
New Trade Case on Imports of Passenger Vehicle and Light Truck Tires from Korea, Taiwan, Thailand, and Vietnam

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New U.S. antidumping (“AD”) and countervailing duty (“CVD”) petitions were filed on May 13, 2020, by United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union, AFL-CIO, CLC (“USW”) against imports of passenger vehicle and light truck tires (“PVL”) from South Korea, Taiwan, Thailand, and Vietnam.

PVL are new pneumatic tires, of rubber, with a passenger vehicle or light truck size designation. Tires covered by these orders may be tube-type, tubeless, radial, or non-radial, and they may be intended for sale to original equipment manufacturers or the replacement market. Subject tires have, at the time of importation, the symbol “DOT” on the sidewall, certifying that the tire conforms to applicable motor vehicle safety standards. All PVL tires have the same end use – for mounting on wheels of passenger vehicles and light trucks.

The merchandise covered by this Petition is the same as the merchandise that was the subject of 2015 AD and CVD cases on PVL imports from China.

The petitions include AD (less than fair value) allegations against South Korea, Taiwan, Thailand, and Vietnam and a CVD (unfair subsidy) allegation against Vietnam. The Department of Commerce (“DOC”) and the International Trade Commission (“ITC”) will conduct the investigations. Within the next 45 days, the ITC will determine if there is a reasonable indication that the imports are injuring the U.S. industry. If the ITC finds that standard is met, then the cases will move to the DOC which will calculate the preliminary AD and CVD duty margins.

The DOC’s preliminary determinations are currently scheduled for August 6, 2020 (CVD) and October 20, 2020 (AD), which are the dates when importers will be required to deposit the calculated duties upon the products’ entry in the U.S. market.

There are strict statutory deadlines associated with these proceedings and affected companies are advised to prepare as soon as possible. If this product is of interest to you, please let us know so that we can provide you with additional information as it becomes available.

The following are key facts about this trade case:

Petitioners: United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union, AFL-CIO, CLC

Foreign Producers/Exporters and US Importers: Please contact us for a listing of individual companies named in the petition.

Alleged AD and CVD margins: Petitioners have alleged the following AD and CVD margins:

- South Korea: calculated AD margins ranging from 42.95 to 195.20 percent ad valorem,
- Taiwan: calculated AD margins ranging from 21 to 147 percent ad valorem,
- Thailand: calculated AD margins ranging from 106.4 to 217.5 percent ad valorem, and
- Vietnam: calculated AD margins ranging from 14.73 to 33.06 percent ad valorem and a CVD margin above de minimus.

Merchandise covered by the scope of the case:

The scope of these investigations is passenger vehicle and light truck tires. Passenger vehicle and light truck tires are new pneumatic tires, of rubber, with a passenger vehicle or light truck size designation. Tires covered by these orders may be tube-type, tubeless, radial, or non-radial, and they may be intended for sale to original equipment manufacturers or the replacement market.

Subject tires have, at the time of importation, the symbol “DOT” on the sidewall, certifying that the tire conforms to applicable motor vehicle safety standards. Subject tires may also have the following prefixes or suffix in their tire size designation, which also appears on the sidewall of the tire:

Prefix designations:

P – Identifies a tire intended primarily for service on passenger cars.

LT – Identifies a tire intended primarily for service on light trucks.

Suffix letter designations:

LT – Identifies light truck tires for service on trucks, buses, trailers, and multipurpose passenger vehicles used in nominal highway service.

All tires with a “P” or “LT” prefix, and all tires with an “LT” suffix in their sidewall markings are covered by this investigation regardless of their intended use.

Also, all tires that lack a “P” or “LT” prefix or suffix in their sidewall markings, as well as all tires that include any other prefix or suffix in their sidewall

markings, are included in the scope, regardless of their intended use, as long as the tire is of a size that fits passenger cars or light trucks. Sizes that fit passenger cars and light trucks include, but are not limited to, the numerical size designations listed in the passenger car section or light truck section of the Tire and Rim Association Year Book, as updated annually. The scope includes all tires that are of a size that fits passenger cars or light trucks unless the tire falls within one of the specific exclusions set out below.

Passenger vehicle and light truck tires, whether or not attached to wheels or rims, are included in the scope. However, if a subject tire is imported attached to a wheel or rim, only the tire is covered by the scope.

Specifically excluded from the scope are the following types of tires:

1. Racing car tires; such tires do not bear the symbol "DOT" on the sidewall and may be marked with "ZR" in size designation;
2. Pneumatic tires, of rubber, that are not new, including recycled and retreaded tires;
3. Non-pneumatic tires, such as solid rubber tires;
4. Tires designed and marketed exclusively as temporary use spare tires for passenger vehicles which also exhibit each of the following physical characteristics:
 - The size designation and load index combination molded on the tire's sidewall are listed in Table PCT-1B ("T" Type Spare Tires for Temporary Use on Passenger Vehicles) or PCT-1B ("T" Type Diagonal (Bias) Spare Tires for Temporary Use on Passenger Vehicles) of the Tire and Rim Association Year Book
 - The designation "T" is molded into the tire's sidewall as part of the size designation, and,
 - The tire's speed rating is molded on the sidewall, indicating the rated speed in MPH or a letter rating as listed by Tire and Rim Association Year Book, and the rated speed is 81 MPH or an "M" rating;
5. Tires designed and marketed exclusively for specialty tire (ST) use which also exhibit each of the following conditions:
 - The size designation molded on the tire's sidewall is listed in the ST sections of the Tire and Rim Association Year Book,
 - The designation "ST" is molded into the tire's sidewall as part of the size designation,
 - The tire incorporates a warning, prominently molded on the sidewall, that the tire is "For Trailer Service Only" or "For Trailer Use Only",
 - The load index molded on the tire's sidewall meets or exceeds those load indexes listed in the Tire and Rim Association Year Book for the relevant ST tire size, and
 - Either
 - The tire's speed rating is molded on the sidewall, indicating the rated speed in MPH or a letter rating as listed by Tire and Rim Association Year Book, and the rated speed does not exceed 81 MPH or an "M" rating; or
 - The tire's speed rating molded on the sidewall is 87 MPH or an "N" rating, and in either case, the tire's maximum pressure and maximum load limit are molded on the sidewall and either
 1. Both exceed the maximum pressure and maximum load limit for any tire of the same size designation in either the passenger car or light truck section of the Tire and Rim Association Year Book; or
 2. If the maximum cold inflation pressure molded on the tire is less than any cold inflation pressure listed for that size designation in either the passenger car or light truck section of the Tire and Rim Association Year Book, the maximum load limit molded on the tire is higher than the maximum load limit listed at that cold inflation pressure for that size designation in either the passenger car or light truck section of the Tire and Rim Association Year Book;
6. Tires designed and marketed exclusively for off-road use and which also exhibit each of the following physical characteristics:
 - The size designation and load index combination molded on the tire's sidewall are listed in the off-the-road, agricultural, industrial or ATV section of the Tire and Rim Association Year Book,
 - In addition to any size designation markings, the tire incorporates a warning, prominently molded on the sidewall, that the tire is "Not For Highway Service" or "Not for Highway Use,"
 - The tire's speed rating is molded on the sidewall, indicating the rated speed in MPH or a letter rating as listed by the Tire and Rim Association Year Book, and the rated speed does not exceed 55 MPH or a "G" rating, and
 - The tire features a recognizable off-road tread design.

The products covered by these investigations are currently classified under the following

Harmonized Tariff Schedule of the United States (HTSUS) subheadings: 4011.10.10.10, 4011.10.10.20, 4011.10.10.30, 4011.10.10.40, 4011.10.10.50, 4011.10.10.60, 4011.10.10.70, 4011.10.50.00, 4011.20.10.05, and 4011.20.50.10. Tires meeting the scope description may also enter under the following HTSUS subheadings: 4011.90.10.10, 4011.90.10.50, 4011.90.20.10, 4011.90.20.50, 4011.90.80.10, 4011.90.80.50, 8708.70.45.30, 8708.70.45.46, 8708.70.45.48, 8708.70.45.80, 8708.70.60.30, 8708.70.60.45, and 8708.70.60.60. While HTSUS subheadings are provided for convenience and for customs purposes, the written description of the subject merchandise is dispositive.

If you have any questions regarding the content of this alert, please contact [Mark Ludwikowski](mailto:mludwikowski@clarkhill.com) (mludwikowski@clarkhill.com; 202-640-6680), [Kevin](#)

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