Prelim countervailing duties on China tires issued

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WASHINGTON, D.C. (Nov. 24, 2014) — The U.S. Department of Commerce has set the preliminary countervailing duty subsidy for Chinese consumer tires at 15.69 percent and set the final determination for April 6, 2015.

As a result of the preliminary affirmative determination, Commerce said it will instruct U.S. Customs and Border Protection to require cash deposits based on these preliminary rates, effective the day the notice appears in the **Federal Register**, which a **Commerce Department** spokesman said likely would be early next week.

Commerce also is still studying anti-dumping duties, with a preliminary determination due by Jan. 21, the spokesman said.

The countervailing duties are retroactive 90 days from the Federal Register publication date, the spokesman said, except for Cooper Kunshan China Tire Co. Ltd. and Giti Tire Fujian Co. Ltd., which were given separate countervailing duties — 12.5 and 17.69 percent, respectively. They also were found to have not increased their exports to the U.S. substantially since the original announcement that Commerce was opening an investigation.

Countervailable subsidies are defined by Commerce as: “financial assistance from foreign governments that benefit the production of goods from foreign companies and are limited to specific enterprises or industries, or are contingent either upon export performance or upon the use of domestic goods over imported goods.”

Besides the exceptions for Cooper Kunshan and Giti Tire Fujian, Commerce set a separate duty for Shandong Yongsheng Rubber Group Co. Ltd. of 81.29 percent.

Commerce will continue to look into the countervailing duties issue and could change or even eliminate the duties, depending on its further findings.

The United Steelworkers union, whose petition in June led to the Commerce Department’s opening an investigation into Chinese passenger and light truck tire imports, said it was “gratified” that Commerce has determined countervailing duties are warranted.

“The Commerce Dept. is right to neutralize the negative effects of the unfair subsidies the Chinese government has granted to tire exporters,” said USW President Leo Gerard. “These illegal subsidies have resulted in thousands of lost American tire manufacturing jobs. If left unchecked, they would devastate tens of thousands more jobs in the U.S. economy.

“Our union is here to defend more than 28,000 tire workers from unfair trade practices,” Mr. Gerard said. “After the safeguard relief from Chinese tires that our union had fought for expired in 2012, Chinese tires came flooding back into the U.S. Today’s decision confirms an array of massive subsidies from China helped to drive this wave of exports back into our market.”

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