

### VIII. Findings and Conclusion

611. For the reasons set out in this Report, the Appellate Body:

(a) with respect

means "any entity controlled by a government"; and, accordingly, reverses the Panel's finding in paragraph 17.1(a)(i) of the Panel Report<sup>597</sup> that China did not establish that the USDOC acted inconsistently with the obligations of the United States under Article 1.1(a)(1) of the *SCM Agreement* by determining in the relevant investigations at issue that SOEs and SOCBs constituted "public bodies";

(ii) in completing the analysis of China's claims under Article 1.1(a)(1) of the *SCM Agreement*:

- finds

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inconsistently with Article 11 of the DSU by improperly relying on municipal law;

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<sup>597</sup>See also Panel Report, paras. 8.138 and 8.143.

- (b) with respect to specificity:
  - (i) upholds the Panel's finding in paragraph 17.1(b)(i) of the Panel Report<sup>598</sup> that China did not establish that the USDOC acted inconsistently with the obligations of the United States under Article 2.1(a) of the *SCM Agreement* by determining in the OTR investigation that SOCB lending was specific to the tyre industry; and
  - (ii) finds that the Panel did not err in its interpretation of the term "subsidy" in Article 2.2 of the *SCM Agreement* and rejects China's allegations of error in respect of a Panel statement concerning a "distinct regime" in the context of the LWS investigation;
- (c) with respect to the benchmarks used to calculate benefit:
  - (i) upholds the Panel's finding in paragraph 17.1(c)(vi) of the Panel Report<sup>599</sup> that China did not establish that the USDOC acted inconsistently with the obligations of the United States under Article 14(d) of the *SCM Agreement* by rejecting in-country private prices in China as benchmarks for HRS in the

used by the USDOC to calculate the benefit from RMB-denominated SOCB loans in the CWP, LWS, and OTR investigations was inconsistent with the obligations of the United States under Article 14(b) of the *SCM Agreement*; but finds that it is unable to complete the legal analysis of China's claim under that provision;

- (d) with respect to "double remedies":
  - (i) finds that the imposition of double remedies, that is, the offsetting of the same subsidization twice by the concurrent imposition of anti-dumping duties calculated on the basis of an NME methodology and countervailing duties, is inconsi

