



A-570-090, C-570-091
Scope Inquiry
Vietnam Assembly
Public Document
E&C/Office III: BQ

April 30, 2024

MEMORANDUM TO: The File

THROUGH: Erin Begnal *EB*
Director, Office III
Antidumping and Countervailing Duty Operations

FROM: Brendan Quinn *BQ*
Program Manager, Office III
Antidumping and Countervailing Duty Operations

RE: Antidumping and Countervailing Duty Orders on Certain Steel Wheels
12 to 16.5 Inches in Diameter from the People's Republic of China

SUBJECT: Rescission of Scope Inquiry

On July 7, 2023, pursuant to 19 CFR 351.225(c), Dexstar Wheel Division of Americana Development Inc. (the petitioner) filed a scope ruling application requesting that the U.S. Department of Commerce (Commerce) find that certain steel trailer wheels assembled in Vietnam from wheels parts (a wheel disc and/or rim) that are made in the People's Republic of China (China) are covered by the scope and subject to the antidumping duty (AD) and countervailing duty (CVD) orders¹ on certain steel wheels 12 to 16.5 inches in diameter (certain steel wheels) from China.² Specifically, the petitioner identified:

the steel trailer wheels that are the subject of this scope ruling application are assembled in Vietnam from wheels parts (a wheel disc and/or rim) that are made in China.... The wheels parts (disc and/or rim) are produced in China; final assembly occurs in Vietnam and evidence indicates that the products are entered as a product of Vietnam. The wheels finished in Vietnam are believed to be physically identical to wheels finished in China that were examined in Commerce's original AD and CVD investigations and similar if not identical to wheels finished in Thailand from Chinese parts that were the subject of Commerce's recent affirmative {Asia Wheel I} scope ruling. The only difference in the wheels addressed in this scope ruling application is that these wheels are finished in Vietnam instead of China or Thailand.³

¹ See *Certain Steel Trailer Wheels 12 to 16.5 Inches from the People's Republic of China: Antidumping Duty and Countervailing Duty Orders*, 84 FR 45952 (September 3, 2019) (*Orders*).

² See Petitioner's Letter, "Certain Steel Wheels 12 to 16.5 Inches in Diameter from China: Scope Ruling Application," dated July 7, 2023 (Scope Ruling Application).

³ *Id.* at 4-5 (citing Memorandum, "Final Scope Ruling: Asia Wheel's Steel Wheels Processed in Thailand (Asia Wheel)," dated April 11, 2023 (Asia Wheel I Scope Ruling)); see also Scope Ruling Application Attachment I.



The petitioner further identified that the producer of rim and/or disc components subject to the request is the Chinese wheel producer, Xiamen Sunrise Group Co., Ltd. (Sunrise) and the exporter of merchandise finished in and exported from Vietnam as NCC Vietnam Co., Ltd. (NCC, a subsidiary of Sunrise).⁴

On August 7, 2023, Commerce deemed initiated this scope proceeding.⁵ Between August 2023 and January 2024, Commerce requested and NCC provided information regarding its production of steel trailer wheels.

On March 15, 2015, Commerce notified parties of its intent to rescind this inquiry.⁶ Specifically, we stated that the record does not reflect production of the merchandise identified in the Scope Ruling Application, and the evidentiary basis for the underlying production process presumed and identified in the request is determined to be insufficiently supported based on the later-developed record.⁷ Consequently, Commerce notified parties of its intent to rescind the scope inquiry pursuant to 19 CFR 351.225(f)(6) and provided parties an opportunity to provide comment and rebuttal regarding Commerce's intent to rescind the inquiry.⁸

Tredit Tire and Wheel Co., Inc. (Tredit), a U.S. importer of trailer wheels, submitted comments in support of Commerce's intent to rescind.⁹ The petitioner submitted a responsive submission which did not oppose the intended rescission, but which stated that if Commerce rescinds the instant scope inquiry on the basis that the merchandise identified in the request is not in fact in production (*i.e.*, steel trailer wheels manufactured in Vietnam where the rim/disc component is also manufactured in Vietnam and the corresponding rim/disc component is produced in China), Commerce should not simply rescind this scope inquiry, but should self-initiate a circumvention inquiry based on the record developed in this scope proceeding.¹⁰

Specifically, the petitioner contended that Commerce should determine that the antidumping and countervailing duty orders on steel trailer wheels from China are being circumvented through the comparatively minor third-country completion or assembly that is shown to be produced on this record: steel wheels produced from pre-processed (pre-cut) Chinese steel plate.¹¹ The petitioner asserted that record of this inquiry provides extensive information which purportedly shows that the elements for a third-country manufacturing or assembly circumvention determination are met by the shifting of product from China to Vietnam when faced with the discipline of the antidumping and countervailing duty orders on its wheels finished in China.¹² The petitioner then cited to the record information submitted in this scope proceeding in making arguments that each prong of the statutory criteria used to evaluate third-country completion or assembly circumvention determinations under

⁴ *Id.* at 6-7.

⁵ See Memorandum, "Deemed Initiation of Scope Inquiry," dated October 12, 2023.

⁶ See Commerce's Memorandum, "Notice of Intent to Rescind and Request for Comment," dated March 15, 2024 (Intent to Rescind Memorandum).

⁷ *Id.* at 5.

⁸ *Id.*

⁹ See Tredit's letter, "Certain Steel Wheels 12 to 16.5 Inches in Diameter from the People's Republic of China: Comments Pursuant to Notice of Intent to Rescind and Request for Comment," dated March 22, 2024.

¹⁰ See the petitioner's letter, "Petitioner's Comments on Commerce's Intent to Rescind the Scope Inquiry," dated March 22, 2024 (Petitioner's Comments on Rescission and Circumvention).

¹¹ *Id.* at 1-2.

¹² *Id.*

section 781(b) of the Act may be satisfied to conclude that self-initiation of a circumvention inquiry is substantiated by the information provided on the instant record.¹³

We received rebuttal responses to the petitioner's comments from Tredit, U.S. importer TRAILSTAR, LLC (TRAILSTAR), and NCC Vietnam, each of which opposed the petitioner's request that Commerce self-initiate an anticircumvention inquiry.¹⁴

Rescission of Scope Inquiry

We received no comment in opposition to the notification of our intent to rescind. As the record does not substantiate extant production of the merchandise identified in the Scope Ruling Application, and the evidentiary basis for the initiation of the scope inquiry is insufficiently supported, Commerce is rescinding this scope inquiry pursuant to 19 CFR 351.225(f)(6).¹⁵

Response to Request for Self-Initiation of Circumvention Inquiry

Commerce declines to self-initiate a circumvention proceeding, as requested by the petitioner. As stated in the Intent to Rescind Memorandum and above, the product/production method identified in the Scope Ruling Application is plainly not in production; thus, the rescission of the inquiry resolves the sole issue in front of Commerce. We disagree that merchandise produced otherwise by NCC Vietnam, Vietnamese-trailer wheels, produced in and exported from Vietnam, and manufactured from rim and disc components also produced in Vietnam, as reflected on the record but not identified in the Scope Ruling Application, is ripe for consideration in a separate circumvention context. That component rims and discs are produced from Chinese steel plate inputs presents no obvious scope issue which compels further consideration, particularly in light of Commerce's recent findings based on the plain language of the scope of the *Orders* with respect to Production Method B/Asia Wheel II wheels.¹⁶ Accordingly we do not agree with the petitioner that the record of this rescinded scope inquiry is appropriate or compelling for use as a basis for the self-initiation of a circumvention inquiry for a product or production method not otherwise examined or requested upon in this, now-rescinded, proceeding.

¹³ *Id.* at 2-35.

¹⁴ See Trailstar's letter, "Scope Inquiry: Vietnam Assembly for the Antidumping Duty Order and the Countervailing Duty Order on Certain Steel Wheels 12-16.5 Inches in Diameter from the People's Republic of China," dated April 5, 2024; Tredit's letter, "Rebuttal Comments Pursuant to Notice of Intent to Rescind and Request for Comment," dated April 5, 2024; and NCC Vietnam's letter, "Rebuttal Comments Regarding Intent to Rescind Scope Inquiry," dated April 5, 2024.

¹⁵ For a complete discussion of Commerce's findings regarding the lack of record support substantiating existing production of the merchandise identified in the Scope Ruling Application and basis for the decision to rescind, see Intent to Rescind Memorandum.

¹⁶ See Commerce's Final Scope Ruling, "Asia Wheel's Steel Wheels Processed in Thailand (Asia Wheel)," dated April 11, 2023.