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## DEPARTMENT OF COMMERCE

International Trade Administration

[A-570-912]

**Initiation of Antidumping Duty  
Investigation: Certain New Pneumatic  
Off-the-Road Tires From the People's  
Republic of China**

**AGENCY:** Import Administration,  
International Trade Administration,  
Department of Commerce.

**DATES:** *Effective Date:* August 6, 2007.

**FOR FURTHER INFORMATION CONTACT:**  
Laurel LaCivita or Charles Riggle, AD/  
CVD Operations, Office 8, Import

Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC 20230; telephone: (202) 482-4243 or (202) 482-0650, respectively.

### Initiation of Investigation

#### The Petition

On June 18, 2007, the Department of Commerce ("Department") received a petition on imports of certain new pneumatic off-the-road tires ("certain OTR tires") from the People's Republic of China ("PRC") filed in proper form by Titan Tire Corporation, a subsidiary of Titan International, Inc. ("Titan"), and the United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union, AFL-CIO-CLC ("USW"), (collectively, "Petitioners") on behalf of the domestic industry producing certain OTR tires. The period of investigation ("POI") is October 1, 2006 through March 31, 2007.

In accordance with section 732(b) of the Tariff Act of 1930, as amended ("the Act"), Petitioners alleged that imports of certain OTR tires from the PRC are being, or are likely to be, sold in the United States at less than fair value within the meaning of section 731 of the Act, and that such imports are materially injuring an industry in the United States. The Department issued supplemental questions to Petitioners on June 21 and 22, 2007. Petitioners filed an amendment to the petition on June 22, 2007 and responded to both questionnaires on June 27, 2007.

#### Scope of Investigation

The products covered by this investigation are certain OTR tires. For a full description of the scope of the investigation, please see the **Scope of Investigation** in Attachment I of this notice.

#### Comments on the Scope of the Investigation

During our review of the petition, we discussed the scope with Petitioners to ensure that it accurately reflects the product for which the domestic industry is seeking relief. During this review, we noted that, while the Department typically prefers to rely upon physical characteristics to determine the scope of product coverage, the scope description proposed by Petitioners relied upon, in part, end-use applications as a method for determining scope coverage. As discussed in the preamble to the Department's regulations, we are setting aside a period for interested parties to raise issues regarding product coverage. See *Antidumping Duties; Countervailing*

*Duties; Final Rule*, 62 FR 27296, 27323 (May 19, 1997). The Department encourages all interested parties to submit comments on the scope of the investigation, including whether the definition of covered merchandise should be based on end-use application, and whether additional Harmonized Tariff Schedule of the United States ("HTSUS") numbers should be included in the scope description. The deadline for submitting such comments is fourteen calendar days after publication of this initiation notice. Rebuttal comments are due seven calendar days after the deadline for submitting comments on the scope of the investigation. Comments should be addressed to Import Administration's Central Records Unit in Room 1870, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC 20230—Attention: Laurel LaCivita, Room 4416. The period of scope consultations is intended to provide the Department with ample opportunity to consider all comments and consult with interested parties prior to the issuance of the preliminary determination.

#### Determination of Industry Support for the Petition

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

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

"the domestic industry" has been injured, must also determine what constitutes a domestic like product in order to define the industry. While both the Department and the ITC must apply the same statutory definition regarding the domestic like product (section 771(10) of the Act), they do so for different purposes and pursuant to a separate and distinct authority. In addition, the Department's determination is subject to limitations of time and information. Although this may result in different definitions of the like product, such differences do not render the decision of either agency contrary to law. See *USEC, Inc. v. United States*, 132 F. Supp. 2d 1, 8 (CIT 2001), citing *Algoma Steel Corp. Ltd. v. United States*, 688 F. Supp. 639, 644 (CIT 1988), *aff'd* 865 F.2d 240 (Fed. Cir. 1989), *cert. denied* 492 U.S. 919 (1989).

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

With regard to the domestic like product, the Petitioners do not offer a definition of domestic like product distinct from the scope of the investigation. Based on our analysis of the information submitted on the record, we have determined that certain OTR tires constitute a single domestic like product and we have analyzed industry support in terms of that domestic like product. For a discussion of the domestic like product analysis in this case, see the *Antidumping Duty Investigation Initiation Checklist: Certain Off-the-Road Tires from the People's Republic of China (PRC)*, Industry Support at Attachment II (AD Initiation Checklist), on file in the Central Records Unit (CRU), Room B-099 of the main Department of Commerce building. On July 6, 2007, the Department extended the initiation deadline by 20 days to poll the domestic industry in accordance with section 732(c)(4)(D) of the Act, because it was "not clear from the petitions whether the industry support criteria have been met \* \* \*" See *Extension of the Deadline for Determining the Adequacy of the Antidumping Duty and Countervailing Duty Petitions: New Pneumatic Off-the-Road Tires from the People's Republic of China*, 72 FR 38816 (July 16, 2007). On July 16, 2007, we issued polling questionnaires to all

known domestic producers of certain OTR tires identified in the petitions and by the Department's research. The questionnaires are on file in the CRU. For a detailed discussion of the responses received, see AD Initiation Checklist at Attachment II.

Based on an analysis of the data collected, we determine that the Petitioners have demonstrated industry support representing over 50 percent of the total production of the domestic like product. Therefore, the domestic producers or workers who support the petition account for at least 25 percent of the total production of the domestic like product, and the requirements of section 732(c)(4)(A)(i) of the Act are met. Furthermore, given that the Petitioners represent more than 50 percent of the total production of the domestic like product, the requirements of section 732(c)(4)(A)(ii) of the Act are also met. Accordingly, we determine that this petition is filed on behalf of the domestic industry within the meaning of section 732(b)(1) of the Act. See AD Initiation Checklist at Attachment II.

The Department finds that the Petitioners filed the petition on behalf of the domestic industry because they are interested parties as defined in sections 771(9)(C) and (D) of the Act and they have demonstrated sufficient industry support with respect to the countervailing duty investigation that they are requesting the Department initiate. See AD Initiation Checklist at Attachment II.

#### **Allegations of Sales at Less Than Fair Value**

The following is a description of the allegations of sales at less than fair value upon which the Department based its decision to initiate this investigation on imports of certain OTR tires from the PRC. The source of data for the deductions and adjustments relating to the U.S. price as well as normal value ("NV") for the PRC are also discussed in the AD Initiation Checklist. Should the need arise to use any of this information as facts available under section 776 of the Act in our preliminary or final determinations, we will reexamine the information and revise the margin calculations, if appropriate.

#### **Export Price**

Petitioners relied on nineteen U.S. prices for certain OTR tires manufactured in the PRC and offered by U.S. distributors for sale in the United States. The prices provided were invoice prices for specific models of certain OTR tires falling within the scope of this petition for delivery to the U.S. customer during the POI.

Petitioners deducted from the invoice prices the costs associated with exporting and delivering the product, which include ocean freight and insurance, and foreign brokerage and handling, distributor costs and profit, U.S. inland freight and, where applicable, U.S. duties. Petitioners did not deduct foreign-inland-freight charges or domestic brokerage and handling (in China) from the export price ("EP") because such costs were included in the valuation of international movement expenses. See Volume I of the petition at Exhibit 5.

#### **Normal Value**

Petitioners stated that the PRC is a non-market economy ("NME") and no determination to the contrary has yet been made by the Department. In previous investigations, the Department has determined that the PRC is a NME. See, e.g., *Final Determination of Sales at Less Than Fair Value and Partial Affirmative Determination of Critical Circumstances: Certain Polyester Staple Fiber from the People's Republic of China*, 72 FR 19690 (April 19, 2007). In accordance with section 771(18)(C)(i) of the Act, the presumption of NME status remains in effect until revoked by the Department. The presumption of NME status for the PRC has not been revoked by the Department and remains in effect for the purpose of initiating this investigation. Accordingly, the NV of the product is appropriately based on factors of production valued in a surrogate market-economy country in accordance with section 773(c) of the Act. In the course of this investigation, all parties will have the opportunity to provide relevant information related to the issues of the PRC's NME status and the granting of separate rates to individual exporters.

Petitioners selected India as the surrogate country. Petitioners argued that, pursuant to section 773(c)(4) of the Act, India is an appropriate surrogate country because it is a market-economy country that is at a comparable level of economic development to that of the PRC and is a significant producer and exporter of certain OTR tires. See Volume I of the petition at Exhibits 6 and 7. Based on the information provided by Petitioners, we believe that their use of India as a surrogate country is appropriate for purposes of initiating this investigation. After the initiation of the investigation, we will solicit comments regarding surrogate-country selection. Also, pursuant to 19 CFR 351.301(c)(3)(i), interested parties will be provided an opportunity to submit publicly available information to value factors of production within 40 calendar

days after the date of publication of the preliminary determination.

Petitioners provided dumping margin calculations using the Department's NME methodology as required by 19 CFR 351.202(b)(7)(i)(C) and 19 CFR 351.408. Petitioners calculated NV based on consumption rates for inputs used to produce certain OTR tires experienced by U.S. producers. In accordance with section 773(c)(4) of the Act, Petitioners valued factors of production, where possible, on reasonably available, public surrogate country data. To value certain factors of production, Petitioners used official Indian government import statistics, excluding shipments from countries previously determined by the Department to be NME countries and excluding shipments into India from Indonesia, the Republic of Korea and Thailand, because the Department has previously excluded prices from these countries because they may maintain broadly-available, non-industry specific export subsidies. See, e.g., *Hand Trucks and Certain Parts Thereof From the People's Republic of China: Final Results of Administrative Review and Final Results of New Shipper Review*, 72 FR 27287 and Issues and Decision Memorandum at Comment 23 (May 15, 2007). Petitioners valued two separate inputs using Indonesian import statistics gathered from *Statistics Indonesia*, the official Indonesian import statistics, because it claimed that the Indian import values were aberrationally high. Citing *Saccharin from the People's Republic of China: Final Results and Partial Rescission of Antidumping Duty Administrative Review*, 71 FR 7515, 7516 (February 13, 2006) and *The Timken Company v. United States*, 59 F. Supp. 2d 1371, 1375-76 (CIT 1999) (sustaining the Department's practice of resorting to a second surrogate country when the values in the primary surrogate country are deemed to be inappropriate), Petitioners explained that the Department looks to secondary countries when a particular value in the primary country is questionable. See Volume I of the petition at Exhibit 8B.

For inputs valued in Indian rupees and not contemporaneous with the POI, Petitioners developed an inflation factor based on import prices into India as published in *Chemical Weekly*. See Volume II of the petition at Exhibit 8F. Where such information was unavailable, Petitioners used information from the wholesale price indices ("WPI") in India as published in the *International Financial Statistics* ("IFS") of the International Monetary Fund ("IMF") for input prices during

the period preceding the POI. *Id.* In addition, Petitioners made currency conversions, where necessary, based on the average exchange rate for the POI, based on monthly exchange rates published by the U.S. Federal Reserve Board. See Volume I of the petition at Exhibit 5 and 8K.

We revised Petitioners' calculation of the surrogate values for material inputs to include more contemporaneous data than was provided in the petition, and to base our calculations on a single source of information. As a result, we valued raw material inputs using the weighted-average unit import values derived from the Monthly Statistics of the Foreign Trade of India, as published by the Directorate General of Commercial Intelligence and Statistics of the Ministry of Commerce and Industry, Government of India in the World Trade Atlas, available at <http://www.gtis.com/wta.htm> ("WTA") for the period July through December 2006, which includes the first three months of the POI, and the three months immediately preceding the POI. We made no adjustments for inflation since the surrogate values for this period include a significant portion of the POI. In addition, we corrected the values for certain factors to correct clerical errors made by Petitioners in the transcription of the U.S. dollar values recorded for the POI by *Statistics Indonesia* into the normal value calculations. See Exhibits 8B and 8E of the petition and AD Initiation Checklist at Attachments V and V–R. We also calculated the surrogate values for two factors for which there were no imports into India during the period July to December 2006 using the most contemporaneous values available in the Indian WTA data. We made appropriate adjustments for inflation. See AD Initiation Checklist at Attachments V and V–R.

The Department calculates and publishes the surrogate values for labor to be used in NME cases on its Web site. Therefore, to value labor, Petitioners used a labor rate of \$0.83 per hour, published on the Department's Web site, <http://ia.ita.doc.gov/wages>, in accordance with the Department's regulations. See 19 CFR 351.408(c)(3) and AD Initiation Checklist.

Petitioners valued electricity in the production of certain OTR tires based on the Indian electricity rate as reported in the *Key World Energy Statistics 2003*, published by the International Energy Agency for the year 2000. See Volume II of the petition at Exhibit 8J.

Petitioners valued water by calculating the weighted-average rate of water for industrial use from various regions as reported by the Maharashtra Industrial

Development Corporation at <http://midcindia.org>, dated June 1, 2003. *Id.* Petitioners valued natural gas using the rate published by the Gas Authority of India Ltd. Web site, a supplier of natural gas in India, covering the period January through June 2002. *Id.* In each case, Petitioners inflated these figures to the POI using information published in *IFS*. See Volume II of the petition at Exhibit 8I. We revised these calculations to take into account more current information concerning the WPI in India based on the *IFS* statistics. See AD Initiation Checklist at Attachments 5 and 5–H through 5–M.

For the NV calculations, Petitioners derived the figures for factory overhead, selling, general and administrative expenses, and profit from the financial ratios of seven Indian producers of merchandise that is either identical or similar to the domestic like product: Apollo Tyres Ltd. ("Apollo"), Balkrishna Industries Limited ("Balkrishna"), CEAT Limited ("CEAT"), Goodyear India ("Goodyear"), J.K. Industries Ltd. ("J.K. Industries"), MRF Limited ("MRF") and TVS Srichakra Limited ("TVS"). The financial statements provided covered the periods of April 2004 to March 2005 (Apollo), October 2004 to September 2005 (J.K. Industries, MRF Ltd.), January to December 2005 ("Goodyear") and April 2005 to March 2006 (CEAT, Balkrishna, Apollo and TVS). We accepted the information presented in the financial statements provided in Volume I of the petition at Exhibit 8N for Balkrishna, CEAT and TVS for the purposes of initiation, because these data appear to be the most contemporaneous and best information on such expenses currently available to Titan. We did not use the information from the financial statements for Apollo, Goodyear, J.K. Industries and MRF, because of the availability of more contemporaneous information from Balkrishna, CEAT and TVS.

We made one adjustment to Petitioners' calculations of the financial ratios: We excluded commissions from the calculation of selling, general and administrative expenses ("SG&A") because commissions are ordinarily accounted for in the calculation of U.S. price. Therefore, in order to avoid double counting direct selling expenses, we omitted them from the calculation of the financial ratio for SG&A. See AD Initiation Checklist at Attachment V and V–Q.

Based on the data provided by Petitioners, there is reason to believe that imports of certain OTR tires from the PRC are being, or are likely to be, sold in the United States at less than fair

value. Based upon comparisons of EP to the NV, calculated in accordance with section 773(c) of the Act, the estimated calculated dumping margins for certain OTR tires from the PRC range from 30.49 percent to 210.48 percent.

### Allegations and Evidence of Material Injury and Causation

Petitioners allege that the U.S. industry producing the domestic like product is being materially injured by reason of the imports of the subject merchandise sold at less than NV. Petitioners contend that the industry's injured condition is illustrated by the reduced market share, lost sales, reduced production and capacity utilization, reduced shipments, underselling and price depressing and suppressing effects, lost revenue and sales, reduced employment, decline in financial performance, decrease in capital expenditure, and increase in import penetration. We have assessed the allegations and supporting evidence regarding material injury and causation, and we have determined that these allegations are properly supported by adequate evidence and meet the statutory requirements for initiation. See AD Initiation Checklist at Attachment III.

### Separate-Rates Application

On April 5, 2005, the Department modified the process by which exporters and producers may obtain separate-rate status in NME investigations. See Policy Bulletin 05.1: "Separate-Rates Practice and Application of Combination Rates in Antidumping Investigations Involving Non-Market Economy Countries," available on the Department's Web site at <http://ia.ita.doc.gov/policy/bull05-1.pdf>. The process now requires the submission of a separate-rate status application. Based on our experience in processing separate-rate applications in antidumping duty investigations, we have modified the application for this investigation to make it more administrable and easier for applicants to complete. See *Certain Steel Nails from the People's Republic of China and the United Arab Emirates: Initiation of Antidumping Duty Investigations*, 72 FR 38816 (July 16, 2007); *Initiation of Antidumping Duty Investigation: Circular Welded Carbon Quality Steel Pipe from the People's Republic of China*, 72 FR 36663 (July 5, 2007); and, *Initiation of Antidumping Duty Investigations: Coated Free Sheet Paper from Indonesia, the People's Republic of China, and the Republic of Korea*, 71 FR 68537 (November 27, 2006). The specific requirements for submitting the

separate-rate application in this investigation are outlined in detail in the application itself, which will be available on the Department's Web site at <http://ia.ita.doc.gov/> on the date of publication of this initiation notice in the **Federal Register**. Submission of the separate-rate application is due no later than August 20, 2007.

#### **NME Respondent Selection and Quantity and Value Questionnaire**

For NME investigations, it is the Department's practice to request quantity and value information from all known exporters identified in the petition. Although many NME exporters respond to the quantity and value information request, at times some exporters may not have received the quantity and value questionnaire or may not have received it in time to respond by the specified deadline. Therefore, the Department typically requests the assistance of the NME government in transmitting the Department's quantity and value questionnaire to all companies who manufacture and export subject merchandise to the United States, as well as to manufacturers who produce the subject merchandise for companies who were engaged in exporting subject merchandise to the United States during the POI. The quantity and value data received from NME exporters is used as the basis to select the mandatory respondents.

The Department requires that the respondents submit a response to both the quantity and value questionnaire and the separate-rates application by the respective deadlines in order to receive consideration for separate-rate status. Appendix II of this notice contains the quantity and value questionnaire that must be submitted by all NME exporters no later than August 20, 2007. In addition, the Department will post the quantity and value questionnaire along with the filing instructions on the Department's Web site at <http://ia.ita.doc.gov/ia-highlights-and-news.html>. The Department will send the quantity and value questionnaire to those exporters identified in Volume I of the petition at Exhibit 4, and to the PRC government.

#### **Use of Combination Rates in an NME Investigation**

The Department will calculate combination rates for certain respondents that are eligible for a separate rate in this investigation. The Separate-Rates and Combination Rates Bulletin states the following:

{w}hile continuing the practice of assigning separate rates only to exporters, all separate rates that the Department will now assign in

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

See Separate-Rates and Combination Rates Bulletin, at 6.

#### **Initiation of Antidumping Investigation**

Based upon our examination of the petition on certain OTR tires from the PRC, we find that the petition meets the requirements of section 732 of the Act. Therefore, we are initiating an antidumping duty investigation to determine whether imports of certain OTR tires from the PRC are being, or are likely to be, sold in the United States at less than fair value. Unless postponed, we will make our preliminary determination no later than 140 calendar days after the date of publication of this initiation notice.

#### **Distribution of Copies of the Petition**

In accordance with section 732(b)(3)(A) of the Act, a copy of the public version of the petition has been provided to the government of the PRC.

#### **International Trade Commission Notification**

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

#### **Preliminary Determination by the ITC**

The ITC will preliminarily determine, within 25 days after the date on which it receives notice of this initiation, whether there is a reasonable indication that imports of certain OTR tires from the PRC are causing material injury, or threatening to cause material injury, to a U.S. industry. See section 733(a)(2)(A)(i) of the Act. A negative ITC determination will result in the investigation being terminated; otherwise, this investigation will proceed according to statutory and regulatory time limits.

This notice is issued and published pursuant to section 777(i) of the Act.

Dated: July 30, 2007.

**Stephen J. Claeys,**

*Acting Assistant Secretary for Import Administration.*

#### **Appendix I—Scope of The Investigation**

##### **Attachment I—Scope of the Investigation for the Petitions Covering Certain New Pneumatic Off-the-Road Tires From the People's Republic of China**

The products covered by the scope are new pneumatic tires designed for off-the-road (OTR) and off-highway use, subject to exceptions identified below. Certain OTR tires are generally designed, manufactured and offered for sale for use on off-road or off-highway surfaces, including but not limited to, agricultural fields, forests, construction sites, factory and warehouse interiors, airport tarmacs, ports and harbors, mines, quarries, gravel yards, and steel mills. The vehicles and equipment for which certain OTR tires are designed for use include, but are not limited to: (1) Agricultural and forestry vehicles and equipment, including agricultural tractors,<sup>1</sup> combine harvesters,<sup>2</sup> agricultural high clearance sprayers,<sup>3</sup> industrial tractors,<sup>4</sup> log-skidders,<sup>5</sup> agricultural implements, highway-towed implements, agricultural logging, and agricultural, industrial, skid-steers/mini-loaders;<sup>6</sup> (2) construction vehicles and equipment, including earthmover articulated dump products, rigid frame haul trucks,<sup>7</sup> front end loaders,<sup>8</sup> dozers,<sup>9</sup>

<sup>1</sup> Agricultural tractors are four-wheeled vehicles usually with large rear tires and small front tires that are used to tow farming equipment.

<sup>2</sup> Combine harvesters are used to harvest crops such as corn or wheat.

<sup>3</sup> Agricultural sprayers are used to irrigate agricultural fields.

<sup>4</sup> Industrial tractors are four-wheeled vehicles usually with large rear tires and small front tires that are used to tow industrial equipment.

<sup>5</sup> A log skidder has a grappling lift arm that is used to grasp, lift and move trees that have been cut down to a truck or trailer for transport to a mill or other destination.

<sup>6</sup> Skid-steer loaders are four-wheel drive vehicles with the left-side drive wheels independent of the right-side drive wheels and lift arms that lie alongside the driver with the major pivot points behind the driver's shoulders. Skid-steer loaders are used in agricultural, construction and industrial settings.

<sup>7</sup> Haul trucks, which may be either rigid frame or articulated (i.e., able to bend in the middle) are typically used in mines, quarries and construction sites to haul soil, aggregate, mined ore, or debris.

<sup>8</sup> Front loaders have lift arms in front of the vehicle. It can scrape material from one location to another, carry material in its bucket or load material into a truck or trailer.

<sup>9</sup> A dozer is a large four-wheeled vehicle with a dozer blade that is used to push large quantities of soil, sand, rubble, etc., typically around construction sites. They can also be used to perform "rough grading" in road construction.

lift trucks, straddle carriers,<sup>10</sup> graders,<sup>11</sup> mobile cranes, compactors; and (3) industrial vehicles and equipment, including smooth floor, industrial, mining, counterbalanced lift trucks, industrial and mining vehicles other than smooth floor, skid-steers/mini-loaders, and smooth floor off-the-road counterbalanced lift trucks.<sup>12</sup> The foregoing list of vehicles and equipment generally have in common that they are used for hauling, towing, lifting, and/or loading a wide variety of equipment and materials in agricultural, construction and industrial settings. The foregoing descriptions are illustrative of the types of vehicles and equipment that use certain OTR tires, but are not necessarily all-inclusive. While the physical characteristics of certain OTR tires will vary depending on the specific applications and conditions for which the tires are designed (e.g., tread pattern and depth), all of the tires within the scope have in common that they are designed for off-road and off-highway use. Except as discussed below, OTR tires included in the scope of the petitions range in size (rim diameter) generally but not exclusively from 8 inches to 54 inches. The tires may be either tube-type or tubeless, radial or non-radial, and intended for sale either to original equipment manufacturers or the replacement market. The subject merchandise is currently classifiable under Harmonized Tariff Schedule of the United States (“HTSUS”) subheadings: 4011.20.10.25, 4011.20.10.35, 4011.20.50.30, 4011.20.50.50, 4011.61.00.00, 4011.62.00.00, 4011.63.00.00, 4011.69.00.00, 4011.92.00.00, 4011.93.40.00, 4011.93.80.00, 4011.94.40.00, and 4011.94.80.00. While HTSUS subheadings are provided for

convenience and Customs purposes, our written description of the scope is dispositive.

Specifically excluded from the scope are new pneumatic tires designed, manufactured and offered for sale primarily for on-highway or on-road use, including passenger cars, race cars, station wagons, sport utility vehicles, minivans, mobile homes, motorcycles, bicycles, on-road or on-highway trailers, light trucks, and trucks and buses. Such tires generally have in common that the symbol “DOT” must appear on the sidewall, certifying that the tire conforms to applicable motor vehicle safety standards. Such excluded tires may also have the following designations that are used by the Tire and Rim Association:

**Prefix Letter Designations**

- P—Identifies a tire intended primarily for service on passenger cars;
- LT—Identifies a tire intended primarily for service on light trucks; and,
- ST—Identifies a special tire for trailers in highway service.

**Suffix Letter Designations**

- TR—Identifies a tire for service on trucks, buses, and other vehicles with rims having specified rim diameter of nominal plus 0.156” or plus 0.250”;
  - MH—Identifies tires for Mobile Homes;
  - HC—Identifies a heavy duty tire designated for use on “HC” 15” tapered rims used on trucks, buses, and other vehicles. This suffix is intended to differentiate among tires for light trucks, and other vehicles or other services, which use a similar designation.
- Example: 8R17.5 LT, 8R17.5 HC;
- LT—Identifies light truck tires for service on trucks, buses, trailers, and

multipurpose passenger vehicles used in nominal highway service; and

MC—Identifies tires and rims for motorcycles.

The following types of tires are also excluded from the scope: Pneumatic tires that are not new, including recycled or retreaded tires and used tires; non-pneumatic tires, including solid rubber tires; tires of a kind used on aircraft, all-terrain vehicles, and vehicles for turf, lawn and garden, golf and trailer applications; and, tires of a kind used for mining and construction vehicles and equipment that have a rim diameter equal to or exceeding 39 inches. Such tires may be distinguished from other tires of similar size by the number of plies that the construction and mining tires contain (minimum of 16) and the weight of such tires (minimum 1500 pounds).

**Appendix II—Quantity and Value Questionnaire**

Where it is not practicable to examine all known producers/exporters of subject merchandise, section 777A(c)(2) of the Tariff Act of 1930 (as amended) permits us to investigate (1) A sample of exporters, producers, or types of products that is statistically valid based on the information available at the time of selection, or (2) exporters and producers accounting for the largest volume and value of the subject merchandise that can reasonably be examined.

In the chart below, please provide the total quantity and total value of all your sales of merchandise covered by the scope of this investigation (See scope section of this notice), produced in the PRC, and exported/shipped to the United States during the period October 1, 2006, through March 31, 2007.

Market	Total quantity	Terms of sale	Total value
United States .....			
1. Export Price Sales .....			
2. ....			
a. Exporter name .....			
b. Address .....			
c. Contact .....			
d. Phone No. ....			
e. Fax No. ....			
3. Constructed Export Price Sales .....			
4. Further Manufactured Sales .....			
<b>Total Sales</b> .....			

<sup>10</sup> A straddle carrier is a rigid frame, engine-powered machine that is used to load and offload containers from container vessels and load them onto (or off of) tractor trailers.

<sup>11</sup> A grader is a vehicle with a large blade used to create a flat surface. Graders are typically used to perform “finish grading.” Graders are commonly

used in maintenance of unpaved roads and road construction to prepare the base course onto which asphalt or other paving material will be laid.

<sup>12</sup> A counterbalanced lift truck is a rigid frame, engine-powered machine with lift arms that has additional weight incorporated into the back of the machine to offset or counterbalance the weight of

loads that it lifts so as to prevent the vehicle from overturning. An example of a counterbalanced lift truck is a counterbalanced fork lift truck. Counterbalanced lift trucks may be designed for use on smooth floor surfaces, such as a factory or warehouse, or other surfaces, such as construction sites, mines, etc.

**Total Quantity**

Please report quantity on a metric ton basis. If any conversions were used, please provide the conversion formula and source.

**Terms of Sales**

Please report all sales on the same terms, such as "free on board" at port of export.

**Total Value**

All sales values should be reported in U.S. dollars. Please provide any exchange rates used and their respective dates and sources.

**Export Price Sales**

Generally, a U.S. sale is classified as an export price sale when the first sale to an unaffiliated customer occurs before importation into the United States.

Please include any sales exported by your company directly to the United States.

Please include any sales exported by your company to a third-country market economy reseller where you had knowledge that the merchandise was destined to be resold to the United States.

If you are a producer of subject merchandise, please include any sales manufactured by your company that were subsequently exported by an affiliated exporter to the United States.

Please do not include in your figures any sales of merchandise manufactured in Hong Kong.

**Constructed Export Price Sales**

Generally, a U.S. sale is classified as a constructed export price sale when the first sale to an unaffiliated customer occurs after importation. However, if the first sale to the unaffiliated customer is made by a person in the United States affiliated with the foreign exporter, constructed export price applies even if the sale occurs prior to importation.

Please include any sales exported by your company directly to the United States.

Please include any sales exported by your company to a third-country market economy reseller where you had knowledge that the merchandise was destined to be resold to the United States.

If you are a producer of subject merchandise, please include any sales manufactured by your company that were subsequently exported by an affiliated exporter to the United States.

Please do not include in your figures any sales of merchandise manufactured in Hong Kong.

**Further Manufactured Sales**

Further manufacture or assembly (including re-packing) sales (further manufactured sales") refers to merchandise that undergoes further manufacture or assembly in the United States before being sold to the first unaffiliated customer.

Further manufacture or assembly costs include amounts incurred for direct materials, labor and overhead, plus amounts for general and administrative expense, interest expense, and additional packing expense incurred in the country of further manufacture, as well as all costs involved in moving the product from the U.S. port of entry to the further manufacturer.

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