



FACT SHEET

Commerce Preliminarily Finds Countervailable Subsidization of Certain Steel Wheels from the People's Republic of China

- On August 30, 2011, the Department of Commerce (Commerce) announced its affirmative preliminary determination in the countervailing duty (CVD) investigation of imports of certain steel wheels (steel wheels) from the People's Republic of China (China).
- For purposes of CVD investigations, subsidies are financial assistance from foreign governments that benefit the production, manufacture, or exportation of goods.
- Commerce preliminarily determined that Chinese producers/exporters have received countervailable subsidies ranging from 26.24 to 46.59 percent *ad valorem*.
- Mandatory respondent Jining Centurion Wheel Manufacturing Co., Ltd. and Jining CII Wheel Manufacture Co., Ltd. (the Centurion Companies) received a preliminary net subsidy rate of 26.24 percent *ad valorem*. Mandatory respondent Shandong Xingmin Wheel Co., Ltd. and Sino-tex (Longkou) Wheel Manufacturers Inc. (the Xingmin Companies) received a preliminary net subsidy rate of 35.62 percent *ad valorem*. Mandatory respondent Zhejiang Jingu Automobile Components, Chengdu Jingu Wheel Co., Ltd., Zhejiang Wheel World Industrial Co., Ltd., and Shanghai Yata Industrial Co., Ltd. (the Jingu Companies) received a preliminary net subsidy rate of 46.59 percent *ad valorem*.
- All other Chinese producers/exporters received a preliminary net subsidy rate of 40.30 percent *ad valorem*.
- As a result of this preliminary determination, Commerce will instruct U.S. Customs and Border Protection to collect a cash deposit or bond based on these preliminary rates.
- The petitioners for this investigation are: Accuride Corporation (IN) and Hayes Lemmerz International, Inc. (MI).
- The products covered by this investigation are steel wheels with a wheel diameter of 18 to 24.5 inches. Rims and discs for such wheels are included, whether imported as an assembly or separately. These products are used with both tubed and tubeless tires. Steel wheels, whether or not attached to tires or axles, are included. However, if the steel wheels are imported as an assembly attached to tires or axles, the tire or axle is not covered by the scope. The scope includes steel wheels, discs, and rims of carbon and/or alloy composition and clad wheels, discs, and rims when carbon or alloy steel represents more than fifty percent of the product by weight. The scope includes wheels, rims, and discs, whether coated or uncoated, regardless of the type of coating.
- Imports of the subject merchandise are provided for under the following categories of the Harmonized Tariff Schedule of the United States (HTSUS): 8708.70.0500, 8708.70.2500, 8708.70.4530, and 8708.70.6030. These HTSUS numbers are provided for convenience and Customs purposes only; the written description of the scope is dispositive.

- In 2010, imports of steel wheels were valued at an estimated \$80.4 million. However, the steel wheels subject to this investigation are classified within HTSUS basket categories that contain products beyond the scope of the investigation.

NEXT STEPS

- Commerce is currently schedule to make its final determination in January 2012.
- If Commerce makes an affirmative final determination, and the U.S. International Trade Commission (ITC) makes an affirmative final determination that imports of steel wheels from China materially injure, or threaten material injury to, the domestic industry, Commerce will issue a CVD order. The ITC is scheduled to make its final injury determination in February 2012.

Preliminary Subsidy Rates:

PRODUCER/EXPORTER	SUBSIDY RATE
Jining Centurion Wheel Manufacturing Co., Ltd. and Jining CII Wheel Manufacture Co., Ltd. (the Centurion Companies)	26.24%
Shandong Xingmin Wheel Co., Ltd. and Sino-tex (Longkou) Wheel Manufacturers Inc. (the Xingmin Companies)	35.62%
Zhejiang Jingu Automobile Components, Chengdu Jingu Wheel Co., Ltd., Zhejiang Wheel World Industrial Co., Ltd., and Shanghai Yata Industrial Co., Ltd. (the Jingu Companies)	46.59%
All Others	40.30 %

CASE CALENDAR:

EVENT	CVD INVESTIGATION
Petition Filed	March 30, 2011
DOC Initiation Date	April 19, 2011
ITC Preliminary Determination	May 16, 2011
DOC Preliminary Determination	August 29, 2011
DOC Final Determination*	January 9, 2012
ITC Final Determination**	February 23, 2012
Issuance of Order***	March 1, 2012

*This deadline may be extended under the governing statute.

**This will take place only in the event of a final affirmative determination from Commerce.

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IMPORT STATISTICS:

CHINA	2008	2009	2010
Volume (units)	3,100,000	1,941,000	2,755,000
Value (US\$)	109,517,000	60,892,000	80,440,000

Source: U.S. Bureau of Census, accessed through Global Trade Atlas. (HTSUS 8708.70.0500, 8708.70.2500, 8708.70.4530, and 8708.70.6030). Some HTSUS subheadings include basket categories and may cover both subject and non-subject merchandise.