

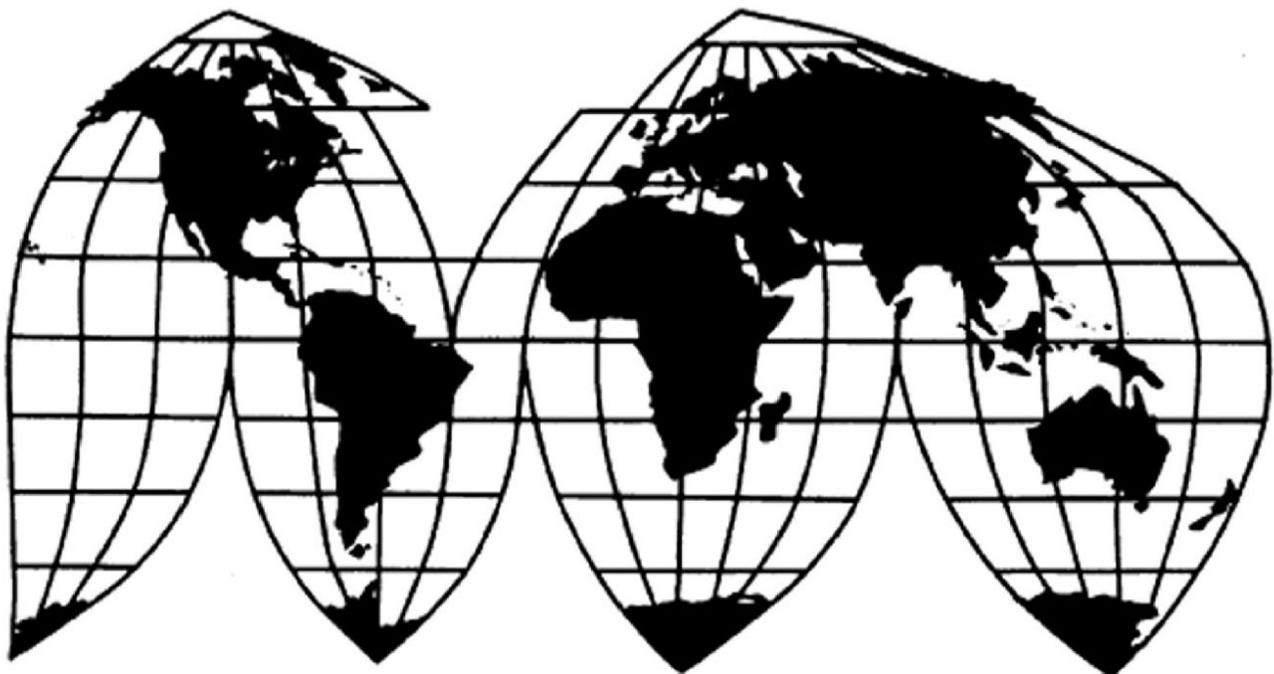
Steel Wheels from China

Investigation Nos. 701-TA-602 and 731-TA-1412 (Review)

Publication 5557

October 2024

U.S. International Trade Commission



Washington, DC 20436

U.S. International Trade Commission

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CONTENTS

	Page
Determinations	1
Views of the Commission.....	3
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-2
The original investigations	I-2
Previous and related investigations.....	I-3
Commerce’s five-year reviews.....	I-3
The product.....	I-4
Commerce’s scope.....	I-4
U.S. tariff treatment.....	I-6
Description and uses.....	I-7
Manufacturing process	I-10
The industry in the United States	I-11
U.S. producers.....	I-11
Recent developments	I-11
U.S. producers’ trade and financial data	I-12
Definitions of the domestic like product and domestic industry	I-13
U.S. importers	I-13
U.S. imports.....	I-14
Apparent U.S. consumption and market shares.....	I-15
The industry in China	I-16
Producers in China	I-16
Recent developments	I-16
Exports	I-17
Third-country trade actions	I-18
The global market	I-18

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Note: Information that would reveal confidential operations of individual concerns may not be published.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-602 and 731-TA-1412 (Review)

Steel Wheels 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 countervailing and antidumping duty orders on steel wheels 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.

BACKGROUND

The Commission instituted these reviews on April 1, 2024 (89 FR 22451), and determined on July 5, 2024, that it would conduct expedited reviews (89 FR 67102, August 19, 2024).

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

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 steel wheels¹ 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.

I. Background

The Original Investigations. On March 27, 2018, Accuride Corporation (“Accuride”) and Maxion Wheels Akron LLC (“Maxion”), domestic producers of steel wheels, filed antidumping and countervailing duty petitions with the Department of Commerce (“Commerce”) and the Commission on imports of steel wheels from China.² On March 28, 2019, Commerce determined that imports of steel wheels from China were being sold at less than fair value (“LTFV”) and subsidized by the government of China.³ On May 23, 2019, the Commission found that an industry in the United States was materially injured by reason of imports from China

¹ In these reviews, steel wheels refers to steel wheels corresponding to the Department of Commerce’s (“Commerce”) scope in its orders regarding certain steel wheels. *Certain Steel Wheels From the People’s Republic of China: Final Results of the Expedited First Sunset Review of the Countervailing Duty Order*, 89 Fed. Reg. 65319 (Aug. 9, 2024); *Certain Steel Wheels From the People’s Republic of China: Final Results of Expedited Sunset Review of the Antidumping Duty Order*, 89 Fed. Reg. 65314 (Aug. 9, 2024).

² Confidential Report, Memorandum INV-WW-070 (June 24, 2024), as revised by Memorandum INV-WW-125 (Oct. 7, 2024), (“CR”); Public Report, *Steel Wheels from China*, Inv. Nos. 701-TA-602 and 731-TA-1412 (Review), USITC Pub. 5557 (Oct. 2024) (“PR”) at I-2.

³ CR/PR at I-2-I-3; *Certain Steel Wheels From the People’s Republic of China: Final Affirmative Countervailing Duty Determination*, 84 Fed. Reg. 11744 (Mar. 28, 2019); *Certain Steel Wheels From the People’s Republic of China: Final Determination of Sales at Less-Than-Fair-Value*, 84 Fed. Reg. 11746 (Mar. 28, 2019).

that were sold at LTFV and subsidized by the government of China.⁴ On May 24, 2019, Commerce issued antidumping and countervailing duty orders on steel wheels from China.⁵

The Current Reviews. On April 1, 2024, the Commission instituted these first five-year reviews of the antidumping and countervailing duty orders on steel wheels from China.⁶ On May 1, 2024, domestic interested party Accuride, a domestic producer of steel wheels, filed a response to the notice of institution.⁷ No respondent interested party responded to the notice of institution or otherwise participated in these reviews. On July 5, 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.⁸ Finding no other circumstances that would warrant conducting full reviews, the Commission determined that it would conduct expedited reviews pursuant to section 751(c)(3) of the Tariff Act.⁹ The domestic interested party (Accuride) filed comments with the Commission pursuant to 19 C.F.R. § 207.61(d) arguing that the Commission should reach affirmative determinations.¹⁰

U.S. industry data in these reviews are based on information supplied by Accuride in its response to the notice of institution, in which it estimated to have accounted for 100 percent of

⁴ CR/PR at I-3; *Steel Wheels from China*, Inv. Nos. 701-TA-602 and 731-TA-1412 (Final), USITC Pub. 4892 (May 2019) (“Original Determinations”).

⁵ CR/PR at I-3; *Certain Steel Wheels From the People’s Republic of China: Antidumping and Countervailing Duty Orders*, 84 Fed. Reg. 24098 (May 24, 2019).

⁶ CR/PR at I-1; *Steel Wheels From China; Institution of Five-Year Reviews*, 89 Fed. Reg. 22451 (Apr. 1, 2024).

⁷ Accuride’s Response to Notice of Institution of the Five-Year Review, EDIS Doc. 820117 (May 1, 2024) (“Domestic Interested Party’s Response”). Although Maxion joined Accuride’s response, Maxion ceased production of steel wheels partway through the period of review. *Id.* at 1-2, I-11; CR/PR at I-2 n.5.

⁸ Explanation of Commission Determination on Adequacy, EDIS Doc. 834683 (Oct. 15, 2024).

⁹ Explanation of Commission Determination on Adequacy.

¹⁰ Accuride’s Final Comments, EDIS Doc. 834016 (Oct. 3, 2024) (“Domestic Interested Party Final Comments”).

domestic production of steel wheels in 2023.¹¹ U.S. import data and related information are based on information supplied by Accuride in its response to the notice of institution and information from the original investigations.¹² Foreign industry data are based on information from the original investigations, information submitted by the Accuride in these expedited reviews, and publicly available information compiled by the Commission.¹³ Additionally, two firms, ***, identified by Accuride as top U.S. purchasers of steel wheels, 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

¹¹ CR/PR at I-2, I-11, App. B.

¹² The limited record in these expedited reviews does not contain data regarding the volume of subject imports since the imposition of the orders. *See* CR/PR at Tables I-6, I-7. Accuride submitted official import statistics for the value of imports from China under Harmonized Tariff Schedule (“HTS”) reporting number 8716.90.5047, covering in-scope steels wheels from 22.5 to 24.5 inches, for the 2020-2023 period and January-February 2023 and 2024. *See* Domestic Interested Party’s Response at 15, Exhibit 10. Accuride indicated that, since the imposition of the orders in 2019, the HTS reporting number wheels for trailers, 8716.90.5045 (which covered trailer wheels of all types other than the 12 to 16.5 inch steel trailer wheels that are currently subject to other antidumping and countervailing duty orders on China), has been replaced by three new categories, including HTS 8716.90.5047 for steels wheels from 22.5 to 24.5 inches (57 to 63 cm). According to Accuride, HTS reporting number 8716.90.5047 is now specific to subject imports. *Id.* Apart from this HTS reporting number, the other relevant HTS subheadings appear to contain substantial quantities of out-of-scope merchandise and are therefore overstated relative to the import volumes from questionnaire responses in the original investigations. Because the aggregate data for all relevant HTS categories, *see* CR/PR at Tables I-6, I-7, appear to substantially overstate subject imports, we primarily rely on other available information, including the information submitted by Accuride.

¹³ *See* CR/PR at I-17-I-18, Table I-8.

¹⁴ CR/PR at D-3.

¹⁵ 19 U.S.C. § 1677(4)(A).

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 certain on the road steel wheels, discs, and rims for tubeless tires, with a nominal rim diameter of 22.5 inches and 24.5 inches, regardless of width. Certain on-the-road steel wheels with a nominal wheel diameter of 22.5 inches and 24.5 inches are generally for Class 6, 7, and 8 commercial vehicles (as classified by the Federal Highway Administration Gross Vehicle Weight Rating system), including tractors, semi-trailers, dump trucks, garbage trucks, concrete mixers, and buses, and are the current standard wheel diameters for such applications. The standard widths of certain on-the-road steel wheels are 7.5 inches, 8.25 inches, and 9.0 inches, but all certain on-the-road steel wheels, regardless of width, are covered by the scope. While 22.5 inches and 24.5 inches are standard wheel sizes used by Class 6, 7, and 8 commercial vehicles, the scope covers sizes that may be adopted in the future for Class 6, 7, and 8 commercial vehicles.

The scope includes certain on-the-road steel wheels with either a “hub-piloted” or “stud- piloted” mounting configuration, and includes rims and discs for such wheels, whether imported as an assembly or separately. The scope includes certain on the road steel wheels, discs, and rims of carbon and/or alloy steel composition, whether clad or not clad, whether finished or

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).

not finished, and whether coated or uncoated. All on-the-road wheels sold in the United States are subject to the requirements of the National Highway Traffic Safety Administration and bear markings, such as the “DOT” symbol, indicating compliance with applicable motor vehicle standards. See 49 CFR 571.120. The scope includes certain on-the-road steel wheels imported with or without the required markings. Certain on-the-road steel wheels imported as an assembly with a tire mounted on the wheel and/or with a valve stem attached are included. However, if the certain on-the-road steel wheel is imported as an assembly with a tire mounted on the wheel and/or with a valve stem attached, the certain on-the-road steel wheel is covered by the scope, but the tire and/or valve stem is not covered by the scope.

The scope includes rims and discs that have been further processed in a third country, including, but not limited to, the welding and painting of rims and discs from China to form a steel wheel, or any other processing that would not otherwise remove the merchandise from the scope of the proceeding if performed in China. Excluded from the scope are:

- (1) Steel wheels for tube-type tires that require a removable side ring;
- (2) Aluminum wheels;
- (3) Wheels where steel represents less than fifty percent of the product by weight; and
- (4) Steel wheels that do not meet National Highway Traffic Safety Administration requirements, other than the rim marking requirements found in 49 CFR 571.120S5.2.

Imports of the subject merchandise are currently classified under the following Harmonized Tariff Schedule of the United States (HTSUS) subheadings: 8708.70.4530, 8708.70.4560, 8708.70.6030, 8708.70.6060, and 8716.90.5059. Merchandise meeting the scope description may also enter under the following HTSUS subheadings: 4011.20.1015, 4011.20.5020, and 8708.99.4850. While HTSUS subheadings are provided for convenience and customs purposes, the written description of the scope of the Order is dispositive.¹⁸

¹⁸ *Certain Steel Wheels From the People's Republic of China: Final Results of the Expedited First Sunset Review of the Countervailing Duty Order*, 89 Fed. Reg. 65319 (Aug. 9, 2024) and accompanying Issues and Decision Memorandum at 2-3, Case No. C-570-083, EDIS Doc. 833332 (Aug. 5, 2024); *Certain Steel Wheels From the People's Republic of China: Final Results of Expedited Sunset Review of the*

Commerce's scope of investigation covers certain on-the-road steel wheels, rims, and discs for tubeless tires, with a nominal rim diameter of 22.5 inches and 24.5 inches, regardless of width.¹⁹ Such steel wheels are generally used for class 6, 7, and 8 commercial vehicles (as classified by the Federal Highway Administration Gross Vehicle Weight Rating system), which includes tractors, semi-trailers, dump trucks, garbage trucks, concrete mixers, and buses.²⁰ The rim of a steel wheel is the circular channel into which a tire is mounted on the wheel.²¹ The disc is the central portion of the wheel which connects the wheel to the vehicle's axle.²² The scope excludes steel wheels for tube-type tires that require a removable side ring; wheels that do not meet National Highway Traffic Safety Administration requirements; and aluminum wheels.²³

In the original investigations, the Commission defined a single domestic like product consisting of all steel wheels coextensive with the scope of investigation.²⁴ The Commission found that all steel wheels shared the same physical characteristics and uses and could be used interchangeably if produced to the same size.²⁵ It also found that in-scope steel wheels were all produced through a similar production process and sold through similar channels of distribution, and that they were distinct from out-of-scope products.²⁶

Current Reviews. In these first five-year reviews, the record does not contain any new information suggesting that the pertinent product characteristics and uses of steel wheels have

Antidumping Duty Order, 89 Fed. Reg. 65314 (Aug. 9, 2024) and accompanying Issues and Decision Memorandum at 2-3, Case No. A-570-082, EDIS Doc. 833332 (Aug. 5, 2024); *see also* CR/PR at I-4-I-5.

¹⁹ CR/PR at I-6.

²⁰ CR/PR at I-6.

²¹ CR/PR at I-6.

²² CR/PR at I-6.

²³ CR/PR at I-9.

²⁴ Original Determinations, USITC Pub. 4892 at 8.

²⁵ Original Determinations, USITC Pub. 4892 at 8.

²⁶ Original Determinations, USITC Pub. 4892 at 8.

changed since the original investigations.²⁷ Accuride argues that the Commission should adopt the domestic like product definition from the original investigations.²⁸ Accordingly, we define the domestic like product as consisting of all steel wheels coextensive with the 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 of a domestic like product constitutes a major proportion of the total domestic production of the product.”²⁹ 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.

These reviews raise the issue of whether appropriate circumstances exist to exclude a domestic producer from the domestic industry pursuant to section 771(4)(B) of the Tariff Act.³⁰ This provision allows the Commission, if appropriate circumstances exist, to exclude from the domestic industry producers that are related to an exporter or importer of subject merchandise or which are themselves importers.³¹ Exclusion of such a producer is within the Commission’s discretion based upon the facts presented in each investigation.³²

²⁷ See CR/PR at I-7-I-10.

²⁸ Domestic Interested Party’s Response at 28.

²⁹ 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.

³⁰ See 19 U.S.C. § 1677(4)(B).

³¹ See *Torrington Co v. United States*, 790 F. Supp. 1161, 1168 (Ct. Int’l Trade 1992), *aff’d without opinion*, 991 F.2d 809 (Fed. Cir. 1993); *Sandvik AB v. United States*, 721 F. Supp. 1322, 1331-32 (Ct. Int’l Trade 1989), *aff’d mem.*, 904 F.2d 46 (Fed. Cir. 1990); *Empire Plow Co. v. United States*, 675 F. Supp. 1348, 1352 (Ct. Int’l Trade 1987).

³² The primary factors the Commission has examined in deciding whether appropriate circumstances exist to exclude a related party include the following:

The Original Investigations. The Commission defined the domestic industry as consisting of all domestic producers of steel wheels.³³ It considered whether appropriate circumstances existed to exclude U.S. producers Accuride and Maxion from the domestic industry as related parties, but determined that appropriate circumstances did not exist to exclude either producer.³⁴

The Current Reviews. Accuride argues that the Commission should adopt the domestic industry definition from the original investigations.³⁵

Both Accuride and Maxion may qualify as related parties in these reviews. Accuride may qualify as a related party because it is affiliated with a producer of steel wheels in China,

-
- (1) the percentage of domestic production attributable to the importing producer;
 - (2) the reason the U.S. producer has decided to import the product subject to investigation (whether the firm benefits from the LTFV sales or subsidies or whether the firm must import in order to enable it to continue production and compete in the U.S. market);
 - (3) whether inclusion or exclusion of the related party will skew the data for the rest of the industry;
 - (4) the ratio of import shipments to U.S. production for the imported product; and
 - (5) whether the primary interest of the importing producer lies in domestic production or importation. *Changzhou Trina Solar Energy Co. v. USITC*, 100 F. Supp.3d 1314, 1326-31(Ct. Int'l. Trade 2015); *see also Torrington Co. v. United States*, 790 F. Supp. at 1168.

³³ Original Determinations, USITC Pub. 4892 at 10.

³⁴ Original Determinations, USITC Pub. 4892 at 9-10. The Commission found that Accuride qualified as a related party because it acquired one Chinese producer/importer and one importer of subject merchandise during the POI, and also imported steel wheels from China during the period of investigation ("POI"). *Id.* at 9-10. It found that appropriate circumstances did not exist to exclude Accuride because it was the largest domestic producer and a petitioner, its ratio of subject imports relative to its domestic production was low, and there was no indication that its domestic operations significantly benefited from its importation of subject merchandise or its affiliations. *Id.*

The Commission found that Maxion qualified as a related party because it was related to a Chinese producer and to an importer of subject merchandise, and also imported subject merchandise during the POI. *Id.* at 10. It found that appropriate circumstances did not exist to exclude Maxion because it was a large domestic producer and one of the petitioners, its ratio of subject imports relative to its domestic production was low, and its performance did not suggest that its domestic operations significantly benefited from its importation of subject merchandise or its affiliations. *Id.* at 10.

³⁵ Domestic Interested Party's Response at 28.

Accuride Wheels (Shandong) Co. Ltd. (“Accuride Shandong”).³⁶ The information available indicates that ***.³⁷ However, there is no information on the record indicating that Accuride’s affiliation with Accuride Shandong created a control relationship between the two, as would be necessary for Accuride to qualify as a related party.^{38 39}

Maxion may also qualify as a related party because it is affiliated with Maxion Nantong Wheels Co. Ltd. (“Maxion Nantong”), a Chinese producer of steel wheels, through a parent company.⁴⁰ However, there is no information on the record indicating that Maxion Nantong exported steel wheels to the United States, or that its affiliation with Maxion created a control relationship between the two, as would be necessary for Maxion to qualify as a related party.⁴¹ Additionally, having ceased domestic production in 2020, Maxion ***.^{42 43}

³⁶ Domestic Interested Party’s Response at 27.

³⁷ Domestic Interested Party’s Response at 27.

³⁸ 19 U.S.C. § 1677(4)(B).

³⁹ Chair Karpel and Commissioner Kearns find that, even if Accuride were to qualify as a related party, they would find that appropriate circumstances do not exist for its exclusion because Accuride is the sole remaining U.S. producer of steel wheels. Domestic Interested Party Response at 27; CR/PR at Table I-11. There is also no indication that Accuride’s affiliation with Accuride Shandong had the effect of shielding it from the effects of subject imports and Accuride did not import subject wheels from China during the period of review (“POR”). Domestic Interested Party’s Response at 27, Exh. 1. They also note that there is no information on the record indicating that the inclusion of Accuride in the definition of the domestic industry would skew the domestic producers’ data for its production operations. As noted, in 2023 Accuride accounted for 100 percent of domestic production. See CR/PR at Table I-2.

⁴⁰ Domestic Interested Party’s Response at 27. Although Maxion ceased production of steel wheels in 2020, partway through the POR, it did produce steel wheels during the POR and ***. Domestic Interested Party’s Response at 11.

⁴¹ 19 U.S.C. § 1677(4)(B).

⁴² Domestic Interested Party Response at Exh. 1.

⁴³ Chair Karpel and Commissioner Kearns find that, even if Maxion were to qualify as a related party, they would find that appropriate circumstances do not exist for its exclusion because there is no indication that Maxion’s affiliation with Maxion Nantong had the effect of shielding it from the effects of subject imports during the portion of the period of review when it produced steel wheels domestically, and Maxion did not import subject wheels from China during the POR. Domestic Interested Party’s Response at 27, Exh. 1.

Therefore, we find that appropriate circumstances do not exist for the exclusion of Accuride or Maxion from the domestic industry. In sum, consistent with our definition of the domestic like product, we again define the domestic industry as all domestic producers of steel wheels.

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.”⁴⁴ 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 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.”⁴⁵ Thus, the likelihood standard is prospective in nature.⁴⁶ The U.S. Court of International Trade has found that

⁴⁴ 19 U.S.C. § 1675a(a).

⁴⁵ 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.

⁴⁶ 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.

“likely,” as used in the five-year review provisions of the Act, means “probable,” and the Commission applies that standard in five-year reviews.⁴⁷

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.”⁴⁸ 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.”⁴⁹

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.”⁵⁰ It directs the Commission to take into account its prior injury 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

⁴⁷ 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’”).

⁴⁸ 19 U.S.C. § 1675a(a)(5).

⁴⁹ 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.*

⁵⁰ 19 U.S.C. § 1675a(a)(1).

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).⁵¹ 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.⁵²

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.⁵³ 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.⁵⁴

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

⁵¹ 19 U.S.C. § 1675a(a)(1). Commerce has made no duty absorption findings. *Certain Steel Wheels From the People's Republic of China: Final Results of Expedited Sunset Review of the Antidumping Duty Order*, 89 Fed. Reg. 65314 (Aug. 9, 2024) and accompanying Issues and Decision Memorandum at 3, Case No. A-570-082, EDIS Doc. 833332 (Aug. 5, 2024).

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

⁵³ 19 U.S.C. § 1675a(a)(2).

⁵⁴ 19 U.S.C. § 1675a(a)(2)(A-D).

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.⁵⁵

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 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.⁵⁶ 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 orders under review and whether the industry is vulnerable to material injury upon revocation.⁵⁷

No respondent interested party participated in these expedited reviews. The record,

⁵⁵ 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.

⁵⁶ 19 U.S.C. § 1675a(a)(4).

⁵⁷ 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.

therefore, contains limited new information with respect to the steel wheels industry in China. There also is limited information on the steel wheels 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 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.”⁵⁸ The following conditions of competition inform our determinations.

1. Demand Conditions

The Original Investigations. The Commission found that the primary driver of demand for steel wheels was the production of trucks, trailers, and buses, and demand for replacement wheels for vehicles already on the road.⁵⁹ It also found that the market had distinct end-use sectors: wheels for new vehicles built by original equipment manufacturers (“OEMs”), and replacement steel wheels for existing vehicles in the aftermarket.⁶⁰ The Commission found that the OEM market sector was divided into truck, trailer, bus, and “other” vehicle sectors.⁶¹

The Commission observed that market participants differed in their perceptions of demand trends and that apparent U.S. consumption declined irregularly from *** wheels in 2015 to *** wheels in 2017; it was *** in January-September 2018 (“interim 2018”) compared

⁵⁸ 19 U.S.C. § 1675a(a)(4).

⁵⁹ Original Determinations, USITC Pub. 4892 at 15.

⁶⁰ Original Determinations, USITC Pub. 4892 at 15.

⁶¹ Original Determinations, USITC Pub. 4892 at 15.

to *** wheels in January-September 2017 (“interim 2017”).⁶² It also observed that apparent U.S. consumption decreased in the truck and trailer OEM sectors from 2015 to 2017, while increasing in the other sectors over the period.⁶³ Apparent U.S. consumption was lower in interim 2018 than in interim 2017 for the “other” OEM sector, but higher in the aftermarket and bus OEM sectors.⁶⁴

The Current Reviews. Because, as described above, the limited record in these reviews does not contain data on the volume of subject imports and aggregated official U.S. import statistics for all relevant HTS reporting numbers appear to substantially overstate import value data in these reviews,⁶⁵ we rely on the information provided by Accuride and purchasers responding to Commission questionnaires to assess current demand conditions. The information available indicates that U.S. demand for steel wheels continues to depend on the production of new trucks, trailers, or buses, and on demand for replacement wheels for vehicles that use steel wheels.⁶⁶ Accuride claims that demand for steel wheels is inelastic.⁶⁷

Accuride asserts that demand for mid-to-heavy trucks and trailers that use steel wheels is not forecast to increase significantly in the near future and that some industry observers predict declining demand in certain segments of the market.⁶⁸ Forecasts from trade publications S&P Global Mobility and ATC Truck Beat predict that sales of class 8 vehicles, which

⁶² Confidential Opinion in *Steel Wheels from China*, Inv. Nos. 701-TA-602 and 731-TA-1412 (Final), EDIS Doc. 675883 (May 14, 2019) (“Confidential Original Determinations”) at 20--21.

⁶³ Original Determinations, USITC Pub. 4892 at 15.

⁶⁴ Original Determinations, USITC Pub. 4892 at 15.

⁶⁵ See CR/PR at Tables I-6, I-7.

⁶⁶ Domestic Interested Party’s Response at 7; Domestic Interested Party’s Final Comments at 2.

⁶⁷ Domestic Interested Party’s Response at 7.

⁶⁸ Domestic Interested Party’s Response at 7--8, Exhs. 2-3; Domestic Interested Party’s Final Comments at 2.

use in-scope steel wheels, will decline approximately 20 percent from 2023 to 2024.⁶⁹

According to a survey by Trucks-Parts-Service, another trade publication, trailer sales are expected to remain flat or decline in 2024.⁷⁰

Accuride also claims that demand for replacement wheels is unlikely to be robust because, after “booming” demand during the COVID-19 pandemic, the U.S. market is in a “freight recession.”⁷¹ According to one freight market expert, general economic difficulties predicted for 2024 will further reduce demand for freight services.⁷²

Responding purchaser *** indicated that ***, but responding purchaser *** stated that ***,⁷³

2. Supply Conditions

The Original Investigations. The Commission found that the domestic industry was the largest source of supply to the U.S. market during the POI, accounted for *** to *** percent of the overall market, and that its reported capacity exceeded apparent U.S. consumption throughout the POI.⁷⁴ Its share of apparent U.S. consumption decreased from 2015 to 2017 and was higher in interim 2018 than in interim 2017.⁷⁵

The Commission found that subject imports were the second largest source of supply in the U.S. market and accounted for *** to *** percent of the overall market.⁷⁶ Their share of

⁶⁹ Domestic Interested Party’s Response at 7-8, Exhs. 2-3.

⁷⁰ Domestic Interested Party’s Response at 8, Exh. 4.

⁷¹ Domestic Interested Party’s Response at 9, Exh. 5.

⁷² Domestic Interested Party’s Response at 9, Exh. 5.

⁷³ CR/PR at D-3-D-4.

⁷⁴ Confidential Original Determinations at 21.

⁷⁵ Original Determinations, USITC Pub. 4892 at 15.

⁷⁶ Confidential Original Determinations at 21.

apparent U.S. consumption increased from 2015 to 2017 and was lower in interim 2018 than in interim 2017.⁷⁷

The Commission found that nonsubject imports accounted for *** to *** percent of the overall market, that their share of the U.S. market decreased from 2015 to 2017, and that their share was somewhat higher in interim 2018 than in interim 2017.⁷⁸

The Current Reviews. Because, as described above, the limited record in these reviews does not contain data on the volume of subject imports and aggregated official U.S. import statistics for all relevant HTS reporting numbers appear to substantially overstate import value data in these reviews,⁷⁹ we rely on the information provided by Accuride and purchasers responding to Commission questionnaires to assess current supply conditions.

Accuride claims that it can supply 10,000 wheels daily to the heavy truck industry from its manufacturing facility in Henderson, Kentucky.⁸⁰ It further claims that it has invested in equipment upgrades and new jobs for producing steel wheels at this facility, and ***.⁸¹

As noted above, Maxion ceased U.S. production of steel wheels and closed its production facility in Akron, Ohio, in 2020.⁸² Accuride claims that ***.⁸³ Although Maxion ceased production of steel wheels in 2020, partway through the POR, it did produce steel wheels during the POR and ***.⁸⁴

⁷⁷ Original Determinations, USITC Pub. 4892 at 16.

⁷⁸ Confidential Original Determinations at 22.

⁷⁹ See CR/PR at Tables I-6, I-7.

⁸⁰ Domestic Interested Party's Response at 10, Exh. 6.

⁸¹ Domestic Interested Party's Response at 10, Exhs. 7-8.

⁸² Domestic Interested Party's Response at 11, Exh. 9.

⁸³ Domestic Interested Party's Response at 11.

⁸⁴ Domestic Interested Party's Response at 11; see also section II.B., n.41, above.

Responding purchaser *** stated that ***.⁸⁵

3. Market Structure, Substitutability, and Other Conditions

The Original Investigations. The Commission collected data for five sectors of the U.S. steel market: the aftermarket, trailer OEMs, truck OEMs, bus OEMs, and other OEMs.⁸⁶ The aftermarket sector accounted for the *** percentage of apparent U.S. consumption in 2017 and the other OEM sector the ***.⁸⁷ The domestic industry supplied the *** of steel wheels to the trailer OEM, truck OEM, and bus OEM sectors; subject imports supplied the *** of steel wheels to the aftermarket and other OEM sectors.⁸⁸

The Commission found that there was a moderate to high degree of substitutability between domestically produced steel wheels and subject imports.⁸⁹ *** domestic producers and the majority of importers and purchasers reported that the domestic like product and subject imports were always or frequently interchangeable, and a majority of purchasers reported that the domestic like product and subject imports were comparable with respect to 14 out of 17 purchasing factors.⁹⁰

⁸⁵ CR/PR at D-3.

⁸⁶ Original Determinations, USITC Pub. 4892 at 16.

⁸⁷ Confidential Original Determinations at 22-23. In 2017, the aftermarket sector accounted for *** percent of apparent U.S. consumption of steel wheels, the trailer OEM sector accounted for *** percent of apparent U.S. consumption, the truck OEM sector accounted for *** percent of apparent U.S. consumption, the bus OEM sector accounted for *** percent of apparent U.S. consumption; and the other OEM sector accounted for *** percent of apparent U.S. consumption. *Id.*

⁸⁸ Confidential Original Determinations at 22-23. The domestic industry supplied *** percent of the aftermarket and subject imports supplied *** percent of it. *Id.* at 22. It supplied *** percent of the trailer OEM sector and subject imports supplied *** percent of it. *Id.* The domestic industry supplied for *** percent of the truck OEM sector and subject imports supplied none. *Id.* at 23. The domestic industry supplied *** percent of the bus OEM sector in 2017 and subject imports supplied *** percent of it. *Id.* The industry supplied *** percent of the other OEM sector in 2017 and subject imports supplied *** percent of it. *Id.*

⁸⁹ Original Determinations, USITC Pub. 4892 at 17.

⁹⁰ Confidential Original Determinations at 23.

The Commission also found that price was an important consideration in purchasing decisions. Purchasers reported that price and quality were the most important factors in purchasing decisions, and a majority reported that they usually or sometimes purchased the lowest-priced product.⁹¹

The Commission found that hot-rolled coil was the primary raw material used to manufacture steel wheels and that raw materials accounted for *** to *** percent of the domestic industry's cost of goods sold ("COGS").⁹² Many purchasers reported that contracts include adjustments for raw material price changes and that information on raw material prices affected negotiations and/or contracts during the POI.⁹³

Duties of 25 percent *ad valorem* were imposed in March 2018 on imported steel mill products pursuant to section 232 of the Trade Expansion Act of 1962, and a 10 percent *ad valorem* duty was placed on steel wheels from China in September 2018 pursuant to section 301 of the Trade Act ("section 301").⁹⁴

The Current Reviews. The record of these reviews contains no new information indicating that the degree of substitutability between the domestic like product and subject imports or the importance of price has changed since the original investigations. Accuride argues that steel wheels continue to be highly interchangeable with subject imports and that price continues to be an important factor in purchasing decisions.⁹⁵ Accordingly, we again find that there is a moderate to high degree of substitutability between domestically produced steel

⁹¹ Original Determinations, USITC Pub. 4892 at 17.

⁹² Confidential Original Determinations at 24-25.

⁹³ Original Determinations, USITC Pub. 4892 at 18.

⁹⁴ Original Determinations, USITC Pub. 4892 at 18.

⁹⁵ Domestic Interested Party Response at 12.

wheels and subject imports, and that price remains an important factor for purchasing decisions.

As already noted, effective September 24, 2018, steel wheels originating in China became subject to a 10 percent *ad valorem* duty pursuant to section 301.⁹⁶ Effective May 10, 2019, the section 301 duty for steel wheels originating in China increased to 25 percent *ad valorem*.⁹⁷

C. Likely Volume of Subject Imports

The Original Investigations. The Commission found that the volume of subject imports and the increase in that volume was significant, in absolute terms and relative to apparent U.S. consumption.⁹⁸ It found that the volume of subject imports increased irregularly by 14.6 percent from 2015 to 2017, from 884,632 wheels in 2015 to 1,014,146 wheels in 2017, and that subject import volume was higher in interim 2017, at 741,208 wheels, than in interim 2018, at 624,352 wheels.⁹⁹ It also determined that commercial shipments of subject imports increased overall by 13.5 percent from 2015 to 2017, from 837,332 wheels in 2015 to 950,474 wheels in 2017, and that these shipments were higher in interim 2017, at 688,150 wheels, than in interim 2018, at 687,379 wheels.¹⁰⁰ The Commission found that subject import market share increased from *** percent in 2015 to *** percent in 2017; it was *** percent in interim 2017 and ***

⁹⁶ CR/PR at I-6.

⁹⁷ CR/PR at I-6.

⁹⁸ Original Determinations, USITC Pub. 4892 at 19.

⁹⁹ Original Determinations, USITC Pub. 4892 at 18.

¹⁰⁰ Original Determinations, USITC Pub. 4892 at 19.

percent in interim 2018.¹⁰¹ It observed that that subject import volume increased from 2015 to 2017 even as apparent U.S. consumption declined by *** percent.¹⁰²

The Commission also analyzed subject import market share in the four sectors in which subject imports were sold, combined: the aftermarket, the trailer OEM, the bus OEM, and the other OEM sectors (the “x-truck market”).¹⁰³ It determined that, although apparent U.S. consumption was flat in the x-truck market from 2015 to 2017, subject imports increased by *** wheels between 2015 and 2017 while their market share increased from *** percent in 2015 to *** percent in 2017.¹⁰⁴ The market share of subject imports in the x-truck market was *** percent in interim 2017 and *** percent in interim 2018.¹⁰⁵

The Current Reviews. As described above, the limited record in these reviews does not contain data on the volume of subject imports and aggregated official U.S. import statistics for all relevant HTS reporting numbers appear to substantially overstate subject import data, by value, in these reviews.¹⁰⁶ According to official import statistics concerning HTS statistical reporting number 8716.90.5047 submitted by Accuride, covering in-scope steel wheels from 22.5 to 24.5 inches,¹⁰⁷ the value of subject imports declined from \$5.2 million in 2020 to \$454,038 in 2021, \$338,645 in 2022, and \$215,792 in 2023.¹⁰⁸ It was \$42,745 in January-February 2024, compared to zero in January-February 2023.¹⁰⁹ Given that the value of U.S.

¹⁰¹ Confidential Original Determinations at 26

¹⁰² Confidential Original Determinations at 26.

¹⁰³ Original Determinations, USITC Pub. 4892 at 19.

¹⁰⁴ Confidential Original Determinations at 27.

¹⁰⁵ Confidential Original Determinations at 27.

¹⁰⁶ See CR/PR at Tables I-6, I-7.

¹⁰⁷ Domestic Interested Party’s Response at 15.

¹⁰⁸ Domestic Interested Party’s Response at 15-16, Exh. 10.

¹⁰⁹ Domestic Interested Party’s Response at 15-16, Exh. 10.

shipments of subject imports was \$42 million in 2017, the information available indicates that the orders have had a significant restraining effect on subject imports.¹¹⁰

The record in these five-year reviews contains limited information on the subject industry in China. The information available, however, indicates that subject producers have the ability and incentive to increase their exports of steel wheels to the U.S. market to a significant level if the orders were revoked. Accuride has identified thirty possible producers of steel wheels in China.¹¹¹ Although data concerning the subject industry's capacity during the POR is unavailable, the subject industry's capacity was 8.2 million steel wheels in 2017, with a capacity utilization rate of 82.0 percent, and there is no information on the record indicating that there have been any major changes to the subject industry since imposition of the orders.¹¹²

Responding purchaser *** reported that ***.¹¹³

The available information concerning the subject industry's substantial exports of subject merchandise also suggests that the industry is very large and export oriented. Global Trade Atlas ("GTA") data concerning Chinese exports of road wheels and parts and accessories thereof for motor vehicles, as well as parts of trailers, semi-trailers, and other vehicles, not mechanically propelled, which include steel wheels and out-of-scope products, indicate that the

¹¹⁰ CR/PR at C-3. Accuride contends that, even within the larger group of HTS categories under which subject steel wheels may be imported, the value of subject imports has declined since imposition of the orders. Domestic Interested Party's Response at 16, Exh. 10 (citing Original Determinations, USITC Pub. 4892 at I-10). The "larger group of HTS categories" to which Accuride refers includes HTS statistical reporting numbers 8708.70.4530, 8708.70.4560, 8708.70.6030, 8708.70.6060, 8716.90.5045, and 8716.90.5059. Original Determinations, USITC Pub. 4892 at I-10.

Additionally, it argues that, for these combined categories, imports from China decreased from 32 percent of total imports from all sources in 2018 to 21 percent in 2023. Domestic Interested Party's Response at 16-17, Exh. 10. Therefore, it asserts, imports from China accounted for a decreasing share of the market. *Id.* at 17.

¹¹¹ CR/PR at I-16; Domestic Interested Party's Response at Exh. 25.

¹¹² Original Determinations, USITC Pub. 4892 at Table VII-3; CR/PR at I-16.

¹¹³ CR/PR at D-4.

value of such exports increased irregularly from \$7.2 billion in 2019 to \$8.8 billion in 2023.¹¹⁴

China was the world's largest exporter of such merchandise throughout the POR.¹¹⁵

The information available also indicates that the U.S. market remains attractive to subject producers. Subject imports maintained a small presence in the U.S. market through the end of the period of review, based on official import statistics submitted by Accuride, indicating that subject producers have maintained customers and distribution networks in the United States.¹¹⁶ According to information submitted by Accuride, Chinese producers Jingu and Sunrise have maintained relationships with existing U.S. customers by supplying them with steel wheels from subsidiaries in Vietnam.¹¹⁷ Further, GTA data show that in 2023, Chinese producers exported \$2.7 billion of road wheels and parts and accessories thereof for motor vehicles, as well as parts of trailers, semi-trailers, and other vehicles, not mechanically propelled, which include steel wheels and out-of-scope products, to the United States, making the United States the top destination market for exports of such merchandise from China that year.¹¹⁸

Chinese producers have also demonstrated their continued interest in serving the U.S. market since the imposition of the orders through evasion efforts. In August 2023, U.S. Customs and Border Control ("CBP") determined in an Enforce and Protect Act ("EAPA") investigation that Chinese steel wheels were entered into the customs territory of the United States through evasion by transshipment through Thailand.¹¹⁹

¹¹⁴ CR/PR at Table I-8.

¹¹⁵ *Compare* CR/PR at Table I-8 *with id.* at Table I-9.

¹¹⁶ Domestic Interested Party's Response at 15-16, Exh. 10.

¹¹⁷ Domestic Interested Party's Response at 20-21, Exhs. 23-24.

¹¹⁸ CR/PR at Table I-8.

¹¹⁹ Domestic Interested Party's Response at 20-21, Exh. 20.

Further enhancing the attractiveness of the U.S. market to subject producers, articles from McKinsey & Company and South East Asia Iron and Steel Institute, submitted by Accuride, indicate that demand in China for heavy-duty trucks is declining, which would encourage subject producers to increase their exports of steel wheels as a means of maintaining their production.¹²⁰ Responding purchaser *** stated that ***.¹²¹ A Reuters report from April 2024 states that Chinese import and export figures have “miss{ed} forecasts by big margins,” and the International Monetary Fund forecast that same month that China’s rate of economic growth will decline from 5.2 percent in 2023 to 4.6 percent in 2024 and 4.1 percent in 2025.¹²²

Trade measures on steel wheels from China in third-country markets would also make the U.S. market relatively more attractive to subject producers in the event of revocation of the orders.¹²³ In 2020, the European Union imposed antidumping duties ranging from 50.3 to 66.4 percent on imports of steel wheels originating in China designed for trailers and semi-trailers.¹²⁴

Given the foregoing, including the significant and increasing volume of subject imports during the original investigations, the large size and exports of the steel wheel industry in China, and the attractiveness of the U.S. market to subject producers, we find that the volume of subject imports would likely increase, and would likely be significant, both in absolute terms and relative to consumption in the United States, if the orders were revoked.¹²⁵

¹²⁰ Domestic Interested Party’s Response at 17, Exhs. 11-12.

¹²¹ CR/PR at D-4.

¹²² Domestic Interested Party’s Response at 18, Exhs. 15-16.

¹²³ Domestic Interested Party’s Response at 19, Exh. 18.

¹²⁴ Domestic Interested Party’s Response at 19, Exh. 18; CR/PR at I-18.

¹²⁵ Although subject imports from China are currently subject to a 25 percent *ad valorem* duty under Section 301, neither the domestic interested party nor responding purchasers indicated that this duty would prevent subject imports from entering the U.S. market at significant levels if the orders were revoked. *See generally* Domestic interested Party’s Response; CR/PR at D-3-D-4. Given this, as well as the large size and exports of the steel wheels industry in China and the attractiveness of the U.S. market,

D. Likely Price Effects

The Original Investigations. The Commission found that subject imports consisting of 2.3 million steel wheels undersold the domestic like product in all 60 quarterly comparisons of f.o.b. price data, at margins ranging from 12.3 to 46.0 percent.¹²⁶ Given the moderate to high degree of substitutability between the domestic like product and the subject imports and the importance of price in purchasing decisions, it found this underselling to be significant.¹²⁷

The Commission further found that this underselling led to the domestic industry losing significant sales. Ten responding purchasers reported purchasing 745,641 subject imported steel wheels, equivalent to 22.5 percent of total subject import shipments during the POI, instead of the domestic like product due to price.¹²⁸ The Commission found that some record evidence, such as “Keep Competitive” contract clauses and contemporaneous communications, indicated that purchasers of steel wheels used the lower prices of subject imports to gain price concessions from domestic producers.¹²⁹ It did not find that subject imports drove declines in prices for the domestic like product or prevented price increases that would have otherwise occurred to a significant degree.¹³⁰

The Current Reviews. As discussed in section II.B.3 above, we continue to find a moderate to high degree of substitutability between subject imports and the domestic like product, and that price is an important factor in purchasing decisions.

we find that the section 301 duties would not likely prevent subject imports from increasing to significant levels if the orders were revoked.

The record of these expedited reviews does not contain information concerning product shifting or inventories of the subject merchandise.

¹²⁶ Original Determinations, USITC Pub. 4892 at 20.

¹²⁷ Original Determinations, USITC Pub. 4892 at 20.

¹²⁸ Original Determinations, USITC Pub. 4892 at 20.

¹²⁹ Original Determinations, USITC Pub. 4892 at 22-23.

¹³⁰ Original Determinations, USITC Pub. 4892 at 22, 24.

The record in these expedited reviews does not contain recent product-specific pricing information. Given the moderate to high degree of substitutability between subject imports and the domestic like product, the importance of price to purchasing decisions, and the universal underselling by subject imports in the original investigations, we find that the likely significant volume of subject imports would likely undersell the domestic like product to a significant degree, as during the original investigations, as a means of gaining market share. Absent the discipline of the orders, the likely significant volume of low-priced subject imports would force the domestic industry to lower prices or forego needed price increases, thereby depressing or suppressing prices for the domestic like product to a significant degree, or else lose sales and market share to subject imports. Consequently, we find that if the orders were revoked, subject imports would likely have significant adverse price effects.

E. Likely Impact

The Original Investigations. The Commission found that the significant and increasing volume of low-priced subject imports resulted in significant lost sales and adverse price effects, and the domestic industry's diminished production, shipments, and employment, lower revenue, and lower capital expenditures.¹³¹ It considered the impact of subject imports on the domestic industry in light of the different steel wheels market sectors and varying demand trends in those sectors. The Commission found that the domestic industry's declines in production and shipments during the POR exceeded the decline in apparent U.S. consumption, as the domestic industry lost market share to subject imports.¹³² It found that, in steel wheels market sectors in which demand increased, including the aftermarket, the bus OEM, and the

¹³¹ Original Determinations, USITC Pub. 4892 at 29.

¹³² Original Determinations, USITC Pub. 4892 at 26.

other OEM sectors, subject imports captured the majority of those growing sales.¹³³ The Commission also found that subject imports caused the domestic industry to experience lower net revenue during the POR than it otherwise would have because the significant underselling by subject imports led to lost sales, price concessions, and significant adverse price effects.¹³⁴ It consequently determined that the domestic industry was materially injured by reason of subject imports of steel wheels from China.¹³⁵

The Commission considered the role of other factors, including nonsubject imports and demand changes, so as not to attribute likely injury from these factors to the subject imports. It found that nonsubject imports had a relatively low and declining presence in the U.S. market from 2015 to 2017 and did not explain the lower production, shipments, lost sales, and adverse price effects experienced by the domestic industry.¹³⁶ The Commission also concluded that declining demand did not explain the significant volume of confirmed lost sales by the domestic industry as a result of the low-priced imports or the market share lost by the domestic industry in the sectors of the market in which demand grew.¹³⁷

The Current Reviews. The record in these five-year reviews contains limited information concerning the domestic industry's performance since the original investigations.

The information available indicates that the domestic industry's trade indicators and financial performance in 2023 were mixed compared to 2017, the last year examined in the original investigations. The domestic industry's capacity and production in 2023, at *** wheels

¹³³ Original Determinations, USITC Pub. 4892 at 26-27.

¹³⁴ Original Determinations, USITC Pub. 4892 at 27.

¹³⁵ Original Determinations, USITC Pub. 4892 at 29-30.

¹³⁶ Original Determinations, USITC Pub. 4892 at 29.

¹³⁷ Original Determinations, USITC Pub. 4892 at 29.

and *** wheels, respectively, were lower than in 2017, at *** wheels and *** wheels, respectively.¹³⁸ Its capacity utilization, at *** percent, was higher than in 2017, at *** percent.¹³⁹

The average unit value of the domestic industry's U.S. shipments was higher in 2023, at \$*** per wheel, than in 2017, when it was \$*** per wheel.¹⁴⁰ The domestic industry's U.S. shipments by volume were lower in 2023, at *** wheels, than they were in 2017, at *** wheels, but its U.S. shipments by value were higher in 2023, at \$***, than in 2017, at \$***.¹⁴¹

The domestic industry's net sales value and COGS to net sales values were higher in 2023, at \$*** and *** percent, respectively, than in 2017, when its net sales value was \$*** and its COGS to net sales ratio was *** percent.¹⁴² Its gross profit, at \$***, was lower than in 2017, at \$***, and its operating income in 2023, at \$***, was higher than in 2017, at \$***.¹⁴³ The industry's operating income as a share of net sales was lower in 2023, at *** percent, than in 2017, at *** percent.¹⁴⁴ The limited information on the record of these expedited reviews is insufficient for us to make a finding on whether the domestic industry is vulnerable to the continuation or recurrence of material injury in the event of revocation of the orders.

Based on the information available, 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

¹³⁸ CR/PR at Table I-5.

¹³⁹ CR/PR at Table I-5.

¹⁴⁰ CR/PR at Table I-5.

¹⁴¹ CR/PR at Table I-5.

¹⁴² CR/PR at Table I-5.

¹⁴³ CR/PR at Table I-5.

¹⁴⁴ CR/PR at Table I-5.

subject imports and the domestic like product and the importance of price in purchasing decisions, significant volumes of low-priced subject imports would likely capture sales and market share from the domestic industry and/or force domestic producers to lower their prices or forego needed price increases in order to maintain their sales, thereby depressing or suppressing prices for the domestic like product to a significant degree. The likely significant volume of subject imports and their likely price effects would negatively affect the domestic industry's capacity, production, capacity utilization, shipments, and market share, which would in turn negatively impact the industry's profitability and employment. Consequently, we conclude that if the orders were revoked, subject imports would likely have a significant adverse impact on the domestic industry within a reasonably foreseeable time.

We have also considered the role of factors other than subject imports of steel wheels, including the presence of nonsubject imports, so as not to attribute any injury from other factors to the subject imports. The Commission found in the original investigations that nonsubject imports had a relatively low and declining presence in the U.S. market from 2015 to 2017.¹⁴⁵ There is no information on the record of these reviews indicating 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 subject imports and the domestic like product and the importance of price in purchasing decisions, the significant volume of low-priced subject imports that is likely after revocation would likely come at least in part at the domestic industry's expense, or force domestic producers to lower their prices or forego price increases to retain market share.

¹⁴⁵ Original Determinations, USITC Pub. 4892 at 28-29.

Consequently, we find that any future effects of nonsubject imports would be distinct from the likely effects attributable to subject imports and that nonsubject imports would not prevent subject imports from having a significant impact on the domestic industry.

IV. Conclusion

For the above reasons, we determine that revocation of the antidumping and countervailing duty orders on steel wheels 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.

Information obtained in these reviews

Background

On April 1, 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 countervailing and antidumping duty orders of imports on steel wheels from China would likely lead to the continuation or recurrence of material injury to a domestic industry.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
Steel wheels: Information relating to the background and schedule of this proceeding

Effective date	Action
April 1, 2024	Notice of initiation by Commerce (89 FR 22373, April 1, 2024)
April 1, 2024	Notice of institution by Commission (89 FR 22451, April 1, 2024)
July 5, 2024	Commission’s vote on adequacy
August 9, 2024	Commerce’s results of its expedited reviews (AD:89 FR 65314; CVD: 89 FR 65319)
October 31, 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 following interested party:

¹ 19 U.S.C. 1675(c).

² 89 FR 22451, April 1, 2024. In accordance with section 751(c) of the Act, the U.S. Department of Commerce (“Commerce”) published a notice of initiation of these five-year reviews of the subject antidumping and countervailing duty orders. 89 FR 22373, April 1, 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.

1. Accuride Corporation (“Accuride”), a domestic producer of steel wheels (referred to herein as “Accuride” or “domestic interested party”)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
Steel wheels: Summary of responses to the Commission’s notice of institution

Interested party type	Number	Coverage
U.S. producer	1	100%

Note: The U.S. producer coverage figure presented is the domestic interested party’s estimate of its share of total U.S. production of steel wheels during 2023. Domestic interested party’s response to the notice of institution, May 1, 2024, p.25.

Party comments on adequacy

The Commission received comments from the domestic interested party on the adequacy of responses to the notice of institution and whether the Commission should conduct expedited or full reviews from the domestic interested party. The domestic interested party requests that the Commission conduct expedited reviews of the antidumping and countervailing duty orders on steel wheels.⁶

The original investigations

The original investigations resulted from petitions filed on March 27, 2018 with Commerce and the Commission by Accuride Corporation, Evansville, Indiana, and Maxion Wheels Akron LLC, Akron, Ohio.⁷ On March 28, 2019, Commerce determined that imports of

⁵ Accuride filed its response jointly with Maxion Wheels USA LLC (“Maxion”), a former domestic producer of steel wheels. Maxion is an importer of steel wheels from nonsubject countries, and ceased U.S. production in 2020 ***. Maxion supports the continuation of the order covering imports of steel wheels from China. Domestic interested party’s response to notice of institution, May 1, 2024, pp. 1-2; domestic interested party’s supplemental response to notice of institution, May 30, 2024.

⁶ Domestic interested party’s comments on adequacy, June 7, 2024. Maxion also joined the domestic producer in its comments on adequacy.

⁷ Steel Wheels from China, Inv. Nos. 701-TA-602 and 731-TA-1412 (Final), USITC Publ. 4892, May 2019 (“Original publication”), p. I-1.

steel wheels from China were being sold at less than fair value (“LTFV”)⁸ and were being subsidized by the Government of China.⁹ The Commission determined on May 13, 2019, that the domestic industry was materially injured by reason of LTFV and subsidized imports of steel wheels from China.¹⁰ On May 24, 2019, Commerce issued its antidumping and countervailing duty orders, with final weighted-average dumping margins of 231.70 percent and net subsidy rates of 457.10 percent.¹¹

Previous and related investigations

The Commission has conducted three previous import relief investigations on steel wheels or similar merchandise, as presented in table I-3.

Table I-3
Steel wheels: Previous and related Commission proceedings and current status

Date	Number	Country	ITC original determination	Current status
1986	731-TA-335	Brazil	Affirmative	Revoked following negative Commission determination on remand
1988	701-TA-296 and 731-TA-420	Brazil	Negative	No duty imposed
2011	701-TA-296 and 731-TA-1182	China	Negative	No duty imposed

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 steel wheels from China with the intent of issuing the final results of these reviews based on the facts available not later than July 30, 2024.¹² Commerce publishes its

⁸ 84 FR 11746, March 28, 2019.

⁹ 84 FR 11744, March 28, 2019.

¹⁰ 84 FR 22518, May 17, 2019. The Commission also found that imports subject to Commerce’s affirmative critical circumstances determinations were not likely to undermine seriously the remedial effect of the countervailing and antidumping duty orders on steel wheels from China.

¹¹ 84 FR 24098, May 24, 2019.

¹² Letter from Jill E. Pollack, Senior Director, AD/CVD Operations, Enforcement and Compliance, U.S. Department of Commerce to Nannette Christ, Director of Investigations, May 22, 2024.

Issues and Decision Memoranda and its final results concurrently, accessible upon publication at <https://access.trade.gov/public/FRNoticesListLayout.aspx> and subsequently on the Commission's Electronic Document Information System ("EDIS"). 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 steel wheels from China are noted in the sections titled "The original investigations" and "U.S. imports," if applicable.

The product

Commerce's scope

Commerce has defined the scope as follows:

The scope of the orders covers certain on-the-road steel wheels, discs, and rims for tubeless tires, with a nominal rim diameter of 22.5 inches and 24.5 inches, regardless of width. Certain on-the-road steel wheels with a nominal wheel diameter of 22.5 inches and 24.5 inches are generally for Class 6, 7, and 8 commercial vehicles (as classified by the Federal Highway Administration Gross Vehicle Weight Rating system), including tractors, semi-trailers, dump trucks, garbage trucks, concrete mixers, and buses, and are the current standard wheel diameters for such applications. The standard widths of certain on-the-road steel wheels are 7.5 inches, 8.25 inches, and 9.0 inches, but all certain on-the-road steel wheels, regardless of width, are covered by the scope. While 22.5 inches and 24.5 inches are standard wheel sizes used by Class 6, 7, and 8 commercial vehicles, the scope covers sizes that may be adopted in the future for Class 6, 7, and 8 commercial vehicles. The scope includes certain on-the-road steel wheels with either a "hub-piloted" or "stud-piloted" mounting configuration, and includes rims and discs for such wheels, whether imported as an assembly or separately. The scope includes certain on-the-road steel wheels, discs, and rims, of carbon and/or alloy steel composition, whether clad or not clad, whether finished or not finished, and whether coated or uncoated. All on-the-road wheels sold in the United States are

subject to the requirements of the National Highway Traffic Safety Administration and bear markings, such as the “DOT” symbol, indicating compliance with applicable motor vehicle standards. See 49 CFR 571.120. The scope includes certain on-the-road steel wheels imported with or without the required markings. Certain on-the-road steel wheels imported as an assembly with a tire mounted on the wheel and/or with a valve stem attached are included. However, if the certain on-the-road steel wheel is imported as an assembly with a tire mounted on the wheel and/or with a valve stem attached, the certain on-the-road steel wheel is covered by the scope, but the tire and/or valve stem is not covered by the scope. The scope includes rims and discs that have been further processed in a third country, including, but not limited to, the welding and painting of rims and discs from China to form a steel wheel, or any other processing that would not otherwise remove the merchandise from the scope of the proceeding if performed in China. Excluded from the scope are: (1) Steel wheels for tube-type tires that require a removable side ring; (2) Aluminum wheels; (3) Wheels where steel represents less than fifty percent of the product by weight; and (4) Steel wheels that do not meet National Highway Traffic Safety Administration requirements, other than the rim marking requirements found in 49 CFR 571.120S5.2.¹³

¹³ 84 FR 24098, May 24, 2019.

U.S. tariff treatment

Steel wheels are currently imported under Harmonized Tariff Schedule of the United States (“HTS”) statistical reporting numbers 8708.70.4530, 8708.70.4560, 8708.70.6030, 8708.70.6060, 8716.90.5047, and 8716.90.5059. The general rate of duty is 2.5 percent ad valorem for HTS subheading(s) 8708.70.45 and 8708.70.60 and 3.1 percent ad valorem for HTS subheading 8716.90.50.¹⁴ Steel wheels were previously also imported under statistical reporting number 8716.90.5045. In 2019, this category was replaced by three new categories, including HTS 8716.90.5047 listed above. Decisions on the tariff classification and treatment of imported goods are within the authority of U.S. Customs and Border Protection.

Effective September 24, 2018, steel wheels originating in China were subject to an additional 10 percent ad valorem duty under section 301 of the Trade Act of 1974.¹⁵ Effective May 10, 2019, the section 301 duty for steel wheels originating in China was increased to 25 percent.

¹⁴ USITC, HTS (2024) Revision 2, Publication 5514, May 2024, pp. 87-21, 87-34.

¹⁵ 83 FR 47974, September 21, 2018. See also HTS heading 9903.88.03 and U.S. notes 20f to subchapter III of chapter 99 and related tariff provisions for this duty treatment. USITC, HTS (2024) Revision 2, Publication 5514, May 2024, pp. 99-III-50, 99-III-72, 99-III-158, 99-III-174, 99-III-257.

Description and uses¹⁶

Commerce's scope includes certain on-the-road steel wheels, rims, and discs for tubeless tires, with a nominal rim diameter of 22.5 inches and 24.5 inches, regardless of width. Such steel wheels are generally used for Class 6, 7, and 8 commercial vehicles (as classified by the Federal Highway Administration Gross Vehicle Weight Rating system), including tractors, semi-trailers, dump trucks, garbage trucks, concrete mixers, and buses.¹⁷

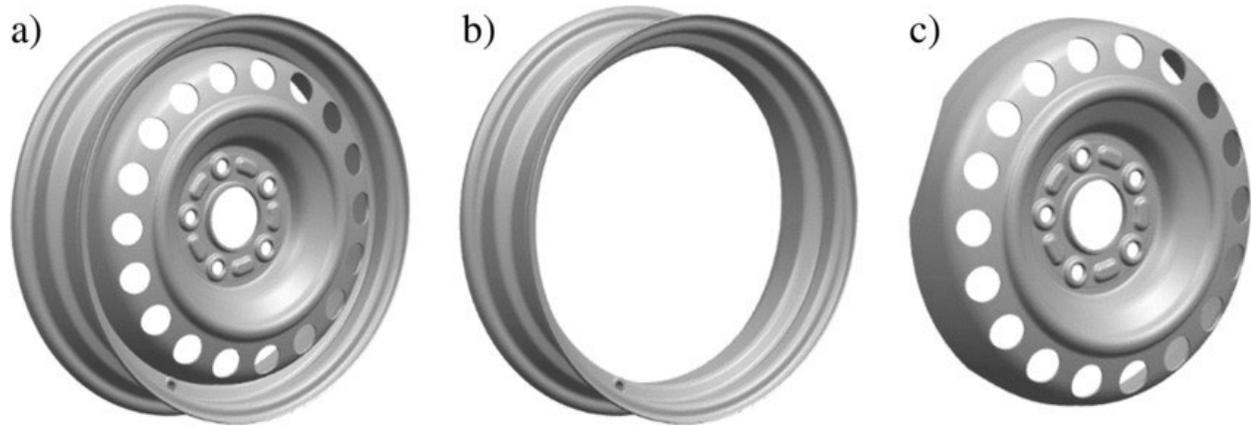
The rim of a steel wheel is the circular channel into which a tire is mounted on the wheel. The disc is the center portion that allows the wheel to be attached to the axle hub (i.e., the connection for the wheel to the axle) and hence the axle. The disc of the steel wheel has a centering hole for mounting on the axle hub, which varies in size to match the hub on the vehicle (figure I-1). The disc may also have four or five holes to hold or manipulate the wheel. There are also holes for the bolts that fasten the wheel to the axle hub.

¹⁶ Unless otherwise noted, this information is based on the original publication, pp. I-14-I-19.

¹⁷ According to the domestic interested party, steel wheels are generally a mature product, and there have been no significant changes in technology, production methods, development efforts, or ability to increase or shift production or supply since the original investigations. There have also been no significant changes in end use and applications. Domestic interested party's response to the notice of institution, May 1, 2024, p.28.

Figure I-1:

Steel wheels: Components of a steel wheel



Source: ResearchGate. https://www.researchgate.net/figure/Typical-components-of-a-steel-wheel-a-wheel-b-rim-and-c-disc_fig1_343838995. Retrieved June 03, 2024.

Note: Components of a steel wheel: (a) wheel, (b) rim, and (c) disc

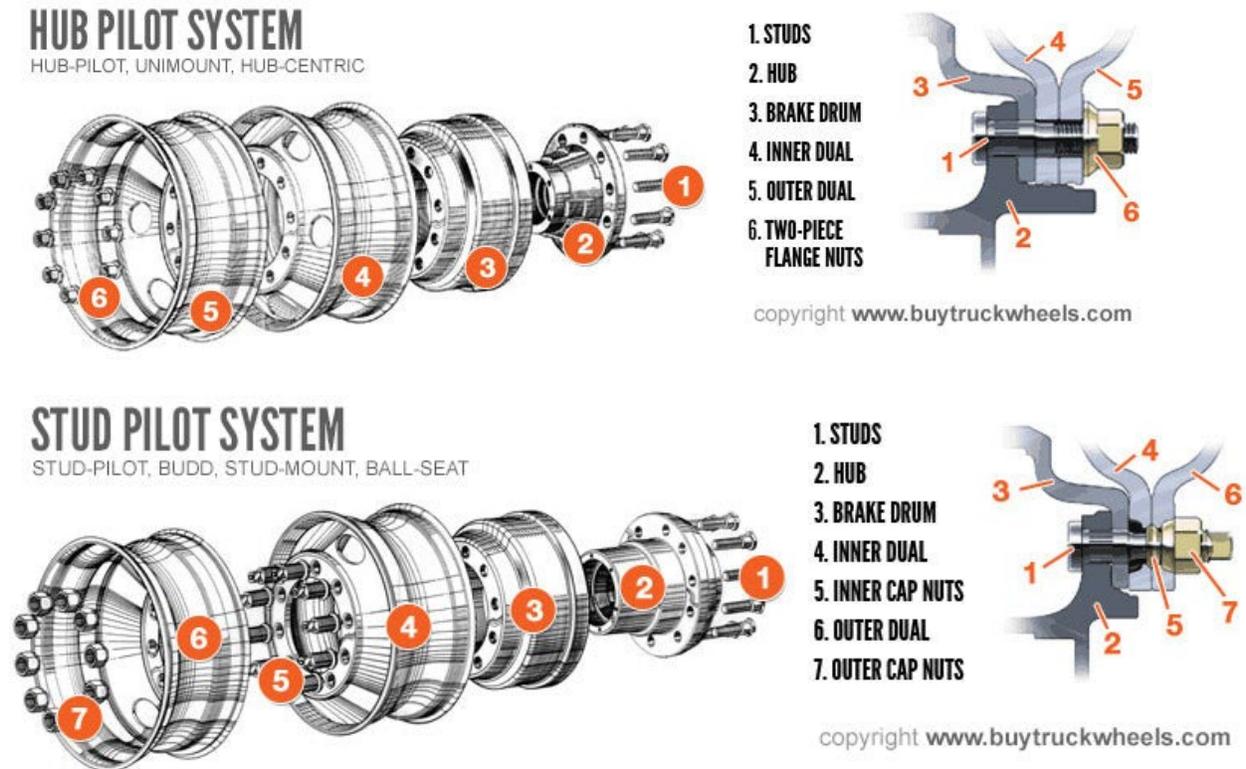
All on-the-road steel wheels in the U.S., including subject steel wheels, are required to meet Standard 120 of the National Highway Traffic Safety Administration's Federal Motor Vehicle Safety Standards. This standard states that the wheel rim be marked to indicate: (a) the source of the rim's published nominal dimensions; (b) the rim size or type of designation; (c) the symbol "DOT," noting that the manufacturer certifies that the rim complies with all relevant motor vehicle standards; (d) the manufacturer of the rim by name, trademark, or symbol; and (e) the month, day, and year or month and year of manufacture. Further, all steel wheels sold in the United States must meet the Society of Automotive Engineers recommended practice J267, which lists the minimum performance requirements and uniform laboratory procedures for fatigue testing of wheels and demountable rims intended for normal highway use on trucks, buses, truck-trailers, and multipurpose vehicles.

Other standard features of steel wheels include the diameter and width, the weight of the wheel, the method of fastening the steel wheel to the axle hub, and the coating/painting of the wheel. For steel wheels with a diameter of 22.5 inches, the most popular width is 8.25 inches, but other widths include 7.5 and 9.0 inches. Steel wheels with a diameter of 24.5 inches typically have a width of 8.25 inches. Wide base steel wheels have a diameter of 22.5 inches and have widths ranging from 11.75 inches to 14.0 inches.

Finished steel wheels vary in weight, even within a particular diameter size. For example, a steel wheel with a diameter of 22.5 inches and width of 8.5 inches may range from 64 to 80 pounds. The differences in the weight of the wheels are due to various gauges (e.g., thicknesses) of the steel used in the wheels to meet the requirements of the vehicle’s carrying load. The subject steel wheels are made from either carbon hot-rolled steel or high strength, low alloy (“HSLA”) hot-rolled steel. Both U.S. and Chinese producers of steel wheels have moved toward lighter weight wheels, and weight is of more concern for the OEM market than the aftermarket.

The scope includes certain on-the-road steel wheels with either a “hub-piloted” or “stud-piloted” mounting configuration (Figure I-2). In the hub-piloted wheel system, the wheel is fitted onto the threaded studs that are mounted in the wheel hub and rests on hub-pilot pads that are on the hub. The holes in the wheel for the studs are cylindrical and allow the wheel to be secured to the hub studs with a nut on top of a washer. In stud piloted systems, the wheel is secured to the hub studs by ball-seat cap nuts that require the holes in the wheel to be tapered. The stud-piloted system is an old technology that was largely abandoned for use in steel wheels around 2000.

Figure I-2:
Steel wheels: Hub pilot and Stud Pilot Systems



Source: Buy Truck Wheels. <https://buytruckwheels.com/pages/hubpilotvsbudd>. Retrieved June 03, 2024.

Steel wheels are typically treated with an anti-corrosion and priming treatment, an e-coat (i.e., electrodeposition of a coating), and a powder coating/top coating. Steel wheels are expected to last the lifetime of the vehicle or trailer, if properly maintained and properly driven, which is estimated to be 20 years. Steel wheels are more often replaced due to corrosion rather than due to damage from driving or wrecks. Weather, particularly winters in the upper Midwest or New England, may lead to a more corrosive environment for steel wheels.

Both steel wheel discs and rims, if separately imported into the United States, are included in the scope. Petitioners and importers both acknowledged that it would be highly unlikely that such parts would be imported and then assembled and subsequently coated in the United States.

Manufacturing process¹⁸

The manufacture of steel wheels begins with the production of the two components, discs and rims. For discs, coiled steel is fed into a blanking press that stamps out a disc of steel and simultaneously punches a hole in the center. This blank is then moved to a spinning machine that spins the disc on a mandrel, and tooling is pressed into the spinning disc to bend the disc into a bowl shape. Next, the spun bowl is trimmed, and the centering hole, as well as bolt and hand hold holes, are punched into the disc.

The rims are made from coiled steel that is first cut to width and length. The steel piece is bent into a circle, and the ends are welded together. The rim then passes through five roll stands (i.e., a group of metal rollers to impart a particular shape to a workpiece) to flare the edges, shaping the profile of the rim for holding the tire and expanding the width of the rim. Finally, a hole is punched in the rim for the valve stem.

The discs and rims then move to the assembly line, where robots place the parts in a clamping press in which the disc is pressed into the rim. The wheel is then moved to an automated welding cell, where robots place the assembly under a fixed welding torch. The wheel is rotated under the torch to make a complete welding of the disc to the rim. The welds are then inspected and the wheels prepared for coating.

The wheel is then coated and painted to the appropriate colors. During this process, steel wheels are treated with a zinc phosphate treatment that prevents corrosion and serves as a base for sequent coatings. Next, an epoxy coat is applied using electrodeposition, commonly called an e-coat, to the wheels. The steel wheels are then given a powder coating for additional protection and final color to the product. The powder coating is applied as a powder and then is baked in an oven to cure the finish. The powder coats are, in effect, the paint, and are typically colored white, gray, or black. Steel wheels manufactured in China may be

¹⁸ Unless otherwise noted, this information is based on the original publication, pp. I-13-I-14.

galvanized, rather than painted. Galvanizing involves hot-dipping the steel wheel in molten zinc. Importers of Chinese galvanized steel wheels state that galvanized wheels offer added corrosion protection. U.S. manufacturers do not galvanize steel wheels.

Steel wheels are typically manufactured as a stock product but may also be produced to order based on customer requirements for coatings, color, and carrying load requirements.

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 two firms, which accounted for all production of steel wheels in the United States during 2017.¹⁹

In response to the Commission’s notice of institution in these current reviews, the domestic interested party stated it is the only known and currently operating U.S. producer of steel wheels in 2023.²⁰

Recent developments

Table I-4 presents events in the U.S. industry since the Commission’s original investigations.²¹

Table I-4
Steel wheels: Developments in the U.S. industry

Item	Firm	Event
New environmental regulations and sustainable initiatives	Accuride	The industry has been influenced by new environmental regulations. These regulations are pushing companies to innovate and adopt greener production methods. Accuride, in 2019, has introduced wheels made with climate-friendly steel, which significantly reduced the carbon footprint of its products.

Source: Federal Steel Supply, “Emerging Trends in the Steel Industry for 2024,” <https://www.fedsteel.com/insights/emerging-trends-in-the-steel-industry-for-2024/>.
Accuride, “Low Weight Climate-Friendly Steel Wheel,” <https://www accuridecorp.com/low-weight-climate-friendly-steel-wheel>.

¹⁹ Original publication, p. III-1.

²⁰ Domestic interested party’s response to the notice of institution, May 1, 2024, pp. 1-2 and exhibit 9.

²¹ For recent developments, if any, in tariff treatment, please see “U.S. tariff treatment” section.

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.²² Table I-5 presents a compilation of the trade and financial data submitted from all responding U.S. producers in the original investigations and these current reviews.

Table I-5
Steel wheels: Trade and financial data submitted by U.S. producers, by period

Quantity in wheels; value in 1,000 dollars; unit value in dollars per wheel; ratio in percent

Item	Measure	2015	2016	2017	2023
Capacity	Quantity	***	***	***	***
Production	Quantity	***	***	***	***
Capacity utilization	Ratio	***	***	***	***
U.S. shipments	Quantity	***	***	***	***
U.S. shipments	Value	***	***	***	***
U.S. shipments	Unit value	***	***	***	***
Net sales	Value	***	***	***	***
COGS	Value	***	***	***	***
COGS to net sales	Ratio	***	***	***	***
Gross profit or (loss)	Value	***	***	***	***
SG&A expenses	Value	***	***	***	***
Operating income or (loss)	Value	***	***	***	***
Operating income or (loss) to net sales	Ratio	***	***	***	***

Source: For the years 2015-17, data are compiled using data submitted in the Commission's original investigations. For the year 2023, data are compiled using data submitted by the domestic interested party. Domestic interested party's response to the notice of institution, Exhibit 1.

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

²² Individual company trade and financial data are presented in app. B.

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.²³

In its original determinations, the Commission defined the domestic like product as all steel wheels coextensive with Commerce’s scope. In its original determinations, the Commission defined the domestic industry as all domestic producers of steel wheels.²⁴

U.S. importers

During the final phase of the original investigations, the Commission received U.S. importer questionnaires from 24 firms, which accounted for approximately 74.7 percent of total U.S. imports of steel wheels from China during 2017.²⁵ Import data presented in the original investigations are based on 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 33 potential U.S. importers of steel wheels.²⁶

²³ Section 771(4)(B) of the Tariff Act of 1930, 19 U.S.C. § 1677(4)(B).

²⁴ 89 FR 22451, April 1, 2024.

²⁵ Original publication, p. IV-1.

²⁶ Domestic interested party’s response to the notice of institution, May 1, 2024, exhibit 24.

U.S. imports

Table I-6 presents the 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 value).

Table I-6
Steel wheels U.S. imports, by source and period

Value in 1,000 dollars

U.S. imports from	Measure	2018	2019	2020	2021	2022	2023
China	Value	537,027	329,157	201,820	269,563	307,302	366,931
Mexico	Value	354,677	345,869	277,153	399,103	465,458	393,393
Canada	Value	92,790	95,502	87,587	103,126	135,038	144,438
Germany	Value	32,929	31,468	39,887	56,080	56,001	60,481
All other sources	Value	259,465	278,925	287,818	413,983	501,279	436,091
Nonsubject sources	Value	739,861	751,765	692,446	972,292	1,157,776	1,034,404
All import sources	Value	1,276,888	1,080,922	894,265	1,241,856	1,465,078	1,401,335

Source: Compiled from official Commerce statistics for HTS statistical reporting numbers 8708.70.4530, 8708.70.4560, 8708.70.6030, 8708.70.6060, 8716.90.5045, 8716.90.5047, and 8716.90.5059, accessed June 14, 2024. The import data appear to be substantially overstated relative to the questionnaire data used in the original investigations, as certain statistical reporting numbers under HTS subheadings 8708.70 and 8716.90 may contain products outside the scope of these reviews.

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

Note: Only value data are presented, as official Commerce statistics for this product by quantity are reported both by wheel and by weight (i.e., in kilograms).

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
Steel wheels: Apparent U.S. consumption and market shares, by source and period

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

Source	Measure	2015	2016	2017	2023
U.S. producers	Quantity	***	***	***	***
China	Quantity	837,332	832,600	950,474	N/A
Nonsubject sources	Quantity	***	***	***	N/A
All import sources	Quantity	***	***	***	N/A
Apparent U.S. consumption	Quantity	***	***	***	N/A
U.S. producers	Value	***	***	***	***
China	Value	39,970	36,183	42,092	366,931
Nonsubject sources	Value	***	***	***	1,034,404
All import sources	Value	***	***	***	1,401,335
Apparent U.S. consumption	Value	***	***	***	***
U.S. producers	Share of quantity	***	***	***	N/A
China	Share of quantity	***	***	***	N/A
Nonsubject sources	Share of quantity	***	***	***	N/A
All import sources	Share of quantity	***	***	***	N/A
U.S. producers	Share of value	***	***	***	***
China	Share of value	***	***	***	***
Nonsubject sources	Share of value	***	***	***	***
All import sources	Share of value	***	***	***	***

Source: For the years 2015-17, data are compiled using data submitted in the Commission's original investigations. For the year 2023, U.S. producers' U.S. shipments are compiled from 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 8708.70.4530, 8708.70.4560, 8708.70.6030, 8708.70.6060, 8716.90.5047, and 8716.90.5059, accessed June 14, 2024. The import data appear to be substantially overstated relative to the questionnaire data used in the original investigations, as certain statistical reporting numbers under HTS subheadings 8708.70 and 8716.90 may contain products outside the scope of these reviews.

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: Only value data are presented, as official Commerce statistics for this product by quantity are reported both by wheel and by weight (i.e., in kilograms).

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 four firms, which accounted for approximately *** percent of production of steel wheels in China during 2017, and approximately 98.5 percent of steel wheels exports from China to the United States during 2017.²⁷

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 30 possible producers of steel wheels in China.²⁸

Recent developments

There were no major developments in the Chinese industry since the imposition of the orders identified by interested parties in the proceeding, and no relevant information from outside sources was found.

²⁷ Original publication, p. VII-3.

²⁸ Domestic interested party's response to the notice of institution, May 1, 2024, exhibit 25.

Exports

Table I-8 presents export data for road wheels and parts and accessories thereof for motor vehicles, as well as parts of trailers, semi-trailers, and other vehicles, not mechanically propelled, a category that includes steel wheels and out-of-scope products, from China (by export destination in descending order of value for 2023).

The United States was consistently the largest market for exporting road wheels and parts from China, peaking in 2021, with exports worth more than \$3.0 billion, although there was a decline in the following years. Japan and Mexico are also notable destinations, with the value of exports to Japan reaching a high of \$1.0 billion in 2022, before a slight decrease, and Mexico showing a consistent upward trajectory, culminating in \$780.4 million in exports in 2023. Despite a drop in 2020, overall export values increased thereafter in most markets, approaching \$9 billion annually from 2021 through 2023.

Table I-8
Road wheels and parts and accessories thereof for motor vehicles and parts of trailers, semi-trailers, and other vehicles, not mechanically propelled: Value of exports from China, by destination and period

Value in thousands of dollars

Destination market	2019	2020	2021	2022	2023
United States	2,691,850	2,275,544	3,016,591	2,907,553	2,703,389
Japan	873,204	690,420	950,308	1,039,615	992,671
Mexico	489,966	389,416	557,455	673,979	780,355
South Korea	179,233	193,500	304,913	368,159	405,308
Russia	230,477	218,131	309,633	236,982	300,892
Thailand	193,794	237,443	375,993	369,154	299,016
Canada	203,389	186,929	306,860	333,259	282,220
Australia	146,982	173,954	256,616	274,738	268,179
Germany	206,131	171,935	255,107	230,941	222,254
Brazil	126,798	96,620	134,462	174,240	156,476
All other markets	1,827,132	1,680,040	2,294,243	2,394,510	2,387,654
Total markets	7,168,957	6,313,929	8,762,182	9,003,129	8,798,412

Source: Global Trade Information Services, Inc., Global Trade Atlas, HS subheadings 8708.70 and 8716.90, accessed May 29, 2024. These data may be overstated as HS subheadings 8708.70 and 8716.90 may contain products outside the scope of these reviews.

Third-country trade actions

In 2020, the European Union imposed an anti-dumping duty of 50.3 to 66.4 percent on imports of wheels of steel from China designed for uses such as trailers and semi-trailers.²⁹

The global market

Table I-9 presents export data for road wheels and parts and accessories thereof for motor vehicles, as well as parts of trailers, semi-trailers, and other vehicles, not mechanically propelled, a category that includes steel wheels and out-of-scope products (by source in descending order of value for 2023).

Germany has maintained its position as the leading exporter, with exports slightly above \$4.5 billion in both 2022 and 2023. Other notable exporters include Mexico and Turkey, both of which have seen considerable growth over the five-year period, with Mexico's exports reaching nearly \$1.7 billion in 2023. Additionally, Hungary and the Netherlands have shown marked growth, with exports from Netherlands increasing to over \$1.1 billion in 2023, a 50.6 percent increase from 2019. The global export market has shown a consistent increase, recovering well after 2020, with total exports exceeding \$35.0 billion in 2023, indicating robust global demand.

Table I-9
Road wheels and parts and accessories thereof for motor vehicles and parts of trailers, semi-trailers, and other vehicles, not mechanically propelled: Value of global exports by country and period

Value in thousands of dollars

Exporting country	2019	2020	2021	2022	2023
Germany	4,396,821	3,944,339	4,903,207	4,537,574	4,555,792
Mexico	1,334,938	1,124,352	1,447,115	1,648,330	1,738,730
Turkey	1,008,295	885,074	1,187,692	1,471,395	1,529,232
Poland	1,360,084	1,113,153	1,409,888	1,446,322	1,412,123
Italy	1,059,027	933,150	1,188,033	1,195,083	1,218,211
Netherlands	751,105	706,356	846,168	892,843	1,131,476
Hungary	764,793	706,898	974,028	998,672	1,058,794
Thailand	385,601	441,006	650,931	779,394	764,153
Czech Republic	687,608	572,754	682,657	728,424	753,291
France	718,305	555,332	699,386	670,431	735,210
All other markets	16,369,229	14,041,835	18,863,870	19,849,772	20,104,701
All exporters	28,835,806	25,024,247	32,852,976	34,218,240	35,001,713

Source: Global Trade Information Services, Inc., Global Trade Atlas, HS subheadings 8708.70 and 8716.90, accessed May 29, 2024. These data may be overstated as HS subheadings 8708.70 and 8716.90 may contain products outside the scope of these reviews.

²⁹ Domestic interested party's response to the notice of institution, May 1, 2024, exh. 18.

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 22373 April 1, 2024	<i>Initiation of Five-Year (Sunset) Reviews</i>	https://www.govinfo.gov/content/pkg/FR-2024-04-01/pdf/2024-06793.pdf
89 FR 22451 April 1, 2024	<i>Steel Wheels from China; Institution of Five-Year Reviews</i>	https://www.govinfo.gov/content/pkg/FR-2024-04-01/pdf/2024-06740.pdf

APPENDIX B
COMPANY-SPECIFIC DATA

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APPENDIX C
SUMMARY DATA COMPILED IN PRIOR PROCEEDINGS

Table C-1

Steel wheels: Summary data concerning the U.S. market, 2015-17, January to September 2017, and January to September 2018

(Quantity=units; Value=1,000 dollars; Unit values, unit labor costs, and unit expenses=dollars per unit; Period changes=percent--exceptions noted)

	Reported data					Period changes			
	2015	Calendar year 2016	2017	January to September 2017	2018	2015-17	Comparison years 2015-16	2016-17	Jan-Sep 2017-18
U.S. consumption quantity:									
Amount.....	***	***	***	***	***	***	***	***	***
Producers' share (fn1).....	***	***	***	***	***	***	***	***	***
Importers' share (fn1):									
China.....	***	***	***	***	***	***	***	***	***
Mexico (nonsubject).....	***	***	***	***	***	***	***	***	***
All other sources.....	***	***	***	***	***	***	***	***	***
Nonsubject sources.....	***	***	***	***	***	***	***	***	***
All import sources.....	***	***	***	***	***	***	***	***	***
U.S. consumption value:									
Amount.....	***	***	***	***	***	***	***	***	***
Producers' share (fn1).....	***	***	***	***	***	***	***	***	***
Importers' share (fn1):									
China.....	***	***	***	***	***	***	***	***	***
Mexico (nonsubject).....	***	***	***	***	***	***	***	***	***
All other sources.....	***	***	***	***	***	***	***	***	***
Nonsubject sources.....	***	***	***	***	***	***	***	***	***
All import sources.....	***	***	***	***	***	***	***	***	***
U.S. importers' U.S. shipments of imports from--									
China:									
Quantity.....	837,332	832,600	950,474	688,150	687,379	13.5	(0.6)	14.2	(0.1)
Value.....	39,970	36,183	42,092	29,959	31,670	5.3	(9.5)	16.3	5.7
Unit value.....	\$47.73	\$43.46	\$44.29	\$43.54	\$46.07	(7.2)	(9.0)	1.9	5.8
Ending inventory quantity.....	156,925	117,448	163,836	158,608	107,898	4.4	(25.2)	39.5	(32.0)
Mexico (nonsubject)									
Quantity.....	***	***	***	***	***	***	***	***	***
Value.....	***	***	***	***	***	***	***	***	***
Unit value.....	***	***	***	***	***	***	***	***	***
Ending inventory quantity.....	***	***	***	***	***	***	***	***	***
All other sources:									
Quantity.....	***	***	***	***	***	***	***	***	***
Value.....	***	***	***	***	***	***	***	***	***
Unit value.....	***	***	***	***	***	***	***	***	***
Ending inventory quantity.....	***	***	***	***	***	***	***	***	***
Nonsubject sources									
Quantity.....	***	***	***	***	***	***	***	***	***
Value.....	***	***	***	***	***	***	***	***	***
Unit value.....	***	***	***	***	***	***	***	***	***
Ending inventory quantity.....	***	***	***	***	***	***	***	***	***
All import sources:									
Quantity.....	***	***	***	***	***	***	***	***	***
Value.....	***	***	***	***	***	***	***	***	***
Unit value.....	***	***	***	***	***	***	***	***	***
Ending inventory quantity.....	***	***	***	***	***	***	***	***	***
U.S. producers':									
Average capacity quantity.....	***	***	***	***	***	***	***	***	***
Production quantity.....	***	***	***	***	***	***	***	***	***
Capacity utilization (fn1).....	***	***	***	***	***	***	***	***	***
U.S. shipments:									
Quantity.....	***	***	***	***	***	***	***	***	***
Value.....	***	***	***	***	***	***	***	***	***
Unit value.....	***	***	***	***	***	***	***	***	***
Export shipments:									
Quantity.....	***	***	***	***	***	***	***	***	***
Value.....	***	***	***	***	***	***	***	***	***
Unit value.....	***	***	***	***	***	***	***	***	***
Ending inventory quantity.....	***	***	***	***	***	***	***	***	***
Inventories/total shipments (fn1).....	***	***	***	***	***	***	***	***	***
Production workers.....	***	***	***	***	***	***	***	***	***
Hours worked (1,000s).....	***	***	***	***	***	***	***	***	***
Wages paid (\$1,000).....	***	***	***	***	***	***	***	***	***
Hourly wages (dollars per hour).....	***	***	***	***	***	***	***	***	***
Productivity (units per hour).....	***	***	***	***	***	***	***	***	***
Unit labor costs.....	***	***	***	***	***	***	***	***	***
Net sales:									
Quantity.....	***	***	***	***	***	***	***	***	***
Value.....	***	***	***	***	***	***	***	***	***
Unit value.....	***	***	***	***	***	***	***	***	***
Cost of goods sold (COGS).....	***	***	***	***	***	***	***	***	***
Gross profit or (loss).....	***	***	***	***	***	***	***	***	***
SG&A expenses.....	***	***	***	***	***	***	***	***	***
Operating income or (loss).....	***	***	***	***	***	***	***	***	***
Net income or (loss).....	***	***	***	***	***	***	***	***	***
Capital expenditures.....	***	***	***	***	***	***	***	***	***
Unit COGS.....	***	***	***	***	***	***	***	***	***
Unit SG&A expenses.....	***	***	***	***	***	***	***	***	***
Unit operating income or (loss).....	***	***	***	***	***	***	***	***	***
Unit net income or (loss).....	***	***	***	***	***	***	***	***	***
COGS/sales (fn1).....	***	***	***	***	***	***	***	***	***
Operating income or (loss)/sales (fn1).....	***	***	***	***	***	***	***	***	***
Net income or (loss)/sales (fn1).....	***	***	***	***	***	***	***	***	***

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

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

fn2.--Undefined.

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

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 steel wheels: ***. Purchaser questionnaires were sent to these five firms and two firms (***) provided responses, which are presented below.

1. Have there been any significant changes in the supply and demand conditions for finished steel wheels that have occurred in the United States or in the market for steel wheels in China since May 24, 2019?

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

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

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

