

BILLING CODE: 3510-DS-P

DEPARTMENT OF COMMERCE

International Trade Administration

[A-570-174, A-489-853]

Certain Brake Drums from the People's Republic of China and the Republic of Türkiye:
Initiation of Less-Than-Fair-Value Investigations

AGENCY: Enforcement and Compliance, International Trade Administration, Department of
Commerce.

DATES: Applicable July 10, 2024.

FOR FURTHER INFORMATION CONTACT: Samuel Frost (the People's Republic of China
(China)) at (202) 482-8180 and Eric Hawkins (the Republic of Türkiye (Türkiye)) at (202) 482-
1988, AD/CVD Operations, Enforcement and Compliance, International Trade Administration,
U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230.

SUPPLEMENTARY INFORMATION:

The Petitions

On June 20, 2024, the U.S. Department of Commerce (Commerce) received antidumping
duty (AD) petitions concerning imports of certain brake drums (brake drums) from China and
Türkiye filed in proper form on behalf of Webb Wheel Products, Inc. (the petitioner), a U.S.
producer of brake drums.¹ The Petitions were accompanied by countervailing duty (CVD)
petitions concerning imports of brake drums from China and Türkiye.²

¹ See Petitioner's Letter, "Petitions for the Imposition of Antidumping and Countervailing Duties," dated June 20,
2024 (the Petitions).

² *Id.*

Between June 24 and July 5, 2024, Commerce requested supplemental information pertaining to certain aspects of the Petitions in supplemental questionnaires.³ The petitioner responded to Commerce’s supplemental questionnaires between June 28 and July 8, 2024.⁴

In accordance with section 732(b) of the Tariff Act of 1930, as amended (the Act), the petitioner alleges that imports of brake drums from China and Türkiye are being, or are likely to be, sold in the United States at less than fair value (LTFV) within the meaning of section 731 of the Act, and that imports of such products are materially injuring, or threatening material injury to, the brake drums industry in the United States. Consistent with section 732(b)(1) of the Act, the Petitions were accompanied by information reasonably available to the petitioner supporting its allegations.

Commerce finds that the petitioner filed the Petitions on behalf of the domestic industry, because the petitioner is an interested party, as defined in section 771(9)(C) of the Act.

Commerce also finds that the petitioner demonstrated sufficient industry support for the initiation of the requested LTFV investigations.⁵

Periods of Investigation

Because the Petitions were filed on June 20, 2024, pursuant to 19 CFR 351.204(b)(1), the period of investigation (POI) for the LTFV investigation from Türkiye is April 1, 2023, through March 31, 2024. Because China is a non-market economy (NME) country, pursuant to 19 CFR

³ See Commerce’s Letters, “Supplemental Questions,” dated June 24, 2024 (General Issues Questionnaire), Country-Specific Supplemental Questionnaires: China Supplemental and Türkiye Supplemental, dated June 24, 2024, and “Supplemental Questions,” dated July 5, 2024; see also Memoranda, “Phone Call with Counsel to the Petitioner,” dated July 2, 2024 (July 2 Memorandum).

⁴ See Petitioner’s Letters, “Supplemental Questionnaire Response, Volume I,” dated June 28, 2024 (First General Issues Supplement); Country-Specific AD Supplemental Responses, dated Jun 28, 2024; “Supplemental Questionnaire Response, Volume I,” dated July 5, 2024 (Second General Issues Supplement); “Supplemental Questionnaire Response,” dated July 5, 2024; and “Supplemental Questionnaire Response, Volume I,” dated July 8, 2024 (Third General Issues Supplement).

⁵ See section on “Determination of Industry Support for the Petitions,” *infra*.

351.204(b)(1), the POI for the LTFV investigation from China is October 1, 2023, through March 31, 2024.

Scope of the Investigations

The products covered by these investigations are brake drums from China and Türkiye. For a full description of the scope of these investigations, *see* the appendix to this notice.

Comments on the Scope of the Investigations

Between June 24 and July 2, 2024, Commerce requested information and clarification from the petitioner regarding the proposed scope to ensure that the scope language in the Petitions is an accurate reflection of the products for which the domestic industry is seeking relief.⁶ Between June 28 and July 5, 2024, the petitioner provided clarifications and revised the scope.⁷ The description of merchandise covered by these investigations, as described in the appendix to this notice, reflects these clarifications.

As discussed in the *Preamble* to Commerce's regulations, we are setting aside a period for interested parties to raise issues regarding product coverage (*i.e.*, scope).⁸ Commerce will consider all scope comments received from interested parties and, if necessary, will consult with interested parties prior to the issuance of the preliminary determinations. If scope comments include factual information,⁹ all such factual information should be limited to public information. To facilitate preparation of its questionnaires, Commerce requests that scope comments be submitted by 5:00 p.m. Eastern Time (ET) on July 30, 2024, which is 20 calendar days from the signature date of this notice.¹⁰ Any rebuttal comments, which may include factual information,

⁶ See First General Issues Questionnaire; *see also* July 2 Memorandum.

⁷ See First General Issues Supplement at 1-2 and Exhibit I-S1-3; *see also* Second General Issues Supplement at 1-2.

⁸ See *Antidumping Duties; Countervailing Duties, Final Rule*, 62 FR 27296, 27323 (May 19, 1997) (*Preamble*); *see also* 19 CFR 351.312.

⁹ See 19 CFR 351.102(b)(21) (defining "factual information").

¹⁰ See 19 CFR 351.303(b)(1).

and should also be limited to public information, must be filed by 5:00 p.m. ET on August 9, 2024, which is 10 calendar days from the initial comment deadline.

Commerce requests that any factual information that parties consider relevant to the scope of these investigations be submitted during that period. However, if a party subsequently finds that additional factual information pertaining to the scope of the investigations may be relevant, the party must contact Commerce and request permission to submit the additional information. All scope comments must be filed simultaneously on the records of the concurrent LTFV and CVD investigations.

Filing Requirements

All submissions to Commerce must be filed electronically via Enforcement and Compliance's Antidumping Duty and Countervailing Duty Centralized Electronic Service System (ACCESS), unless an exception applies.¹¹ An electronically filed document must be received successfully in its entirety by the time and date it is due.

Comments on Product Characteristics

Commerce is providing interested parties an opportunity to comment on the appropriate physical characteristics of brake drums to be reported in response to Commerce's AD questionnaires. This information will be used to identify the key physical characteristics of the subject merchandise in order to report the relevant factors of production (FOP) or cost of production (COP) accurately, as well as to develop appropriate product comparison criteria.

¹¹ See *Antidumping and Countervailing Duty Proceedings: Electronic Filing Procedures; Administrative Protective Order Procedures*, 76 FR 39263 (July 6, 2011); see also *Enforcement and Compliance: Change of Electronic Filing System Name*, 79 FR 69046 (November 20, 2014) for details of Commerce's electronic filing requirements, effective August 5, 2011. Information on using ACCESS can be found at <https://access.trade.gov/help.aspx> and a handbook can be found at https://access.trade.gov/help/Handbook_on_Electronic_Filing_Procedures.pdf.

Interested parties may provide any information or comments that they feel are relevant to the development of an accurate list of physical characteristics. Specifically, they may provide comments as to which characteristics are appropriate to use as: (1) general product characteristics; and (2) product comparison criteria. We note that it is not always appropriate to use all product characteristics as product comparison criteria. We base product comparison criteria on meaningful commercial differences among products. In other words, although there may be some physical product characteristics utilized by manufacturers to describe brake drums, it may be that only a select few product characteristics take into account commercially meaningful physical characteristics. In addition, interested parties may comment on the order in which the physical characteristics should be used in matching products. Generally, Commerce attempts to list the most important physical characteristics first and the least important characteristics last.

In order to consider the suggestions of interested parties in developing and issuing the AD questionnaires, all product characteristics comments must be filed by 5:00 p.m. ET on July 30, 2024, which is 20 calendar days from the signature date of this notice.¹² Any rebuttal comments must be filed by 5:00 p.m. ET on August 9, 2024, which is 10 calendar days from the initial comment deadline. All comments and submissions to Commerce must be filed electronically using ACCESS, as explained above, on the record of each of the LTFV investigations.

Determination of Industry Support for the Petitions

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

¹² See 19 CFR 351.303(b)(1).

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, Commerce 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 to poll the “industry.”

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 Commerce to look to producers and workers who produce the domestic like product. The U.S. 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 Commerce and the ITC must apply the same statutory definition regarding the domestic like product,¹³ they do so for different purposes and pursuant to a separate and distinct authority. In addition, Commerce’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.¹⁴

¹³ See section 771(10) of the Act.

¹⁴ 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 Algoma Steel Corp., Ltd. v. United States*, 865 F.2d 240 (Fed. Cir. 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 title.” 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 petitions).

With regard to the domestic like product, the petitioner does not offer a definition of the domestic like product distinct from the scope of the investigations.¹⁵ Based on our analysis of the information submitted on the record, we have determined that brake drums, as defined in the scope, constitute a single domestic like product, and we have analyzed industry support in terms of that domestic like product.¹⁶

In determining whether the petitioner has standing under section 732(c)(4)(A) of the Act, we considered the industry support data contained in the Petitions with reference to the domestic like product as defined in the “Scope of the Investigations,” in the appendix to this notice. To establish industry support, the petitioner provided its production of the domestic like product in 2023.¹⁷ The petitioner estimated the 2023 production of the domestic like product for the only other known producer of brake drums in the United States.¹⁸ The petitioner compared its production to the estimated total 2023 production of the domestic like product for the entire

¹⁵ See Petitions at Volume I (pages I-9 through I-13 and Exhibits I-2 through I-4 and I-7); *see also* First General Issues Supplement at 4-7 and Exhibits I-SI-5 through I-SI-7); and Third General Issues Supplement at 1-3.

¹⁶ For a discussion of the domestic like product analysis as applied to these cases and information regarding industry support, *see* Checklists, “Certain Brake Drums from the People’s Republic of China and the Republic of Türkiye,” dated concurrently with, and hereby adopted by, this notice (Country-Specific AD Initiation Checklists), at Attachment II, Analysis of Industry Support for the Antidumping and Countervailing Duty Petitions Covering Certain Brake Drums from the People’s Republic of China and the Republic of Türkiye (Attachment II). These checklists are on file electronically via ACCESS.

¹⁷ See Petitions at Volume I (pages I-2 and I-3 and Exhibit I-1); *see also* First General Issues Supplement at 2-3 and Exhibit I-SI-2.

¹⁸ See Petitions at Volume I (pages I-2 and I-3 and Exhibits I-1 and I-7); *see also* First General Issues Supplement at 2-3 and Exhibits I-SI-1 and I-SI-2.

domestic industry.¹⁹ We relied on data provided by the petitioner for purposes of measuring industry support.²⁰

Our review of the data provided in the Petitions, the First General Issues Supplement, the Third General Issues Supplement, and other information readily available to Commerce indicates that the petitioner has established industry support for the Petitions.²¹ First, the Petitions established support from domestic producers (or workers) accounting for more than 50 percent of the total production of the domestic like product and, as such, Commerce is not required to take further action in order to evaluate industry support (*e.g.*, polling).²² Second, the domestic producers (or workers) have met the statutory criteria for industry support under section 732(c)(4)(A)(i) of the Act because the domestic producers (or workers) who support the Petitions account for at least 25 percent of the total production of the domestic like product.²³ Finally, the domestic producers (or workers) have met the statutory criteria for industry support under section 732(c)(4)(A)(ii) of the Act because the domestic producers (or workers) who support the Petitions account for 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 Petitions.²⁴ Accordingly, Commerce determines that the Petitions were filed on behalf of the domestic industry within the meaning of section 732(b)(1) of the Act.²⁵

¹⁹ See Petitions at Volume I (pages I-2 and I-3 and Exhibit I-1); *see also* First General Issues Supplement at 3 and Exhibit I-S1-2.

²⁰ See Petition at Volume I (pages I-2 and I-3 and Exhibits I-1 and I-7); *see also* First General Issues Supplement at 2-4 and Exhibits I-S1-1, I-S1-2, and I-S4; and Third General Issues Supplement at 1-3. For further discussion, *see* Attachment II of the Country-Specific AD Initiation Checklists.

²¹ See Attachment II of the Country-Specific AD Initiation Checklists.

²² *Id.*; *see also* section 732(c)(4)(D) of the Act.

²³ See Attachment II of the Country-Specific AD Initiation Checklists.

²⁴ *Id.*

²⁵ *Id.*

Allegations and Evidence of Material Injury and Causation

The petitioner alleges that the U.S. industry producing the domestic like product is being materially injured, or is threatened with material injury, by reason of the imports of the subject merchandise sold at LTFV. In addition, the petitioner argues that subject imports from China and Türkiye individually exceed the negligibility threshold provided for under section 771(24)(A) of the Act.²⁶

The petitioner contends that the industry's injured condition is illustrated by the significant and increasing volume of subject imports; decreased market share; underselling and price depression and/or suppression; lost sales and revenues; decline in capacity utilization, production, and U.S. sales quantity; decline in production-related workers; and decline in operating margins.²⁷ We assessed the allegations and supporting evidence regarding material injury, threat of material injury, causation, as well as negligibility, and we have determined that these allegations are properly supported by adequate evidence, and meet the statutory requirements for initiation.²⁸

Allegations of Sales at LTFV

The following is a description of the allegations of sales at LTFV upon which Commerce based its decision to initiate an LTFV investigation of imports of brake drums from China and Türkiye. The sources of data for the deductions and adjustments relating to U.S. price and normal value (NV) are discussed in greater detail in the Country-Specific AD Initiation Checklists.

²⁶ See Petitions at Volume I (pages I-13 and I-14 and Exhibit I-8).

²⁷ *Id.* at I-13 through I-36 and Exhibits I-7 through I-25; *see also* First General Issues Supplement at 7 and Exhibits I-S1-8 and I-S1-9.

²⁸ See Country-Specific AD Initiation Checklists at Attachment III, Analysis of Allegations and Evidence of Material Injury and Causation for the Antidumping and Countervailing Duty Petitions Covering Certain Brake Drums from the People's Republic of China and the Republic of Türkiye.

U.S. Price

For China and Türkiye, the petitioner based export price (EP) on pricing information for brake drums produced in and exported from the respective countries and sold, or offered for sale, in the United States.²⁹ For each country, the petitioner made certain adjustments to U.S. price to calculate a net ex-factory U.S. price, where applicable.³⁰

Normal Value³¹

For Türkiye, the petitioner based NV on a home market price obtained for brake drums produced in and sold, or offered for sale, in Türkiye during the applicable time period.³² The petitioner made certain adjustments to the home market price to calculate a net ex-factory home market price, where applicable.³³

Commerce considers China to be an NME country.³⁴ In accordance with section 771(18)(C)(i) of the Act, any determination that a foreign country is an NME country shall remain in effect until revoked by Commerce. Therefore, we continue to treat China as an NME country for purposes of the initiation of the China LTFV investigation. Accordingly, we base NV on FOPs valued in a surrogate market economy country in accordance with section 773(c) of the Act.

²⁹ See Country-Specific AD Initiation Checklists.

³⁰ *Id.*

³¹ In accordance with section 773(b)(2) of the Act, for the Türkiye investigation, Commerce will request information necessary to calculate the constructed value (CV) and COP to determine whether there are reasonable grounds to believe or suspect that sales of the foreign like product have been made at prices that represent less than the COP of the product.

³² See Türkiye AD Initiation Checklist.

³³ *Id.*

³⁴ See, e.g., *Certain Freight Rail Couplers and Parts Thereof from the People's Republic of China: Preliminary Affirmative Determination of Sales at Less Than Fair Value and Preliminary Affirmative Determination of Critical Circumstances*, 88 FR 15372 (March 13, 2023), and accompanying Preliminary Decision Memorandum at 5, unchanged in *Certain Freight Rail Couplers and Parts Thereof from the People's Republic of China: Final Affirmative Determination of Sales at Less-Than-Fair Value and Final Affirmative Determination of Critical Circumstances*, 88 FR 34485 (May 30, 2023).

The petitioner claims that Malaysia is an appropriate surrogate country for China because it is a market economy that is at a level of economic development comparable to that of China and is a significant producer of comparable merchandise.³⁵ The petitioner provided publicly available information from Malaysia to value all FOPs except labor.³⁶ Consistent with Commerce's recent practice in cases involving Malaysia as a surrogate country,³⁷ to value labor, the petitioner provided labor statistics from another surrogate country, Romania.³⁸ Based on the information provided by the petitioner, we believe it is appropriate to use Malaysia as a surrogate country for China to value all FOPs except labor and to value labor using labor statistics from Romania for initiation purposes.

Interested parties will have the opportunity to submit comments regarding surrogate country selection and, pursuant to 19 CFR 351.301(c)(3)(i), will be provided an opportunity to submit publicly available information to value FOPs within 30 days before the scheduled date of the preliminary determination.

Factors of Production

Because information regarding the volume of inputs consumed by Chinese producers/exporters was not reasonably available, the petitioner used its own product-specific consumption rates as a surrogate to value Chinese manufacturers' FOPs.³⁹ Additionally, the

³⁵ See China AD Initiation Checklist.

³⁶ *Id.*

³⁷ See, e.g., *Certain Collated Steel Staples from the People's Republic of China: Final Results of Antidumping Duty Administrative Review; and Final Determination of No Shipments; 2021-2022*, 88 FR 85242 (December 7, 2023), and accompanying Issues and Decision Memorandum (IDM) at Comment 2; and *Light-Walled Rectangular Pipe and Tube from the People's Republic of China: Final Results of Antidumping Duty Administrative Review*, 88 FR 15671 (March 14, 2023), and accompanying IDM at Comment 2.

³⁸ See China AD Initiation Checklist.

³⁹ *Id.*

petitioner calculated factory overhead, selling, general, and administrative expenses, and profit based on the experience of a Malaysian producer of comparable merchandise.⁴⁰

Fair Value Comparisons

Based on the data provided by the petitioner, there is reason to believe that imports of brake drums from China and Türkiye are being, or are likely to be, sold in the United States at LTFV. Based on comparisons of EP to NV in accordance with sections 772 and 773 of the Act, the estimated dumping margins for the countries covered by this initiation are as follows: (1) China – 160.79 percent *ad valorem* and (2) Türkiye – 149.29 percent *ad valorem*.⁴¹

Initiation of LTFV Investigations

Based upon the examination of the Petitions and supplemental questionnaire responses, we find that they meet the requirements of section 732 of the Act. Therefore, we are initiating LTFV investigations to determine whether imports of brake drums from China and Türkiye are being, or are likely to be, sold in the United States at LTFV. In accordance with section 733(b)(1)(A) of the Act and 19 CFR 351.205(b)(1), unless postponed, we will make our preliminary determinations no later than 140 days after the date of these initiations.

Respondent Selection

Türkiye

In the Petition, the petitioner named 19 companies in Türkiye as producers and/or exporters of brake drums.⁴² In the event Commerce determines that the number of companies is large, and it cannot individually examine each company based upon Commerce's resources, where appropriate, Commerce intends to select mandatory respondents based on quantity and

⁴⁰ *Id.*

⁴¹ See Country-Specific AD Initiation Checklists.

⁴² See Petitions at Volume I (page I-7 and Exhibit I-5).

value (Q&V) questionnaires issued to potential respondents. Following standard practice in AD investigations involving market economy countries, Commerce would normally select respondents based on U.S. Customs and Border Protection (CBP) entry data for imports under the appropriate Harmonized Tariff Schedule of the United States (HTSUS) subheadings listed in the scope of the investigations. However, for these investigations, the main HTSUS subheading under which the subject merchandise would enter (8708.30.5020) is a basket category under which non-subject merchandise may also enter. Therefore, we cannot rely on CBP entry data in selecting respondents. Notwithstanding the decision to rely on Q&V questionnaires for respondent selection, due to the number of producers and/or exporters identified in the Petitions, Commerce has determined to limit the number of Q&V questionnaires that it will issue to producers and/or exporters based on CBP data for brake drums from Türkiye during the POI under the appropriate HTSUS subheading listed in the “Scope of the Investigations,” in the appendix. Accordingly, for Türkiye, Commerce will send Q&V questionnaires to the largest producers and/or exporters that are identified in the CBP entry data for which there is complete address information on the record.⁴³

Commerce will post the Q&V questionnaires along with filing instructions on Commerce’s website at <https://www.trade.gov/ec-adcvd-case-announcements>. Exporters/producers of brake drums from Türkiye that do not receive Q&V questionnaires by mail may still submit a response to the Q&V questionnaire and can obtain a copy of the Q&V questionnaire from Commerce’s website noted above. Responses to the Q&V questionnaire must be submitted by the relevant exporters/producers no later than 5:00 p.m. ET on July 24, 2024, which is two weeks from the signature date of this notice. All Q&V responses must be

⁴³ See Memorandum, “Release of U.S. Customs and Border Protection Entry Data,” dated July 8, 2024.

filed electronically via ACCESS. An electronically filed document must be received successfully, in its entirety, by ACCESS no later than 5:00 p.m. ET on the deadline noted above.

Interested parties must submit applications for disclosure under administrative protective order (APO) in accordance with 19 CFR 351.305(b). Instructions for filings such applications may be found on Commerce's website at <https://www.trade.gov/administrative-protective-orders>.

China

In the Petitions, the petitioner named 54 companies in China as producers and/or exporters of brake drums.⁴⁴ Our standard practice for respondent selection in AD investigations involving NME countries is to select respondents based on Q&V questionnaires in cases where Commerce has determined that the number of companies is large, and it cannot individually examine each company based upon its resources. Therefore, considering the number of producers and/or exporters identified in the Petitions, Commerce will solicit Q&V information that can serve as a basis for selecting exporters for individual examination in the event that Commerce determines that the number is large and decides to limit the number of respondents individually examined pursuant to section 777A(c)(2) of the Act. Because there are 54 Chinese producers and/or exporters identified in the Petitions, Commerce has determined that it will issue Q&V questionnaires to the largest producers and/or exporters that are identified in the CBP entry data for which there is complete address information on the record.⁴⁵

Commerce will post the Q&V questionnaires along with filing instructions on Commerce's website at <https://www.trade.gov/ec-adcvd-case-announcements>.

Producers/exporters of brake drums from China that do not receive Q&V questionnaires may still submit a response to the Q&V questionnaire and can obtain a copy of the Q&V

⁴⁴ See Petitions at Volume I (page I-7 and Exhibit I-5).

⁴⁵ See Memorandum, "Release of U.S. Customs and Border Protection Entry Data," dated July 8, 2024.

questionnaire from Commerce's website noted above. Responses to the Q&V questionnaire must be submitted by the relevant Chinese producers/exporters no later than 5:00 p.m. ET on July 24, 2024, which is two weeks from the signature date of this notice. All Q&V questionnaire responses must be filed electronically via ACCESS. An electronically filed document must be received successfully, in its entirety, by ACCESS no later than 5:00 p.m. ET on the deadline noted above.

Interested parties must submit applications for disclosure under APO in accordance with 19 CFR 351.305(b). As stated above, instructions for filing such applications may be found on Commerce's website at <https://www.trade.gov/administrative-protective-orders>.

Separate Rates

In order to obtain separate rate status in an NME investigation, exporters and producers must submit a separate rate application. The specific requirements for submitting a separate rate application in an NME investigation are outlined in detail in the application itself, which is available on Commerce's website at <https://access.trade.gov/Resources/nme/nme-sep-rate.html>. The separate rate application will be due 30 days after publication of this initiation notice. Exporters and producers must file a timely separate rate application if they want to be considered for individual examination. Exporters and producers who submit a separate rate application and have been selected as mandatory respondents will be eligible for consideration for separate rate status only if they respond to all parts of Commerce's AD questionnaire as mandatory respondents. Commerce requires that companies from China submit a response both to the Q&V questionnaire and to the separate rate application by the respective deadlines to receive consideration for separate rate status. Companies not filing a timely Q&V questionnaire response will not receive separate rate consideration.

Use of Combination Rates

Commerce will calculate combination rates for certain respondents that are eligible for a separate rate in an NME investigation. The Separate Rates and Combination Rates Bulletin states:

{w}hile continuing the practice of assigning separate rates only to exporters, all separate rates that {Commerce} will now assign in its NME investigation 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.⁴⁶

Distribution of Copies of the Petitions

In accordance with section 732(b)(3)(A) of the Act and 19 CFR 351.202(f), copies of the public version of the Petitions have been provided to the Governments of China and Türkiye via ACCESS. To the extent practicable, we will attempt to provide a copy of the public version of the Petitions to each exporter named in the Petitions, as provided under 19 CFR 351.203(c)(2).

ITC Notification

Commerce will notify the ITC of our initiation, as required by section 732(d) of the Act.

Preliminary Determinations by the ITC

The ITC will preliminarily determine, within 45 days after the date on which the Petitions were filed, whether there is a reasonable indication that imports of brake drums from China

⁴⁶ See Enforcement and Compliance’s Policy Bulletin No. 05.1, regarding, “Separate-Rates Practice and Application of Combination Rates in Antidumping Investigation involving NME Countries,” (April 5, 2005), at 6 (emphasis added), available on Commerce’s website at <https://access.trade.gov/Resources/policy/bull05-1.pdf>.

and/or Türkiye are materially injuring, or threatening material injury to, a U.S. industry.⁴⁷ A negative ITC determination for any country will result in the investigation being terminated with respect to that country.⁴⁸ Otherwise, these LTFV investigations will proceed according to statutory and regulatory time limits.

Submission of Factual Information

Factual information is defined in 19 CFR 351.102(b)(21) as: (i) evidence submitted in response to questionnaires; (ii) evidence submitted in support of allegations; (iii) publicly available information to value factors under 19 CFR 351.408(c) or to measure the adequacy of remuneration under 19 CFR 351.511(a)(2); (iv) evidence placed on the record by Commerce; and (v) evidence other than factual information described in (i)-(iv). Section 351.301(b) of Commerce's regulations requires any party, when submitting factual information, to specify under which subsection of 19 CFR 351.102(b)(21) the information is being submitted⁴⁹ and, if the information is submitted to rebut, clarify, or correct factual information already on the record, to provide an explanation identifying the information already on the record that the factual information seeks to rebut, clarify, or correct.⁵⁰ Time limits for the submission of factual information are addressed in 19 CFR 351.301, which provides specific time limits based on the type of factual information being submitted. Interested parties should review the regulations prior to submitting factual information in this investigation.

Particular Market Situation Allegation

Section 773(e) of the Act addresses the concept of particular market situation (PMS) for purposes of CV, stating that "if a particular market situation exists such that the cost of materials

⁴⁷ See section 733(a) of the Act.

⁴⁸ *Id.*

⁴⁹ See 19 CFR 351.301(b).

⁵⁰ See 19 CFR 351.301(b)(2).

and fabrication or other processing of any kind does not accurately reflect the cost of production in the ordinary course of trade, the administering authority may use another calculation methodology under this subtitle or any other calculation methodology.” When an interested party submits a PMS allegation pursuant to section 773(e) of the Act (*i.e.*, a cost-based PMS allegation), the submission must be filed in accordance with the requirements of 19 CFR 351.416(b), and Commerce will respond to such a submission consistent with 19 CFR 351.301(c)(2)(v). If Commerce finds that a cost-based PMS exists under section 773(e) of the Act, then it will modify its dumping calculations appropriately.

Neither section 773(e) of the Act, nor 19 CFR 351.301(c)(2)(v), sets a deadline for the submission of cost-based PMS allegations and supporting factual information. However, in order to administer section 773(e) of the Act, Commerce must receive PMS allegations and supporting factual information with enough time to consider the submission. Thus, should an interested party wish to submit a cost-based PMS allegation and supporting new factual information pursuant to section 773(e) of the Act, it must do so no later than 20 days after submission of a respondent’s initial section D questionnaire response.

We note that a PMS allegation filed pursuant to sections 773(a)(1)(B)(ii)(III) or 773(a)(1)(C)(iii) of the Act (*i.e.*, a sales-based PMS allegation) must be filed within 10 days of submission of a respondent’s initial section B questionnaire response, in accordance with 19 CFR 351.301(c)(2)(i) and 19 CFR 351.404(c)(2).

Extensions of Time Limits

Parties may request an extension of time limits before the expiration of a time limit established under 19 CFR 351.301, or as otherwise specified by Commerce. In general, an extension request will be considered untimely if it is filed after the expiration of the time limit

established under 19 CFR 351.301, or as otherwise specified by Commerce.⁵¹ For submissions that are due from multiple parties simultaneously, an extension request will be considered untimely if it is filed after 10:00 a.m. ET on the due date. Under certain circumstances, Commerce may elect to specify a different time limit by which extension requests will be considered untimely for submissions which are due from multiple parties simultaneously. In such a case, we will inform parties in a letter or memorandum of the deadline (including a specified time) by which extension requests must be filed to be considered timely. An extension request must be made in a separate, standalone submission; under limited circumstances we will grant untimely filed requests for the extension of time limits, where we determine, based on 19 CFR 351.302, that extraordinary circumstances exist. Parties should review Commerce's regulations concerning the extension of time limits and the *Time Limits Final Rule* prior to submitting factual information in these investigations.⁵²

Certification Requirements

Any party submitting factual information in an AD or CVD proceeding must certify to the accuracy and completeness of that information.⁵³ Parties must use the certification formats provided in 19 CFR 351.303(g).⁵⁴ Commerce intends to reject factual submissions if the submitting party does not comply with the applicable certification requirements.

Notification to Interested Parties

Interested parties must submit applications for disclosure under APO in accordance with 19 CFR 351.305. Parties wishing to participate in this investigation should ensure that they meet

⁵¹ See 19 CFR 351.301; see also *Extension of Time Limits; Final Rule*, 78 FR 57790 (September 20, 2013) (*Time Limits Final Rule*), available at <https://www.gpo.gov/fdsys/pkg/FR-2013-09-20/html/2013-22853.htm>.

⁵² See 19 CFR 351.302; see also, e.g., *Time Limits Final Rule*.

⁵³ See section 782(b) of the Act.

⁵⁴ See *Certification of Factual Information to Import Administration During Antidumping and Countervailing Duty Proceedings*, 78 FR 42678 (July 17, 2013) (*Final Rule*). Additional information regarding the *Final Rule* is available at <https://access.trade.gov/Resources/filing/index.html>.

the requirements of 19 CFR 351.103(d) (*e.g.*, by filing the required letter of appearance). Note that Commerce has amended certain of its requirements pertaining to the service of documents in 19 CFR 351.303(f).⁵⁵

This notice is issued and published pursuant to sections 732(c)(2) and 777(i) of the Act, and 19 CFR 351.203(c).

Dated: July 10, 2024.

/S/ Abdelali Elouaradia

Abdelali Elouaradia,
Deputy Assistant Secretary
for Enforcement and Compliance

⁵⁵ See *Administrative Protective Order, Service, and Other Procedures in Antidumping and Countervailing Duty Proceedings*, 88 FR 67069 (September 29, 2023).

Appendix

Scope of the Investigations

The merchandise covered by these investigations is certain brake drums made of gray cast iron, whether finished or unfinished, with an actual or nominal inside diameter of 14.75 inches or more but not over 16.6 inches, weighing more than 50 pounds. Unfinished brake drums are those which have undergone some turning or machining but are not ready for installation. Subject brake drums are included within the scope whether imported individually or with non-subject merchandise (for example, a hub), whether assembled or unassembled, or if joined with non-subject merchandise. When a subject drum is imported together with non-subject merchandise, such as, but not limited to, a drum-hub assembly, only the subject drum is covered by the scope.

Subject merchandise also includes finished and unfinished brake drums that are further processed in a third country or in the United States, including, but not limited to, assembly or any other processing that would not otherwise remove the merchandise from the scope of these investigations if performed in the country of manufacture of the subject brake drums. The inclusion, attachment, joining, or assembly of non-subject merchandise with subject drums either in the country of manufacture of the subject drum or in a third country does not remove the subject drum from the scope. Specifically excluded is merchandise covered by the scope of the antidumping and countervailing duty orders on certain chassis and subassemblies thereof from the People's Republic of China. *See Certain Chassis and Subassemblies Thereof from the People's Republic of China: Antidumping Duty Order*, 86 FR 36093 (July 8, 2021) and *Certain Chassis and Subassemblies Thereof from the People's Republic of China: Countervailing Duty Order and Amended Final Affirmative Countervailing Duty Determination*, 86 FR 24844 (May 10, 2021).

The scope also excludes composite brake drums that contain more than 40 percent steel by weight.

The merchandise covered by these investigations is classifiable under Harmonized Tariff Schedule of the United States (HTSUS) subheading 8708.30.5020. The merchandise covered by these investigations may be classifiable under HTSUS subheading 8708.30.5090 when entered as part of an assembly. Subject merchandise may also enter under HTSUS subheading 8716.90.5060. Although the HTSUS subheadings are provided for convenience and customs purposes, the written description of the merchandise covered by these investigations is dispositive.