

# **BICYCLE TIRES AND TUBES FROM THE REPUBLIC OF KOREA AND TAIWAN**

**Determinations of the Commission  
in Investigations Nos. 104-TAA-14  
and 104-TAA-15 Under Section 104(b)  
of the Trade Agreements Act  
of 1979, Together With the  
Information Obtained  
in the Investigations**

**USITC PUBLICATION 1382**

**MAY 1983**

**United States International Trade Commission / Washington, D.C. 20436**

**UNITED STATES INTERNATIONAL TRADE COMMISSION**

**COMMISSIONERS**

**Alfred E. Eckes, Chairman**

**Paula Stern**

**Veronica A. Haggart**

---

**Kenneth R. Mason, Secretary to the Commission**

---

**Staff Assigned:**

Office of Investigations: Bruce Cates  
Office of Economics: Michael Youssef  
Office of the General Counsel: Jane Albrecht  
Office of Industries: William Baker  
Office of Investigations: Marvin Claywell

---

Supervisory Investigator: Jim McClure

**Address all communications to  
Office of the Secretary  
United States International Trade Commission  
Washington, D.C. 20436**

## C O N T E N T S

	<u>Page</u>
Determination-----	1
Views of Commissioners Paula Stern and Veronica A. Haggart-----	3
Views of Chairman Alfred Eckes-----	22
Information obtained in the investigations:	
Introduction-----	A-1
Development of the instant investigations-----	A-2
Korea-----	A-2
Taiwan-----	A-3
Nature and extent of the subsidies being provided-----	A-3
KIK-----	A-3
FCIL program-----	A-4
Preferential financing program-----	A-4
Cheng Shin-----	A-4
Description and uses-----	A-5
U.S. tariff treatment-----	A-6
Prior investigations-----	A-6
Antidumping investigations:	
Bicycle tires and tubes from Taiwan-----	A-7
Bicycle tires and tubes from Korea-----	A-7
Escape clause investigation-----	A-8
Domestic industry-----	A-8
U.S. importers-----	A-8
Channels of distribution-----	A-9
Condition of the U.S. industry:	
U.S. production-----	A-9
U.S. production capacity-----	A-10
U.S. producer's domestic shipments-----	A-10
Bicycle tires-----	A-11
Bicycle tubes-----	A-11
Bicycle tire and tube sets-----	A-11
Shipments by market-----	A-11
U.S. producer's inventories-----	A-12
Employment and wages-----	A-13
Financial experience of U.S. producers-----	A-15
Overall establishment operations-----	A-15
Operations on bicycle tires and tubes-----	A-16
Operations on bicycle tires-----	A-17
Operations on bicycle tubes-----	A-18
Investment in productive facilities-----	A-20
Capital expenditures-----	A-20
Research and development expenses-----	A-22
U.S. imports:	
Bicycle tires-----	A-22
Bicycle tubes-----	A-23
The question of the possibility of injury should the countervailing duty orders be revoked:	
U.S. consumption-----	A-26
U.S. importers' shipments-----	A-26
Bicycle tires-----	A-26
Bicycle tubes-----	A-27
U.S. importers' inventories-----	A-27

## C O N T E N T S

	<u>Page</u>
Market penetration by imports:	
Bicycle tires-----	A-27
Market penetration by KIK-----	A-28
Market penetration by Cheng Shin-----	A-30
Bicycle tubes-----	A-31
Market penetration by KIK-----	A-32
Market penetration of Cheng Shin-----	A-33
Production and capacity of KIK-----	A-34
Exports by KIK-----	A-35
Production and capacity of Cheng Shin-----	A-36
Exports by Cheng Shin-----	A-37
Prices-----	A-38
Bicycle tires-----	A-38
Moto-cross tires-----	A-38
20-inch blackwalled stud or knobby type and rib-type tires-----	A-39
26-inch, blackwalled and gumwalled rib-type tires-----	A-40
Bicycle tire and tube sets-----	A-42
20-inch Moto-cross tire and tube sets-----	A-42
20-inch blackwalled tire and tube sets-----	A-42
26-inch, blackwalled and gumwalled tire and tube sets-----	A-43
Bicycle tubes-----	A-44
20-inch regular and heavy duty tubes-----	A-44
26-inch regular tubes-----	A-46
Purchaser's prices-----	A-47
20-inch Moto-cross tire and tube sets-----	A-47
20-inch blackwalled, stud or knobby type tire and tube sets-----	A-47
20-inch, blackwalled, rib-type tire and tube sets-----	A-48
26-inch, blackwalled, rib-type tire and tube sets-----	A-48
26-inch, gumwalled, rib-type tire and tube sets-----	A-48
Exchange rate changes and their impact on prices of imports of imports of bicycle tires and tire and tube sets-----	A-55
Appendix A: Letters requesting the investigations-----	A-56
Appendix B: Commerce's Federal Register Notices-----	A-61
Appendix C: Commission's Federal Register Notices-----	A-67
Appendix D: Calendar of Witnesses at the Public Hearing-----	A-71
Appendix E: Additional statistical tables-----	A-75

## CONTENTS

## Tables

	<u>Page</u>
1. Bicycle tires and tubes: U.S. rates of duty, 1983-----	A-6
2. Bicycle tires and tubes: U.S. production, 1979-82-----	A-9
3. Bicycle tires and tubes: U.S. production capacity, production, and capacity utilization, 1979-82-----	A-10
4. Bicycle tires and tubes: U.S. producers' domestic shipments, 1979-82-----	A-11
5. Bicycle tires and tubes: U.S. producer's yearend inventories, as of Dec. 31 of 1979-82-----	A-12
6. Average number of employees, total and production and related workers employed in establishments producing all products, bicycle tires and tubes, hours worked by the latter, and wages and fringe benefits paid to the latter, 1979-82-----	A-14
7. Income-and-loss experience of Carlisle Tire & Rubber Co. on the overall operations of its establishment within which bicycle tires and tubes are manufactured, 1979-82-----	A-15
8. Income-and-loss experience of Carlisle Tire & Rubber Co. on its bicycle tire and tube operations, 1979-82-----	A-17
9. Income-and-loss experience of Carlisle Tire & Rubber Co. on its bicycle tire operation, 1979-82-----	A-18
10. Income-and-loss experience of Carlisle Tire & Rubber Co. on its bicycle tube operation, 1979-82-----	A-19
11. Carlisle Tire & Rubber Co.'s investment in facilities employed in its overall establishment operations, in the production of bicycle tires, and in the production of bicycle tubes, 1979-82-----	A-21
12. Carlisle Tire & Rubber Co.'s capital expenditures for land, buildings, and machinery and equipment used in the production of all products of the reporting establishment and those used in the production of bicycle tires and bicycle tubes, 1979-82-----	A-22
13. Bicycle tires: U.S. imports for consumption, by principal sources, 1979-82-----	A-24
14. Bicycle tubes: U.S. imports for consumption, by principal sources, 1979-82-----	A-25
15. Bicycle tires and tubes: U.S. consumption, 1979-82-----	A-26

## CONTENTS

	<u>Page</u>
16. Bicycle tires: Ratio to U.S. consumption of U.S. producer's domestic shipments, imports from Taiwan, the Republic of Korea, and all other sources, 1979-82-----	A-28
17. Bicycle tires: U.S. consumption, imports from Korea manufactured by KIK and by other manufacturers in Korea, 1979-82-----	A-29
18. Bicycle tires: U.S. consumption, imports from Taiwan manufactured by Cheng Shin and by other manufacturers in Taiwan, 1980-82-----	A-30
19. Bicycle tubes: Ratio to U.S. consumption of U.S. producers domestic shipments and imports from Taiwan, the Republic of Korea, and all other sources, 1979-82-----	A-32
20. Tubes for bicycle tires: U.S. consumption, imports from Korea manufactured by KIK and by other manufacturers in Korea, 1980-82----	A-32
21. Tubes for bicycle tires: U.S. consumption, imports from Taiwan manufactured by Cheng Shin and by other manufactured in Taiwan, 1980-82-----	A-33
22. Bicycle tires and tubes: Production capacity, production, and capacity utilization, by KIK, 1980-82-----	A-35
23. Bicycle tires and tubes: Exports by KIK to the United States and all other countries, 1980-82-----	A-36
24. Bicycle tires and tubes: Production capacity, production, and capacity utilization by Cheng Shin, 1980-81-----	A-37
25. Bicycle tires and tubes: Exports from Taiwan to the United States and all other countries, 1980-81-----	A-38
26. Bicycle tires: 26-inch, Moto-Cross tires: Domestic producers' and importers' weighted average f.o.b. prices and margins of underselling, by quarters, 1980-1982-----	A-39
27. Bicycle tires: 20-inch, blackwalled stud or knobby type and rib-type tires: domestic producer's and importers' weighted average f.o.b. prices, and margins of underselling, by quarters, 1980-1982-----	A-40
28. Bicycle tires: 26-inch, blackwalled and gumwalled, rib-type: Domestic producer's and importers' weighted average f.o.b. prices, and margins of underselling, by quarters, 1980-1982-- ----	A-41
29. Bicycle tires: Bicycle tire and tube sets, 20-inch Moto-Cross: producer's and importers' weighted average f.o.b. prices, and margins of underselling, by quarters, 1980-1982-----	A-42

## CONTENTS

30. Bicycle tire and tube sets: 20-inch, blackwalled: Domestic producer's and importers' weighted average f.o.b. prices, and margins of underselling, by quarters, 1980-1982-----	A-43
31. Bicycle tire and tube sets: 26-inch, blackwalled and gumwalled: Domestic producer's and importers' weighted average f.o.b. prices, and margins of underselling, by quarters, 1980-1982-----	A-44
32. Bicycle tubes, 20-inch, regular, heavy-duty tubes: Domestic producer's and importers' weighted average f.o.b. prices, and margins of underselling, by quarters, January 1980-1982-----	A-45
33. Bicycle tubes, 26-inch regular tubes: Domestic producer's and importers' weighted average f.o.b. prices, and margins of underselling, by quarters, 1980-1982-----	A-46
34. Bicycle tires and tubes: Purchasers' prices of various tires and tubes and sets of tires and tubes, as specified, of domestic and imported products, by quarters, 1980-1982-----	A-49

Note: Information which would disclose confidential operations of individual concerns may not be published and therefore have been deleted from this report. Deletions are indicated by asterisks.

PDF Create! 6 Trial  
www.nuance.com



UNITED STATES INTERNATIONAL TRADE COMMISSION  
Washington, D C

Investigations No. 104-TAA-14 and 104-TAA-15

BICYCLE TIRES AND TUBES FROM THE REPUBLIC OF KOREA AND TAIWAN

Determinations

Based on the record 1/ developed in investigations Nos. 104-TAA-14 and 104-TAA-15, the Commission determines, 2/ pursuant to section 104(b) of the Trade Agreements Act of 1979, that an industry in the United States would not be materially injured or threatened with material injury, nor would the establishment of an industry in the United States be materially retarded, by reason of imports of bicycle tires and tubes from the Republic of Korea manufactured by Korea Inoue Kasei Co , or bicycle tires and tubes from Taiwan manufactured by Cheng Shin Rubber Co , Ltd , if the countervailing duty orders covering those imports were to be revoked

Background

On July 30, 1981, the Commission received a petition on behalf of Korea Inoue Kasei Co (KIK) seeking the institution of an investigation under section 104(b) of the Trade Agreements Act of 1979, (19 U S C § 1671 note), to determine whether an industry in the United States would be materially injured, or would be threatened with material injury, or the establishment of an industry would be materially retarded if the countervailing duty order covering bicycle tires and tubes from the Republic of Korea, were to be revoked KIK, a Korean manufacturer of bicycle tires and tubes, is the only company covered by the order

On December 30, 1982, Cheng Shin Rubber Co , Ltd , (Cheng Shin), a manufacturer of bicycle tires and tubes from Taiwan, submitted a petition seeking the institution of a section 104 investigation regarding the

---

1/ The "record" is defined in sec. 207 2(i) of the Commission's Rules of Practice and Procedure (47 F.R 6190, Feb 10, 1982)

2/ Chairman Eckes dissenting

revocation of the countervailing duty order covering bicycle tires and tubes from Taiwan. Cheng Shin is the only company covered by the order

On the basis of the petitions filed on behalf of KIK and Cheng Shin, the Commission instituted investigation No 104-TAA-14 on bicycle tires and tubes from Korea on December 21, 1982, and investigation No 104-TAA-15 on bicycle tires and tubes from Taiwan on January 10, 1983. The purpose of the Commission's investigations was to determine whether an industry in the United States would be materially injured, or threatened with material injury, or the establishment of an industry in the United States would be materially retarded, if the countervailing duty orders applicable to bicycle tires and tubes, provided for in items 772.48 and 772.57, respectively, of the Tariff Schedules of the United States, imported from Korea, manufactured by KIK, and imported from Taiwan, manufactured by Cheng Shin, were to be revoked

Notice of the institution of these Commission investigations was given by posting copies of the notices in the Office of the Secretary, U.S. International Trade Commission, Washington, D C and by publishing the notice for investigation No. 104-TAA-14 in the Federal Register of December 29, 1982, and that for investigation No. 104-TAA-15 in the Federal Register of January 14, 1983. The public hearing for these investigations was held concurrently on March 1, 1983, and the Commission voted on these cases in public session on May 10, 1983.

## VIEWS OF COMMISSIONERS STERN AND HAGGART

Based on the records developed in investigations Nos. 104-TAA-14 and 104-TAA-15, we determine that an industry in the United States would not be materially injured or threatened with material injury, by reason of imports of bicycle tires and tubes from Korea manufactured by Korea Inoue Kasei Co. (KIK) and from Taiwan manufactured by Cheng Shin Rubber Co. Ltd. (Cheng Shin), if the countervailing duty orders covering such imports were to be revoked.

The Commission determination under section 104 is prospective in focus. Section 104 requires a determination of "whether an industry in the United States would be materially injured, or would be threatened with material injury, or the establishment of an industry in the United States would be materially retarded, by reason of imports of the merchandise covered by the countervailing duty order if the order were to be revoked." <sup>1/</sup> In making our determination, we have considered, among other factors, the condition of the domestic industry, the conditions of competition in the relevant markets, the capabilities and plans of the foreign producers, and the likely impact of the removal of the subject countervailing duty orders.

#### The Definition of the Domestic Industry

Section 104 of the Trade Agreements Act expressly incorporates the definitions contained in section 771 of the Tariff Act of 1930. <sup>2/</sup> Section 771(4)(A) of the Tariff Act of 1930 defines the term "industry" as "the

---

<sup>1/</sup> 19 U.S.C. § 1671 note (Supp. IV 1980).

<sup>2/</sup> Section 104(e) of the Trade Agreements Act of 1979, 19 U.S.C. § 1671 note.

domestic producers as a whole of a like product, or those producers whose collective output of the like product constitutes a major proportion of the total domestic production of that product." 3/ Section 771(10) in turn defines "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." 4/

The imports that are the subject of these investigations are pneumatic, clincher-type bicycle tires and bicycle tubes manufactured by KIK and Cheng Shin. Pneumatic clincher-type tires, designed for normal bicycle use, are intended for use with replaceable tubes. 5/ They account for all bicycle tires exported to the United States by KIK and Cheng Shin, and 100 percent of domestic bicycle tire production. Most shipments of bicycle tires, both domestic and imported, are in the 20-inch, 26-inch, and 27-inch diameter categories. 6/ Inner tubes used in bicycle tires fit the diameter and cross-sectional measurements of the tires with which they will be used. As with tires, most sales occur in the 20-, 26-, and 27-inch categories. 7/

Bicycle tires produced in the United States are virtually identical in characteristics and uses to imported tires of the same size. They are made of

---

3/ 19 U.S.C. § 1677(4)(A) (Supp. IV 1980).

4/ 19 U.S.C. § 1677(10) (Supp. IV 1980).

5/ Hereinafter, "bicycle tires" or "tires" as used in this opinion refers to pneumatic clincher-type tires.

6/ Bicycle tires are characterized by two main features: (1) the color of the sidewalls which imparts a styling or cosmetic effect, and (2) the tread design. Both bicycle tires and tubes are available in approximately 20 sizes. Sizes are measured in terms of diameter and cross-section of the tire. See Report at A-7-A-8.

7/ Two types of tubes are marketed in the United States: regular and heavy duty.

the same materials: rubber, nylon (or fabric) and wire. The process by which they are manufactured is essentially the same. They are interchangeable on bicycle wheels of the same size. Similarly, bicycle tubes produced domestically are virtually identical to those of the same size that are imported, and are made by essentially the same process. They serve precisely the same end use.

Bicycle tires and bicycle tubes are distinct products in terms of characteristics and uses. Tires are made of rubber, nylon, and wire, whereas tubes are made simply from rubber. They perform distinct functions, and one could not be substituted for the other. In addition, beyond the mixing of the rubber, the production processes, the production staff, and the equipment used in the production of tires and tubes is different. <sup>8/</sup>

Thus, we find that there is a separate like product corresponding to each article being imported: pneumatic clincher-type tires and bicycle tubes. We further determine that there are two domestic industries for purposes of the Commission's analysis: the U.S. producer of bicycle tires and the U.S. producer of bicycle tubes. Carlisle Tire and Rubber Co. (Carlisle) is the sole U.S. producer of bicycle tires and tubes.

Section 771(4)(D), as well as the relevant legislative history, call for analysis of the domestic production of the like product only, if the available data permit. <sup>9/</sup> We have sufficient segregated data to analyze the impact of

---

<sup>8/</sup> Report at A-8-A-9; Transcript of Commission Hearing at 72-75 (Mar. 1, 1983).

<sup>9/</sup> 19 U.S.C. § 1677(4)(D) (Supp. IV 1980); S. Rep. No. 249, 96th Cong., 1st Sess. 83-84 (1979).

the subject imports on the U.S. producer of each product. 10/ Moreover, the full impact on the domestic industries of the subject imports, including bicycle tires and tubes sold as sets, can be considered in the context of the two industries. 11/

#### Condition of the Domestic Industry 12/

The performance of the domestic industries producing tires and tubes was strong through 1981. Carlisle's bicycle tire and tube operations have been extremely profitable, well above the average for manufacturers of rubber products and firms in related industries. 13/ However, the condition of both domestic industries deteriorated in 1982 as demand for bicycle tires and tubes declined. The level of demand for bicycle tires and bicycle tubes is closely

---

10/ The Commission in its determination in *Bicycle Tires and Tubes From Taiwan*, Inv. No. 731-TA-94 (Preliminary), USITC Pub. No. 1258 (June 1982) (a preliminary dumping investigation) found two like products: pneumatic clincher-type tires and bicycle tubes. However, pursuant to section 771(4)(D) of the Tariff Act of 1930, the Commission assessed the effects of the alleged LTFV imports on the combined U.S. production of bicycle tires and tubes, because separate profit and loss data on the two product lines were not available at that time. Id. at 6-7. The Commission indicated that it would reassess the issue once more data had been collected for the final determination. Id. These section 104 investigations were instituted subsequent to the preliminary dumping determination, and were investigated in conjunction with the final antidumping investigation. The antidumping investigation has been terminated by the Department of Commerce.

11/ See S. Rep. No. 249, 96th Cong., 1st Sess. 90-91 (1979). Although the majority of Carlisle's sales of tires and tubes consists of sales of sets to original equipment manufacturers (OEM's), Carlisle maintains separate data on production, sales and profitability of bicycle tires and tubes for purposes of sales management. General Counsel Memorandum No. GC-F-177 at 9 (June 7, 1982); transcript of Commission hearing at 75-76 (Mar. 1, 1983).

12/ As there is only one U.S. producer of bicycle tires and tubes, and only one manufacturer subject to each countervailing duty order under review, many of the facts on which the Commission relied in reaching its determination consist of business confidential material. Such information can only be referred to in general terms.

13/ See Report at Tables 8-10; *Fortune Magazine* at 281 (May 3, 1982).

related to the U.S. market for bicycles. Apparent U.S. consumption of bicycles hit an eight-year high in 1979, but then dropped by nearly 40 percent in the next 3 years to hit an eight-year low in 1982. 14/ Paralleling U.S. shipments and demand for bicycles, Carlisle's shipments and production for both bicycle tires and bicycle tubes peaked in 1980, declining thereafter to an eight-year low in 1982. 15/ Carlisle's capacity utilization, employment, and profitability in 1982 for both its bicycle tire and bicycle tube operations fell substantially below the levels of earlier years. 16/ In addition, Carlisle's inventories of bicycle tires and tubes were substantially higher at yearend 1982 than at yearend 1979. 17/ However, Carlisle's decline in capacity utilization for both tires and tubes and the resulting deterioration in profitability in 1982 were partly the result of the significant expansion of Carlisle's capacity between 1979 and 1981. 18/

---

14/ Report at Table E-2.

15/ See Report at Tables 2, 4, E-2, E-3.

16/ Report at Tables 3, 6, 8, 9, E-3.

17/ Report at Table 5.

18/ Report at Tables 3, 9, 10.

Likely Effects of Revocation of the Countervailing Duty Orders Under Review

Views of Commissioner Paula Stern

Standards for Determinations

In a section 104 investigation, the Commission must evaluate the question of whether the domestic industry would be materially injured or threatened with material injury by reason of the imports covered by the countervailing duty order should the order be revoked. "Material injury" as defined by the statute means "harm which is not inconsequential, immaterial, or unimportant." <sup>19/</sup> In previous section 104 determinations, the Commission has assumed, as a threshold matter, that any subsidy-related injury to the U.S. industry has been remedied during the period in which the duties have been imposed. <sup>20/</sup> Thus, the Commission's analysis has been essentially prospective in focus.

In previous cases, the Commission has included the following factors in its examination: (1) the amount of the duty, and whether the duty has grown or declined since imposition of the order; <sup>21/</sup> (2) the trends in import volume and market share; <sup>22/</sup> (3) whether, and to what extent the imports

---

<sup>19/</sup> 19 U.S.C. section 1677(7)(A).

<sup>20/</sup> See Unprocessed Float Glass from Belgium and Italy, Inv. Nos. 104-TAA-11 and 12 (USITC Pub. 1344) (February 1983) at 5.

<sup>21/</sup> However, where revocation of the order would result in no or little price effect, the Commission has given less weight to the fact that the volume of the imports are increasing or may increase, because such an increase could not be fairly attributed to revocation of the countervailing duty order. See Certain Spirits from Ireland, Inv. No. 104-TAA-3 (USITC Pub. 1165) (July 1981) (Views of Chairman Alberger and Commissioners Bedell and Stern) at 8.

<sup>22/</sup> An examination of the trend in the duty may also involve examination of changes or trends in the underlying subsidies. In particular, the fact that a subsidy or a subsidy-derived benefit is being phased out has obvious importance to our prospective analysis.



compete with the domestic product; (4) the exporters' capacity, capacity utilization, and export orientation; (5) the intent of the importers or exporters, particularly if supported by trends in market conditions; and (6) the competitive advantage, if any, that the imports would derive from the lifting of the countervailing duty. The latter factor relates directly to the central issue of whether injury would occur if the countervailing duty was removed. 23/ Assuming that any financial advantage gained by an importer due to the revocation of a countervailing duty order would be fully passed through to its customers in the form of lower prices, 24/ removal of any countervailing duty order can generally be presumed to result in some financial advantage, however slight. Nevertheless, revocation of an outstanding order would be appropriate under two kinds of circumstances: when the advantage is insignificant; or if, even with a significant financial advantage, the subsidized imports would not be materially injuring or

---

23/ Analysis of the effect, if any, of the duty on the competitive advantage of the subsidized imports alone is not dispositive. The weight I give this necessarily varies depending upon the facts of each case. See my Views in Certain Carbon Steel Products from Belgium, France, Italy, Luxembourg, the United Kingdom and the Federal Republic of Germany, Inv. Nos. 701-TA-86 through 128, as incorporated in my views in Carbon Steel Wire Rod from Brazil and Tobago, Inv. Nos. 731-TA-113 and 114 (USITC Pub. No. 1316) (November 1982) at 5\*-9\*.

24/ The advantage to an importer resulting from revocation of a countervailing duty order would not necessarily be passed through to the price of the product. However, to the extent that the cost advantage is not fully passed through to the price of the imported good, the import would have even less of a subsidy-related price advantage over the domestic product. Therefore, by assuming a full pass through of the removal of the duty, I am giving the domestic industry its best opportunity to establish that there is a competitive effect.

threatening material injury to a domestic industry, because of other market conditions.

The Order Covering Korean Bicycle Tires  
Manufactured by KIK

The record evidences no causal relationship between the difficulties that the domestic industry experienced in 1982 and imports of bicycle tires and bicycle tubes from Korea manufactured by KIK.

Carlisle's share of the domestic bicycle tire market increased between 1980 and 1981, before losing 8 percentage points to imports from all sources in 1982. 25/ KIK's share of the bicycle tire market is very small. It accounts for only a fraction of the market share of total imports from Korea, and an even smaller fraction of domestic market share. 26/ KIK's market share increased modestly, by less than one percentage point, in 1982 over 1981. However, its market share in 1982 was less than that in 1980. 27/

Furthermore, KIK supplies only the replacement market for bicycle tires, a market which accounts for only a small portion of Carlisle's sales of bicycle tires relative to the OEM market. 28/ Therefore, bicycle tires from KIK compete with domestically-produced bicycle tires to a very limited extent.

As with bicycle tires, KIK supplies only the replacement market for tubes. Therefore, competition between KIK imports and domestic bicycle tubes is also very limited. Carlisle's share of the domestic market for bicycle tubes

---

25/ Report A-28 (Table 16).

26/ The exact figure is confidential. Report at A-29 (Table 17).

27/ Id.

28/ These figures are confidential. Report at A-8.

increased from 1980 to 1981, then declined by six percentage points in 1982. 29/ KIK's share of the domestic market for bicycle tubes increased slightly during the same period. 30/ However, this reflects the more rapid decline in sales of tubes to OEM's than in sales to the replacement market, which resulted from the depressed demand for bicycles in 1982. 31/ Therefore, most of Carlisle's loss in market share for both bicycle tires and tubes in 1982 cannot be attributed to imports from KIK.

The Department of Commerce has determined that the net subsidy conferred upon KIK for the most recent period under review, calendar year 1980, was 0.95 percent ad valorem for both bicycle tires and tubes. 32/ The major portion of the subsidy that KIK is receiving results from benefits received under the Foreign Capital Inducement Law (FCIL). This is a time-limited program. KIK's benefits under this program decline every year and will be entirely eliminated by 1985. 33/

KIK is one of the smallest Korean exporters of bicycle tires and tubes. It projects only moderate increases in production and capacity utilization of bicycle tires and tubes in the near future. 34/ Furthermore, KIK indicated that it has no intent to increase its capacity to produce tires or tubes in the near future. 35/ KIK's capacity utilization in the production of tires and tubes dropped substantially from 1980 to 1982. 36/ However, there is no reason to

---

29/ Report at A-32 (Table 19).

30/ Report at A-32 (Table 19).

31/ Report at A-29.

32/ See Report at A-4.

33/ Report at A-4.

34/ Report at A-34-35.

35/ Affidavit of Tae Bong Chung.

36/ Report at A-34-A-35.

believe that this will result in a surge of KIK exports to the United States in the foreseeable future. The percentage of KIK's bicycle tire exports that are directed to the United States declined substantially from 1980 to 1982, despite the decline in its capacity utilization. 37/ In addition, KIK's marketing strategies for the immediate future do not include a significant expansion of sales in the U.S. market. 38/ Therefore, I believe that KIK's small and declining net subsidy, and its small and declining market share, coupled with the fact that KIK competes with the domestic product to a very limited degree, supports a finding that the order should be revoked. 39/

The Order Covering Imports from  
Taiwan Manufactured by Cheng Shin

Imports of bicycle tires and tubes manufactured by Cheng Shin would not cause material injury or the threat thereof to the domestic industry, if the countervailing duty order covering Cheng Shin's imports were to be removed. Although Carlisle lost market share to total imports in 1982, it was not by reason of imports from Cheng Shin. While Carlisle's production and shipments of bicycle tires and tubes decreased substantially in 1982, so did imports of

---

37/ Report at A-35-36.

38/ Affidavit of Tae Bong Chung.

39/ The Commission was unable to obtain pricing information for KIK products. Importers reported that because they purchase from a number of suppliers in Korea, they could not provide separate data re: prices charged for KIK products. Therefore, I was unable to analyze the relationship between the amount of the current duty and the margins by which KIK products undersell the comparable domestic products. However, I note that imports of bicycle tires and tubes from Korea as a whole have been underselling Carlisle's product by far in excess of the amount of the duty imposed on KIK. Report at A-38-A-46.

bicycle tires and tubes from Cheng Shin. 40/ Similarly, the fluctuations in Cheng Shin's market shares for bicycle tires and tubes from 1980-1982 paralleled fluctuations in Carlisle's market shares. Carlisle's share of the domestic bicycle tire market increased through 1981, then declined in 1982. 41/ Cheng Shin's share of the domestic market followed a similar trend, increasing through 1981, but also declining by 1982. 42/ Similar trends occurred in the bicycle tube market. 43/ Furthermore, part of that increase in Cheng Shin's market share for tires in 1981 is attributable to the introduction by Cheng Shin of colored tires which were not then available domestically. 44/

The original countervailing duty on imports from Cheng Shin was imposed in November 1981. The amount of the duty is currently 0.90 percent ad valorem. 45/ The duty, which is small, has remained essentially the same since it was imposed. 46/

The effect of the duty on the price paid by importers of Cheng Shin's bicycle tire and tube sets amounts to no more than approximately three cents per set, 47/ or no more than one percent of the highest current delivered price of a Cheng Shin set. Bicycle tire and tube sets from Cheng Shin have

---

40/ Report at A-9 and Tables 18 and 19.

41/ Report at Tables 18 and 19.

42/ Id.

43/ Report at Tables 20 and 21.

44/ Post hearing brief of Cheng Shin at 5.

45/ Report at A-4.

46/ Id.

47/ This is based on the highest delivered price for a bicycle tire and tube set from Cheng Shin. If based on the average price, this price advantage would be even lower. See Report at A-50-A-54.

undersold the corresponding domestic product by margins that are far greater than this one percent price advantage. 48/

Cheng Shin has argued that the imposition of the duty in 1981 had no significant effect on its prices. In fact, it claims that it has since lowered its prices significantly due to other factors not related to the subsidy, such as falling rubber prices. 49/ Similarly, it argued that revocation of the order, and the lifting of the 0.90 percent duty would have no significant impact on its future prices. 50/

The evidence in the record supports a finding that because the duty is so small, and the price discrepancy between the imported and domestic product is so big, the price effect, if any, of the revocation of the countervailing duty order would be insignificant. The value of the duty is dwarfed by the other cost advantages enjoyed by Cheng Shin. Thus, lifting this tiny duty will yield such a small cost benefit to the importers that it would not result in any significant change in pricing, volume, or marketing strategy with respect to bicycle tires and tubes manufactured by Cheng Shin. In short, removal of the order would not result in material injury, or a threat of material injury to Carlisle.

---

48/ Id. Our price comparison data on Cheng Shin bicycle tires and tubes represents a substantial percentage of Cheng Shin's sales to the domestic OEM market during the 1980-1982 period. Cheng Shin's sales to the OEM market represent more than half of Cheng Shin's total sales in the United States. The exact figures are confidential information. Report at A-50.

49/ Cheng Shin Post-Conference Brief at 5.

50/ Id. at 6.

## VIEWS OF COMMISSIONER VERONICA A. HAGGART

As previously stated, our determination in a section 104 investigation is prospective in nature. In these investigations, the Commission must determine whether the domestic industries will be injured in the event that each of the subject countervailing duty orders is revoked.

Despite the prospective orientation of a section 104 investigation, it is nonetheless appropriate to examine the current and historic characteristics and economic trends of the relevant marketplace in order to provide a basis for projection into the future. Such data are relevant for purposes of assessing the conditions of trade and competition in the relevant market and for assessing the impact, if any, that the subject imports have had while the order has been in place. The consideration of historical data should be coupled with consideration of any available information bearing on future intentions of foreign producers with regard to production, capacity, marketing strategies, and imports, and the availability of other export markets.

As with investigations under section 701 of the Act, another factor which the Commission may consider in determining the effect, if any, of revocation of the order is the amount of the net subsidy. 51/ While the

---

51/ See Additional Views of Commissioner Haggart in Certain Carbon Steel Products from Spain, Inv. Nos. 701-TA-155, 157, 158, 159, 160, and 162, USITC Pub. No. 1331 (Dec. 1982) at 26-36.

presence or absence of a causal nexus between the amount of the net subsidy found to exist by the Department of Commerce and the potential for injury or threat thereof upon revocation of the order should not be dispositive, it nonetheless is a relevant consideration.

In the context of a section 104 investigation, unlike a section 701 investigation, the countervailing duty order is already in place. <sup>52/</sup> Thus, the prices and quantities of imports can be assumed to reflect the importers' and/or foreign producers' reactions, if any, to the existence of the order. The revocation of the countervailing duty order will reduce the importers' costs in line with the amount of duty collected and, as a consequence, may reduce prices accordingly.

Carlisle contends that the final determination concerning the amount of the net subsidy has not yet been made by the Department of Commerce and therefore, any reliance on the amount of the subsidy is misplaced. Carlisle further contends that the most recent subsidy findings are based on imports during 1980 and 1981, and thus, these subsidy determinations are not relevant in assessing any prospective material injury to the domestic industry if the duty were no longer in place.

In my view, these arguments go to the weight to be given to the amount of the net subsidy and are not persuasive in the context of the facts of these investigations. During the period of the existence of the instant orders, the amounts of the net subsidies found by the Department of Commerce

---

<sup>52/</sup> In the instant investigations, the countervailing duty order with respect to Cheng Shin has been in place since 1981, and the order with respect to KIK has been in place since 1979.



have remained essentially unchanged since the orders were imposed. 53/ Thus, the consistent nature of the level of subsidy throughout a plentitude of proceedings outweighs the arguments raised by Carlisle. In the context of this case, this factor as well as the characteristics and economic trends of this marketplace, are relevant considerations in predicting the effect of removal of these orders.

The Order Covering Imports From Taiwan Manufactured By Cheng Shin 54/

Imports of bicycle tires and bicycle tubes manufactured by Cheng Shin would not cause material injury or the threat thereof to the domestic industries if the countervailing duty order were revoked. 55/ These imports

53/ With respect to KIK, on January 12, 1979, Treasury determined in the original countervailing duty investigation that the amount of the net subsidy was 0.5 percent ad valorem. 44 Fed. Reg. 2570 (1979). Commerce has conducted two review investigations. In the first, Commerce made a final determination on July 29, 1981, that the subsidy was 1.05 percent during the review period. 46 Fed. Reg. 38736 (1981). In the second, Commerce preliminarily found on July 20, 1982 that the subsidy was 0.95 percent during the review period. 47 Fed. Reg. 31412 (1982). With respect to Cheng Shin, Treasury determined in 1979 that the amount of the subsidy was de minimis. 44 Fed. Reg. 1815 (1979). Upon appeal, the U.S. Court of International Trade remanded to the Department of Commerce. Commerce determined that the amount of the subsidy was 0.893 percent. 46 Fed. Reg. 53201 (1981). The Court of International Trade affirmed this finding. *Carlisle Tire & Rubber Co. v. United States*, 2 C.I.T. 207 (1981). Commerce, in its first review determination, preliminarily determined that the subsidy was 0.9 percent for the period under review. 47 Fed. Reg. 53406 (1982). Thus, in each case, the amount of the net subsidy has remained stable.

54/ Carlisle argues that the Commission should consider the aggregate impact of all imports from Taiwan and Korea on the domestic industry. In making my determinations in these cases, I have considered all imports in the context of the conditions of trade in the relevant marketplace.

55/ Cheng Shin is the only Taiwanese manufacturer covered by the countervailing duty order. Other producers in Taiwan also export bicycle tires and tubes to the United States. Report at A-39, A-43. Actual data on Cheng Shin's exports to the United States are confidential. However, most of the imports from Taiwan during the period of investigation are not subject to this investigation.

increased as a share of apparent consumption in 1981 compared with 1980, 56/ partly due to the introduction by Cheng Shin of new colored tires. 57/ However, Carlisle's market share increased in 1981 as well. 58/ In 1982, when Carlisle's strong financial position deteriorated, the share of U.S. consumption held by Cheng Shin was lower than in 1981. 59/ Thus, there is no apparent causal link between imports from Cheng Shin and Carlisle's performance during the period under investigation.

Most of the imports of bicycle tires and tubes manufactured by Cheng Shin are sold as sets to the producers of bicycles. 60/ Based on a representative sample of these sales, Cheng Shin undersold Carlisle by significant margins throughout the period 1980 to 1982. 61/ Carlisle maintains that this underselling caused lost sales and suppressed prices. 62/ However, during most of the period, the years 1980 and 1981, Carlisle was able to maintain and even increase its market share, and indeed was quite profitable despite being undersold by Cheng Shin. Thus, the large margins of underselling do not appear to be correlated to Carlisle's performance in the marketplace. Further, analysis of all available pricing data does not lead to an expectation of increased penetration by Cheng Shin of the U.S. market in the future. Rather, it appears that Carlisle has established a market niche and does not engage in direct price competition with Cheng Shin.

---

56/ Report at A-39, A-43.

57/ Posthearing Brief of Cheng Shin at 5.

58/ Report at A-37, A-41.

59/ Id. at A-39, A-43.

60/ Id. at A-13.

61/ See Memorandum to the Commission from the Director of Investigations, INV-G-080, May 9, 1983.

62/ Prehearing Brief of Carlisle at 21.

The most recent information available from Commerce is that the net subsidy received by Cheng Shin was preliminarily determined to be 0.90 percent ad valorem for the period October 1981 through December 1981. This amount is virtually unchanged from the original finding of 0.893 percent ad valorem. 63/ The minimal level and consistent nature of the amount of net subsidy indicate that removal of the order would have no significant effect on the price or volume of imports from Cheng Shin.

With regard to future intentions, Cheng Shin's capacity utilization for both products has been high throughout the period of investigation. 64/ Even if Cheng Shin's apparent plans to increase production and capacity over the next two years are realized, any such increase would satisfy the increased demand expected in these years. 65/ Furthermore, because analysis of the pricing data indicates that Cheng Shin does not engage in direct price competition with Carlisle in the marketplace, any increase in Cheng Shin's exports to the United States would not necessarily adversely affect Carlisle.

Thus, Carlisle has been profitable in the past despite Cheng Shin's presence in the market, and revocation of the order will have no significant effect on imports from Cheng Shin. Therefore, I conclude that the domestic industries would not be materially injured or threatened with material injury by reason of imports of bicycle tires and tubes manufactured by Cheng Shin if the countervailing duty order covering such imports were to be revoked.

---

63/ See note 3 *supra*.

64/ Report at A-47, A-49.

65/ Transcript of Commission Hearing at 47 (Mar. 1, 1983).

The Order Covering Imports From Korea Manufactured by KIK

Imports of bicycle tires and tubes manufactured by KIK would not cause material injury or the threat thereof to the domestic industries if the countervailing duty order were to be revoked. 66/

KIK supplies only the replacement market for bicycle tires and tubes, a market which accounts for a small portion of Carlisle's sales relative to the OEM market. 67/ Thus, KIK does not compete at all with Carlisle in the OEM market, the major market for Carlisle. In 1982, consumption in the OEM market declined more rapidly than did consumption in the replacement market. 68/ Because KIK supplies only the replacement markets, imports from KIK were not affected by the decline in demand by OEM's. As a share of U.S. consumption, imports of tires from KIK declined from 1980 to 1982. 69/ Imports of tubes increased slightly as a share of U.S. consumption during this period. 70/

The Commission was unable to collect pricing information for imports specifically from KIK. Thus, it is necessary to discuss pricing within the context of all imports from Korea. 71/ As with Cheng Shin, imports from Korea have been underselling Carlisle's products by significant margins throughout the period of investigation. 72/ This underselling does

66/ KIK is the only manufacturer in Korea covered by the countervailing duty order. Other producers in Korea also export bicycle tires and tubes to the United States. Actual data on KIK's exports to the United States are confidential. However, most of the imports from Korea during the period of investigation are not subject to this investigation.

67/ Report at A-13.

68/ Id. at A-38, A-40, A-42, and A-44.

69/ Id. at A-38.

70/ Id. at A-42.

71/ Because sales by KIK are all to the replacement market and consist largely of tubes and tires sold separately, it would not be relevant to consider the pricing information for sets from Korea in the analysis of price underselling by KIK. 20

72/ Report at A-52, A-54, and A-58.

not appear to be correlated to Carlisle's performance in the marketplace. Furthermore, as with Cheng Shin, this underselling has not enabled KIK to gain market share at the expense of Carlisle.

The most recent information provided by Commerce indicates that the net subsidy received by KIK was 0.95 percent ad valorem in calendar year 1980. This amount has not changed significantly during the course of two review investigations as well as the original investigation. 73/ The small size and consistent nature of the order indicate that its removal would have no significant effect on the price or volume of imports from KIK.

KIK had substantial excess capacity in 1981 and 1982. 74/ However, KIK projects that exports to the United States in 1983 and 1984 will remain relatively stable. 75/

Thus, competition between KIK and Carlisle is limited to the replacement market, which represents a small portion of Carlisle's sales of tires and tubes, and does not appear to be sensitive to price. Furthermore, revocation of the order will have no significant effect on imports from KIK. Therefore, I conclude that the domestic industries would not be materially injured or threatened with material injury by reason of imports of bicycle tires and tubes manufactured by KIK if the countervailing duty order were to be revoked.

---

73/ See note 3 supra.

74/ Report at A-45.

75/ Id. at A-46.

Views of Chairman Alfred E. EckesDetermination

I determine that the domestic industries in these investigations would be materially injured or threatened with material injury, by reason of imports of bicycle tires and tubes from Korea manufactured by Korea Inoue Kasei Co. (KIK) and from Taiwan manufactured by Cheng Shin Rubber Co. Ltd. (Cheng Shin), if the countervailing duty orders covering such imports were to be revoked. 1/

The nature of the Commission's determinations in section 104 investigations is prospective. The Commission must determine whether a domestic industry would be injured if countervailing duty orders subject to a section 104 review were to be revoked. In order to assess the future impact of the imports in the event of the revocation of these countervailing duty order 2/ it is necessary to examine the present condition of the domestic industries, the conditions of competition in the relevant markets and the historical levels of imports and future capabilities of the foreign industries.

The records in these investigations evidence a slight increase in total U.S. consumption of tires and tubes from 1979 to 1980 but show a steady and severe decline in domestic consumption in 1981 and 1982. 3/ This has occurred at the same time that imports by KIK and Cheng Shin have maintained or increased their significant share of the U.S. bicycle tire and tube market.

---

1/ There is established production of like products in the United States. Therefore, the issue of material retardation was not present in these investigations.

2/ Report at Table 15.

3/ Report at Tables 17, 18, 19, and 21.

The records also indicate that the domestic industries have experienced severe difficulties in the last two years. Finally, the foreign producers covered by the countervailing duty orders have generally projected increased production, capacity, capacity utilization and exports to the United States in 1983 and 1984. 4/ The bicycle tire and tube industries are especially vulnerable and, when all of these facts are considered together, the conditions of trade necessitate a conclusion that a revocation of the extant countervailing duty orders would materially injure or threaten with material injury these industries in the United States.

#### The Definition of the Domestic Industry

I concur with my colleagues in the assessment of the relevant like products and domestic industries.

#### Condition of the Domestic Industries

Carlisle Tire & Rubber Company (Carlisle), located in Carlisle, Pennsylvania, is the sole remaining producer of bicycle tires and tubes in the United States. Carlisle's bicycle tire and tube operations have declined since 1980 and have sharply deteriorated from the beginning of 1982 to the present. Domestic production, capacity utilization, employment, shipments and the financial performance of Carlisle's operations related to bicycle tires and tubes are at substantially lower levels than in prior years and inventories have increased significantly. 5/

Carlisle's production of bicycle tires and tubes increased slightly in 1980 and then steadily declined in 1981 and 1982. Between 1979 and

---

4/ Confidential Report at A-45-A-49.

5/ Report at Tables 3, 4, 5, 6, 9, and 10.

1982, production of bicycle tires decreased 49 percent while that for bicycle tubes dropped 54 percent. 6/ In addition, capacity utilization for tires declined by 54 percent and capacity utilization for tubes declined by 60 percent. 7/ Employment trends were similar. The number of workers producing bicycle tires and tubes each fell 38 percent over the period of investigation. 8/ Domestic shipments remained relatively stable in 1979, 1980 and 1981 but then plummeted in 1982 when tires were 54 percent and tubes were 49 percent below their 1979 level. 9/ The financial performance of Carlisle's bicycle tires and tubes operations paralleled the trends for shipments. The major financial indicators dropped precipitously for tires and tubes in 1982. Although the industries operated profitably through 1981, profit levels trended downward over the period. In 1982, both profits and cash flow declined sharply; both indices of injury declining approximately 100 percent. Additionally, in that year, operating income for both tires and tubes also dropped by approximately 100 percent. 10/ Finally, inventories increased significantly. These holdings of tires nearly doubled between 1979 and 1982, and tubes increased 36 percent during this same period. 11/

---

6/ Report at Table 2.

7/ Report at Table 3.

8/ Report at Table 6.

9/ Report at Table 4.

10/ Report at Tables 9 and 10.

11/ Report at Table 5.



Likely Effects of Revocation of the Countervailing Duty Orders Under Review

Imports from Korea Manufactured by KIK

In 1981 and 1982 there was a marked decline in demand for bicycle tires and tubes in the U.S. Accordingly, imports of bicycle tires manufactured by KIK, which are sold exclusively in the replacement market, declined by 48 percent between 1980 and 1982. During that same period, however, Carlisle's shipments of tires to the replacement market declined by 82 percent. 12/

The domestic market for tubes similarly slumped between 1980 and 1982. Overall U.S. consumption declined by 40 percent. Carlisle's shipments of tubes to the replacement market 13/ declined by 66 percent between 1980 and 1982 while those manufactured by KIK declined 27 percent. KIK, however, increased its market share by 20 percent in 1982 compared to 1980. 14/

KIK's production from 1980 to 1982 of both tires and tubes decreased significantly, leaving KIK with sizeable unused capacity for the production of tires and tubes. 15/ KIK is located in a free enterprise zone and is not permitted to sell in its own domestic market. 16/ Thus, any increase in production must be sold overseas. KIK has forecasted increases in both production and capacity utilization for tires in 1983 and 1984. More importantly, KIK has stated that it intends to increase its exports of tires to the U.S. 17/ The most

---

12/ Report at p. A-38.

13/ KIK sells bicycle tubes only in the replacement market.

14/ These figures include products manufactured by other Korean manufacturers however, KIK has stated that its share of total exports of bicycle tires from Korea to the U.S. has increased.

15/ Report at Table 22.

16/ Report at p. A-5.

17/ Confidential telegram from the Department of State to USITC, Feb., 1983.

recent import figures suggest that this is so. In January and February of 1983 imports of tires from Korea increased 6 percent. 18/

KIK has also stated that it will increase its production and capacity utilization of bicycle tubes. Even though KIK has stated that exports of tubes to the U.S. will decline slightly in 1983 and 1984, 19/ most recent import figures, however, indicate that imports of tubes from Korea increased 7 percent in January and February of 1983 over the same period in 1982. 20/

Individual pricing data were not available for the subject products manufactured by KIK. The prices of bicycle tires and tubes from Korea, however, generally undersold Carlisle's products by substantial margins.

Imports from Taiwan Manufactured by Cheng Shin

As noted above, 1981 and 1982 marked years of significant decline in U.S. consumption of bicycle tires and tubes. Between 1980 and 1982 the consumption of tires declined by 38 percent. During this period of rapidly declining consumption, Cheng Shin increased its share of the U.S. market for tires by more than 50 percent while Carlisle's market share declined by nearly 20 percent.

Cheng Shin's exports of bicycle tires and tubes between 1980 and 1982 21/ declined by 6 percent, while Carlisle's shipments of tires declined by 50 percent. 22/ In the OEM market, shipments of tires by Carlisle declined

---

18/ Memo to the Commission from Director of Investigations (INV-G-074) April 28, 1983.

19/ See footnote 17.

20/ Report at p. A-38.

21/ Although these import figures include tubes manufactured by other Korean producers, KIK substantially increased its share of total Korean exports of tubes to the U.S. and accounted for a significant share of tubes exported from Korea between 1980 and 1982.

22/ By comparison, U.S. imports from other manufacturers in Taiwan decreased by 26 percent in 1981 and 1982.

by 34 percent while shipments to that market by Cheng Shin declined by 20 percent. In the same period Carlisle's shipments to the replacement market dropped by 82 percent while Cheng Shin increased its shipments of tires to that market by 20 percent. 23/

Cheng Shin has stated that its production and capacity utilization for bicycle tires will increase in 1983 and 1984. 24/ Furthermore, it intends to increase its exports of tires to the U.S. in that period. 25/ Recent import data supports this assertion. In January and February of 1983 imports of bicycle tires from Taiwan increased by 35 percent compared to the same period in 1982. 26/

Cheng Shin's performance in the bicycle tube market mirrors its record in tires. U.S. consumption in tubes declined by 40 percent between 1980 and 1982. During this period of declining demand, Cheng Shin increased its share of the bicycle tube market by nearly 50 percent. 27/ Shipments of tubes by Carlisle declined by 43 percent while those imported tubes manufactured by Cheng Shin declined by 10 percent. 28/ Shipments of tubes to the OEM market by Carlisle between 1980 and 1982 declined by 27 percent while Cheng

---

23/ Report at p. A-40.

24/ Report at p. A-47.

25/ Report at p. A-48.

26/ These figures include products manufactured by other Taiwan manufacturers; however, Cheng Shin accounts for a substantial share of total U.S. imports from Taiwan. Page A-39 and A-43.

27/ Report at Table 21.

28/ Report at Tables 3 and 21.

Shin's fell only 9 percent. Additionally, shipments of tubes to the replacement market by Carlisle during that period dropped by 66 percent whereas those from Cheng Shin declined by only 12 percent. 29/

Cheng Shin has projected that it will increase its production and capacity utilization of tubes in 1983 and 1984. 30/ Further Cheng Shin expects to increase its exports of tubes to the U.S. in 1983 and 1984. 31/ The fact that imports from Taiwan of bicycle tubes increased by 88 percent in January and February of 1983 compared to the same period in 1982 supports this statement.

Representative pricing data were obtained by the Commission on sales of tire and tube sets by Cheng Shin to two U.S. bicycle producers that also purchased sets from Carlisle. The data show that although products manufactured by Cheng Shin, on occasion, were priced higher than Carlisle's products, generally they undersold Carlisle by substantial margins. 32/

---

29/ Report at p. A-44.

30/ Report at p. A-47.

31/ Report at p. A-48.

32/ Memo to Commission from Director of Investigations, INV-G-074.

## INFORMATION OBTAINED IN THE INVESTIGATIONS

### Introduction

On July 30, 1981, the United States International Trade Commission received a request on behalf of Korea Inoue Kasei Co (KIK), a manufacturer of bicycle tires and tubes in the Republic of Korea (Korea), and on December 30, 1982, it received a request on behalf of Cheng Shin Rubber Co Ltd (Cheng Shin), a manufacturer of bicycle tires and tubes in Taiwan, for investigations under section 104(b)(1) of the Trade Agreements Act of 1979 (19 U S C 1671(note)) 1/ Under section 104 of the act the Commission must determine, within 3 years of receipt of a request, whether an industry in the United States would be materially injured, or threatened with material injury, or the establishment of an industry would be materially retarded, if the countervailing duty order applicable to the merchandise under investigation were to be revoked

The countervailing duty orders of concern in these investigations apply to bicycle tires and tubes from Korea manufactured by KIK and bicycle tires and tubes from Taiwan manufactured by Cheng Shin The Commission's statutory deadline for completion of the investigation pertaining to bicycle tires and tubes from Korea is July 30, 1984, and the statutory deadline for completion of the investigation pertaining to bicycle tires and tubes from Taiwan is December 30, 1985

On May 30, 1980, the U.S. Department of Commerce (Commerce) published in the Federal Register a notice of intent to conduct an annual administrative review of all outstanding countervailing duty orders As required by section 751(a)(1) of the Tariff Act of 1930 (U S C § 1675(a)(1)), Commerce has conducted annual reviews of the countervailing duty orders on bicycle tires and tubes from Korea and Taiwan 2/ As a result of the first annual review of the countervailing duty order applicable to bicycle tires and tubes from Korea manufactured by KIK, Commerce, on July 29, 1981, published in the Federal Register (46 F R 38736) its determination that the net amount of the subsidy conferred on the merchandise imported from Korea during the period under review was 1.05 percent of the f.o.b. invoice price On July 20, 1982, Commerce published in the Federal Register (47 F R 31412) a notice of the preliminary results of its second annual review of the bicycle tires and tubes from Korea manufactured by KIK As a result of that review, Commerce preliminarily determined the net subsidy conferred to be 0.95 percent of the f.o.b. invoice price.

On December 9, 1982, Commerce published in the Federal Register (47 F.R. 53406) the preliminary results of its administrative review of the

---

1/ Copies of the letters to the Commission requesting the investigations are presented in app. A

2/ Copies of Commerce's Federal Register notices are presented in app. B.

countervailing duty order applicable to bicycle tires and tubes from Taiwan manufactured by Cheng Shin. As a result of that review, Commerce preliminarily determined the net subsidy conferred to be 0.90 percent of the f.o.b. invoice price of the merchandise.

On the basis of these determinations by Commerce, the U.S. International Trade Commission, pursuant to section 104(b)(2) of the Trade Agreements Act of 1979 (19 U.S.C. § 1671(note)), on December 21, 1982, instituted an investigation (No. 104-TAA-14) on bicycle tires and tubes from Korea and on January 10, 1983, instituted an investigation (No. 104-TAA-15) on bicycle tires and tubes from Taiwan. Notice of the institution of the Commission's investigations was given by posting copies of the notices in the Office of the Secretary, U.S. International Trade Commission, Washington, D.C., and by publishing the notice for investigation No. 104-TAA-14 in the Federal Register of December 29, 1982 (47 F.R. 58045), and the notice for investigation No. 104-TAA-15 in the Federal Register of January 14, 1983 (48 F.R. 1835). 1/ In connection with these investigations, a prehearing report containing the preliminary findings of fact was placed in the public record on February 14, 1983, and the public hearing was held on March 1, 1983. 2/

#### Development of the Instant Investigations

These investigations by the U.S. International Trade Commission evolved from petitions filed on behalf of Carlisle Tire & Rubber Co. with the Department of Treasury (Treasury) on December 27, 1977. The petitions alleged that bicycle tires and tubes imported from Korea and Taiwan benefited from the payment or bestowal of bounties or grants within the meaning of section 303 of the Tariff Act of 1930 (19 U.S.C. 1303).

#### Korea

On January 12, 1979, Treasury published in the Federal Register (44 F.R. 2570), a notice of final countervailing duty determination with respect to bicycle tires and tubes imported from Korea. The notice stated that one Korean manufacturer, Korea Inoue Kasei, receives bounties or grants within the meaning of section 303 of the Tariff Act of 1930, as amended, in the net amount of 0.5 percent ad valorem of the f.o.b. export price, but that the subsidies received by the other Korean manufacturers of bicycle tires and tubes were de minimis. The U.S. Customs Service was directed to collect countervailing duties in the amount of 0.5 percent ad valorem on bicycle tires and tubes produced by KIK which were imported on or after January 12, 1979.

---

1/ Copies of the Commission's Federal Register notices are presented in app. C.

2/ The public hearing was held concurrently by the Commission for countervailing duty investigations Nos. 104-TAA-14 and 104-TAA-15, and antidumping investigation No. 731-TA-94 (Final) bicycle tires and tubes from Taiwan. A calendar of witnesses who appeared at the public hearing is presented in app. D.

On January 1, 1980, the provisions of title I of the Trade Agreements Act of 1979 became effective, and on January 2, 1980, the authority for administering the countervailing duty law was transferred from Treasury to Commerce

### Taiwan

On January 8, 1979, Treasury published in the Federal Register (44 F R 1815) a final countervailing duty determination with respect to bicycle tires and tubes from Taiwan. Treasury determined that benefits had been paid but that they involved an aggregate amount considered to be de minimis and therefore no bounty or grant was being paid or bestowed within the meaning of section 303 of the Tariff Act of 1930 (19 U S C § 1303). On March 8, 1979, counsel for the petitioner filed suit in the U S Customs Court to challenge Treasury's final countervailing duty determination.

On June 19, 1981, the U S Court of International Trade stayed the proceedings, vacated Treasury's negative countervailing duty determination, and remanded the case to the Secretary of Commerce for further inquiries as needed to determine the ad valorem benefit provided to the Taiwan bicycle tire and tube manufacturers. On August 3, 1981, Commerce published in the Federal Register (46 F R 53201) its final determination in the reopened investigation that one Taiwan manufacturer, Cheng Shin, received bounties or grants within the meaning of section 303 of the Tariff Act of 1930. The net amount of the subsidy was determined to be 0.893 percent.

On November 17, 1981, the Court of International Trade affirmed the results of the redetermination by Commerce and on February 17, 1982, pursuant to that court decision, Commerce published in the Federal Register (44 F R 6913) a countervailing duty order with respect to bicycle tires and tubes manufactured by Cheng Shin, determining that the amount of net subsidy was 0.893 percent.

### Nature and Extent of the Subsidies Being Provided

Information obtained by Commerce indicates that KIK benefited from two subsidy programs and Cheng Shin benefited from one during the most recent review periods. The period reviewed by Commerce with respect to KIK was January 1, 1980, to December 31, 1980, and for Cheng Shin, October 28, 1981, to December 31, 1981. Five additional programs identified in the original Treasury investigation were not utilized by KIK during the most recent review period and one additional program identified in the reopened investigation was not utilized by Cheng Shin. <sup>1/</sup>

### KIK

The programs under which KIK benefited were the Foreign Capital Inducement Law (FCIL) and preferential financing. KIK is located in a free

<sup>1/</sup> For KIK, those programs not utilized included tax exemptions for land acquisitions and imported capital equipment, accelerated depreciation, and reserve funds for export market development and export losses. For Cheng Shin, the program not utilized was the preferential export financing program.

enterprise zone and is not permitted to sell in the domestic market. Therefore, the export and total production values are identical. Hence, Commerce used the same numbers as the denominator in calculating the ad valorem benefit attributable to the FCIL program, a domestic subsidy, and the preferential financing program, an export subsidy. The rate of net subsidy conferred by the two programs combined during 1980 was preliminarily determined by Commerce to be 0.95 percent ad valorem.

FCIL program -- Under this time-limited program based upon past investment in capacity, KIK receives partial forgiveness of its income and property tax liabilities. In 1980, KIK received a 62.88 percent exemption from its total income tax liability and 50 percent exemption from its property tax liability. The ad valorem benefits attributable to this program are 0.76 percent and 0.01 percent, respectively. By 1983, KIK's benefits under this program will have almost expired and will be entirely eliminated by 1985. <sup>1/</sup>

Preferential financing program -- This program provides short-term loans at preferential rates to manufacturers for the purpose of acquiring imported raw materials used in production for export. Commerce based its calculations upon the total amount of short-term preferential loans KIK received in 1980, and the weighted average differences between comparable commercial interest rates. Commerce preliminarily determined that the benefit bestowed under this program was 0.18 percent ad valorem in 1980.

#### Cheng Shin

The program under which Cheng Shin benefited was the preferential income tax ceiling which applies to firms whose establishment or expansion was "approved" before December 31, 1973, under the Statute for the Encouragement of Investment. Those firms qualify for a tax rate ceiling of 25 percent of the firm's taxable income. The standard tax rate is 35 percent of taxable income.

In the final determination for the reopened investigation, Commerce calculated the ratio of bicycle tire and tube sales to total sales and applied the ratio to total taxable income, thereby computing a taxable income assignable to bicycle tire and tube sales. By comparing the taxes paid on that amount with what would have been paid on that amount absent the ceiling, Commerce arrived at a net subsidy. However, since the Government of Taiwan bestows the benefit on the basis of taxable income earned on total sales, a more appropriate method of calculating the benefit is to divide the tax savings attributable to total taxable income by Cheng Shin's total sales. By performing the calculations in this manner, Commerce preliminarily determined the ad valorem subsidy from the income tax rate ceiling to be 0.90 percent for the period from October 1981 through December 1981.

---

<sup>1/</sup> The tax benefit remaining to KIK in 1983 is a 50-percent exemption from 25.36 percent of its capital investment, or 12.68 percent. For 1985 and succeeding years KIK will pay 100 percent of its tax liability. Prehearing brief on behalf of KIK, p. 6.



## Description and Uses

This investigation involves bicycle tires and tubes which, if imported, enter the United States under items 772 48 and 772 57, respectively, of the Tariff Schedules of the United States. Pneumatic clincher-type tires, which incorporate a replaceable tube, are designed for normal bicycle use and account for 100 percent of domestic bicycle tire production, as well as virtually all of the bicycle tire imports. Tubular tires (pneumatic tires in which tubes are permanently encased), which account for a relatively insignificant portion of the imports, are used primarily on racing-type bicycles and are not considered by the industry to be competitive with the clincher-type tires.

Bicycle tires and tubes are available in about 20 sizes. Sizes are measured in terms of diameter and cross section of the tire, e.g., a 20 by 1.75 tire is 20 inches in diameter measured from tread to tread and 1.75 inches in cross-sectional diameter measured from sidewall to sidewall. Most shipments of bicycle tires, both domestic and imported, are in the 20-inch, 26-inch, and 27-inch-diameter categories.

Bicycle tires are characterized by two main features: (1) the color of the sidewalls, which imparts a particular styling or cosmetic effect, and (2) the tread design. In addition to blackwall tires, there are tires in a variety of colors, and gumwall tires which incorporate light or tan sidewalls or raised white lettering on the sidewalls. Tread designs include rib-type treads and stud-type or knobby treads, which include the Moto-Cross design. Tires with rib-type treads account for the bulk of sales of both the domestic and imported products, but the stud-type or knobby tread tires, which are generally heavier in construction and more expensive, are sold in significant quantities in the United States.

Two types of tubes--regular and heavy-duty--are marketed in the United States. Heavy-duty tubes, which are puncture or thorn resistant, are marketed primarily in the Western States. Industry sources estimate that an average of one to two tubes is used during the life of a tire.

Techniques used in the manufacture of bicycle tires and tubes are basically the same throughout the world. In the manufacture of bicycle tires, layers of fabric (usually nylon) combined with layers of rubber tread are wrapped around two rubberized metal wires (beads) to form the tire carcass; vulcanization completes the process. Unlike motor-vehicle tires, which are manufactured for use with or without tubes, virtually all bicycle tires are designed for use with tubes. <sup>1/</sup>

In the manufacture of tubes, rubber is fed into extruders and formed into a hose, which is then cut to length, spliced, fitted with an air valve, and vulcanized. Most equipment used in the manufacture of bicycle tires and tubes cannot be converted to alternative uses.

---

<sup>1/</sup> The only exceptions are those tires referred to as sew-ups (tubular tires) and semipneumatics, which are not produced domestically and which account for less than 1 percent of total imports.

## U S Tariff Treatment

Imported bicycle tires and tubes are classified under TSUS item 772 48 and item 772 57, respectively. Bicycle tires and tubes enter either separately or as sets (each set includes one bicycle tire, one tube, one valve cap, and one rimstrip). Each major component of an imported set is constructively segregated and classified under the appropriate TSUS item for each component. Rimstrips are classified under TSUS item 732 26 and are dutiable at the column 1 rate <sup>1/</sup> of 15 percent ad valorem, but valve caps are attached to inner tubes and enter the United States as integral components of the tubes with which they are imported. Tires and tubes entered on imported bicycles are not classified separately and are not included in the import statistics for bicycle tires and tubes. Table 1 shows the current column 1 (most-favored-nation) rates of duty for bicycle tires and tubes, which are applicable to imports from Taiwan and Korea, and the column 2 (statutory) rates of duty. <sup>2/</sup> Bicycle tires and tubes are not eligible for duty-free treatment under the Generalized System of Preferences (GSP) <sup>3/</sup>

Table 1 --Bicycle tires and tubes U S rates of duty, 1983

(In percent ad valorem)			
TSUS item No.	Description	Most-favored-nation rate <sup>1/</sup>	Statutory rate
772.48 ---	Bicycle tires	5	10
772 57---	Bicycle tubes	15	30

<sup>1/</sup> These rates of duty have been in effect since Jan. 1, 1972, and were not the subject of concessions by the United States in the multilateral trade negotiations concluded in Geneva in 1979.

## Prior Investigations

Imports of bicycle tires and tubes have been the subject of several investigations by U S Government agencies that administer the U S trade laws. On December 27, 1977, Carlisle Tire & Rubber Co (Carlisle)

<sup>1/</sup> Col 1 rates of duty are most-favored-nation (MFN) rates, and are applicable to imported products from all countries except those Communist countries and areas enumerated in general headnote 3(f) of the TSUS. However, such rates would not apply to products of developing countries where such articles are eligible for preferential tariff treatment provided under the Generalized System of Preferences (GSP) or under the "LDDC" rate of duty column.

<sup>2/</sup> Col 2 rates of duty apply to imported products from those Communist countries and areas enumerated in general headnote 3(f) of the TSUS.

<sup>3/</sup> The GSP, enacted as title V of the Trade Act of 1974, provides duty-free treatment for specified eligible articles imported directly from designated beneficiary developing countries. GSP, implemented by Executive Order No 11888 of Nov 24, 1975, applies to merchandise imported on or after Jan 1, 1976, and is scheduled to remain in effect until Jan 4, 1985.

concurrently filed two countervailing duty complaints with the Treasury Department under section 303 of the Tariff Act of 1930, as amended, and on January 13, 1978, Carlisle filed two antidumping complaints with Treasury under the Antidumping Act, 1921, as amended, with respect to bicycle tires and tubes from Taiwan and Korea. Further, on March 2, 1978, Carlisle filed a petition with the U S International Trade Commission for import relief under section 201 of the Trade Act of 1974. The countervailing duty investigations that were undertaken in response to these petitions have been previously described in this report; the other investigations are described in the following sections:

#### Antidumping investigations

Bicycle tires and tubes from Taiwan -- Treasury published a notice of its antidumping proceeding on bicycle tires and tubes from Taiwan in the Federal Register of February 23, 1978 (43 F R 7496). Treasury found a 5.1 percent less-than-fair-value (LTFV) margin for Cheng Shin in its preliminary investigation, and no margin or minimal margins for other Taiwan producers. However, Treasury's final determination, which was published in the Federal Register of December 29, 1978 (43 F R 61066), reported no LTFV sales for one producer, a de minimis margin for a second producer, and minimal margins for two other producers that gave assurances that further sales would not be at less than fair value. Shortly after this negative determination, Carlisle contested the finding and on May 12, 1982, the U S Court of International Trade remanded the case to the Commerce Department with respect to Cheng Shin and Kinda. This case is still pending before the U S Court of International Trade.

Bicycle tires and tubes from Korea -- Treasury published a notice of its antidumping proceeding on bicycle tires and tubes from Korea in the Federal Register of February 23, 1978 (43 F R 7496), and its final determination of sales at less than fair value in the Federal Register of December 29, 1978 (43 F R 61067).

Upon receipt of Treasury's advice that there were sales at LTFV, the U S International Trade Commission, on January 9, 1979, instituted investigation No. AA1921-193, to determine whether an industry in the United States was being or was likely to be injured by reason of LTFV imports of bicycle tires and tubes from Korea. The Commission notified the Secretary of the Treasury on March 26, 1979, of its unanimous affirmative determination. <sup>1/</sup> Antidumping duties on these imports have been assessed since September 18, 1978. On July 1, 1982, Commerce published in the Federal Register (47 F R 28727) a notice of the final results of its administrative review of the antidumping

<sup>1/</sup> Chairman Parker and Commissioners Moore, Bedell, and Stern determined that an industry was being or was likely to be injured, Vice Chairman Alberger determined that an industry was being injured.

order Commerce determined that the weighted average margins were as follows.

<u>Korean exporter</u>	<u>Time period</u>	<u>Weighted average Margin (percent)</u>
Dae Yung Commercial Co Ltd	3/1/78-12/31/78	5.75
	1/1/79-3/31/80	1.11
Hung-A Industrial Co Ltd	4/1/78-12/31/78	3.62
	1/1/79-3/31/80	2.17
Korea Inoue Kasei Co Ltd	4/1/78-12/31/78	1.11
	1/1/79-3/31/80	2.03
Shin Hung Rubber Co Ltd	1/1/79-3/31/80	6.68

### Escape clause investigation

On March 2, 1978, Carlisle filed a petition with the U S International Trade Commission for import relief under section 201 of the Trade Act of 1974. As a result of that investigation, the Commission, by a vote of 4 to 1, determined that bicycle tires and tubes were being imported into the United States in such increased quantities as to be a substantial cause of serious injury to the domestic industry <sup>1/</sup>. The Commission's report in this case was delivered to the President on September 1, 1978. On October 30, 1978, the President announced that the import relief recommended by the Commission would not be in the national interest.

#### Domestic Industry

Carlisle is the only manufacturer of bicycle tires and tubes in the United States; its manufacturing facilities are located at Carlisle, Pa. Firms which formerly produced bicycle tires and tubes in the United States include Goodyear Tire & Rubber Co. and the Uniroyal Co. Goodyear, which has production facilities for bicycle tires and tubes in India and Indonesia, ceased U.S. production of these products in August 1976. Uniroyal ceased production in January 1970 and sold its equipment and brand names to Carlisle.

#### U S Importers

More than 50 firms imported bicycle tires and tubes in 1982. At least 30 firms imported bicycle tires and tubes from Taiwan and 20 firms imported them from Korea. Some of the importers of record are original equipment manufacturers (OEM's) of bicycles. Most of the tires and tubes imported by those firms were sets used in the production of finished bicycles. Table E-1 (app E) shows purchases during 1979-82 of bicycle tire and tube sets from

<sup>1/</sup> Chairman Parker and Commissioners Moore and Bedell determined in the affirmative for pneumatic bicycle tires, other than tubular tires, and in the affirmative for tubes for bicycle tires. Commissioner Ablondi determined in the affirmative for bicycle tires and tubes; Vice Chairman Alberger determined in the negative for bicycle tires and tubes. Commissioner Minchew did not participate.

Korea and Taiwan by U S. bicycle manufacturers that responded to the Commission's questionnaires, as well as their purchases of sets from Carlisle

### Channels of Distribution

Distribution of bicycle tires and tubes, whether domestic or imported, usually takes place through (1) direct sales of bicycles by OEM's and (2) through sales to distributors and jobbers which supply the replacement market. Some importers sell directly to bicycle shops, some mass merchandisers such as \* \* \* and \* \* \* import directly and supply the replacement market through their own retail outlets.

In 1982, Carlisle sold about \* \* \* percent of its bicycle tires and tubes in the OEM market. Approximately \* \* \* percent of the imported tires and tubes manufactured by Cheng Shin were also sold in the OEM market. Imported 1/ tires and tubes manufactured by KIK were sold only in the replacement market.

### Condition of the U.S. Industry

#### U.S. production

U S production of bicycle tires and tubes increased from \* \* \* million units in 1979 to \* \* \* million units in 1980 but declined thereafter to \* \* \* million units in 1982 (table 2). Production of bicycle tires in 1982 was \* \* \* percent below the level of production in 1980, and \* \* \* percent below production in 1979. Production of tubes in 1982 declined \* \* \* percent from production in 1980 and \* \* \* percent from production in 1979. Part of the decline in U S production (and also U S shipments and imports) of bicycle tires and tubes resulted from the decline in consumption of bicycles between 1979 and 1982. Apparent U S consumption of bicycles, at 10.9 million units in 1979, declined annually to 6.8 million units in 1982. Table E-2 shows U S consumption and U S producers' shipments of bicycles, during 1975-82, and Table E-3 shows U S production of bicycle tires and tubes during 1975-82.

Table 2 -- Bicycle tires and tubes U S production, 1979-82,

(In thousands of units)

Year	Tires	Tubes	Total
1979--	<u>1</u> / ***	<u>1</u> / ***	***
1980--	<u>1</u> / ***	***	***
1981--	***	***	***
1982--	***	***	***

1/ Revised by Carlisle from the data it reported to the Commission in connection with the Commission's preliminary investigation.

Source: Compiled from data submitted in response to questionnaires of the U S International Trade Commission A-9

U.S. production capacity

Carlisle's capacity to produce both bicycle tires and tubes increased between 1979 and 1981, although its capacity to produce tubes declined somewhat in 1982. <sup>1/</sup> The capacity to produce bicycle tires increased by \* \* \* percent, from \* \* \* million units in 1979 to \* \* \* million units in 1982, and that for tubes increased by \* \* \* percent, from \* \* \* million units in 1979 to \* \* \* million units in 1981 (table 3), but it declined by \* \* \* percent to \* \* \* million units in 1982. According to counsel for Carlisle, the increase in capacity was part of the company's adjustment plan for improving its competitive position with imports for which Carlisle presented information to the Commission during the escape-clause investigation (No. TA-201-33) and again at the hearing on bicycle tires and tubes from Korea (investigation No AA1921-193) <sup>2/</sup>

Table 3 -- Bicycle tires and tubes U S production capacity, production, and capacity utilization, 1979-82

Item and year	Capacity <sup>1/</sup>	Production	Capacity utilization
	1,000 units		Percent
<b>Tires</b>			
1979- - - - -	***	***	***
1980- - - - -	***	***	***
1981- - - - -	***	***	***
1982- - - - -	***	***	***
<b>Tubes</b>			
1979 - - - - -	***	***	***
1980- - - - -	***	***	***
1981- - - - -	***	***	***
1982- - - - -	***	***	***

<sup>1/</sup> Capacity rating is based on 3 shifts per day, 240 days per year

Source Compiled from data submitted in response to questionnaires of the U S International Trade Commission

U.S. producer's domestic shipments

U S shipments of bicycle tires and tubes by Carlisle declined from \* \* \* million units in 1979 to \* \* \* million units in 1980 and 1981 and to \* \* \* million units in 1982. Shipments of bicycle tires declined from \* \* \* million units in 1979 to \* \* \* million units in 1982, shipments of tubes declined irregularly from \* \* \* million units in 1979 to \* \* \* million units in 1982 (table 4). Table E-3 shows U S producer's domestic shipments of bicycle tires and tubes, 1975-82.

<sup>1/</sup> \* \* \*

<sup>2/</sup> Transcript of the conference of the preliminary investigation, p 29

Table 4 --Bicycle tires and tubes U S producer's domestic shipments, 1979-82

(In thousands of units)

Year	Tires	Tubes	Total
1979-	***	***	***
1980---	***	***	***
1981- - - - -	***	***	***
1982- - - - -	***	***	***

Source Compiled from data submitted in response to questionnaires of the U S International Trade Commission

Bicycle tires --The number of bicycle tires sold separately by Carlisle increased in 1980 by almost \*\*\* percent from shipments in 1979, but they declined substantially thereafter, and in 1982 were down \*\*\* percent from shipments in 1979. Carlisle's shipments of bicycle tires by sizes and types for the years 1979-82 are shown in table E-4. Carlisle's shipments of nearly all sizes and types of tires in 1982 were significantly less than shipments in 1979. The average unit value of tires sold separately increased annually from \*\*\* in 1979 to \*\*\* in 1982, representing an increase of \*\*\* percent.

Bicycle tubes --Shipments of bicycle tubes sold separately by Carlisle are shown in appendix table E-5. Shipments of tubes declined from \*\*\* million units in 1979 to \*\*\* million units in 1982, or by \*\*\* percent. The average unit value of tubes sold separately increased irregularly from \*\*\* in 1979 to \*\*\* in 1982, representing an increase of \*\*\* percent.

Bicycle tire and tube sets - Shipments of tire and tube sets by Carlisle declined from \*\*\* million units in 1979 to \*\*\* million units in 1980, increasing in 1981 to \*\*\* million units, before declining in 1982 to \*\*\* million units, representing a decline of \*\*\* percent from that of shipments in 1979. Shipments of sets of the most popular sizes (20 inch, 26-inch, and 27-inch) were substantially less in 1982 than in 1979. The average unit value of sales by Carlisle of tire and tube sets increased annually from \*\*\* in 1979 to \*\*\* in 1982, representing an increase of \*\*\* percent. Carlisle's shipments of sets by sizes and types are shown in Table E-6.

Shipments by market --Carlisle's shipments of bicycle tires and tubes to both the OEM and replacement markets declined substantially between 1980 and 1982. Shipments of tires and tubes to OEM's by Carlisle declined \*\*\* percent and \*\*\* percent, respectively, in 1982 compared with that in 1980. In 1982, Carlisle's shipments of tires and of tubes to the replacement market decreased by \*\*\* percent and \*\*\* percent, respectively, compared with shipments to that market in 1980. The following tabulation, which includes all tires and tubes sold (whether or not as parts of sets), shows shipments by Carlisle to the OEM and replacement markets, 1980-82. 1/

1/ Data shown above were calculated based on shipments to the OEM market by Carlisle. Data used in the calculations were provided by counsel for Carlisle Tire & Rubber Co. (staff memorandum to the record, Mar 21, 1983)

Item and year	Market		Total
	OEM	Replacement	
		1,000 units	
Bicycle tires:			
1980	***	***	***
1981	***	***	***
1982	***	***	***
Bicycle tubes:			
1980	***	***	***
1981	***	***	***
1982	***	***	***

### U.S. producer's inventories

Carlisle's yearend inventories of bicycle tires and tubes more than doubled from 1979 to 1980. In 1982, inventories of both tires and tubes declined but remained substantially higher than the 1979 inventory levels. The 1982 yearend inventory of bicycle tires increased by \*\*\* units from that in 1981, whereas the inventory of tubes declined by \*\*\* units.

As a share of annual U.S. production of bicycle tires, inventories increased from \*\*\* percent in 1979 to \*\*\* percent in 1980, and to \*\*\* percent in 1982. Inventories of tubes, as a share of production, increased from \*\*\* percent in 1979 to \*\*\* percent in 1981 and to \*\*\* percent in 1982. The ratio of inventories to producer's shipments of both tires and tubes is shown in table 5.

Table 5 -- Bicycle tires and tubes U.S. producer's yearend inventories, as of Dec 31 of 1979-82

Item	As of Dec 31-			
	1979	1980	1981	1982
Bicycle tires.				
Inventory-- (1,000 units)--	***	***	***	***
Ratio of inventory to--				
U.S. production-- (percent)--	***	***	***	***
U.S. shipments-- (do)--	***	***	***	***
Bicycle tubes				
Inventory-- (1,000 units)--	***	***	***	***
Ratio of inventory to--				
U.S. production-- (percent)--	***	***	***	***
U.S. shipments-- (do)--	***	***	***	***

A-12

Source. Compiled from data submitted in response to a questionnaire of the U.S. International Trade Commission.



Employment and wages

The average number of production and related workers producing bicycle tires at Carlisle increased from \* \* \* in 1979 to \* \* \* in 1980, and then declined to \* \* \* in 1982. Employment of workers that produced tubes for bicycle tires followed the same trend as that for tires, increasing in 1980 and decreasing in 1981 and again in 1982 (table 6). Carlisle reported that there have been companywide layoffs at the following times which have resulted in a reduced workforce in the bicycle tire and tube plant: April 1980, May 1980, October 1980, February 1981, August 1981, October 1981, February 1982, and July 1982. Although some workers were recalled to bicycle tire and tube operations in April and May 1981, plant shutdowns were extended beyond the normal 1-week period in October 1980, July 1981, December 1981, July 1982, and December 1982. Carlisle's production and related workers are not represented by a union.

The average number of hours worked annually by each worker on bicycle tires and tubes declined from slightly more than \* \* \* in 1979 to about \* \* \* in 1982. Average hourly earnings increased from \* \* \* in 1979 to \* \* \* in 1982, and the fringe benefits paid to production workers increased from \* \* \* per hour in 1979 to \* \* \* per hour in 1982.

Table 6 -- Average number of employees, total and production and related workers employed in establishments producing all products, 1/ bicycle tires, and bicycle tubes, hours worked by the latter, and wages and fringe benefits paid to the latter, 1979-82

Item	1979	1980	1981	1982
Average number employed in the reporting establishments				
All persons -----number--	***	***	***	***
Production and related workers producing--				
All products-- -- --number--	***	***	***	***
Bicycle tires-- -- --do--	***	***	***	***
Bicycle tubes-- -- --do--	***	***	***	***
Hours worked by production and related workers producing--				
All products-----1,000 hours--	***	***	***	***
Bicycle tires- - -do-	***	***	***	***
Bicycle tubes-- -- --do--	***	***	***	***
Wages paid to production and related workers producing--				
All products- -- 1,000 dollars--	***	***	***	***
Bicycle tires-----do-	***	***	***	***
Bicycle tubes-----do-	***	***	***	***
Fringe benefits paid to production and related workers producing--				
All products-----1,000 dollars--	***	***	***	***
Bicycle tires-----do-	***	***	***	***
Bicycle tubes-----do-	***	***	***	***
Total employment costs charged to production and related workers producing--				
All products-----1,000 dollars--	***	***	***	***
Bicycle tires-----do-	***	***	***	***
Bicycle tubes-----do-	***	***	***	***

1/ All products include tires and tubes for motorcycles, mopeds, lawnmowers, and snowblowers

2/ Carlisle reported that in January 1983 production and related workers producing bicycle tires and tubes totaled \* \* \* employees, down \* \* \* workers from the 1982 average of \* \* \* workers

Source Compiled from data submitted in response to questionnaires of the U S International Trade Commission

Financial experience of U.S. producers

The Carlisle Corp manufactures and sells a diverse line of products to both the original-equipment market and the replacement market. Carlisle Tire & Rubber Co, an operating division, manufactures and sells rubber products--mainly tires and tubes for recreation vehicles and flexible rubber hose for the automotive industry.

Carlisle's overall company net sales rose \*\*\* percent during 1979-81, from \*\*\* million to \*\*\* million. Operating income rose \*\*\* percent during this period, from \*\*\* million to \*\*\* million.

Overall establishment operations --Carlisle's overall establishment net sales rose from \*\*\* million in 1979 to \*\*\* million and \*\*\* million, respectively, in 1980 and 1981 (table 7). Net sales fell \*\*\* percent to \*\*\* million in 1982. Carlisle derived \*\*\* percent of its total establishment revenue from the sale of bicycle tires and tubes in 1979, \*\*\* percent in 1980, and \*\*\* percent in 1981. Such sales fell to \*\*\* percent of total establishment revenue in 1982.

Table 7 --Income-and-loss experience of Carlisle Tire & Rubber Co on the overall operations of its establishment within which bicycle tires and tubes are manufactured, 1979-82

Item	1979	1980	1981	1982
Net sales ----- 1,000 dollars --	***	***	***	***
Cost of goods sold ----- do -----	***	***	***	***
Gross income ----- do -----	***	***	***	***
General, selling, and administrative expenses ----- do -----	***	***	***	***
Operating income ----- do -----	***	***	***	***
Other expense ----- do -----	***	***	***	***
Net income before income taxes ----- 1,000 dollars --	***	***	***	***
Depreciation and amortization expense ----- 1,000 dollars --	***	***	***	***
Cash flow from operations ----- 1,000 dollars --	***	***	***	***
Ratio to net sales of-				
Gross income ----- Percent --	***	***	***	***
Operating income ----- do -----	***	***	***	***
Net income before income taxes ----- Percent --	***	***	***	***
Cost of goods sold ----- do -----	***	***	***	***
General, selling, and administrative expenses ----- do -----	***	***	***	***
Net sales of bicycle tires ----- Percent --	***	***	***	***
Net sales of bicycle tubes ----- Percent --	***	***	***	***

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

Carlisle's overall establishment operation was profitable during 1979-82, although operating income and pretax income fell sharply in 1982. Operating income rose from \* \* \* million, or \* \* \* percent of net sales, in 1979 to \* \* \* million, or \* \* \* percent of net sales, in 1980. Such income declined to \* \* \* million, or \* \* \* percent of net sales, in 1981 and then declined further to \* \* \* million, or \* \* \* percent of net sales, in 1982. Net income before income taxes followed the same trend as operating income and its relative relationship to net sales was almost identical to that of operating income

Cash flow generated from Carlisle's overall establishment operation rose from \* \* \* million in 1979 to \* \* \* million in 1980, and then declined to \* \* \* million and \* \* \* million, respectively, in 1981 and 1982.

In absolute figures, manufacturing costs (cost of goods sold) increased from \* \* \* million in 1979 to \* \* \* million in 1981, and then declined \* \* \* percent to \* \* \* million in 1982. In relative figures, manufacturing costs declined from \* \* \* percent of net sales in 1979 to \* \* \* percent in 1980. Such costs rose to \* \* \* percent and \* \* \* percent of net sales in 1981 and 1982, respectively. In relative figures, operating expenses (GSA) rose annually during 1979-81, from \* \* \* percent of net sales in 1979 to \* \* \* percent in 1981. Operating expenses dipped to \* \* \* percent of net sales in 1982

Operations on bicycle tires and tubes -- Income and loss data relative to Carlisle's combined bicycle tire and tube operations are presented in table \* \* \* for 1979-82. Net sales rose annually from \* \* \* million to \* \* \* million, or by \* \* \* percent, during 1979-81. Net sales dropped sharply to \* \* \* million in 1982, down \* \* \* percent from that in 1981.

\* \* \* \* \* \* \*

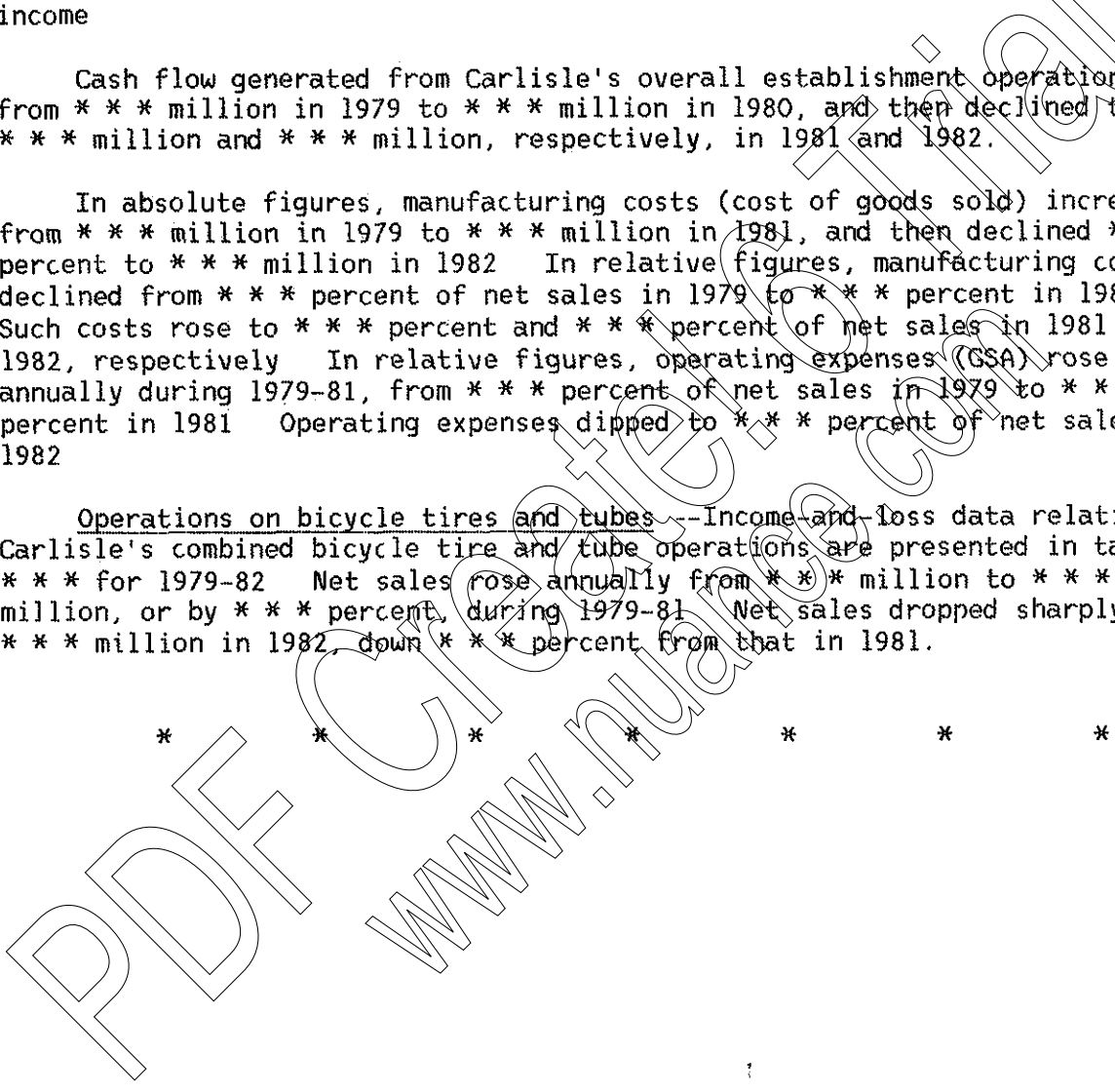


Table 8 --Income and-loss experience of Carlisle Tire & Rubber Co on its bicycle tire and tube operations, 1979-82

Item	1979	1980	1981	1982
Net sales- -- 1,000 dollars-	***	***	***	***
Cost of goods sold --- do ---	***	***	***	***
Gross income- -- -- do- -	***	***	***	***
General, selling, and admini- strative expenses--- do- -	***	***	***	***
Operating income or (loss) (1,000 dollars-	***	***	***	***
Other income or (expense) do- --	***	***	***	***
Net income or (loss) before income taxes---1,000 dollars---	***	***	***	***
Depreciation and amortization expense -- ----1,000 dollars---	***	***	***	***
Cash flow from operations 1,000 dollars---	***	***	***	***
Ratio to net sales of-				
Gross income- ----Percent	***	***	***	***
Operating income or (loss) Percent-	***	***	***	***
Net income or (loss) before income taxes -- --Percent---	***	***	***	***
Cost of goods sold- do-	***	***	***	***
General, selling, and admini- strative expenses- do-	***	***	***	***

Source. Compiled from data submitted in response to questionnaires of the U S International Trade Commission

During 1979-81, Carlisle's bicycle tire and tube operation generated a cash flow ranging from \* \* \* million in 1979 to \* \* \* million in 1980. In 1982, cash flow dropped sharply to \* \* \*

During 1979-81, the ratio of manufacturing costs to net sales ranged from \* \* \* percent in 1980 to \* \* \* percent in 1979. The ratio rose to \* \* \* percent in 1982. The ratio of manufacturing costs to net sales was considerably lower for Carlisle's overall establishment operation during 1979-82, ranging from \* \* \* percent in 1979 down to \* \* \* percent in 1980. On the other hand, operating expenses for bicycle tires and tubes ranged from \* \* \* percent of net sales in 1980 to \* \* \* percent in 1982, compared with an overall establishment operating expense range of \* \* \* percent of net sales in 1979 to \* \* \* percent in 1981.

Operations on bicycle tires -- Net sales of bicycle tires rose from \* \* \* million in 1979 to \* \* \* million in 1981, representing an increase of \* \* \* percent during this period (table 9). Net sales fell \* \* \* percent to \* \* \* million in 1982.

Table 9 --Income-and-loss experience of Carlisle Tire & Rubber Co  
on its bicycle tire operation, 1979-82

Item	1979	1980	1981	1982
Net sales-- -- 1,000 dollars--	***	***	***	***
Cost of goods sold-----do----	***	***	***	***
Gross income- - - - -do-----	***	***	***	***
General, selling, and admini- strative expenses-----do----	***	***	***	***
Operating income or (loss) 1,000 dollars--	***	***	***	***
Other income or (expense)-do----	***	***	***	***
Net income or (loss) before income taxes---1,000 dollars--	***	***	***	***
Depreciation and amortization expense-----1,000 dollars--	***	***	***	***
Cash flow from operations 1,000 dollars--	***	***	***	***
Ratio to net sales of--				
Gross income-- -----Percent--	***	***	***	***
Operating income or (loss) Percent--	***	***	***	***
Net income or (loss) before income taxes --- ---Percent--	***	***	***	***
Cost of goods sold-- ----do-	***	***	***	***
General, selling, and admini- strative expenses-- --do-	***	***	***	***

Source: Compiled from data submitted in response to questionnaires of the U S International Trade Commission

Cash flow generated from Carlisle's bicycle tire operation rose from \*\*\* in 1979 to \*\*\* in 1980 and then declined to \*\*\* in 1981. In 1982, cash flow declined further, to \*\*\*, or to about \*\*\* percent of the 1980 level.

Manufacturing costs declined from \*\*\* percent of net sales in 1979 to \*\*\* percent in 1980, and then rose to \*\*\* percent and \*\*\* percent, respectively, in 1981 and 1982. Operating expenses (GSA) declined from \*\*\* percent of net sales in 1979 to \*\*\* percent in 1980, and then rose to \*\*\* percent and \*\*\* percent, respectively, in 1981 and 1982.

Operations on bicycle tubes -Net sales of bicycle tubes rose from \*\*\* million in 1979 to \*\*\* million in 1981, representing an increase of \*\*\* percent during this period (table 10). Net sales fell \*\*\* percent to \*\*\* million in 1982.

Table 10 --Income-and-loss experience of Carlisle Tire & Rubber Co  
on its bicycle tube operation, 1979-82

Item	1979	1980	1981	1982
Net sales- -----1,000 dollars-	***	***	***	***
Cost of goods sold-----do-----	***	***	***	***
Gross income-- -----do--	***	***	***	***
General, selling, and admini- strative expenses-- -----do-----	***	***	***	***
Operating income or (loss) 1,000 dollars--	***	***	***	***
Other income or (expense)-do-----	***	***	***	***
Net income or (loss) before income taxes --1,000 dollars--	***	***	***	***
Depreciation and amortization expense-- -----1,000 dollars--	***	***	***	***
Cash flow from operations 1,000 dollars --	***	***	***	***
Ratio to net sales of--				
Gross income-- --Percent--	***	***	***	***
Operating income or (loss) Percent--	***	***	***	***
Net income or (loss) before income taxes -----Percent--	***	***	***	***
Cost of goods sold- do-***	***	***	***	***
General, selling, and admini- strative expenses- do-***	***	***	***	***

Source Compiled from data submitted in response to questionnaires of the  
U S International Trade Commission.

\* \* \* \* \*

\* \* \* \* \*

Manufacturing costs declined from \* \* \* percent of net sales in 1979 to \* \* \* percent in 1980. In 1981, manufacturing costs rose to \* \* \* percent of net sales, and, in 1982, such costs rose further to \* \* \* percent of net sales.

Investment in productive facilities -- Carlisle's investment in productive facilities employed in its overall establishment operation and its investment in such facilities employed in the manufacture of bicycle tires and bicycle tubes are shown in table 11 for 1979-82. In general, Carlisle's investment in productive facilities rose during this period.

Capital expenditures -- As shown in table 12, total overall establishment capital expenditures declined from \* \* \* million in 1979 to \* \* \* million in 1980. Such expenditures rose to \* \* \* million in 1981 and then declined to \* \* \* million in 1982.

PDF Create! Create! Create!  
www.nuance.com



Table 11 --Carlisle Tire & Rubber Co 's investment in facilities employed in its overall establishment operation, in the production of bicycle tires, and in the production of bicycle tubes, 1979-82

Item	1979	1980	1981	1982
Overall establishment operations:				
Original cost-- -1,000 dollars--	***	***	***	***
Book value-----do-----	***	***	***	***
Ratio of operating income to--				
Net sales-----Percent--	***	***	***	***
Original cost-----do-----	***	***	***	***
Book value-----do-----	***	***	***	***
Bicycle tires				
Original cost ----1,000 dollars--	***	***	***	***
Book value-- -----do-----	***	***	***	***
Ratio of operating income or (loss) to--				
Net sales-----Percent--	***	***	***	***
Original cost-----do-----	***	***	***	***
Book value-----do-----	***	***	***	***
Bicycle tubes:				
Original cost ----1,000 dollars--	***	***	***	***
Book value-- -----do-----	***	***	***	***
Ratio of operating income or (loss) to--				
Net sales ----Percent--	***	***	***	***
Original cost-----do-----	***	***	***	***
Book value-----do-----	***	***	***	***

Source: Compiled from data submitted in response to questionnaires of the U S International Trade Commission

Table 12. --Carlisle Tire & Rubber Co 's capital expenditures for land, buildings, and machinery and equipment used in the production of all products of the reporting establishment and those used in the production of bicycle tires and bicycle tubes, 1979-82

Item	1979	1980	1981	1982
	1,000 dollars			
All products of establishment.				
Land and land improvements-----	***	***	***	***
Building or leasehold improvements--	***	***	***	***
Machinery, equipment, and fixtures--	***	***	***	***
Total-----	***	***	***	***
Bicycle tires.				
Land and land improvements-----	***	***	***	***
Building or leasehold improvements--	***	***	***	***
Machinery, equipment, and fixtures--	***	***	***	***
Total-----	***	***	***	***
Bicycle tubes.				
Land and land improvements-----	***	***	***	***
Building or leasehold improvements--	***	***	***	***
Machinery, equipment, and fixtures--	***	***	***	***
Total-----	***	***	***	***

Source Compiled from data submitted in response to a questionnaire of the U S International Trade Commission.

Research and development expenses -- Research and development expenses relative to Carlisle's bicycle tire operation and its bicycle tube operation are shown in the following tabulation for 1979-82

Year	Research and development expenditures	
	Bicycle tires (1,000 dollars)	Bicycle tubes (1,000 dollars)
1979-----	***	***
1980-----	***	***
1981-----	***	***
1982-----	***	***

#### U.S Imports

##### Bicycle tires

Total U S imports of bicycle tires declined annually from 23.1 million units in 1979 to 14.5 million units in 1982, or by 37 percent, as imports from both Taiwan and Korea, by far the principal suppliers, declined annually. Imports from Taiwan were down 23 percent in 1982, compared with those in 1979,

and imports from Korea were down 62 percent. Imports from Japan, France, and Italy, countries which supplied a much smaller share of total imports, increased during 1979-1981, but declined in 1982 (table 13). Table E-7 shows imports of bicycle tires for the period 1975-82 and tables E-8 through E-11 show imports of tires and sets from Korea and Taiwan by importer, for 1979-82.

### Bicycle tubes

Total U.S. imports of tubes increased from 33.3 million units in 1979 to 34.5 million units in 1980, then declined to 21.1 million units in 1982. Imports from Taiwan, the principal supplier, increased from 20.2 million units in 1979, to 22.4 million units in 1980, then declined to 15.6 million units in 1981 and to 15.2 million units in 1982. Imports from Korea, the second largest supplier, declined without interruption from 12.2 million units in 1979 to 5.0 million units in 1982. From 1979 to 1981, U.S. imports from Japan and France increased before declining in 1981 and 1982 (table 14). Table E-12 shows imports of tubes for the period 1975-82, and tables E-13 and E-14 show imports of tubes from Korea and Taiwan, respectively, by importer, for 1979-82.

Table 13 --Bicycle tires U.S. imports for consumption,  
by principal sources, 1979-82

Source	1979	1980	1981	1982
Quantity (1,000 units)				
Taiwan	11,755	11,370	9,118	8,994
Republic of Korea	9,252	8,183	6,863	3,534
Japan	1,440	1,957	1,956	1,748
France	101	133	197	79
Italy	49	82	115	110
India	333	247	242	0
All other	202	302	175	56
Total	23,132	22,274	18,666	14,521
Value (1,000 dollars)				
Taiwan	12,304	17,058	15,121	13,019
Republic of Korea	9,699	11,089	10,449	5,171
Japan	2,936	4,794	6,276	4,463
France	400	532	1,022	545
Italy	307	754	985	870
India	261	282	321	-
All other	398	650	584	147
Total	26,305	35,159	34,758	24,214
Unit value				
Taiwan	\$1.05	\$1.50	\$1.66	\$1.45
Republic of Korea	1.05	1.36	1.52	1.46
Japan	2.04	2.45	3.21	2.55
France	3.98	3.99	5.19	6.88
Italy	6.24	9.19	8.55	7.88
India	.79	1.14	1.33	-
All other	1.97	2.15	3.34	2.62
Average	1.14	1.58	1.86	1.67

Source: Compiled from official statistics of the U.S. Department of Commerce

Table 14 --Bicycle tubes U S imports for consumption,  
by principal sources, 1979-82

Source	1979	1980	1981	1982
Quantity (1,000 units)				
Taiwan--	20,179	22,356	15,635	15,226
Republic of Korea	12,179	10,396	7,928	5,024
Japan	407	808	666	679
France	73	344	306	59
People's Republic of China	0	107	571	0
India	362	265	242	0
All other	120	226	89	113
Total	33,320	34,502	25,437	21,101
Value (1,000 dollars)				
Taiwan--	11,046	16,075	13,761	10,560
Republic of Korea	6,605	7,586	7,804	3,997
Japan	369	776	861	677
France	65	386	532	99
People's Republic of China	-	66	481	-
India	130	140	180	-
All other	111	212	122	167
Total	18,326	25,242	23,741	15,500
Unit value				
Taiwan--	\$0.55	\$0.72	\$0.88	\$0.69
Republic of Korea	.54	.73	.98	.80
Japan	.91	.96	1.29	1.00
France	.89	1.12	1.74	1.67
Peoples's Republic of China	-	.62	.84	-
India	.36	.53	.74	-
All other	.93	.94	1.37	1.48
Average	.55	.73	.93	.73

Source Compiled from official statistics of the U S Department of  
Commerce

The Question of the Possibility of Injury Should  
the Countervailing Duty Orders Be Revoked

U.S. consumption

U S consumption of bicycle tires and tubes was on an upward trend from 1979 to 1980, then declined substantially in 1981 and 1982. Total consumption of bicycle tires and tubes increased from \*\*\* million units in 1979 to \*\*\* million units in 1980, representing an increase of \*\*\* percent, then declined to \*\*\* million units in 1981 and to \*\*\* million units in 1982, down \*\*\* percent from total consumption in 1979 and 1980. U S consumption of bicycle tires declined from \*\*\* million units in 1979 to \*\*\* million units in 1982, or by \*\*\* percent. U S consumption of tubes increased from \*\*\* million units in 1979 to \*\*\* million units in 1980, but declined thereafter and, in 1982, totaled \*\*\* million units, declining \*\*\* percent below consumption in 1979 (table 15). Table E-15 shows U S consumption of bicycle tires and tubes for 1975-82.

Table 15 --Bicycle tires and tubes U S consumption, 1979-82

(In thousands of units)

Year	Tires	Tubes	Total
1979	***	***	***
1980	***	***	***
1981	***	***	***
1982	***	***	***

Source: Compiled from data submitted in response to questionnaires of the U S International Trade Commission and from official statistics of the U S Department of Commerce.

U.S. importers' shipments

The Commission requested sales data from importers of bicycle tires, tubes, and sets from Korea and Taiwan. As stated earlier, many of the bicycle tires and tubes imported as sets were entered directly by U S bicycle manufacturers and not resold but were used on original equipment.

Bicycle tires. --Tables E-16 and E-17 show shipments of bicycle tires from Korea and Taiwan sold separately by importers that responded to the Commission questionnaires. As shown in the tables, tires measuring 20-inches and 26-inches in diameter accounted for a large share of the sales by the responding firms which imported tires from both sources. The average unit value of importers' sales of tires from Korea increased from \$1.49 in 1979 to \$2.21 in 1982. The average unit value of tires from Taiwan ranged from a low of \$1.70 in 1979 to a high of \$2.59 in 1981.

Bicycle tubes -- Tables E-18 and E-19 show importers' shipments of bicycle tubes from Korea and Taiwan, respectively. Tubes measuring 20 inches, 26 inches, and 27 inches accounted for the bulk of sales from both Korea and Taiwan. The average unit value of sales of tubes from Korea increased from \$0.84 in 1979 to \$1.23 in 1982. The average unit value of sales of tubes from Taiwan increased from \$0.99 in 1979 to \$1.59 in 1980 and then declined thereafter to \$1.31 in 1982.

#### U.S. importers' inventories

Data obtained by the Commission with respect to importers' inventories are of limited value. A few of the responding firms reported that they held no inventories during 1979-82. Other firms estimated their inventories (especially for 1979) and some could not provide any inventory data. Table E-20 shows data for 1979-82 of firms that responded to the inventory section of the questionnaire. Data obtained by the Commission show that total inventories of bicycle tires held by the responding importers trended upward between 1980 and 1982 but inventories of tubes trended downward. Bicycle tire inventories were approximately 35 percent higher in 1982, compared with that in 1980, whereas inventories of tubes were lower by 30 percent. Only two firms reported inventories of tire and tube sets and they were down substantially in 1982, compared with inventories in 1980.

#### Market penetration by imports

Bicycle tires -- The share of U.S. consumption supplied by bicycle tires imported from Taiwan increased from \* \* \* percent in 1979 to \* \* \* percent in 1980, declined in 1981 to \* \* \* percent, and then increased again in 1982 to \* \* \* percent. The share of U.S. consumption supplied by imports from Korea declined from \* \* \* percent in 1979 to \* \* \* percent in 1982. The share supplied by imports from all other foreign sources increased annually between 1979 and 1982 (table 16). Table E-21 shows the percentage of U.S. consumption of bicycle tires supplied by imports during 1975-82.

Table 16 --Bicycle tires Ratio to U S consumption of U S.producer's domestic shipments, and imports from Taiwan, the Republic of Korea, and all other sources, 1979-82,

(In percent)

Year	Ratio to U S. consumption of--				
	U S producer's domestic shipments.	Imports			Total
		From Taiwan	From Korea	From all other	
1979-----	***	***	***	***	***
1980-----	***	***	***	***	***
1981-----	***	***	***	***	***
1982-----	***	***	***	***	***

Source Compiled from data submitted in response to questionnaires of the U S International Trade Commission and from official statistics of the U.S Department of Commerce

Market penetration by KIK --U S imports of bicycle tires from Korea manufactured by KIK declined from \*\*\* in 1980 to \*\*\* in 1982, representing a decline of \*\*\* percent. 1/ The share of U S consumption supplied by KIK declined from \*\*\* percent in 1980 to \*\*\* percent in 1981 and then increased slightly to \*\*\* percent in 1982 (table 17)

1/ According to data contained in the prehearing brief submitted on behalf of KIK, that firm accounted for \*\*\* percent of total bicycle tires imported from Korea in 1980, \*\*\* percent in 1981, and \*\*\* percent in 1982



Table 17 --Bicycle tires, U S consumption, imports from Korea manufactured by KIK and by other manufacturers in Korea, 1980-82

Year	U S consumption	Imports from Korea, manufactured by--		
		KIK <sup>1/</sup>	Others	Total
Quantity (1,000 units)				
1980	***	***	***	***
1981	***	***	***	***
1982	***	***	***	***
Share of U.S. consumption (percent)				
1980	100 0	***	***	***
1981	100 0	***	***	***
1982	100 0	***	***	***

<sup>1/</sup> KIK is the only Korean manufacturer of bicycle tires and tubes subject to the outstanding countervailing duty order.

Source Compiled from data submitted in response to questionnaires of the U S International Trade Commission, in the prehearing brief submitted on behalf of KIK, and from official statistics of the U S Department of Commerce

U S imports of the bicycle tires and tubes manufactured by KIK are sold only in the replacement market <sup>1/</sup> As a share of Carlisle's shipments to that market, shipments of bicycle tires manufactured by KIK \* \* \* as shown in the following tabulation

Year	Shipments to the replacement market by--		Ratio of shipments to the replacement market by KIK to shipments by Carlisle (Percent)
	Carlisle	KIK	
	(1,000 units)		(Percent)
1980	***	***	***
1981	***	***	***
1982	***	***	***

<sup>1/</sup> Prehearing brief on behalf of KIK, p 8

Market penetration by Cheng Shin -- U S imports of bicycle tires from Taiwan manufactured by Cheng Shin increased from \* \* \* units in 1980 to \* \* \* units in 1981, then declined to \* \* \* units in 1982 1/ As a share of U S consumption, bicycle tires manufactured by Cheng Shin increased from \* \* \* percent in 1980 to \* \* \* percent in 1981, then declined to \* \* \* percent in 1982 (table 18)

Table 18.--Bicycle tires. U.S. consumption, and imports from Taiwan manufactured by Cheng Shin and by other manufacturers in Taiwan, 1980-82

Year	U.S. consumption	Imported from Taiwan, manufactured by--		
		Cheng Shin <u>1/</u>	Other	Total
Quantity (1,000 units)				
1980	***	***	***	***
1981	***	***	***	***
1982	***	***	***	***
Share of U.S. consumption (percent)				
1980	100.0	***	***	***
1981	100.0	***	***	***
1982	100.0	***	***	***

1/ Cheng Shin is the only manufacturer of bicycle tires and tubes in Taiwan subject to the countervailing duty order

Source Compiled from data submitted in response to questionnaires of the U S International Trade Commission, from official statistics of the U S Department of Commerce, and from the prehearing brief submitted on behalf of Cheng Shin

Cheng Shin reported its shipments of bicycle tires and tubes to the OEM market at the request of the Commission. Although shipments to the OEM market fluctuated downward they increased from 1980 to 1982 relative to shipments to that market by Carlisle. The ratio of bicycle tires manufactured by Cheng Shin and sold in the OEM market to Carlisle's shipments \* \* \* Shipments of bicycle tires to the OEM market by Carlisle and Cheng Shin are shown in the following tabulation: 2/

1/ According to data submitted in the prehearing brief on behalf of Cheng Shin, that firm accounted for \* \* \* percent of the bicycle tires imported from Taiwan in 1980, \* \* \* percent in 1981, and \* \* \* percent in 1982

2/ Shipments to the OEM and replacement markets were provided by counsel for Cheng Shin (staff memorandum to the record, Mar 14, 1983)

Year	Shipments to the OEM market by--		Ratio of shipments to the OEM market by Cheng Shin to shipments by Carlisle
	Carlisle	Cheng Shin	
	(1,000 units)		(Percent)
1980	***	***	***
1981	***	***	***
1982	***	***	***

Shipments to the replacement market of bicycle tires manufactured by Cheng Shin increased both absolutely and relative to Carlisle's shipments to that market. Shipments of bicycle tires by Cheng Shin to the replacement market increased from \*\*\* in 1980 to \*\*\* in 1982, representing an increase of \*\*\* percent. The ratio of Cheng Shin's shipments to Carlisle's shipments to the replacement market \*\*\* as shown in the following tabulation:

Year	Shipments to the replacement market by--		Ratio of shipments to the replacement market by Cheng Shin to shipments to Carlisle
	Carlisle	Cheng Shin	
	(1,000 units)		(Percent)
1980	***	***	***
1981	***	***	***
1982	***	***	***

Bicycle tubes -- Imported tubes supplied \*\*\* percent of U.S. consumption in 1979, declined to \*\*\* percent in 1981, and then increased in 1982 to \*\*\* percent. The share supplied by tubes imported from Taiwan increased irregularly from \*\*\* percent in 1979 to \*\*\* percent in 1982. The share of U.S. consumption supplied by imports from Korea declined annually from \*\*\* percent in 1979 to \*\*\* percent in 1982 (table 19). Table E-22 shows the percentage of U.S. consumption supplied by imported tubes during the period 1975-82.

Table 19 --Bicycle tubes, Ratio to U S consumption of U S producer's domestic shipments, and imports from Taiwan, the Republic of Korea, and all other sources, 1979-82

(In percent)

Year	Ratio to U.S consumption of--				
	U S producer's domestic shipments.	Imports			Total
		From Taiwan	From Korea	From all other	
1979-----	***	***	***	***	***
1980-----	***	***	***	***	***
1981-----	***	***	***	***	***
1982-----	***	***	***	***	***

Source Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission and from official statistics of the U S Department of Commerce.

Market penetration by KIK - U.S. imports of bicycle tubes from Korea manufactured by KIK declined from \*\*\* units in 1980 to \*\*\* units in 1981, and then increased slightly to \*\*\* units in 1982. <sup>1/</sup> The share of U S consumption supplied by bicycle tubes manufactured by KIK ranged from a low of \*\*\* percent in 1981 to a high of \*\*\* percent in 1982 (table 20)

Table 20 --Tubes for bicycle tires U S consumption, imports from Korea manufactured by KIK and by other manufacturers in Korea, 1980-82

Year	U S consumption	Imports from Korea, manufactured by--		Total
		KIK <sup>1/</sup>	Other	
Quantity (1,000 units)				
1980-----	***	***	***	***
1981-----	***	***	***	***
1982-----	***	***	***	***
Share of U S consumption (percent)				
1980-----	100.0	***	***	***
1981-----	100.0	***	***	***
1982-----	100.0	***	***	***

<sup>1/</sup> KIK is the only Korean manufacturer of bicycle tires and tubes subject to the outstanding countervailing duty order

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission, in the prehearing brief submitted on behalf of KIK, and from official statistics of the U S Department of Commerce

<sup>1/</sup> According to the prehearing brief submitted on behalf of KIK, that firm accounted for \*\*\* percent of the bicycle tubes imported from Korea in 1980, \*\*\* percent in 1981, and \*\*\* percent in 1982

As stated earlier, KIK sells bicycle tires and tubes only in the replacement market. The ratio of imported bicycle tubes manufactured by KIK to replacement market shipments by Carlisle are shown in the following tabulation:

Year	Shipments to the replacement market by--		Ratio of shipments to the replacement market by KIK to shipments by Carlisle
	Carlisle	KIK	
	----- (1,000 units) -----		(Percent)
1980--	***	***	***
1981--	***	***	***
1982--	***	***	***

Market penetration by Cheng Shin -- U.S. imports of bicycle tubes manufactured by Cheng Shin increased from \*\*\* units in 1980 to \*\*\* units in 1981, and then declined to \*\*\* units in 1982. <sup>1/</sup> The share of U.S. consumption supplied by bicycle tubes manufactured by Cheng Shin increased irregularly from \*\*\* percent in 1980 to \*\*\* percent in 1982 (table 21)

Table 21 -- Tubes for bicycle tires U.S. consumption, and imports from Taiwan manufactured by Cheng Shin and by other manufacturers in Taiwan, 1980-82

Year	U.S. consumption	Imports from Taiwan, manufactured by--		
		Cheng Shin <sup>1/</sup>	Other	Total
Quantity (1,000 units)				
1980--	***	***	***	***
1981--	***	***	***	***
1982--	***	***	***	***
Ratio of imports to consumption (percent)				
1980--	100.0	***	***	***
1981--	100.0	***	***	***
1982--	100.0	***	***	***

<sup>1/</sup> Cheng Shin is the only manufacturer of bicycle tires and tubes in Taiwan subject to the countervailing duty order

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission, from the prehearing brief on behalf of Cheng Shin, and from official statistics of the U.S. Department of Commerce

<sup>1/</sup> According to the prehearing brief submitted on behalf of Cheng Shin, that firm accounted for \*\*\* percent of total imports of bicycle tubes from Taiwan in 1980, \*\*\* percent in 1981, and \*\*\* percent in 1982.

Cheng Shin's shipments of bicycle tubes to the OEM market \* \* \*. The ratio of imported bicycle tubes manufactured by Cheng Shin for the OEM market to shipments by Carlisle \* \* \*. Shipments of bicycle tubes to the OEM market by Carlisle and Cheng Shin are shown in the following tabulation

Year	Shipments to the OEM market by--		Ratio of shipments to the OEM market by Cheng Shin to shipments by Carlisle (Percent)
	Carlisle	Cheng Shin	
	(1,000 units)		
1980	***	***	***
1981	***	***	***
1982	***	***	***

Shipments of bicycle tubes to the replacement market by Cheng Shin \* \* \*. The ratio of Cheng Shin's shipments to Carlisle's shipments in the replacement market \* \* \*. Shipments of bicycle tubes to the replacement market by Carlisle and Cheng Shin are shown in the following tabulation

Year	Shipments to the replacement market by--		Ratio of shipments to the replacement market by Cheng Shin shipments by Carlisle (Percent)
	Carlisle	Cheng Shin	
	(1,000 units)		
1980	***	***	***
1981	***	***	***
1982	***	***	***

#### Production and capacity of KIK

Production of bicycle tires by KIK declined annually from \* \* \* units in 1980 to \* \* \* units in 1982, representing a decline of \* \* \* percent, as shown in table 22. Production forecasts by KIK call for \* \* \* tires in both 1983 and 1984. Production of bicycle tubes by KIK also declined annually from \* \* \* units in 1980 to \* \* \* units in 1982, or by \* \* \* percent. Production forecasts by KIK call for \* \* \*

KIK's capacity to produce bicycle tires remained unchanged at \*\*\* units during 1980-82 and is projected to \*\*\* Capacity to produce Tubes by KIK also remained unchanged at \*\*\* units during 1980-82 and capacity is also projected at \*\*\* for 1983 and 1984

Capacity utilization in the production of bicycle tires by KIK declined annually from \*\*\* percent in 1980 to \*\*\* percent in 1982. KIK forecasted capacity utilization for tires \*\*\* Capacity utilization in the production of bicycle tubes also declined annually from \*\*\* percent in 1980 to \*\*\* percent in 1982 Capacity utilization in the production of tubes is forecasted by KIK \*\*\*

Table 22 --Bicycle tires and tubes Production capacity, production, and capacity utilization, by KIK, 1980-82

Item and year	Production capacity	Production	Capacity utilization
	1,000 units	units	Percent
Bicycle tires			
1980	***	***	***
1981	***	***	***
1982	***	***	***
Bicycle tubes:	***	***	***
1980	***	***	***
1981	***	***	***
1982	***	***	***

Source Compiled from data obtained by the U S Department of State from KIK

Exports by KIK

KIK is located in a free enterprise zone and is not permitted to sell its products in the domestic market As shown in table 23, exports of bicycle tires by KIK, both to the United States and to other countries, declined annually from 1980 to 1982 KIK expects that its exports of bicycle tires to the United States will increase to \*\*\* units in 1983 and 1984 The share of bicycle tires shipped to the United States by KIK declined annually from \*\*\* percent of it's total exports in 1980 to \*\*\* percent in 1982 Total exports of bicycle tubes by KIK declined from \*\*\* units in 1980 to \*\*\* units in 1982 The share of tubes shipped to the United States by KIK declined irregularly from \*\*\* percent of it's total exports in 1980 to \*\*\* percent in 1982 KIK expects that it's exports of bicycle tubes to the United States will \*\*\*

Table 23 --Bicycle tires and tubes' Exports by KIK to the United States and all other countries, 1980-82

(In thousands of units)

Item and market	1980	1981	1982
Bicycle tires exported to--			
United States-----	***	***	***
Others-----	***	***	***
Total-----	***	***	***
Bicycle tubes exported to--			
United States---	***	***	***
Others-----	***	***	***
Total-----	***	***	***

Source Compiled from data obtained by the U.S. Department of State from KIK

Production and capacity of Cheng Shin

Production of bicycle tires by Cheng Shin declined irregularly from \* \* \* units in 1980 to \* \* \* units in 1982, or by \* \* \* percent. Forecasts by Cheng Shin call for \* \* \* Production of bicycle tubes by Cheng Shin declined annually from \* \* \* units in 1980 to \* \* \* units in 1982, or by \* \* \* percent. Production forecasts by Cheng Shin call for \* \* \*.

\* \* \* \* \*

Capacity utilization in the production of bicycle tires by Cheng Shin declined irregularly from \* \* \* percent in 1980 to \* \* \* percent in 1982. Cheng Shin forecasts capacity utilization for bicycle tires to \* \* \*, its capacity utilization in the production of bicycle tubes also declined irregularly during 1980-82, from \* \* \* percent in 1980 to \* \* \* percent in 1982. Cheng Shin forecasts capacity utilization for bicycle tubes to \* \* \*. Cheng Shin's production capacity, production, and capacity utilization are shown in table 24.



Table 24 -- Bicycle tires and tubes. Production capacity, production, and capacity utilization, by Cheng Shin, 1980-82

Item and year	Production capacity	Production		Capacity utilization Percent
		1,000 units		
Bicycle tires				
1980	***	***	***	***
1981	***	***	***	***
1982	***	***	***	***
Bicycle tubes				
1980	***	***	***	***
1981	***	***	***	***
1982	***	***	***	***

Source Compiled from data obtained by the U S. Department of State from Cheng Shin

Exports by Cheng Shin

Exports of bicycle tires to the United States by Cheng Shin \* \* \* increased irregularly from \* \* \* units in 1980 to \* \* \* units in 1982, or by \* \* \* percent. Its exports to other countries declined irregularly from \* \* \* units in 1980 to \* \* \* units in 1982, or by \* \* \* percent. Cheng Shin projects that its exports of bicycle tires to the United States will \* \* \* to \* \* \* units in 1983 and to \* \* \* units in 1984. The share of bicycle tires shipped to the United States by Cheng Shin increased from \* \* \* percent of its total exports in 1980 to \* \* \* percent in 1981, then declined to \* \* \* percent in 1982. Exports of bicycle tubes to the United States by Cheng Shin increased from \* \* \* units in 1980 to \* \* \* units in 1981 then declined to \* \* \* units in 1982, dropping \* \* \* percent below 1980 exports to the United States. Exports of bicycle tubes to other countries by Cheng Shin declined irregularly from \* \* \* units in 1980 to \* \* \* units in 1982, or by \* \* \* percent. Cheng Shin projects that its exports to the United States will \* \* \* to \* \* \* units in 1983 and to \* \* \* units in 1984. The share of bicycle tubes shipped to the United States by Cheng Shin increased from \* \* \* percent of its total exports in 1980 to \* \* \* percent in 1981, then declined to \* \* \* percent in 1982. Exports by Cheng Shin of bicycle tires and tubes to the United States and to other countries are shown in table 25

Table 25.--Bicycle tires and tubes Taiwan exports to specified markets, by Cheng Shin, 1980-82

Item and market	1980	1981	1982
Bicycle tires exported			
to--			
United States-----	***	***	***
Other-----	***	***	***
Total-----	***	***	***
Bicycle tires exported			
to--			
United States-----	***	***	***
Other-----	***	***	***
Total-----	***	***	***

Source. Compiled from data obtained by the U.S. Department of State from Cheng Shin

### Prices

The Commission requested the domestic producer, importers, and purchasers to provide information on prices for sales to major customers of the most common 20-inch and 26-inch tires, tubes, and sets of tires and tubes. The domestic producer sold bicycle tires, tubes, and sets to all classes of customers, importers sold principally to suppliers for the replacement market, and purchasers either used the merchandise on bicycles they produced or sold the merchandise through their own retail outlets. The domestic and importer's prices and margins of underselling are shown in tables 26-33. Purchasers' prices are shown in table 34.

Bicycle tires --The domestic producer and importers reported comparable f.o.b. prices for five types of tires. (a) 20-inch Moto-Cross tires, (b) 20-inch blackwalled stud or knobby-type tires and (c) 20-inch blackwalled, rib-type tires, (d) 26-inch blackwalled rib-type tires, and (e) 26-inch gumwalled rib-type tires.

Moto-Cross tires.-- Domestic prices of Moto-Cross tires increased from \*\*\* per tire in January-March 1980 to \*\*\* per tire in October-December 1982, or by \*\*\* percent (table 26). Domestic prices showed a general upward trend over the period of investigation despite some irregular ups and downs within the period. Domestic prices declined in October-December 1980 by \*\*\* per tire and in October-December 1981 by \*\*\* per tire, these were the two largest price decreases.

Prices of imported tires from Korea increased from \*\*\* per tire in January-March 1980 to \*\*\* per tire in July-September 1982, or by \*\*\* percent. These prices showed an upward trend over the entire period of investigation with the exception of a few periods when prices declined. The biggest price decline, \*\*\* per tire, occurred in October-December 1981. Domestic prices also declined significantly during this period, \*\*\*

Prices of imported Moto-Cross tires from Taiwan increased irregularly from \*\*\* per tire to \*\*\* per tire, or by \*\*\* percent, from January 1980 to December 1982. These prices generally trended upward with the exception of a few periods when prices declined. The biggest price decline, \*\*\* per tire, occurred in July-September 1981.

Comparison of prices of the 20-inch Moto-Cross tires shows that Carlisle's prices for this type of tire were significantly higher than prices of imports from Korea over the entire period of investigation. Korean imports undersold the domestic product by margins ranging by as much as \*\*\* percent.

Carlisle's prices were also higher than prices of imported tires from Taiwan in the first quarter of 1980, in the first three quarters of 1981, and throughout the year of 1982. Imports from Taiwan undersold domestic tires by \*\*\* percent in January-March 1980, by \*\*\* to \*\*\* percent in January-September 1981, and by \*\*\* to \*\*\* percent in January-December 1982. However, in April-December 1980 and in October-December 1981, prices of tires from Taiwan were \*\*\* to \*\*\* percent and \*\*\* percent, respectively, higher than domestic prices.

20-inch blackwalled stud or knobby type and rib-type tires - Domestic prices of blackwalled knobby-type and 20-inch rib-type tires increased from \*\*\* to \*\*\* per tire, or by \*\*\* percent from January 1980 to December 1982. Such prices were higher than prices for the same type of tires imported from Korea during the entire period of investigation, \*\*\*.

Table 26 --Bicycle tires 20-inch Moto-Cross tires Domestic producer's and importers' weighted average f o b prices and margins of underselling, by quarters, 1980-82

Period	Carlisle	Imports		Margin of underselling	
		Korea	Taiwan	Korea	Taiwan
		Per tire		Percent	
1980					
January-March	***	***	***	***	***
April-June	***	***	***	***	***
July-September	***	***	***	***	***
October-December	***	***	***	***	***
1981					
January-March	***	***	***	***	***
April-June	***	***	***	***	***
July-September	***	***	***	***	***
October-December	***	***	***	***	***
1982					
January-March	***	***	***	***	***
April-June	***	***	***	***	***
July-September	***	***	***	***	***
October-December	***	***	***	***	***

Source: Compiled from data submitted in response to questionnaires of the U S International Trade Commission

Table 27 --Bicycle tires 20-inch, blackwalled stud- or knobby-type and rib-type tires Domestic producer's and importers' weighted average f o b prices, and margins of underselling, by quarters, 1980-82

Period	Carlisle	Imports		Margin of underselling	
		Korea	Taiwan	Korea	Taiwan
		Per tire		Percent	
1980					
January-March	***	***	***	***	***
April-June	***	***	***	***	***
July-September	***	***	***	***	***
October-December	***	***	***	***	***
1981					
January-March	***	***	***	***	***
April-June	***	***	***	***	***
July-September	***	***	***	***	***
October-December	***	***	***	***	***
1982.					
January-March	***	***	***	***	***
April-June	***	***	***	***	***
July-September	***	***	***	***	***
October-December	***	***	***	***	***

Source. Compiled from data submitted in response to questionnaires of the U S International Trade Commission

Prices of Korean tires increased from \*\*\* to \*\*\* per tire, or by \*\*\* percent from January 1980 to December 1982. Korean tires undersold domestic tires by margins ranging from \*\*\* to \*\*\* percent.

Except for one period, Taiwanese tires were priced higher than domestic tires by \*\*\* to \*\*\* percent from January 1980 to June 1981 after which prices of imports from Taiwan declined by \*\*\* to \*\*\* per tire resulting in margins of underselling ranging from \*\*\* to \*\*\* percent during the period July 1981-December 1982.

26-inch, blackwalled and gumwalled rib-type tires --Carlisle's prices of the 26-inch blackwalled and/or gumwalled rib-type tires increased irregularly from \*\*\* to \*\*\* per tire, or by \*\*\* percent, from January 1980 to December 1982 (table 28). After an initial decline in April-June 1980, prices increased from \*\*\* to \*\*\* in January-March 1982, or by \*\*\* percent, but then declined in the remainder of 1982, reaching almost the price level of a year earlier in October-December.

Prices of Korean tires increased from \*\*\* to \*\*\* per tire, or by \*\*\* percent, from January-March 1980 to July-September 1982. These prices were lower than domestic prices by margins ranging from \*\*\* to \*\*\* percent throughout the period of investigation.

Prices of imported tires from Taiwan decreased from \* \* \* to \* \* \* per Lire, or by \* \* \* percent, from January 1980 to December 1982. In 1980, Taiwan prices increased from \* \* \* to \* \* \* per tire and were higher than domestic prices by margins ranging from \* \* \* to \* \* \* percent. In January-March 1981, prices of Taiwan tires declined to \* \* \* per tire, or by \* \* \* (\* \* \* percent), and remained around this level for the remainder of 1981, except for one period. Prices declined further in 1982, from \* \* \* in October-December 1981 to \* \* \* per tire in October-December 1982. In 1980, import prices were higher than domestic prices by margins of \* \* \* to \* \* \* percent. In 1981 and 1982, imports from Taiwan undersold domestic tires by margins ranging from \* \* \* to \* \* \* percent. Margins of underselling increased in 1982 over those in 1981.

Table 28 --Bicycle tires, 26-inch blackwalled and gumwalled rib-type  
Domestic producer's and importers' weighted average f o b prices, and  
margins of underselling, by quarters, 1980-82

Period	Carlisle	Imports		Margin of underselling	
		Korea	Taiwan	Korea	Taiwan
		Per tire		Percent	
1980:					
January-March	***	***	***	***	***
April-June	***	***	***	***	***
July-September	***	***	***	***	***
October-December	***	***	***	***	***
1981					
January-March	***	***	***	***	***
April-June	***	***	***	***	***
July-September	***	***	***	***	***
October-December	***	***	***	***	***
1982					
January-March	***	***	***	***	***
April-June	***	***	***	***	***
July-September	***	***	***	***	***
October-December	***	***	***	***	***

Source Compiled from data submitted in response to questionnaires of the  
U S International Trade Commission

Bicycle tire and tube sets.--Carlisle and the importers reported price data for (a) 20-inch moto-cross tire and tube sets, (b) 20-inch blackwalled tire and tube sets, (c) 26-inch blackwalled tire and tube sets, and (d) 26-inch gumwalled tire and tube sets

20-inch Moto-Cross tire and tube sets -- Carlisle's prices of the 20-inch Moto-Cross tire and tube sets ranged from \* \* \* to \* \* \* per set and were lower than import prices from Korea and Taiwan (table 29). No margins of underselling by imports were found except in one period, July-September 1981. Imports oversold domestic sets by margins ranging from \* \* \* to \* \* \* percent.

Table 29 --Bicycle tire and tube sets, 20-inch, Moto-Cross Domestic producer's and importers' weighted average f o b prices, and margins of underselling, by quarters, 1980-82

Period	Carlisle	Imports		Margin of underselling	
		Korea	Taiwan	Korea	Taiwan
	Per set			Percent	
1980					
January-March	***	***	***	***	***
April-June	***	***	***	***	***
July-September	***	***	***	***	***
October-December	***	***	***	***	***
1981					
January-March	***	***	***	***	***
April-June	***	***	***	***	***
July-September	***	***	***	***	***
October-December	***	***	***	***	***
1982					
January-March	***	***	***	***	***
April-June	***	***	***	***	***
July-September	***	***	***	***	***
October-December	***	***	***	***	***

Source: Compiled from data submitted in response to questionnaires of the U S International Trade Commission

20-inch blackwalled tire and tube sets --\* \* \* Carlisle's prices of the 20-inch blackwalled tire and tube sets increased irregularly from \* \* \* to \* \* \* per set, or by \* \* \* percent, from January-March 1980 to October-December 1982 (table 30)

Import prices of sets from Korea increased by \* \* \*, from \* \* \* to \* \* \* per set, or by \* \* \* percent, from January-March 1980 to October-December 1982. These prices were lower than domestic prices of sets by margins ranging from \* \* \* to \* \* \* percent during the period July-September 1980-October-December 1982. In January-June 1980 prices of Korean sets were higher than prices of domestic sets, by \* \* \* to \* \* \* percent

Import prices from Taiwan were reported for four quarters only, in January-June 1980, and April-September 1981. In January-June 1980 Taiwan prices were higher than domestic prices by \* \* \* to \* \* \* percent. In April-September 1981 import prices were lower than domestic prices by margins ranging from \* \* \* to \* \* \* percent.

Table 30 - Bicycle tire and tube sets, 20-inch, blackwalled Domestic producer's and importers' weighted average f o b prices, and margins of underselling, by quarters, 1980-82

Period	Carlisle	Imports		Margins of underselling	
		Korea	Taiwan	Korea	Taiwan
		Per set		Percent	
1980.					
January-March	***	***	***	***	***
April-June	***	***	***	***	***
July-September	***	***	***	***	***
October-December	***		***	***	***
1981					
January-March	***	***	***	***	***
April-June	***	***	***	***	***
July-September	***	***	***	***	***
October-December	***	***	***	***	***
1982					
January-March	***	***	***	***	***
April-June	***	***	***	***	***
July-September	***	***	***	***	***
October-December	***	***	***	***	***

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

26-inch, blackwalled and gumwalled tire and tube sets - Domestic prices of 26-inch blackwalled and gumwalled tire and tube sets increased from \* \* \* to \* \* \* per set, or by \* \* \* percent, from January-March 1980 to October-December 1982 (table 31) \* \* \*

Table 31.--Bicycle tire and tube sets, 26-inch blackwalled and gumwalled. Domestic producer's and importers' weighted average f.o b prices, and margins of underselling, by quarters, 1980-82

Period	Carlisle	Imports		Margins of underselling	
		Korea	Taiwan	Korea	Taiwan
		Per set		Percent	
1980:					
January-March	***	***	***	***	***
April-June	***	***	***	***	***
July-September	***	***	***	***	***
October-December	***	***	***	***	***
1981:					
January-March	***	***	***	***	***
April-June	***	***	***	***	***
July-September	***	***	***	***	***
October-December	***	***	***	***	***
1982					
January-March	***	***	***	***	***
April-June	***	***	***	***	***
July-September	***	***	***	***	***
October-December	***	***	***	***	***

Source Compiled from data submitted in response to questionnaires of the U S International Trade Commission

Prices of sets imported from Korea increased from \*\*\* to \*\*\* per set from January-March 1980 to April-June 1982, or by \*\*\* percent, then decreased afterwards to \*\*\* per set, a lower price level than that of January-March 1980. However, imports from Korea undersold the domestic product in three periods only--July-December 1981 and October-December 1982. During these three quarters margins of underselling ranged from \*\*\* to \*\*\* percent.

Import prices from Taiwan were reported for four quarters only--January-June 1980 and April-September 1981. Taiwan prices ranged from \*\*\* per set in January-March 1980, increased to \*\*\* in April-June of that year, and then declined to \*\*\* per set in 1981. During the first two quarters of 1980, Taiwan import prices were higher than domestic prices by \*\*\* to \*\*\* percent. During April-September 1981 imports undersold the domestic product by margins of \*\*\* to \*\*\* percent.

Bicycle tubes --Price data were reported for (a) 20-inch regular tubes (b) heavy-duty tubes, and (c) 26-inch regular tubes

20-inch regular and heavy-duty tubes --Carlisle prices for the 20-inch regular and heavy-duty tubes increased from \*\*\* to \*\*\* per tire, or by \*\*\* percent per tube, during 1980. Prices then declined irregularly during the remainder of the period and reached \*\*\* per tube in October-December 1982, or by \*\*\* percent (table 32)



Table 32 -- Bicycle tubes, 20-inch regular heavy-duty Domestic producer's and importers' weighted average f.o b prices, and margins of underselling, by quarters, 1980-82

Period	Carlisle	Imports		Margin of underselling	
		Korea	Taiwan	Korea	Taiwan
		Per tube		Percent	
1980					
January-March	***	***	***	***	***
April-June	***	***	***	***	***
July-September	***	***	***	***	***
October-December	***	***	***	***	***
1981					
January-March	***	***	***	***	***
April-June	***	***	***	***	***
July-September	***	***	***	***	***
October-December	***	***	***	***	***
1982					
January-March	***	***	***	***	***
April-June	***	***	***	***	***
July-September	***	***	***	***	***
October-December	***	***	***	***	***

Source Compiled from data submitted in response to questionnaires of the U S International Trade Commission.

Table 33 -Bicycle tubes, 26-inch regular tubes Domestic producer's and importers' weighted average f o b prices, and margins of underselling, by quarters, 1980-82

Period	Carlisle	Imports		Margin of underselling	
		Korea	Taiwan	Korea	Taiwan
		Per tube		Percent	
1980					
January-March	***	***	***	***	***
April-June	***	***	***	***	***
July-September	***	***	***	***	***
October-December	***	***	***	***	***
1981					
January-March	***	***	***	***	***
April-June	***	***	***	***	***
July-September	***	***	***	***	***
October-December	***	***	***	***	***
1982					
January-March	***	***	***	***	***
April-June	***	***	***	***	***
July-September	***	***	***	***	***
October-December	***	***	***	***	***

Source Compiled from data submitted in response to questionnaires of the U S International Trade Commission

Prices of imports from Korea increased from \*\*\* to \*\*\* per tube, or by \*\*\* percent, from January-March 1980 to July-September 1982. These prices were lower than domestic prices throughout the period of investigation, except in April-June 1981, when prices of Korean tubes were higher than domestic tubes by \*\*\* percent. In the remaining periods, imports from Korea undersold domestic tubes by margins ranging from \*\*\* to \*\*\* percent. Margins of underselling were much higher in 1980 than in 1981 and 1982. In 1980 these margins ranged from \*\*\* to \*\*\* percent, in 1982, margins ranged from \*\*\* to \*\*\* percent.

Prices of imports from Taiwan of 20-inch tubes were higher than domestic prices throughout the period April-June 1980 to October-December 1982. Prices ranged from \*\*\* to \*\*\* per tube, and were generally higher than domestic prices by \*\*\* to \*\*\* percent, although, in January-March 1980, imports had undersold domestic tubes by a margin of \*\*\* percent.

26-inch regular tubes --Domestic prices of 26-inch regular tubes increased irregularly from \*\*\* per tube in January-March 1980 to \*\*\* per tube in January-March 1982, or by \*\*\* percent, and then declined during the remainder of 1982 to \*\*\* per tube (table 33)

Prices from Korea increased from \*\*\* to \*\*\* per tube from January-March 1980 to October-December 1982, or by \*\*\* percent. These prices were lower than domestic prices by margins ranging from \*\*\* to \*\*\* percent throughout the period, except in the last quarter of 1982, when prices of Korean tubes were higher than domestic tubes by \*\*\* percent. Importers'

margins of underselling reached the highest level in 1980, declined significantly during 1981, and then rose in 1982 when import prices declined by around \* \* \* per tube in January-September 1982, compared with that in October-December 1981

Prices of imports from Taiwan fell from \* \* \* to \* \* \*, or by \* \* \* percent, from January-March 1980 to October-December 1982. These prices were higher than domestic prices in 1980 by \* \* \* to \* \* \* percent, except for one period. In 1981 and 1982, Taiwan prices kept falling below the 1980 level, resulting in margins of underselling of the domestic product of \* \* \* to \* \* \* percent. These margins increased significantly in 1982 compared with that in 1981, as prices of imports fell further.

Purchasers' prices - Four purchasers provided data on their delivered prices paid to the domestic producer and importers for bicycle tires, tubes, and sets (table 34). Prices submitted to the Commission covered purchases from the domestic producer of only the following types: (a) 20-inch Moto-Cross tire and tube sets, (b) 20-inch blackwalled stud knobby-type tire and tube sets, (c) 20-inch blackwalled rib-type tire and tube sets, (d) 26-inch blackwalled rib-type tires and tube sets, and (e) 26-inch gumwalled rib-type tire and tube sets. Therefore comparisons of purchasers' prices are made for these five types of tire and tube sets only.

20-inch Moto-Cross tire and tube sets - Purchasers' prices for this type of tire and tube set produced domestically remained stable at \* \* \* per set throughout most of the period from January 1980 to June 1982. Prices rose to \* \* \* per set in July-September 1982 before declining in October-December to \* \* \* per set, the same level that prevailed in January 1980.

Purchasers' prices of imports of these sets from Korea ranged from \* \* \* to \* \* \* per set. These prices changed irregularly during the period of investigation and were higher than domestic prices in 1980 and 1981. In 1982, prices of imports from Korea were lower than domestic prices in 3 of 4 periods, by margins of \* \* \* to \* \* \* cents.

Purchasers' prices of imports from Taiwan of this type of sets were generally lower than prices of the domestic type and the type imported from Korea. Only in January-March 1981 were prices of imports from Taiwan higher than domestic prices by \* \* \* per set. Taiwan prices declined from \* \* \* per set in January-March 1980 to \* \* \* per set in October-December 1982, or by \* \* \* percent. Within the period of investigation these prices fluctuated irregularly.

20-inch blackwalled stud, or knobby-type tire and tube sets - Purchasers' reported prices for these sets from the domestic producer and for imports from Korea. No price data were reported on imports from Taiwan. Domestic prices of this type of sets remained stable at \* \* \* per set from January 1980 to June 1981, then increased to \* \* \* per set in July-September, or by \* \* \* percent. No domestic price data were reported for 1982.

Purchasers' prices of imports from Korea remained at \* \* \* per set in the four quarters for which data were provided. These prices were lower than domestic prices by \* \* \* to \* \* \* cents per set, or by \* \* \* to \* \* \* percent.

20-inch blackwalled rib-type tire and tube sets --Purchasers' prices reported on the domestic product increased from \* \* \* per set in January-March 1980 to \* \* \* per set in July-September 1982, representing an increase of \* \* \* percent. These prices then declined to \* \* \* per set in October-December 1982, \* \* \*

Prices of imports from Korea remained in the range of \* \* \* to \* \* \* per set over the period of investigation with some changes in these prices within the period. Prices increased in 1980 by \* \* \* per set and then declined throughout the remainder of the period of investigation to reach the price level that prevailed in January-March 1980. Prices of imports from Korea were lower than domestic prices throughout the period July-September 1981 to July-September 1982 by \* \* \* to \* \* \* per set \* \* \*. Prices of imports from Taiwan were reported only for January-March 1980, at \* \* \* per set. Such prices were lower than domestic prices by \* \* \* (\* \* \* percent) per set, and prices of imports from Korea were lower by \* \* \* per set.

26-inch blackwalled rib-type tire and tube sets --Prices of the domestic product remained stable at \* \* \* per set from January-March 1980 to April-June 1981, then increased to \* \* \* per set from July-September 1981 up to January-March 1982, or by \* \* \* percent. Prices declined to \* \* \* per set by October-December 1982, or by \* \* \* percent.

Prices of imports from Korea increased from \* \* \* in January-March 1980 to \* \* \* in July-September 1982, or by \* \* \* percent, then declined to \* \* \*, \* \* \* below the price level of January-March 1980. Prices were higher than domestic prices except in October-December 1981 when import prices were lower by \* \* \* per set.

Prices of imports from Taiwan were reported for five periods only. These prices ranged from \* \* \* in January-March 1980 to \* \* \* in April-June 1981, then declined to \* \* \* per set in October-December 1981 and April-June 1982. Prices of imports from Taiwan were lower than domestic prices by \* \* \* to \* \* \* per set and were also lower than prices of imports from Korea.

26-inch gumwalled rib-type tire and tube sets --Purchasers' domestic prices increased from \* \* \* in January-March 1980 to \* \* \* in July-September 1982, or by \* \* \* percent. Prices then declined to \* \* \* per set in October-December 1982, almost the same price level as that of January-March 1980.

Purchasers' prices of imports from Korea fluctuated within the period under investigation, increasing from \* \* \* in January-March 1980 to \* \* \* (\* \* \* percent) in July-September 1981, then declining to a level below that prevailing in January-March 1980. Prices of imports from Korea were lower than domestic prices throughout the period by \* \* \* to \* \* \* (\* \* \* to \* \* \* percent) per set.

Purchasers' prices of imports from Taiwan were reported in 3 of 12 quarters. These prices remained at \* \* \* per set in most of 1982, and were lower than domestic prices by \* \* \* to \* \* \* per set, and were lower than Korean prices by \* \* \* to \* \* \*

Table 34.--Bicycle tires and tubes: Purchasers' prices of various tires and tubes and sets of tires and tubes, as specified, of domestic and imported products, and margins of underselling, by quarters, January 1980-December 1982

\* \* \* \* \*

PDF Create! 6 Trial  
www.nuance.com

As requested at the Commission meeting on May 3, 1983, the staff contacted 15 firms that imported bicycle tires and tubes in an attempt to obtain separate pricing information on the products manufactured by KIK and Cheng Shin. The firms contacted, reported that they purchased imports from a number of suppliers in Korea and/or Taiwan and could not provide separate data with respect to the prices they received for products manufactured by KIK or Cheng Shin. Four of the importing firms did provide limited pricing data for products manufactured by Cheng Shin in two quarters of 1982 but the quantities involved were so small that the prices could not be considered representative.

The following tables show prices of two sizes of bicycle tire and tube sets purchased by two U S bicycle manufacturers (OEMs) from Cheng Shin and the prices they paid for the same size sets from Carlisle. It is believed that these prices are representative \* \* \*

Cheng Shin's sales of tire and tube sets to \* \* \* and \* \* \* are presented in the following tabulations as percentages of total tire and tube sets sold by Cheng Shin to the OEM market. In 1980 Cheng Shin's sales of tires to these two purchasers accounted for \* \* \* percent of its total sales to the OEM market. In 1981 the percentage declined to \* \* \* percent, and in 1982 this percentage was \* \* \* percent.

Sales of tubes by Cheng Shin to \* \* \* and \* \* \* as a share of its total sales to the OEM market was \* \* \* percent in 1980, \* \* \* percent in 1981, \* \* \* percent in 1982.

\* \* \* \* \* \* \* \*

\* \* \* purchasing prices of 20-inch Moto-Cross tire and tube sets from Cheng Shin were lower than purchasing prices of the domestic product by margins ranging from \* \* \* to \* \* \* percent during 1980-1982. Margins of underselling of Cheng Shin of the domestic product ranged from \* \* \* to \* \* \* percent in 1980. In 1981 these margins were \* \* \* to \* \* \* percent, and in 1982 margins of underselling ranged from \* \* \* to \* \* \* percent.

Margins of underselling by Cheng Shin of 26-inch blackwalled and gumwalled rib-type tire and tube sets ranged from \* \* \* to \* \* \* percent during 1980-1982. In 1980 margins of underselling ranged from \* \* \* to \* \* \* percent, in 1981 these margins ranged from \* \* \* to \* \* \* percent, and in 1982 margins of underselling ranged from \* \* \* to \* \* \* percent. In several periods during 1980-82 the prices reported for sets purchased from Cheng Shin were above the prices reported for U S -produced sets, these margins ranged from \* \* \* percent to \* \* \* percent.

## Margins of underselling by Cheng Shin

Purchaser \* \* \*  
 Exporter Cheng Shin Rubber Co , Taiwan

26-inch, blackwalled, and gumwalled, rib type, bicycle tire &amp; tube sets

<u>Period</u>	<u>Quantity purchased (1,000 units)</u>	<u>Cheng Shin delivered (Dollars)</u>	<u>Delivered domestic (Dollars)</u>	<u>Margins of underselling (Percent)</u>
1980				
January-March - - -	***	***	***	***
April-June-	***	***	***	***
July-September - --	***	***	***	***
October-December	***	***	***	***
Total - - - - -	***			
1981				
January-March- --	***	***	***	***
April-June-	***	***	***	***
July-September --	***	***	***	***
October-December-	***	***	***	***
Total - - -	***			
1982				
January-March - - -	***	***	***	***
April-June	***	***	***	***
July-September --	***	***	***	***
October-December	***	***	***	***
Total - - -	***			

Source Compiled from data submitted in response to questionnaires of  
 The U.S. International Trade Commission

## Margins of underselling by Cheng Shin

Purchaser. \* \* \*  
 Exporter Cheng Shin Rubber Co , Taiwan

20-inch, Moto-Cross and blackwalled, rib-type, bicycle tire & tube sets.

<u>Period</u>	<u>Quantity purchased (1,000 units)</u>	<u>Cheng Shin delivered (Dollars)</u>	<u>Delivered domestic (Dollars)</u>	<u>Margins of underselling (Percent)</u>
1980				
January-March-----	***	***	***	***
April-June- ---- -	***	***	***	***
July-September----	***	***	***	***
October-December--	***	***	***	***
Total          ---	***			
1981				
January-March- ----	***	***	***	***
April-June--	***	***	***	***
July-September- ---	***	***	***	***
October-December--	***	***	***	***
Total          -- --	***			
1982				
January-March- ----	***	***	***	***
April-June-	***	***	***	***
July-September----	***	***	***	***
October-December--	***	***	***	***
Total          - - - -	***			

Source Compiled from data submitted in response to questionnaires of the U S International Trade Commission

\* \* \* reported purchases from Cheng Shin of 20-inch Moto-Cross tire and tube sets in the first half of 1980 and 1981. No purchases were reported for 1982. In January-March 1980 Cheng Shin undersold the domestic product by \* \* \* percent, and in April-June of the same year, Cheng Shin's prices were higher than domestic prices by \* \* \* percent. In the first half of 1981 Cheng Shin margins of underselling ranged from \* \* \* to \* \* \* percent.

\* \* \* purchases of 26-inch blackwalled rib-type tire and tube sets were reported for the first half of 1980 and the second quarter of 1981. In January-March 1980, Cheng Shin's margin of underselling was \* \* \* percent and in April-June 1981 the margin was \* \* \* percent.



## Margins of underselling by Cheng Shin

Purchaser \* \* \*  
 Exporter Cheng Shin Rubber Co , Taiwan

20-inch, Moto-Cross tire and tube sets

<u>Period</u>	<u>Quantity purchased (1,000 units)</u>	<u>Cheng Shin delivered (Dollars)</u>	<u>Delivered domestic (Dollars)</u>	<u>Margins of underselling (Percent)</u>
1980				
January-March - - - -	***	***	***	***
April-June - - - - -	***	***	***	***
July-September - - - -	***	***	***	***
October-December - - -	***	***	***	***
Total - - - - -	***			
1981				
January-March - - - -	***	***	***	***
April-June - - - - -	***	***	***	***
July-September - - - -	***	***	***	***
October-December - - -	***	***	***	***
Total - - - - -	***			
1982.				
January-March - - - -	***	***	***	***
April-June - - - - -	***	***	***	***
July-September - - - -	***	***	***	***
October-December - - -	***	***	***	***
Total - - - - -	***			

Source Compiled from data submitted in response to questionnaires of  
 the U.S. International Trade Commission

## Margins of underselling of Cheng Shin

Purchaser \* \* \*  
 Exporter Cheng Shin Rubber Co , Taiwan

26-inch, blackwalled, rib-type, bicycle tire &amp; tube sets.

<u>Period</u>	<u>Quantity purchased (1,000 units)</u>	<u>Ching Shin delivered (Dollars)</u>	<u>Delivered domestic (Dollars)</u>	<u>Margins of underselling (Percent)</u>
1980.				
January-March-----	***	***	***	***
April-June- - - - -	***	***	***	***
July-September----	***	***	***	***
October-December--	***	***	***	***
Total-----	***			
1981.				
January-March-----	***	***	***	***
April-June- - - - -	***	***	***	***
July-September----	***	***	***	***
October-December--	***	***	***	***
Total-----	***			
1982.				
January-March-----	***	***	***	***
April-June- - - - -	***	***	***	***
July-September----	***	***	***	***
October-December--	***	***	***	***
Total-----	***			

Source: Compiled from data submitted in response to questionnaires of the U S International Trade Commission

Exchange-rate changes and their impact on prices of imports of bicycle tires and tire and tube sets - The Korean won and the Taiwan dollar both depreciated in terms of the U.S. dollar as shown in the following tabulation of exchange rate indexes of the two currencies (January-March 1979=100)

Year	Korean won per \$U.S. 1/			
	January-March	April-June	July-September	October-December
1979-----	100 00	100 00	100 00	100 00
1980-----	84 75	81 46	78 90	74 30
1981-----	72 51	71 05	70 52	70 13
1982-----	68 15	66 46	65 25	64 96

Year	Korean won per \$U.S. 1/			
	January-March	April-June	July-September	October-December
1979-----	100 00	99 64	99 64	99 64
1980-----	99 64	99 64	100 00	100 00
1981-----	99 64	98 92	96 76	94 96
1982-----	94 86	92 81	90 65	N/A

1/ International Financial Statistics, IMF, March 1983

2/ Financial Statistics, The Central Bank of China, September 1982

The Korean won depreciated by 35 percent from 484 to 744 won per dollar from January-March 1979 to October-December 1982. This percentage depreciation if passed through increases the price competitiveness of imports from Korea vis-a-vis domestic products. However, relative price competitiveness of imports and domestic products is also affected by relative price changes or rates of inflation in the two countries. The Korean rate of inflation as reflected in the Korean wholesale price index rose by 95.3 percent from January-March 1979 to October-December 1982, whereas the U.S. Producer Price Index rose by 34.1 percent in the same period. 1/ This higher relative rate of inflation in Korea should be reflected in this country's national costs and prices and therefore counterbalance the relative price competitiveness of Korean imports into the United States resulting from the depreciation of the won.

The Taiwan dollar depreciated by 9.4 percent from 35.9 to Taiwan dollars 39.4 Taiwan dollars per U.S. dollar from January-March 1979 to July-September 1982. During this period, Taiwan's rate of inflation as reflected in this country's wholesale price index rose by 39.4 percent while the U.S. Producer Price Index rose by 34.0 percent during the same period. 2/ This relatively higher rate of inflation in Taiwan of 5.4 percent should be reflected in Taiwan costs and prices and therefore should moderate the 9.3 percent the price gained in price competitiveness of Taiwanese imports resulting from the depreciation of the Taiwan dollar. If this percentage of depreciation was passed through, imports from Taiwan would, other things being equal, gain real price competitiveness of 4.0 percent.

1/ International Financial Statistics, March 1983

2/ Financial Statistics, The Central Bank of China, September 1982 A-55

APPENDIX A  
LETTERS REQUESTING INVESTIGATIONS

PDF Create! 6 Trial  
www.nuance.com

PATRICK F O'LEARY  
ROBERT S SCHWARTZ  
CRAIG A SCHWANDT

753

July 30, 1981

Office of the  
Secretary  
Secretary  
International Trade Commission  
701 E Street, N.W.  
Washington, D.C. 20436

OFFICE OF THE  
SECRETARY  
INTERNATIONAL TRADE COMMISSION  
DOCKET OFFICE

81 JUL 30 PM 1:36

RECEIVED

Re: Request for Commission Investigation of Injury Pursuant to Section 104(b) of the Trade Agreements Act of 1979 (19 CFR 207.30(d)); Countervailing Duties on Bicycle Tires and Tubes from Republic of Korea (TD-79-13; 44 FR 2570).

Gentlemen:

On behalf of Korea Inoue Kasei Co., Ltd., Masan Free Export Zone, P.O. Box 392, Masan, Korea ("K.I.K.") we respectfully request the Commission to conduct an investigation under Section 207.30(d) of the Commission's regulations to determine whether an industry in the United States would be materially injured or threatened with material injury by reason of imports of the bicycle tires and tubes from Korea if the countervailing duty order on such products were revoked.

Eligibility of K.I.K. to file request.

K.I.K. accounts for all of the exports to the United States of the merchandise subject to the countervailing duty order, published as a notice of "Final Countervailing Duty Determination" (TD-79-13) on January 12, 1979 (44 FR 2570). Commerce's final determination upon the annual review of the countervailing duty order was published in the Federal Register at 46 FR 38736 (July 29, 1981).

Relief Sought

We are seeking a final determination by the Commission that no industry in the United States would be materially injured, or would be threatened with material injury, by reason of imports of the products involved here, bicycle tires and tubes from the Republic of Korea, if the countervailing duty order were to be revoked. There appears to be no issue regarding retardation of the establishment of an industry in the United States. (See LTFV injury determination, 44 FR 20308 n. 2 [April 4, 1979].)

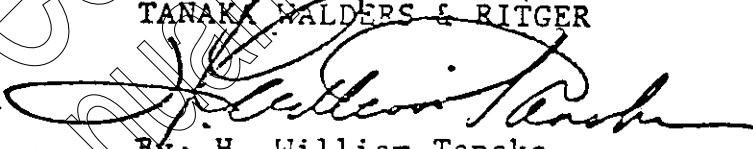
Factual Basis

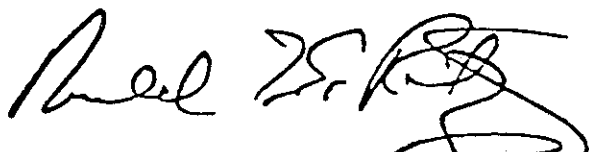

Briefly, the factual basis of our request is as follows: The net amount of the subsidies that have been determined pursuant to the original order and to the final determination in the Annual Review of the order are in the de minimis range (.50 and 1.05, respectively), although not quite small enough to qualify under Department of Commerce policy as legally de minimis. It will be noted in that connection that the Department of the Treasury in TD 79-13, the basic order here, determined that a subsidy rate of .34 percent was de minimis. K.I.K. has no reason to believe that the domestic industry would be materially injured by reason of imports of merchandise covered by the countervailing duty order if the order were to be revoked. Indeed, complainant's parent, Carlisle Corp., has reported sharply increased profits (Wall Street Journal, July 21, 1981, p. 12). There is no threat of any such injury as a result of the minimal subsidy amounts that have been found. K.I.K. is near the end of its eligibility for the benefits that comprise the determined subsidy, so there can be no threat of future injury.

In compliance with 19 CFR 201.8(d), a signed original and 19 copies of this request are hereby filed with the Commission.

Sincerely yours,

TANAKA WALTERS & RITGER

  
By: H. William Tanaka  
Donald L.E. Ritger  
Robert S. Schwartz

HWT/DLER/RSS/jd

*Law Offices*

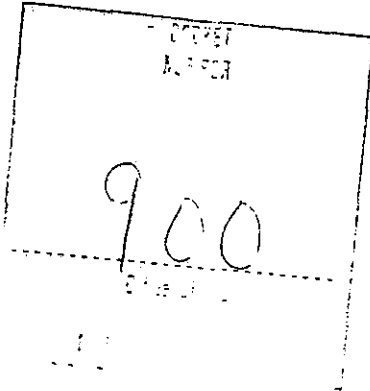
A-59

*Kaplan Russin & Vecchi*

1218 Sixteenth Street, N.W. Washington, D.C. 20036

TELEPHONE: (202) 638-0060  
CABLE: KAPRUS WASHINGTON  
TELEX: 248413 KAPRUS

315 SILOM ROAD BANGKOK  
CARRERA 7 NO 17-51 BOGOTA  
2500 WILSHIRE BOULEVARD LOS ANGELES 90057  
PASEO DE LA CASTELLANA 155 MADRID 16  
28 WEST 44th STREET NEW YORK 10036  
332 PINE STREET SAN FRANCISCO 94104  
EDIFICIO LA CUMBRE SANTO DOMINGO  
CITICORP CENTER TAIPEI



December 30, 1982

BY HAND

Mr. Kenneth Mason  
Secretary  
United States International Trade Commission  
701 E Street, N.W. - Room 156  
Washington, D.C. 20436

Re: Bicycle Tires and Tubes from the Republic of China:  
Countervailing Duty/Request for USITC Injury  
Determination

Dear Mr. Mason:

On behalf of Cheng Shin Rubber Company, Ltd. ("Cheng Shin"), and pursuant to Section 104(b) of the Trade Agreements Act of 1979 and 19 C.F.R. § 207.30, we respectfully request that the United States International Trade Commission institute an investigation to determine whether there would be material injury or threat of material injury by reason of imports of bicycle tires and tubes manufactured and exported by Cheng Shin entering under TSUSA Items 772.4800 and 772.5700 to a United States industry if the countervailing duty order dated February 17, 1982 on Cheng Shin's bicycle tires and tubes were revoked.

As set out in Section 104(b)(1), Cheng Shin is entitled to such a review because the countervailing duty order of February 17, 1982 was issued pursuant to court order in an action brought under section 516(d) of the Tariff Act of 1930 before January 1, 1980. In addition, Cheng Shin is the exporter accounting for substantially all the exports to the United States of merchandise covered by the countervailing duty order. Finally, the Republic of China is a "country under the agreement" and the request is timely made.

Very truly yours,

Kathleen F. Patterson

A-59

KFP/fa

cc: Lydia Huang, Esq.  
Mr. Bruce Cates (by hand)

52 DEC 30 11:33

PDF Create! 6 Trial  
www.nuance.com



APPENDIX B  
COMMERCE'S FEDERAL REGISTER NOTICES

PDF Create! 6 Trial  
www.nuance.com

All States Except Alaska and Hawaii—  
Continued

Supplements:	
Paid .....	3.00
Free .....	31.50
Reduced .....	15.75
Meals served in day care homes—per meal payment rates in cents:	
Breakfasts .....	50.25
Lunches and suppers .....	98.50
Supplements .....	29.50

<sup>1</sup>These rates do not include the value of commodities (or cash-in-lieu of commodities) which institutions receive as additional assistance for each lunch or supper served to children under the Program. Notices announcing the value of commodities and cash-in-lieu of commodities are published separately in the FEDERAL REGISTER.

Pursuant to Section 12(f) of the NSLA, the Department adjusts the payment rates for participating institutions in the States of Alaska and Hawaii. The new payment rates for Alaska are as follows:

Alaska

Alaska—Meals served in centers—per meal payment rates in cents:

Breakfasts:	
Paid .....	14.00
Free .....	97.25
Reduced .....	67.25

Lunches and Suppers:

Paid .....	18.00. <sup>1</sup>
Free .....	168.50 + paid = 186.50 <sup>1</sup>
Reduced .....	186.50 - 40.00 = 146.50 <sup>1</sup>

Supplements:

Paid .....	4.75
Free .....	51.25
Reduced .....	25.50

Alaska—Meals served in day care homes—per meal payment rates in cents:

Breakfasts .....	81.50
Lunches and Suppers .....	159.75
Supplements .....	47.50

<sup>1</sup>These rates do not include the value of commodities (or cash-in-lieu of commodities) which institutions receive as additional assistance for each lunch or supper served to children under the Program. Notices announcing the value of commodities and cash-in-lieu of commodities are published separately in the FEDERAL REGISTER.

The new payment rates for Hawaii are as follows:

Hawaii

Hawaii—Meals served in centers—per meal payment rates in cents:

Breakfasts:	
Paid .....	10.25
Free .....	70.25
Reduced .....	40.25

Lunches and Suppers:

Paid .....	13.00. <sup>1</sup>
Free .....	121.75 + paid = 134.75. <sup>1</sup>
Reduced .....	134.75 - 40.00 = 94.75. <sup>1</sup>

Supplements:

Paid .....	3.50
Free .....	37.00
Reduced .....	18.50

Hawaii—Meals served in day care homes—per meal payment rates in cents:

Breakfasts .....	58.75
Lunches and Suppers .....	115.50
Supplements .....	34.50

<sup>1</sup>These rates do not include the value of commodities (or cash-in-lieu of commodities) which institutions receive as additional assistance for each lunch or supper served to children under the Program. Notices announcing the value of commodities and cash-in-lieu of commodities are published separately in the FEDERAL REGISTER.

The changes in the national average payment rates and the food service payment rates for day care homes reflect a 5.36 percent increase during the 12 month period May 1981 to May 1982 (from 289.3 in May 1981 to 304.8 in May 1982) in the food away from home series of the Consumer Price Index for All Urban Consumers, published by the Bureau of Labor Statistics of the Department of Labor.

The total amount of payments available to each State agency for distribution to institutions participating in the Program is based on the rates contained in this notice.

**Definitions:** The terms used in this notice shall have the meanings ascribed to them in the regulations governing the Child Care Food Program (7 CFR Part 226) published on November 27, 1981 at 46 FR 57980-58006.

(Catalog of Federal Domestic Assistance Program No. 10.558)

Authority: (Sec. 810 and 820, Pub. L. 97-35, Omnibus Reconciliation Act of 1981; Sec. 2, Pub. L. 95-627, 92 Stat. 3603 (42 U.S.C. 1766); Sec. 10(a), Pub. L. 95-627, 92 Stat. 3623 (42 U.S.C. 1760).

Dated: July 15, 1982.

Robert E. Leard,  
Associate Administrator, Food and Nutrition Service.

[FR Doc. 82-18528 Filed 7-19-82; 8:45 am]

BILLING CODE 3470-30-M

DEPARTMENT OF COMMERCE

International Trade Administration

Bicycle Tires and Tubes From the Republic of Korea; Preliminary Results of Administrative Review of Countervailing Duty Order

AGENCY: International Trade Administration, Commerce.

ACTION: Notice of Preliminary Results of Administrative Review of Countervailing Duty Order.

**SUMMARY:** The Department of Commerce has conducted an administrative review of the countervailing duty order on bicycle tires and tubes from Korea manufactured by Korea Inoue Kasei Co., Ltd. The review covers the period January 1, 1980 through December 31, 1980. As a result of this review, the Department has preliminarily determined the amount of net subsidy to be 0.95 percent of the f.o.b. invoice price of the merchandise. Interested parties are invited to comment on these preliminary results.

EFFECTIVE DATE: July 20, 1982

FOR FURTHER INFORMATION CONTACT:

Charles L. Anderson or Joseph A. Black,

Office of Compliance, Room 2096, International Trade Administration, U.S. Department of Commerce, Washington, D.C. 20230 (202-377-1774).

SUPPLEMENTARY INFORMATION:

Background

On July 29, 1981 the Department of Commerce ("the Department") published in the Federal Register (46 FR 38736) the final results of its first administrative review of the countervailing duty order on bicycle tires and tubes from Korea (44 FR 25701) and announced its intent to conduct the next administrative review by the end of January 1982. As required by section 751 of the Tariff Act of 1930 ("the Tariff Act"), the Department has now conducted that administrative review.

Scope of the Review

Imports covered by the review are pneumatic bicycle tires and tubes, of rubber or plastic, whether such tires and tubes are sold together as units or separately, manufactured by Korea Inoue Kasei Co., Ltd. ("KIK") Bicycle tires and tubes are currently classifiable under items 772.4800 and 772.5700, respectively, of the Tariff Schedules of the United States Annotated. The review covers the period January 1, 1980 through December 31, 1980 and includes the three countervailable programs cited in the final determination and four other programs. We found that KIK took advantage of two of the countervailable programs during the period: the Foreign Capital Inducement Law ("FCIL"), and short-term preferential financing. The other five programs, tax exemptions for land acquisition and imported capital equipment, accelerated depreciation, and reserve funds for export market development and export losses, were not utilized by KIK in 1980.

Analysis of the Programs

Under the FCIL program, KIK receives partial forgiveness of its income and property tax liabilities. In 1980 KIK received a 62.68 percent exemption from its total income tax liability and a 50 percent exemption from its total property tax liability. The *ad valorem* benefits attributable to this program are 0.76 percent and 0.01 percent, respectively.

The short-term preferential financing program provides short-term loans at preferential rates to manufacturers for the purpose of acquiring imported raw materials used in production for export. Our calculations are based upon the total amount of short-term preferential loans KIK received in 1980 and the

weighted average difference between comparable commercial interest rates and the preferential rates. We have preliminarily determined that the benefit bestowed under this program is 0.18 percent *ad valorem*. Because KIK is located in a free enterprise zone, it is not permitted to sell in the domestic market. Therefore, the export and total production values are identical; hence the same number was used as the denominator in calculating the *ad valorem* benefit attributable to the FCIL program, a domestic subsidy, and the preferential financing program, an export subsidy.

#### Verification

We verified the information presented by KIK, through examination of Korean government laws and documents, company books and records, and consultation with economic officials of the United States Embassy in the Republic of Korea.

#### Preliminary Results of Review

As a result of our review, we preliminarily determine that the rate of net subsidy conferred by the two programs cited above during the period of review for KIK is 0.95 percent *ad valorem*.

Accordingly, the Department intends to instruct the Customs Service to assess countervailing duties of 0.95 percent of the f.o.b. invoice price on all shipments by KIK of this merchandise entered, or withdrawn from warehouse, for consumption on or after January 1, 1980 and exported on or before December 31, 1980.

Further, as provided by section 751(a)(1) of the Tariff Act, we intend to instruct the Customs Service to collect a cash deposit of estimated countervailing duties of 0.95 percent of the f.o.b. invoice price on all shipments by KIK of bicycle tires and tubes entered, or withdrawn from warehouse, for consumption on or after the date of publication of the final results of this administrative review. This deposit requirement shall remain in effect until publication of the final results of the next administrative review.

Interested parties may submit written comments on these preliminary results within 30 days of the date of publication of this notice and may request disclosure and/or a hearing within 10 days of the date of publication. Any request for an administrative protective order must be made no later than July 26, 1982. The Department will publish the final results of the administrative review including the results of its analysis of any such comments or hearing.

This administrative review and notice publication are in accordance with section 751(a)(1) of the Tariff Act (19 U.S.C. 1675(a)(1)) and § 355.41 of the Commerce Regulations (19 CFR 355.41).

Dated: July 15, 1982.

Judith Hippler Bello,  
Acting Deputy Assistant Secretary for Import Administration.

[FR Doc. 82-19571 Filed 7-19-82; 8:45 am]  
BILLING CODE 3510-25-M

#### High Power Microwave Amplifiers From Japan Antidumping Duty Order

AGENCY: Administration, Commerce International Trade

ACTION: Antidumping Duty Order.

**SUMMARY:** In separate investigations, the U.S. Department of Commerce ("the Department") and the U.S. International Trade Commission ("the ITC") have determined that high power microwave amplifiers from Japan are being sold at less than fair value and that these sales are materially injuring, or threatening to materially injure, a U.S. industry. Therefore, all unappraised entries, or warehouse withdrawals, for consumption of this merchandise made on or after December 31, 1981, the date on which the Department published its "Suspension of Liquidation" notice in the Federal Register, it will be liable for the possible assessment of antidumping duties. Further, a cash deposit of estimated antidumping duties must be made on all such entries, and withdrawals from warehouse, for consumption made on or after the date of publication of this antidumping duty order in the Federal Register.

**EFFECTIVE DATE:** July 20, 1982.

**FOR FURTHER INFORMATION CONTACT:** Steven Morrison, Office of Investigations, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, D.C. 20230. Telephone: (202) 377-3965.

**SUPPLEMENTARY INFORMATION:** For purposes of this investigation, HPA's are radio-frequency power amplifier assemblies and components thereof, specifically designed for uplink transmission in the C, X, and Ku bands from fixed earth stations to communication satellites and having a power output of one kilowatt or more. HPA's may be imported in subassembly form, as complete amplifiers or as a component of higher level assemblies (generally earth stations). They are currently classified under item 685.29 of the Tariff Schedules of the United States.

In accordance with section 733 of the Tariff Act of 1930, as amended ("the Act") (19 U.S.C. 1673b), on December 31, 1981, the Department preliminarily determined that there was reason to believe or suspect that high power microwave amplifiers from Japan are being sold at less than fair value (46 FR 63364). On May 21, 1982, the Department made its final determination that these imports were being sold at less than fair value (47 FR 22134).

On July 1, 1982, in accordance with section 735(b) of the Act (19 U.S.C. 1673(b)), the ITC determined and notified the Department that such importations are materially injuring, or threatening to materially injure, a U.S. industry.

Therefore, in accordance with section 736 of the Act (19 U.S.C. 167e), the Department directs U.S. Customs officers to assess antidumping duties equal to the amount by which the foreign market value of the merchandise exceeds the U.S. price for all entries of high power microwave amplifiers from Japan. These antidumping duties will be assessed on all of the subject merchandise entered, or withdrawn from warehouse, for consumption on or after December 31, 1981, the date on which the Department published its "Suspension of Liquidation" notice in the Federal Register, and all future entries of said merchandise.

On and after the date of publication of this notice, U.S. Customs officers must require, at the same time as importers deposit their estimated normal customs duties on the merchandise, an additional cash deposit of estimated antidumping duties equal to the following rates:

25.4% TWT high power amplifiers  
41.1% Klystron high power amplifiers  
41.4% For parts of high power amplifiers unless such parts are dedicated exclusively for use in TWT high power amplifiers, in which case the margin is 25.4%.

Since many parts of Klystron HPA's are interchangeable with TWT HPA's, the security deposit for HPA parts shall be the same as for Klystron HPA's, unless the importer can demonstrate that the parts are dedicated solely for use in TWT HPA's.

This determination constitutes an antidumping duty order with respect to high power microwave amplifiers from Japan pursuant to section 736 of the Act (19 U.S.C. 1673e) and § 353.48 of the Commerce Regulations (19 CFR 353.48). The Department intends to conduct an administrative review within a 60-day period of publication of this order, as

Department of Commerce, Room 6802, 14th Street and Constitution Avenue N.W., Washington, D.C. 20230

Individuals who wish to participate in the hearing must submit a request to the Deputy Assistant Secretary for Import Administration, Room 3099B, at the above address within 10 days of this notice's publication. Requests should contain: (1) The party's name, address, and telephone number; (2) the number of participants; (3) the reason for attending; and (4) a list of the issues to be discussed. In addition, prehearing briefs in at least 10 copies must be submitted to the Deputy Assistant Secretary by December 28, 1982. Oral presentations will be limited to issues raised in the briefs. All written views should be filed in accordance with 19 CFR 353.46, within 30 days of this notice's publication, at the above address and in at least 10 copies.

Judith Hippler Bello,  
Acting Deputy Assistant Secretary for Import Administration  
December 3, 1982

**Appendix—Product Description: Certain Stainless Steel Sheet and Strip Products**

For the purpose of these investigations the term "certain stainless steel sheet and strip products" covers hot- or cold-rolled stainless steel sheet or strip, excluding hot- or cold-rolled stainless steel strip not over 0.01 inch in thickness, as currently provided for in items 607 7610, 607 9010, 607 9020, 608 4300 and 608 5700 of the *Tariff Schedules of the United States Annotated*.

Hot-rolled stainless steel sheet covers hot-rolled stainless steel sheet products whether or not corrugated or crimped and whether or not pickled; not cold-rolled; not cut, not pressed, and not stamped to non-rectangular shape; and under 0.1875 inch in thickness and not over 12 inches in width.

Hot-rolled stainless steel strip is a flat-rolled stainless steel product whether or not corrugated or crimped and whether or not pickled; not cold-rolled; not cut, not pressed, and not stamped to non-rectangular shape; and under 0.1875 inch in thickness and not over 12 inches in width. Hot-rolled stainless steel strip including razor blade strip, not over 0.01 inch in thickness is not included.

Cold-rolled stainless steel sheet covers cold-rolled stainless steel sheet products whether or not corrugated or crimped and whether or not pickled; not cut, not pressed and not stamped to non-rectangular shape; not coated or plated with metal; and under 0.1875 inch in thickness and over 12 inches in width.

Cold-rolled stainless strip is a flat-rolled stainless steel strip product whether or not corrugated or crimped and whether or not pickled; not cut, not pressed, and not stamped to non-rectangular shape; under 0.1875 inch in thickness and over 0.50 inch in width but not over 12 inches in width. Cold-rolled stainless steel strip, including razor

blade strip not over 0.01 inch in thickness is not included in this investigation  
(FR Doc 82-33495 Filed 12-8-82; 8:45 am)  
BILLING CODE 3510-25-M

**Bicycle Tires and Tubes From Taiwan; Preliminary Results of Administrative Review of Countervailing Duty Order**

**AGENCY:** International Trade Administration, Commerce

**ACTION:** Notice of preliminary results of administrative review of countervailing duty order

**SUMMARY:** The Department of Commerce has conducted an administrative review of the countervailing duty order on bicycle tires and tubes from Taiwan. The review covers the period October 28, 1981 through December 31, 1981, and the single company subject to the order, Cheng Shin Rubber Company, Ltd. As a result of this review, the Department has preliminarily determined the amount of the net subsidy to be 0.90 percent of the f.o.b. invoice price of the merchandise. Interested parties are invited to comment on these preliminary results.

**EFFECTIVE DATE:** December 9, 1982.

**FOR FURTHER INFORMATION CONTACT:** Charles Anderson or Laura Kneale, Office of Compliance, International Trade Administration, U.S. Department of Commerce, Washington, D.C. 20230; telephone: (202) 377-2786.

**SUPPLEMENTARY INFORMATION:**

**Background**

On February 17, 1982, the Department of Commerce ("the Department") published in the *Federal Register* (47 FR 6913) a countervailing duty order with respect to bicycle tires and tubes manufactured by one Taiwanese company, Cheng Shin Rubber Company, Ltd. ("Cheng Shin"), and announced its intent to conduct an administrative review of the order within twelve months. As required by section 751 of the Tariff Act of 1930 ("the Tariff Act"), the Department has now conducted that administrative review.

**Scope of the Review**

Imports covered by the review are pneumatic bicycle tires and tubes of rubber or plastic, manufactured by Cheng Shin, whether such tires and tubes are sold together as units or separately. Bicycle tires and tubes are currently classifiable under items 772 4800 and 772 5700 of the Tariff Schedules of the United States Annotated.

The review covers the period October 28, 1981, the date of suspension of

liquidation, through December 31, 1981, and the two programs found countervailable in the "Reopened Investigation—Final Countervailing Duty Determination" (46 FR 53201, October 28, 1981): A preferential income tax rate ceiling and a program of preferential export financing.

**Analysis of Programs**

**(1) Preferential Income Tax Rate Ceiling**

Firms whose establishment or expansion was "approved" before December 31, 1973 under the Statute for the Encouragement of Investment qualify for a tax rate ceiling of 25 percent of the firm's taxable income. The standard tax rate is 35 percent of taxable income.

Prior to 1982, we considered benefits from any income tax-related subsidy program to be received in the tax year in which the income was earned. As set forth in the notices of "Final Results of Administrative Review of Countervailing Duty Order" on Brazilian castor oil and scissors and shears (46 FR 62487, 47 FR 10266), and more recently in the notice of "Final Affirmative Countervailing Duty Determinations and Countervailing Duty Orders" on certain steel products from South Africa (47 FR 39379), we now consider the benefit in a review period to stem from reductions in taxes on income earned in the previous year, for it is only after a company's books have closed that the magnitude of the benefit, if any, can be known.

Thus, in order to determine the benefit received by Cheng Shin from the income tax rate ceiling in 1981, we require 1980 income tax data. Although we requested this data several times, the firm did not provide it. Therefore, we have used the income tax benefit from the latest year prior to 1981 for which we have the information as the best information available. That year is 1977, the period covered by the original and reopened investigations.

In the final determination of the reopened investigation, we calculated the ratio of bicycle tire and tube sales to total sales and applied that ratio to total taxable income, thereby computing a taxable income assignable to bicycle tire and tube sales. By comparing the taxes paid on that amount with what would have been paid on that amount, absent the ceiling, we arrived at a net subsidy. As the Government of Taiwan bestows the benefit on the basis of taxable income earned on total sales, however, a more appropriate method of calculating the benefit is to divide the tax savings attributable to total taxable income by Cheng Shin's total sales.

Modifying the calculations for 1977 in this manner, we find the *ad valorem* subsidy from the income tax rate ceiling to be 0.90 percent

### (2) Preferential Export Financing

Under the Export Financing Program, an exporter receives a short-term loan at the prevailing commercial rate of interest upon the presentation of a letter of credit from a foreign buyer. This rate is subsequently lowered by the lending institution upon approval by the Central Bank of China. During the period of review, Cheng Shin did not receive any preferential export financing for bicycle tires and tubes.

### Preliminary Results of the Review

As a result of our review, we preliminarily determine that the net subsidy conferred upon Cheng Shin during the period of review is 0.90 percent *ad valorem*. Accordingly, the Department intends to instruct the Customs Service to assess countervailing duties of 0.90 percent of the f.o.b. invoice price on all shipments by Cheng Shin of Taiwanese bicycle tires and tubes entered, or withdrawn from warehouse, for consumption on or after October 28, 1981 and exported on or before December 31, 1981.

Further, as provided for by section 751(a)(1) of the Tariff Act, we intend to instruct the Customs Service to collect a cash deposit of estimated countervailing duties of 0.90 percent of the f.o.b. invoice price on all shipments of this merchandise from Cheng Shin entered, or withdrawn from warehouse, for consumption on or after the date of public publication of the final results of the current review. This deposit requirement shall remain in effect until publication of the final results of the next administrative review.

Interested parties may submit written comments of these preliminary results within 30 days of the date of publication of this notice and may request disclosure and/or a hearing within 10 days of the date of publication. Any request for an administrative protective order must be made no later than 5 days after the date of publication. The Department will publish the final results of this administrative review including the results of its analysis of issues raised in any such written comments or at a hearing.

This administrative review and notice are in accordance with section 751(a)(1) of the Tariff Act (19 U.S.C. 1675(a)(1))

and § 355.41 of the Commerce Regulations (19 CFR 355.41)

December 2, 1982

Gary N. Horlick,

Deputy Assistant Secretary for Import Administration

[FR Doc. 82-33580 Filed 12-8-82; 8:45 am]

BILLING CODE 2510-25-M

### COMMITTEE FOR THE IMPLEMENTATION OF TEXTILE AGREEMENTS

#### Adjusting the Import Restraint Level for Certain Cotton Apparel Products From the People's Republic of China

December 6, 1982

**AGENCY:** Committee for the Implementation of Textile Agreements.

**ACTION:** Deducting 36,351 dozen of imports charged to the level of restraint established for women's, girls', and infants' cotton coats in Category 335, produced or manufactured in China and exported during the agreement year which began on January 1, 1982.

(A detailed description of the textile categories in terms of T S U S A numbers was published in the Federal Register on February 28, 1980 (45 FR 13172), as amended on April 23, 1980 (45 FR 27463), August 12, 1980 (45 FR 53506), December 24, 1980 (45 FR 85142), May 5, 1981 (46 FR 25123), October 5, 1981 (46 FR 48963), October 27, 1981 (46 FR 52409), February 9, 1982 (47 FR 5926), May 13, 1982 (47 FR 20654), and November 24, 1982 (47 FR 53091).)

**SUMMARY:** Under the terms of the Bilateral Cotton, Wool, and Man-Made Fiber Textile Agreement of September 17, 1980, as amended, between the Governments of the United States and the People's Republic of China, the United States Government has agreed to deduct 36,351 dozen in imports charged to the 1982 level of restraint established for cotton textile products in Category 335. This amount represents 1981 overshipments currently charged to the 1982 level. The two governments have further agreed that the 36,351 dozen will be charged to whatever limit may be established for Category 335 in 1983.

**EFFECTIVE DATE:** December 9, 1982

**FOR FURTHER INFORMATION CONTACT:** Carl J. Ruths, International Trade Specialist, Office of Textiles and Apparel, U.S. Department of Commerce, Washington, D.C. 20230 (202/377-4212).

**SUPPLEMENTARY INFORMATION:** On December 17, 1981, there was published in the Federal Register (46 FR 61495) a letter dated December 14, 1981 from the Chairman of the Committee for the Implementation of Textile Agreements, to the Commissioner of Customs which

established levels of restraint for certain specific categories of cotton, wool, and man-made fiber textile products, including Category 335 produced or manufactured in the People's Republic of China, which may be entered into the United States for consumption, or withdrawn from warehouse for consumption, during the twelve-month period which began on January 1, 1982 and extends through December 31, 1982. In the letter published below, the Chairman of the Committee for the Implementation of Textile Agreements directs the Commissioner of Customs to deduct 36,351 dozen from the imports charged to the level of restraint for Category 335 during the agreement year which began on January 1, 1982.

Walter C. Lenahan,

Chairman, Committee for the Implementation of Textile Agreements

Commissioner of Customs,  
Department of the Treasury, Washington,  
D.C. 20229

Dear Mr. Commissioner: To facilitate implementation of the Bilateral Cotton, Wool, and Man-Made Fiber Textile Agreement of September 17, 1980, as amended, between the Governments of the United States and the People's Republic of China, it would be appreciated if effective on December 9, 1982, you would deduct 36,351 dozen from the imports charged to the level of restraint established for cotton textile products in Category 335 during the agreement year which began on January 1, 1982.

This letter will be published in the Federal Register

Sincerely,

Walter C. Lenahan,

Chairman, Committee for the Implementation of Textile Agreements

[FR Doc. 82-33497 Filed 12-8-82; 8:45 am]

BILLING CODE 2510-25-M

#### Adjusting the Import Restraint Level for Certain Cotton and Man-Made Fiber Apparel Products From Macau

December 6, 1982

**AGENCY:** Committee for the Implementation of Textile Agreements

**ACTION:** Increasing by the application of swing the levels of restraint established for cotton and man-made fiber coats in Categories 333/334/335 and 633/634/635 to 91,904 dozen and 221,604 dozen respectively, produced or manufactured in Macau and exported during the agreement year which began on January 1, 1982.

(A detailed description of the textile categories in terms of T S U S A numbers was published in the Federal Register on February 28, 1980 (45 FR 13172), as amended on April 23, 1980 (45 FR 27463), August 12, 1980 (45 FR 53506), December 24, 1980 (45 FR

PDF Create! 6 Trial  
www.nuance.com

PDF Create! 6 Trial  
www.nuance.com

**APPENDIX C**  
**COMMISSION'S FEDERAL REGISTER NOTICES**

ratio from 25-to-1 to 30-to-1. In support of its request, FNMA advised that its actual debt-to-capital ratio at August 31, 1982, adjusted on a pro forma basis for a stock-for-debentures exchange and a subordinated debenture private placement which occurred after that date, was 23-to-1. Based on a projection of its foreseeable debt financing needs at then-current interest rates (which have declined substantially since the date of FNMA's request), FNMA predicted that it would reach the 25-to-1 maximum ratio at the end of the calendar year or shortly thereafter. FNMA therefore requested that the Secretary increase the maximum ratio to 30-to-1.

The setting of a maximum debt-to-capital ratio for FNMA by the Secretary does not indicate a Secretarial judgment as to the soundness of FNMA's financial condition under the circumstances of such a capitalization structure nor does it imply Federal backing of any sort for FNMA debt issued within the limits set. As acknowledged by the Chairman of FNMA in his request to the Secretary, "The financial market must, of course, determine for itself the appropriateness of FNMA's ratio in making judgments about yield and term requirements for FNMA's debt." Federal financial backing of FNMA is limited to the authority of the Secretary of the Treasury, granted by Section 304(c) of the FNMA Charter Act, to purchase obligations of FNMA up to a maximum of \$2.25 billion outstanding at any time, as a public debt transaction.

The Secretary recognizes, however, that the maximum ratio set by him may affect FNMA's borrowing ability, or the attractiveness of its securities, in another way. As FNMA's actual debt-to-capital ratio approaches the limit set by the Secretary, indicating the possibility of an urgent need for an increase in the near future, uncertainty and consequent adverse market reaction could result. The Secretary believes, therefore, that it is both prudent and in the interest of facilitating FNMA's continued ability to meet its statutory purposes that the maximum ratio be maintained at a level which will permit continuation of projected activities without artificial hindrance for the proximately foreseeable future.

Accordingly, the Secretary has granted FNMA's request and has fixed FNMA's maximum debt-to-capital ratio at 30-to-1, effective December 22, 1982.

Dated: December 22, 1982.

John J. Knapp,  
General Counsel.

[FR Doc. 82-35233 Filed 12-29-82; 8:45 am]  
BILLING CODE 4210-01-M

## DEPARTMENT OF THE INTERIOR

### Bureau of Land Management

#### California; Realty Action

In the matter of Recreation and public purposes—lands suitable for lease/sale of public lands in Shasta County, California.

Pursuant to 43 CFR 2400, the Bureau of Land Management proposes to classify and segregate the following described land as suitable for application under the Recreation and Public Purposes Act of June 14, 1926, as amended (43 U.S.C. 869, et seq.).

#### Shasta County, California

T 32 N., R. 5 W. M.D.M.

Section 32, all or portion of lots 141, 143, 151, 152, 153, 154, 156, 157, 158, and a portion of the Homestead No. 3, all lying within the NW ¼ (lying at the NW corner of the intersection of Highway 299 W and Iron Mountain Road)

The tract as described contains approximately 19 acres.

The California Department of Forestry (CDF) has expressed an interest in establishing a forest fire station on the above referenced site (CA 12988), through the Recreation and Public Purposes Act, as amended.

This decision/notice is based upon the following rationale:

1. The proposed classification and use is in conformance with existing land use plans.
2. The lands have been found to be suitable and valuable for public purposes and/or recreation uses.
3. The land is not of national significance and not essential to any Bureau of Land Management program.
4. The proposed use will have no known significant effect on the human and natural environment. Further study will be evaluated prior to issuing a lease, with option to purchase.
5. Leasing, with option to purchase, of the above-described lands, will provide land necessary to serve the public interest.

Classification of these lands under the provisions of the Recreation and Public Purposes Act will segregate them from all appropriations, including locations under the mining laws, except as to applications under the mineral leasing laws and applications under the Recreation and Public Purposes Act.

For a period of 45 days from the date of this notice, interested parties may submit comments to the Area Manager, 355 Hemsted Drive, Redding, California 96002. Any adverse comments will be evaluated by the State Director who may vacate or modify this realty action and issue a final determination. In the

absence of any action by the State Director, this realty action will become a final determination of the Bureau of Land Management.

Dated: December 9, 1982.

Robert Korfhage,  
Acting Area Manager.

[FR Doc. 82-35199 Filed 12-29-82; 8:45 am]  
BILLING CODE 4310-84-M

[N-1279; N-2711]

#### Nevada; Classification Vacated; Correction

In the FR issue of December 17, 1982, on page 56562, in the first paragraph of FR Documents 82-34261 and 82-34259, respectively, "Esmeralda County" should read "Humboldt County."

Wm J. Malenck,  
Chief, Division of Operations

[FR Doc. 82-35197 Filed 12-29-82; 8:45 am]  
BILLING CODE 4310-84-M

## INTERNATIONAL TRADE COMMISSION

(Investigation No. 104-TAA-14)

### Bicycle Tires and Tubes From the Republic of Korea

AGENCY: International Trade Commission.

ACTION: Institution of countervailing duty investigation and scheduling of a hearing to be held in connection with the investigation.

SUMMARY: Pursuant to section 104(b)(2) of the Trade Agreements Act of 1979 (19 U.S.C. 1671 note), the United States International Trade Commission is instituting this countervailing duty investigation to determine whether an industry in the United States would be materially injured, or would be threatened with material injury, or the establishment of an industry in the United States would be materially retarded, by reason of imports of bicycle tires and tubes from the Republic of Korea (Korea) provided for in items 772.48 and 772.57 of the Tariff Schedules of the United States, covered by an outstanding countervailing duty order, if the order were to be revoked.

EFFECTIVE DATE: December 21, 1982.

FOR FURTHER INFORMATION CONTACT: Jim McClure, Supervisory Investigator, Office of Investigations, U.S. International Trade Commission, Washington, D.C. 20436, telephone 202-523-0439.

SUPPLEMENTARY INFORMATION:

Background—On January 12, 1979,

A-68



comment have been heard. Speakers will be scheduled according to their time preference, if any, requested by letter or telephone. Any speaker not present when called will lose his privilege in the scheduled order, and his name will be recalled at the end of the scheduled speakers. Requests for scheduled presentations will be accepted until 4 p.m., February 14, 1983. Any subsequent requests will be handled on a first come, first served basis following the scheduled presentations at the meeting.

Organizations or individuals desiring to present statements at the hearings should contact the Projects Manager, Grand Junction Projects Office, Bureau of Reclamation, 764 Horizon Drive, Grand Junction, Colorado 81501, telephone (303) 243-4992, by letter or telephone, and announce their intentions to participate. Written comments from those unable to attend and from those wishing to supplement their oral presentations at the hearings should be received by February 25, 1983, to be included in the hearing record. Other comments should be received by March 31, 1983.

Dated: January 11, 1983.

R. N. Broadbent,  
Commissioner.

[FR Doc. 83-1130 Filed 1-13-83; 8:45 am]  
BILLING CODE 4310-09-M

## INTERNATIONAL TRADE COMMISSION

[Investigation No. 104-TAA-15]

### Bicycle Tires and Tubes From Taiwan; Countervailing Duty Investigation and Scheduling of Hearing

AGENCY: International Trade Commission.

**ACTION:** Institution of countervailing duty investigation and scheduling of a hearing to be held in connection with the investigation.

**SUMMARY:** Pursuant to section 104(b)(2) of the Trade Agreements Act of 1979 (19 U.S.C. 1671 note), the United States International Trade Commission is instituting this countervailing duty investigation to determine whether an industry in the United States would be materially injured, or would be threatened with material injury, or the establishment of an industry in the United States would be materially retarded, by reason of imports of bicycle tires and tubes from Taiwan provided for in items 772.48 and 772.57 of the Tariff Schedules of the United States, covered by an outstanding

countervailing duty order, if the order were to be revoked.

**EFFECTIVE DATE:** January 10, 1983.

**FOR FURTHER INFORMATION CONTACT:** Jim McClure, Supervisory Investigator, Office of Investigations, U.S. International Trade Commission, Washington, D.C. 20436, telephone 202-523-0439.

#### SUPPLEMENTARY INFORMATION

**Background.**—On January 8, 1979, the Department of the Treasury (Treasury) published in the Federal Register (44 FR 1815) a final countervailing duty determination with respect to bicycle tires and tubes from Taiwan. Treasury determined that benefits have been paid but that they involve an aggregate amount considered to be de minimus and therefore no bounty or grant is being paid or bestowed within the meaning of section 303 of the Tariff Act of 1930, as amended (19 U.S.C. 1303). On March 8, 1979, counsel for the petitioner filed suit in the U.S. Customs Court to challenge Treasury's final countervailing duty determination.

On January 1, 1980, the provisions of the Trade Agreements Act of 1979 (Pub. L. 96-39) became effective, and on January 2, 1980, the authority for administering the countervailing duty statutes was transferred from Treasury to the Department of Commerce (Commerce).

On January 19, 1981, the U.S. Court of International Trade stayed the proceedings, vacated Treasury's negative countervailing duty determination, and remanded the case to the Secretary of Commerce for further inquiries as needed to determine the ad valorem benefit provided to the Taiwanese bicycle tire and tube manufacturers. On August 3, 1981, Commerce published in the Federal Register (46 FR 53201) its final countervailing duty determination in the reopened investigation that one Taiwanese manufacturer, Cheng Shin Rubber Company Ltd. (Cheng Shin) received bounties or grants within the meaning of section 303 of the Tariff Act of 1930. The net amount of the subsidy was determined by Commerce to be 0.893 percent.

On November 17, 1981, the Court of International Trade affirmed the results of the redetermination by Commerce. On February 17, 1982, pursuant to the court decision of November 17, 1981, Commerce published in the Federal Register (47 FR 6913) a countervailing duty order with respect to bicycle tires and tubes manufactured by Cheng Shin, determining that the amount of the net subsidy was 0.893 percent. Commerce also announced its intent to conduct an

administrative review of the order within twelve months.

As required by section 751(a)(1) of the Tariff Act of 1930 (19 U.S.C. 1675(a)(1)), Commerce has conducted its first administrative review of that countervailing duty order and on December 9, 1982, as a result of that review, published in the Federal Register (47 FR 55406) its preliminary determination that the amount of net subsidy for bicycle tires and tubes manufactured by Cheng Shin is 0.90 percent of the l.o.b. invoice price of the merchandise.

**Participation in the investigation.**—Persons wishing to participate in this investigation as parties must file an entry of appearance with the Secretary to the Commission, as provided in § 201.11 of the Commission's Rules of Practice and Procedure (19 CFR 201.11, as amended by 47 FR 6189, Feb. 10, 1982), not later than 21 days after the publication of this notice in the Federal Register. Any entry of appearance filed after this date will be referred to the Chairman, who shall determine whether to accept the late entry for good cause shown by the person desiring to file the entry.

Upon the expiration of the period for filing entries of appearance, the Secretary shall prepare a service list containing the names and addresses of all persons, or their representatives, who are parties to the investigation, pursuant to § 201.11(d) of the Commission's rules (19 CFR 201.11(d), as amended by 47 FR 6189, Feb. 10, 1982). Each document filed by a party to this investigation must be served on all other parties to the investigation (as identified by the service list), and a certificate of service must accompany the document. The Secretary will not accept a document for filing without a certificate of service (19 CFR 201.16(c), amended by 47 FR 33682, Aug. 4, 1982).

**Staff report.**—A public version of the staff report containing preliminary findings of fact in this investigation will be placed in the public record on February 14, 1983, pursuant to § 207.21 of the Commission's rules (19 CFR 207.21).

**Hearing.**—The Commission will hold a hearing in connection with this investigation concurrently with the hearing for countervailing duty investigation No. 104-TAA-14, bicycle tires and tubes from Korea and antidumping investigation No. 731-TA-94 (Final), bicycle tires and tubes from Taiwan, beginning at 10:00 a.m., on March 1, 1983, at the U.S. International Trade Commission Building, 701 E Street, NW, Washington, D.C. 20436.

Requests to appear at the hearing should be filed in writing with the Secretary to the Commission not later than the close of business (5:15 p.m.) on February 18, 1983. All persons desiring to appear at the hearing and make oral presentations should file prehearing briefs and attend a prehearing conference to be held at 10:00 a.m., on February 22, 1983, in room 117 of the U.S. International Trade Commission Building. The deadline for filing prehearing briefs is February 25, 1983.

Testimony at the public hearing is governed by § 207.23 of the Commission's rules (19 CFR 207.23, as amended by 47 FR 33682, Aug. 4, 1982). This rule requires that testimony be limited to a nonconfidential summary and analysis of material contained in prehearing brief and to information not available at the time the prehearing brief was submitted. All legal arguments, economic analyses, and factual materials relevant to the public hearing should be included in prehearing briefs in accordance with § 207.22 (19 CFR 207.22, as amended by 47 FR 33682, Aug. 4, 1982). Posthearing briefs must conform with the provisions of § 207.24 (19 CFR 207.24, as amended by 47 FR 6191, Feb. 10, 1982) and must be submitted not later than the close of business on March 8, 1983.

**Written submission.**—As mentioned, parties to this investigation may file prehearing and posthearing briefs by the dates shown above. In addition, any person who has not entered an appearance as a party to the investigation may submit a written statement of information pertinent to the subject of the investigation on or before March 8, 1983. A signed original and fourteen (14) true copies of each submission must be filed with the Secretary to the Commission in accordance with section 201.8 of the Commission's rules (19 CFR 201.8, as amended by 47 FR 6188, Feb. 10, 1982, and 47 FR 13791, Apr. 1, 1982). All written submissions except for confidential business data will be available for public inspection during regular business hours (8:45 a.m. to 5:15 p.m.) in the Office of the Secretary to the Commission.

Any business information for which confidential treatment is desired shall be submitted separately. The envelope and all pages of such submissions must be clearly labeled "Confidential Business Information." Confidential submissions and requests for confidential treatment must conform with the requirements of section 201.6 of the Commission's rules (19 CFR 201.6).

For further information concerning the conduct of the investigation, hearing

procedures, and rules of general application, consult the Commission's Rules of Practice and Procedure, Part 207, Subparts A and C (19 CFR Part 207, as amended by 47 FR 6190, Feb. 10, 1982, and 47 FR 33682, Aug. 4, 1982), and Part 201, Subparts A through E (19 CFR Part 201, as amended by 47 FR 6188, Feb. 10, 1982; 47 FR 13791, Apr. 1, 1982; and 47 FR 33682, Aug. 4, 1982).

This notice is published pursuant to § 207.20 of the Commission's rules (19 CFR 207.20, as amended by 47 FR 6190, Feb. 10, 1982).

By order of the Commission.

Issued: January 10, 1983.

Kenneth R. Mason,  
Secretary.

[FR Doc. 83-1031 Filed 1-13-83; 8:45 am]  
BILLING CODE 7020-02-M

## INTERSTATE COMMERCE COMMISSION

### Motor Carriers; Permanent Authority Decisions; Decision-Notices

In the matter of Motor Common and Contract Carriers of Property (Except fitness-only); Motor Common Carriers of Passengers (public interest); Freight Forwarders; Water Carriers; Household Goods Brokers.

The following applications of motor common or contract carriers of property, water carriage, freight forwarders, and household goods brokers are governed by Subpart A of Part 1160 of the Commission's General Rules of Practice. See 49 CFR Part 1160, Subpart A, published in the Federal Register on November 1, 1982, at 47 FR 49583, which redesignated the regulations at 49 CFR 1100.251, published in the Federal Register December 31, 1980. For compliance procedures, see 49 CFR 1160.19. Persons wishing to oppose an application must follow the rules under 49 CFR Part 1160, Subpart B.

The following applications for motor common carriage of passengers, filed on or after November 19, 1982, are governed by Subpart D of 49 CFR Part 1160, published in the Federal Register on November 24, 1982 at 47 FR 53271. For compliance procedures, see 49 CFR 1160.88. Carriers operating pursuant to an intrastate certificate also must comply with 49 U.S.C. 10922(c)(2) (E). Persons wishing to oppose an application must follow the rules under 49 CFR Part 1160, Subpart E. In addition to fitness grounds, these applications may be opposed on the grounds that the transportation to be authorized is not consistent with the public interest.

Applicant's representative is required to mail a copy of an application,

including all supporting evidence, within three days of a request and upon payment to applicant's representative of \$10.00.

Amendments to the request for authority are not allowed. Some of the applications may have been modified prior to publication to conform to the Commission's policy of simplifying grants of operating authority.

### Findings

With the exception of those applications involving duly noted problems [e.g., unresolved common control, fitness, water carrier dual operations, or jurisdictional questions] we find, preliminarily, that each applicant has demonstrated that it is fit, willing, and able to perform the service proposed, and to conform to the requirements of Title 49, Subtitle IV, United States Code, and the Commission's regulations.

We make an additional preliminary finding with respect to each of the following types of applications as indicated: Common carrier of property—that the service proposed will serve a useful public purpose, responsive to a public demand or need; water common carrier—that the transportation to be provided under the certificate is or will be required by the public convenience and necessity; water contract carrier, motor contract carrier of property, freight forwarder, and household goods broker—that the transportation will be consistent with the public interest and the transportation policy of section 10101 of chapter 101 of Title 49 of the United States Code.

These presumptions shall not be deemed to exist where the application is opposed. Except where noted, this decision is neither a major Federal Action significantly affecting the quality of the human environment nor a major regulatory action under the Energy Policy and Conservation Act of 1975.

In the absence of legally sufficient opposition in the form of verified statements filed on or before 45 days from date of publication, (or, if the application later becomes unopposed) appropriate authorizing documents will be issued to applicants with regulated operations (except those with duly noted problems) and will remain in full effect only as long as the applicant maintains appropriate compliance. The unopposed applications involving new entrants will be subject to the issuance of an effective notice setting forth the compliance requirements which must be satisfied before the authority will be issued. Once this compliance is met, the authority will be issued.

APPENDIX D  
CALENDAR OF WITNESSES AT THE PUBLIC HEARING

PDF Creator! 6 Trial  
www.nuance.com

TENTATIVE CALENDAR OF PUBLIC HEARING

Those listed below appeared as witnesses at the United States International Trade Commission's hearing:

Subjects : Bicycle Tires and Tubes from Taiwan  
and  
Bicycle Tires and Tubes from Korea & Taiwan

Inv. Nos. : Inv. 731-TA-94 (Final)  
and  
Invs. 104-TAA-14 and 15

Date and time: March 1, 1983 - 10:00 a.m.

Sessions were held in connection with these investigations in the Hearing Room of the United States International Trade Commission, 701 E Street, N.W., in Washington.

IN SUPPORT OF THE IMPOSITION OF ANTIDUMPING DUTIES  
OR  
IN OPPOSITION TO THE REVOCATION OF THE OUTSTANDING  
COUNTERVAILING DUTY ORDERS

---

Eugene L. Stewart--Counsel  
Washington, D.C.  
on behalf of

Carlisle Tire and Rubber Company

John L. Kiehl, Vice President, Marketing and Sales

Thomas F. Lemker, Vice President, Finance and  
Administration

Thomas Miller, Director, Engineering Services

Timothy P. O'Reilly, Esq., General Counsel

Eugene L. Stewart--OF COUNSEL

- more -

IN OPPOSITION TO THE IMPOSITION OF ANTIDUMPING DUTIES  
OR  
IN SUPPORT OF THE REVOCATION OF THE OUTSTANDING  
COUNTERVAILING DUTY ORDER

---

Tanaka, Walders & Ritger--Counsel  
Washington, D.C.  
on behalf of

Korea Inoue Kasei Co. (KIK), of Masan, Korea

Lawrence R. Walders )--OF COUNSEL  
Robert S. Schwartz )

Kaplan, Russin & Vecchi--Counsel  
Washington, D.C.  
on behalf of

Cheng Shin Rubber Company Ltd. ("Chen Shin")

Hwally Chen, General Manager of Cheng Shin

Dennis James, Jr. )--OF COUNSEL  
Ms. Kathleen F. Patterson )

Solter and Chopivsky--Counsel  
Washington, D.C.  
on behalf of

Cheng Shin Rubber Industrial Co., Ltd.,  
Kenda Rubber Industrial Co., Ltd.,  
HWA Fong Rubber Industrial Co., Ltd., and  
LI Hsin Rubber Industrial Co., Ltd.

James Yang, President, Kenstone Corporation, Inc.

Peter K. Chiang, Sales Manager, North America

Marshall Lu, Sales Manager, Taipei Head Office,  
Taipei, Taiwan

Myron Solter--OF COUNSEL

PDF Create! 6 Trial  
www.nuance.com

APPENDIX E  
ADDITIONAL STATISTICAL TABLES

PDF Created by Trial  
www.nuance.com

Table E-1.--Bicycle tire and tube sets Purchases of domestic and imported products by U.S. bicycle manufacturers, 1/ 1979-82

\* \* \* \* \*

PDF Create! 6 Trial  
www.nuance.com



Table E-2 --Bicycles U S appparent consumption and  
producer's shipments, 1976-81

Year	Apparent consumption	producers' shipments
1975	7,294	5,607
1976	8,093	6,466
1977	9,413	7,484
1978	9,379	7,492
1979	10,883	9,038
1980	8,897	6,942
1981	8,840	6,832
1982	6,846	5,170

Source Estimated by the Bicycle Manufacturer's Association and the Schwinn  
Bicycle Co

Table E-3 --Bicycle tires and tubes U.S. production and producer's  
U.S. shipments, 1975-82

\* \* \* \* \*

PDF Create! 6 Trial  
www.nuance.com

Table E-4.--Bicycle tires U S shipments (sales) by Carlisle  
Tire & Rubber Co , by size and type, 1979-82

PDF Create! 6 Trial  
www.nuance.com

\* \* \* \* \*

Table E-5.--Bicycle tubes: U S shipments (sales) by Carlisle  
Tire & Rubber Co , by size, 1979-82

\* \* \* \* \*

PDF Create! 6 Trial  
www.nuance.com

Table E-6 --Bicycle tire and tube sets U S shipments by Carlisle  
Tire & Rubber Co , by size and type, 1979-82

PDF Create! 6 Trial  
www.nuance.com

\* \* \* \* \*

Table E-7. --Bicycles tires U.S. imports for consumption, from  
Taiwan, Korea, and all other sources, 1975-82

Year	Taiwan	Korea	All other	Total
Quantity (1,000 units)				
1975	3,924	2,640	3,522	10,086
1976	9,458	5,221	3,180	17,859
1977	9,048	8,358	3,020	20,426
1978	8,562	8,135	2,943	19,640
1979	11,755	9,252	2,125	23,132
1980	11,370	8,183	2,721	22,274
1981	9,118	6,863	2,685	18,666
1982	8,994	3,534	1,993	14,521
Value (1,000 dollars)				
1975	3,576	2,502	5,246	11,324
1976	8,259	5,024	4,706	17,989
1977	8,246	7,480	5,362	21,087
1978	7,406	7,427	5,118	19,951
1979	12,304	9,699	4,302	26,305
1980	17,058	11,089	7,012	35,159
1981	15,121	10,449	9,188	34,758
1982	13,018	5,171	6,025	24,214
Unit value (each)				
1975	\$0.91	\$0.95	\$1.49	\$1.12
1976	.87	.96	1.48	1.01
1977	.91	.90	1.78	1.03
1978	.86	.91	1.74	1.02
1979	1.05	1.05	2.02	1.14
1980	1.50	1.36	2.58	1.58
1981	1.66	1.52	3.42	1.86
1982	1.45	1.46	3.02	1.67

Source: Compiled from official statistics of the U.S. Department of  
Commerce

Table E-8 - Bicycle tires: U S imports from Korea,  
by importer, 1979-82

\* \* \* \* \*

PDF Create! 6 Trial  
www.nuance.com

Table E-9 -- Bicycle tires: U.S imports from Taiwan,  
by importer, 1979-82

\* \* \* \* \*

PDF Create! 6 Trial  
www.nuance.com



Table E-10 --Bicycle tire and tube sets U S imports from Korea,  
by importer, 1979-82

\* \* \* \* \*

PDF Create! 6 Trial  
www.nuance.com

Table E-11.--Bicycle tire and tube sets. U S. imports from Taiwan,  
by importer, 1979-82

\* \* \* \* \*

PDF Create! 6 Trial  
www.nuance.com

Table E-12.--Bicycles tubes U S imports for consumption from  
Taiwan, Korea, and all other sources, 1975-82

Year	Taiwan	Korea	All other	Total
Quantity (1,000 units)				
1975	5,078	5,774	2,825	13,677
1976	13,297	10,009	2,839	26,145
1977	13,409	13,399	2,540	29,343
1978	14,178	12,717	2,298	29,193
1979	20,179	12,179	962	33,320
1980	22,356	10,396	1,750	34,502
1981	15,635	7,928	1,874	25,437
1982	15,226	5,024	851	21,101
Value (1,000 dollars)				
1975	2,169	2,584	1,798	6,551
1976	5,895	4,486	1,485	13,675
1977	6,451	6,021	1,505	13,571
1978	6,630	5,896	1,223	13,749
1979	11,046	6,605	675	18,326
1980	16,076	7,586	1,580	25,242
1981	13,761	7,804	1,767	23,741
1982	10,560	3,997	943	15,500
Unit value (each)				
1975	\$0 43	\$0 45	\$0 64	\$0 48
1976	44	45	53	45
1977	46	45	59	47
1978	47	46	53	47
1979	55	54	70	55
1980	71	73	90	73
1981	88	98	94	93
1982	69	80	1 11	73

Source Compiled from official statistics of the U S Department of  
Commerce

Table E-13 --Bicycle tubes U S. imports from Korea,  
by importer, 1979-82

PDF Create! 6 Trial  
www.nuance.com

\* \* \* \* \*

Table E-14 --Bicycle tubes. U S imports from Taiwan,  
by importer, 1979-82

\* \* \* \* \*

PDF Create! 6 Trial  
www.nuance.com

Table E-15 --Bicycle tires and tubes: Apparent  
U.S. consumption, 1975-82

\* \* \* \* \*

PDF Create! 6 Trial  
www.nuance.com

Table E-16. --Bicycle tires U S importer's shipments of bicycle tires from Korea, by size and type, 1979-82

PDF Create! 6 Trial  
www.nuance.com

\* \* \* \* \*

Table E-17. --Bicycle tires. U S. importers' shipments of bicycle tires from Taiwan, by size and type, 1979-82

\* \* \* \* \*

PDF Create! 6 Trial  
www.nuance.com



Table E-18. -Bicycle tubes, U.S. importers' shipments of bicycle tubes from Korea, by size, 1979-82

\* \* \* \* \*

PDF Create! 6 Trial  
www.nuance.com

Table E-19 --Bicycle tubes. U.S importer's shipments of bicycle tubes from Taiwan, by size, 1979-82

\* \* \* \* \*

PDF Create! 6 Trial  
www.nuance.com

Table E-20 --Bicycle tires, tubes and sets U S importers' inventories  
of merchandise from Korea and Taiwan, by firms, 1979-82

\* \* \* \* \*

PDF Create! 6 Trial  
www.nuance.com

Table E-21 --Bicycle tires: Apparent U S. consumption supplied by imports from Taiwan, Korea, all other sources, and total imports, 1975-82

\* \* \* \* \*

PDF Create! 6 Trial  
www.nuance.com

Table E-22.--Bicycle tubes Apparent U S consumption and percentage of U S consumption supplied by imports from Taiwan, Korea, all other sources, and total imports, 1975-82

\* \* \* \* \*

PDF Create! 6 Trial  
www.nuance.com

PDF Create! 6 Trial  
www.nuance.com

PDF Create! 6 Trial  
[www.nuance.com](http://www.nuance.com)