quantity	46.7	52.0	54.4	66.1
U.S. producers	Share of value	65.1	60.9	58.6	46.5
China	Share of value	16.9	19.4	19.7	3.3
Nonsubject sources	Share of value	18.0	19.7	21.6	50.3
All import sources	Share of value	34.9	39.1	41.4	53.5

Source: For the years 2013-15, data are compiled using data submitted in the Commission's original investigations. For the year 2022, U.S. producers' U.S. shipments are compiled from the aggregate U.S. industry data from the Commission's recent investigation of truck and bus tires from Thailand, which was contained in the domestic interested party's response to the Commission's notice of institution, and U.S. imports are compiled using official Commerce statistics under HTS statistical reporting numbers 4011.20.1015 and 4011.20.5020, accessed March 1, 2024.

Note: Share of quantity is the share of apparent U.S. consumption by quantity in percent; share of value is the share of apparent U.S. consumption by value in percent.

Note: For a discussion of data coverage, please see "U.S. producers" and "U.S. importers" sections.

The industry in China

Producers in China

During the final phase of the original investigations, the Commission received foreign producer/exporter questionnaires from 39 firms, which accounted for approximately 84.7 percent of truck and bus tires exports from China to the United States during 2015. According to estimates provided by 37 of the responding Chinese producers, their combined production accounted for approximately 77.8 percent of overall production of truck and bus tires in China in 2015.³¹

Although the Commission did not receive responses from any respondent interested parties in these five-year reviews, the domestic interested party provided a list of 270 possible producers of truck and bus tires in China.³²

Recent developments

Table I-8 presents events in the Chinese industry since the Commission's original investigations as indicated by new plants and expansions, project conversions, cancellations and closures. Available information are indicative of a more pronounced emergence of new project capacity and expansions in line with recovery from the onset of COVID in 2020.

Table I-8
Truck and bus tires: Developments in the Chinese industry

Item	Firm	Event
Plant opening	Hefei Wanli	2017—New \$325 million truck tire plant rated at 2 million tires annually, commenced production in 2017.
Acquisition	Doublestar	2018—Gains majority control of Hankook parent South Korean firm.
Plant opening	Linglong	2019—New \$875 million plant began operations. The Jingmen annual capacities are 20 million car, 2.4 million TBRs, and 0.6 million OTRs.
Closure	Bridgestone	2021—Planned to close Bridgestone (Huizhou) Tire Co., Ltd. (BSHZ) truck-bus tire plant by yearend 2021.

Table continued.

³¹ Original publication, p. I-4.

³² Domestic interested party's response to the notice of institution, February 1, 2024, exh. 1.

Table I-8 Continued
Truck and bus tires: Developments in the Chinese industry

Item	Firm	Event
Plant opening	Linglong	2021—Board approved new Tongchuan City, Shaanxi tire project June 2021; 12 million annual semi-steel car, 3 million all-steel truck, aviation and specialty tires. Planning and preliminary construction April 2022; multi-phase plant complete by 2028. Output targeted mostly for domestic use.
Plant opening	Linglong	2022—New \$700 million plant began operations. The Changchun annual capacity, phase one, is 1.2 million TBRs; ultimate capacities will be 2 million TBRs, 12 million car, and 0.2 million OTRs.
Plant opening	General Science	2022—A new \$472 million, 1.2 million annual truck-bus tire plant at Anqing, Anhui, was planned operational in late-2022 with car tires in a later expansion.
Plant opening	ZC Rubber	2022—ZC is feasibility planning to build a 6.5 million annual all-steel radial tire plant in Hangzhou, China, 2022.
Expansion	Double Coin	2023—Smart TBR project 2023; current plant output of 2.5 million TBRs annually.
Plant opening	Giti	2023—Giti broke ground at the new multimillion dollar Anhui site in September 2023. At full capacity circa 2026 reports indicate annual capacity for 20 million car tires and 2.6 million truck-bus tires. Chongqing plant closed.
Expansion	Hankook	2023—TBR 15 percent output at Chongqing to 1.04 million units annually.
Retrofit	Double Coin	2023—Conversion of 300k TBR Jiangsu plant to 80k OTRs.
Project cancellation	Guizhou	2023—\$310 million for TBR project late-2019 (3 million tires) cancelled; OTR plant project projected more favorable for financial performance.
Plant opening	Linglong	March 2023—Planned \$767 million Lu'an City Anhui Province, 14 million annual tire plant, 12 million PVLTS, 2 million TBRs; recycle; construction work start April, all phases complete 2029.
Closure	Sumitomo	2023—Phaseout of TBR production at Changshu plant complete by Q-2 2024; PVLT production to continue.
Closure	Bridgestone	2024—Planned closure of truck-tire plants Shenyang Tire Co. (BSSY) and China) Investment Co. Ltd. (BSCN) in favor of premium OE consumer tires.

Source: Hefei Wanli, <https://www.tirebusiness.com/article/20161025/NEWS/161029970/hefei-wanli-plant-starting-up-phase-i>, October 25, 2016. Doublestar, <https://www.tirereview.com/chinas-doublestar-takes-control-kumho-tire/>, March 5, 2018. Linglong, <https://www.tirebusiness.com/manufacturers/production-starts-linglongs-fourth-plant-china>, November 26, 2019. Bridgestone, <https://www.tyrepress.com/2021/12/bridgestone-closing-truck-tyre-plant-in-china/>, December 7, 2021. Linglong, <https://www.tyrepress.com/2021/06/linglong-investing-in-new-tongchuan-city-china-tyre-factory/>, June 10, 2021. Linglong, <https://www.tirebusiness.com/news/linglong-starts-tire-production-new-factory>,

January 10, 2022. General Science, <https://www.tirebusiness.com/news/chinas-igst-build-2nd-plant-china#>, July 6, 2021. ZC Rubber, <https://www.tyrepress.com/2022/04/6-5-million-all-steel-radials-a-year-assessment-for-zc-rubbers-proposed-factory>, April 22, 2022. Double Coin, <https://www.european-rubber-journal.com/article/2094231/double-coin-investing-in-smart-tbr-tire-factory-in-china>, September 27, 2023. Giti, <https://www.giti.com/news/details/u/giti-tire--next-gen-plant-with-groundbreaking-ceremony-in-anhui>, September 21, 2023. Hankook, <https://www.tirebusiness.com/expansion/hankook-expanding-tbr-capacity-china-plant>, August 17, 2023. Double Coin, <https://www.european-rubber-journal.com/article/2093796/double-coin-expanding-otr-tire-production-capacity>, July 24, 2023. Guizhou, <https://www.tirebusiness.com/expansion/guizhou-scraps-plan-tbr-tires-boosts-otr-plant-project>, January 16, 2023. Linglong, <https://www.rubbernews.com/expansion/shandong-linglong-relocates-planned-seventh-tire-facility>, March 6, 2023. Sumitomo, <https://www.rubbernews.com/tire/sumitomo-end-truck-bus-tire-operations-china>, August 23, 2022. Bridgestone, <https://www.rubbernews.com/news/bridgestone-exiting-truck-bus-tire-business-china>, February 27, 2024.

Exports

Table I-9 presents export data for GTA HS 4011.20, a category that includes new pneumatic truck and bus tires and out-of-scope products, from China by export destination in descending order by value for 2023. China's export levels during the years following the onset of COVID in 2020, reached a record \$8.0 billion in 2021 further increasing to \$10.1 billion in 2023. Leading export destinations in 2023 were Mexico, Russia, the United States, the United Arab Emirates, and Saudi Arabia, all of which experienced record levels in years following the onset of COVID except for the United States. Most other countries ranked in the top ten also showed significant increases, together with all other markets.

Table I-9
New pneumatic tires, of rubber, of a kind used on buses or trucks: Value of exports from China, by destination and period

Value in 1,000 dollars

Destination market	2016	2017	2018	2019
Mexico	274,185	314,658	338,411	336,845
Russia	117,181	154,767	151,899	173,508
United States	1,163,213	1,210,412	1,545,190	647,834
United Arab Emirates	267,063	234,582	249,471	350,482
Saudi Arabia	215,562	237,766	248,125	317,894
Malaysia	76,204	75,692	98,444	145,519
Iraq	83,519	100,719	124,607	169,716
Australia	215,275	250,157	257,834	243,557
Indonesia	129,107	107,585	140,227	126,613
Nigeria	111,423	192,235	175,412	207,673
All other markets	4,016,374	4,513,685	4,478,473	4,630,396
All markets	6,669,106	7,392,257	7,808,093	7,350,036

Table continued.

Table I-9 Continued

New pneumatic tires, of rubber, of a kind used on buses or trucks: Value of exports from China, by destination and period

Value in 1,000 dollars

Destination market	2020	2021	2022	2023
Mexico	339,999	466,282	564,424	728,734
Russia	162,333	231,264	429,466	461,284
United States	496,204	625,544	675,671	447,027
United Arab Emirates	226,206	323,588	353,837	438,526
Saudi Arabia	314,222	292,744	378,989	438,250
Malaysia	151,034	205,441	238,052	320,043
Iraq	167,781	175,800	269,509	315,197
Australia	243,517	301,779	316,762	303,176
Indonesia	111,023	175,336	241,883	269,002
Nigeria	203,339	229,244	211,027	259,707
All other markets	4,183,196	4,984,946	5,511,596	6,107,121
All markets	6,598,855	8,011,968	9,191,215	10,088,067

Source: Official exports statistics under HS subheading 4011.20 as reported by various national statistical authorities in the Global Trade Atlas Suite database, accessed February 29, 2024.

Note: Because of rounding, figures may not add to totals shown.

Third-country trade actions

Several active third-country trade actions on China were reported during the original investigation including Brazil, Colombia, Egypt, the Eurasian Economic Commission (EEC), India and Turkey. To date, there have been additional active third country trade actions on China by the EC/EU and UK, by South Africa, and there has been a continuation of the Egyptian and EEC actions. A recent three-year extension review on India originating from an antidumping investigation in 2017, however, was terminated,^{33 34} and the former Brazilian actions have been amended.³⁵

³³ Ministry of Finance, https://www.dgtr.gov.in/sites/default/files/SSR_Pneumatic%20Tyre_OM%20to%20DGTR.pdf, retrieved December 15, 2022.

³⁴ Tire Business, <https://www.tirebusiness.com/article/20170921/NEWS/170929988/india-sets-import-duties-on-china-truck-tires>, retrieved September 21, 2017.

³⁵ DatamarNews, <https://www.datamarnews.com/noticias/brazilian-govt-announces-return-of-16-tariff-on-tire-and-resin-imports/>, retrieved March 21, 2023.

European Commission (EC) trade action duty rates in euros per tire imposed on new or retreaded Chinese truck and bus tires in May 2018, were subsequently revised retroactively on remand in April 2023. From November 2018 forward, Chinese AD and CVD duties overall were lower, with AD duties by company ranging from 0.0 to €35.74 per tire, and CVD duties ranging from €3.75 to €57.28 per tire.³⁶ The scope includes pneumatic rubber tires, new or retreaded, with a load index exceeding 121 (1,450 pounds). The UK Trade Remedies Authority (TRA) is responsible for EC/EU trade transitioning activities since Brexit in January 2020, actively continuing duties and conducting reviews.³⁷

On March 3, 2021, Egypt imposed a definitive antidumping duty on imports of tires for buses and trucks from China and Thailand. The rate of duty on imports from China range from 9.8 percent to 36.9 percent depending on the company. Duties on Thailand range from 7.5 percent to 31.2 percent depending on the company.³⁸

In June 2021 and May 2023, the EEC Eurasian Commission continued its definitive antidumping trade actions on truck tires from China.³⁹

In January 2022, the South African Custom Union (SACU) initiated an antidumping investigation on imports of new pneumatic tires of motor cars, buses and trucks from China.⁴⁰ In July 2023, definitive duties ranging from 7.18 percent to 43.6 percent were imposed on several truck and bus tire rim diameter sizes, load index up to 131 (1,950 pounds) or above.⁴¹

The global market

Several commercial tire plants have opened or were under construction in nonsubject countries during the 2016-23 period, including Cambodia, Indonesia, Malaysia, Pakistan, Serbia, Thailand and Vietnam, all countries in which Chinese firms have interests.⁴² For example,

³⁶ Official Journal of the European Union, “Implementing Regulation (EU) 2023/737 of 4 April 2023,” April 5, 2023, p. L 96/39 (CVDs); pp. L 96/41-42 (ADs), <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32023R0737>, retrieved January 31, 2024.

³⁷ TRA, <https://www.gov.uk/government/organisations/trade-remedies-authority>, retrieved March 2024.

³⁸ Global Trade Alert, <https://www.globaltradealert.org/intervention/78518/anti-dumping/egypt-definitive-anti-dumping-duties-on-imports-of>, retrieved November 14, 2023.

³⁹ Global Trade Alert, <https://www.globaltradealert.org/state-act/9968/eurasian-economic-union-extension-of-definitive-antidumping-duty-on-imports-of-truck-tyres-from-china>, retrieved March 1, 2024.

⁴⁰ https://www.gov.za/sites/default/files/gcis_document/202203/45851gen795.pdf

⁴¹ Government Gazette No. 49043, July 28, 2023, [Notice R.3735](#).

⁴² YiCai, <https://www.yicai.com/news/chinese-tire-makers-choose-southeast-asia-as-location-for-their-overseas-plants>, retrieved March 6, 2024.

Chanyang, Double Coin, Double Star, General Science, Jinyu, Linglong, Prinx, and Zhongce (GC) have operations in one or more of these nonsubject countries.⁴³

Global events ranging from the worldwide impact of COVID-19 pandemic beginning in 2000, to the outbreak of war between Russia and the Ukraine in February 2022, resulted in a disruption of global commodity supply and demand fundamentals, including all tires and associated raw materials trade flows. Recessionary industrial curtailments and associated residential lockdowns during the pandemic in 2020, together resulted in tire supply shortfalls and supply chain disruptions, followed in subsequent years by spiraling upward demand and inflated prices.⁴⁴

Table I-10 presents global export data for GTA HS 4011.20, a category that includes truck and bus tires and out-of-scope products by source, in descending order by value, for 2023. China continued as the leading source of exports throughout the 2016-23 period, reaching record levels of \$8.0 billion in 2021 to \$10.1 billion in 2023 during the years following the onset of COVID. Thailand, the United States, and Germany ranked as the next leading exporters. Total global exports reached record levels of \$26.6 billion in 2021, \$29.2 billion in 2022, and \$27.2 billion in 2023.

Table I-10
New pneumatic tires, of rubber, of a kind used on buses or trucks: Value of global exports by country and period

Value in 1,000 dollars

Exporting country	2016	2017	2018	2019
China	6,669,106	7,392,257	7,808,093	7,350,036
Thailand	993,050	1,328,026	1,618,335	1,984,221
United States	1,651,033	1,705,646	1,861,870	1,740,424
Germany	1,028,923	1,150,363	1,193,124	1,070,491
Slovakia	1,042,257	1,001,082	978,809	916,903
Japan	995,012	1,051,046	1,008,647	1,058,639
Canada	1,005,469	924,093	783,650	802,432
Spain	668,898	739,943	848,037	766,073
Turkey	466,030	478,267	567,834	672,652
South Korea	1,003,078	984,911	975,295	869,620
All other exporters	5,679,896	6,170,843	6,696,526	6,801,105
All exporters	21,202,753	22,926,478	24,340,220	24,032,598

Table continued.

⁴³ Rubber News, "World Tire Production Facilities," September 4, 2023.

⁴⁴ White House, "The U.S Economy and the Global Pandemic," <https://www.whitehouse.gov/wp-content/uploads/2022/04/Chapter-3-new.pdf>, retrieved December 2022.

Table I-10 Continued**New pneumatic tires, of rubber, of a kind used on buses or trucks: Value of global exports by country and period**

Value in 1,000 dollars

Exporting country	2020	2021	2022	2023
China	6,598,855	8,011,968	9,191,215	10,088,067
Thailand	1,985,470	2,580,670	3,013,148	2,931,314
United States	1,378,064	1,708,818	1,862,361	1,915,470
Germany	1,030,454	1,226,522	1,271,887	1,284,162
Slovakia	823,849	1,011,870	1,023,352	1,143,708
Japan	824,547	1,059,084	1,254,770	1,134,295
Canada	740,766	916,179	920,945	999,960
Spain	679,999	822,489	862,299	987,156
Turkey	543,996	726,860	817,888	785,732
South Korea	807,392	815,802	926,615	778,569
All other exporters	6,119,417	7,706,308	8,101,716	5,121,836
All exporters	21,532,809	26,586,571	29,246,196	27,170,268

Source: Global Trade Information Services, Inc., Global Trade Atlas, HS subheadings 4011.20.

Note: Because of rounding, figures may not add to total shown.

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
89 FR 66 January 2, 2024	<i>Initiation of Five-Year (Sunset) Reviews</i>	https://www.govinfo.gov/content/pkg/FR-2024-01-02/pdf/2023-28822.pdf
89 FR 93 January 2, 2024	<i>Truck and Bus Tires from China; Institution of Five-Year Reviews</i>	https://www.govinfo.gov/content/pkg/FR-2024-01-02/pdf/2023-28554.pdf

APPENDIX B
COMPANY-SPECIFIC DATA

* * * * *

APPENDIX C

SUMMARY DATA COMPILED IN PRIOR PROCEEDINGS

Table C-1

Truck and bus tires: Summary data concerning the U.S. market, 2013-15, January to September 2015, and January to September 2016

(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			January to September		Calendar year			Jan-Sept
	2013	2014	2015	2015	2016	2013-15	2013-14	2014-15	2015-16
U.S. consumption quantity:									
Amount.....	21,852	25,341	26,514	19,779	***	21.3	16.0	4.6	***
Producers' share (fn1).....	53.3	48.0	45.6	45.4	***	(7.7)	(5.3)	(2.4)	***
Importers' share (fn1):									
China.....	28.7	33.2	33.6	33.9	***	4.9	4.5	0.4	***
All others sources.....	18.0	18.7	20.8	20.7	***	2.8	0.8	2.1	***
Total imports.....	46.7	52.0	54.4	54.6	***	7.7	5.3	2.4	***
U.S. consumption value:									
Amount.....	5,822,652	6,255,583	6,148,770	4,612,056	***	5.6	7.4	(1.7)	***
Producers' share (fn1).....	65.1	60.9	58.6	58.0	***	(6.5)	(4.2)	(2.3)	***
Importers' share (fn1):									
China.....	16.9	19.4	19.7	20.1	***	2.9	2.5	0.4	***
All others sources.....	18.0	19.7	21.6	21.9	***	3.6	1.7	1.9	***
Total imports.....	34.9	39.1	41.4	42.0	***	6.5	4.2	2.3	***
U.S. imports from:									
China:									
Quantity.....	6,276	8,421	8,906	6,701	6,362	41.9	34.2	5.8	(5.0)
Value.....	982,855	1,212,889	1,214,136	928,053	756,865	23.5	23.4	0.1	(18.4)
Unit value.....	\$157	\$144	\$136	\$139	\$119	(12.9)	(8.0)	(5.4)	(14.1)
Ending inventory quantity.....	***	***	***	***	***	***	***	***	***
All other source:									
Quantity.....	3,927	4,747	5,510	4,094	***	40.3	20.9	16.1	***
Value.....	1,049,854	1,232,641	1,331,150	1,008,500	***	26.8	17.4	8.0	***
Unit value.....	\$267	\$260	\$242	\$246	***	(9.6)	(2.9)	(7.0)	***
Ending inventory quantity.....	***	***	***	***	***	***	***	***	***
Total imports:									
Quantity.....	10,203	13,167	14,416	10,794	***	41.3	29.0	9.5	***
Value.....	2,032,710	2,445,530	2,545,286	1,936,553	***	25.2	20.3	4.1	***
Unit value.....	\$199	\$186	\$177	\$179	***	(11.4)	(6.8)	(4.9)	***
Ending inventory quantity.....	***	***	***	***	***	***	***	***	***
U.S. producers:									
Average capacity quantity.....	***	***	***	***	***	***	***	***	***
Production quantity.....	***	***	***	***	***	***	***	***	***
Capacity utilization (fn1).....	***	***	***	***	***	***	***	***	***
U.S. shipments:									
Quantity.....	11,649	12,174	12,098	8,985	9,292	3.9	4.5	(0.6)	3.4
Value.....	3,789,942	3,810,053	3,603,484	2,675,503	2,372,805	(4.9)	0.5	(5.4)	(11.3)
Unit value.....	\$325	\$313	\$298	\$298	\$255	(8.4)	(3.8)	(4.8)	(14.2)
Export shipments:									
Quantity.....	1,883	2,006	2,038	1,602	1,313	8.2	6.5	1.6	(18.0)
Value.....	616,481	611,005	563,762	457,384	347,726	(8.6)	(0.9)	(7.7)	(24.0)
Unit value.....	\$327	\$305	\$277	\$286	\$265	(15.5)	(7.0)	(9.2)	(7.2)
Ending inventory quantity.....	2,275	2,296	2,892	2,915	2,870	27.1	0.9	26.0	(1.5)
Inventories/total shipments (fn1).....	16.8	16.2	20.5	20.7	20.3	3.6	(0.6)	4.3	(0.4)
Production workers.....	6,292	6,402	6,629	6,594	6,643	5.4	1.7	3.5	0.7
Hours worked (1,000s).....	13,793	14,050	14,307	10,747	11,014	3.7	1.9	1.8	2.5
Wages paid (\$1,000).....	326,646	335,621	363,085	273,267	266,930	11.2	2.7	8.2	(2.3)
Hourly wages (dollars).....	\$23.68	\$23.89	\$25.38	\$25.43	\$24.24	7.2	0.9	6.2	(4.7)
Productivity (tires per 1,000 hour).....	1,012	1,034	1,035	1,043	951	2.3	2.2	0.1	(8.8)
Unit labor costs.....	\$23.40	\$23.10	\$24.52	\$24.39	\$25.49	4.8	(1.3)	6.1	4.5
Financial experience not including lease operations:									
Net sales:									
Quantity.....	13,393	14,035	13,997	10,481	10,504	4.5	4.8	(0.3)	0.2
Value.....	4,300,839	4,315,146	4,062,309	3,055,110	2,660,473	(5.5)	0.3	(5.9)	(12.9)
Unit value.....	\$321.12	\$307.45	\$290.23	\$291.48	\$253.28	(9.6)	(4.3)	(5.6)	(13.1)
Cost of goods sold (COGS).....	3,109,619	3,036,059	2,704,783	2,012,998	1,831,268	(13.0)	(2.4)	(10.9)	(9.0)
Gross profit or (loss).....	1,191,220	1,279,087	1,357,526	1,042,112	829,205	14.0	7.4	6.1	(20.4)
SG&A expenses.....	525,294	541,063	574,334	433,182	394,590	9.3	3.0	6.1	(8.9)
Operating income.....	665,926	738,024	783,192	608,930	434,615	17.6	10.8	6.1	(28.6)
Net income.....	585,814	***	691,948	539,614	372,293	18.1	***	***	(31.0)
Capital expenditures.....	148,802	309,864	310,297	226,938	119,389	108.5	108.2	0.1	(47.4)
Unit COGS.....	\$232	\$216	\$193	\$192	\$174	(16.8)	(6.8)	(10.7)	(9.2)
Unit SG&A expenses.....	\$39	\$39	\$41	\$41	\$38	4.6	(1.7)	6.4	(9.1)
Unit operating income.....	\$50	\$53	\$56	\$58	\$41	12.5	5.8	6.4	(28.8)
Unit net income.....	43.7	***	49.4	51.5	35.4	13.0	***	***	(31.2)
COGS/sales (fn1).....	72.3	70.4	66.6	65.9	68.8	(5.7)	(1.9)	(3.8)	2.9
Operating income/sales (fn1).....	15.5	17.1	19.3	19.9	16.3	3.8	1.6	2.2	(3.6)
Net income/sales (fn1).....	13.6	***	17.0	17.7	14.0	3.4	***	***	(3.7)
Financial experience including lease operations:									
Net sales:									
Quantity.....	13,681	14,337	14,308	10,712	10,713	4.6	4.8	(0.2)	0.0
Value.....	4,449,360	4,467,054	4,217,223	3,170,627	2,774,110	(5.2)	0.4	(5.6)	(12.5)
Unit value.....	\$325	\$312	\$295	\$296	\$259	(9.4)	(4.2)	(5.4)	(12.5)
Operating costs.....	3,769,182	3,708,335	3,408,446	2,543,792	2,313,761	(9.6)	(1.6)	(8.1)	(9.0)
Operating income.....	680,178	758,719	808,777	626,835	460,349	18.9	11.5	6.6	(26.6)
Unit operating costs.....	\$276	\$259	\$238	\$237	\$216	(13.5)	(6.1)	(7.9)	(9.0)
Unit operating income.....	\$50	\$53	\$57	\$59	\$43	13.7	6.4	6.8	(26.6)
Operating costs/sales (fn1).....	84.7	83.0	80.8	80.2	83.4	(3.9)	(1.7)	(2.2)	3.2
Operating income/sales (fn1).....	15.3	17.0	19.2	19.8	16.6	3.9	1.7	2.2	(3.2)

Notes:

fn1.--Reported data are in percent and period changes are in percentage points.

fn2.--Undefined.

APPENDIX D

PURCHASER QUESTIONNAIRE RESPONSES

As part of their response to the notice of institution, interested parties were asked to provide a list of three to five leading purchasers in the U.S. market for the domestic like product. A response was received from the domestic interested party and it provided contact information for the following five firms as top purchasers of truck and bus tires: ***. Purchaser questionnaires were sent to these five firms and one firm *** provided a response, presented below.

1. Have there been any significant changes in the supply and demand conditions for truck and bus tires that have occurred in the United States or in the market for truck and bus tires in China since January 1, 2019?

Purchaser	Yes / No	Changes that have occurred
***	***	***

2. Do you anticipate any significant changes in the supply and demand conditions for truck and bus tires in the United States or in the market for truck and bus tires in China within a reasonably foreseeable time?

Purchaser	Yes / No	Anticipated changes
***	***	***

